

OPEN BUDGET SURVEY 2012 KEY FINDINGS

The Open Budget Survey is the one and only independent, comparative, regular measure of budget transparency and accountability around the world, produced by independent budget experts not beholden to any national government.

- The Survey measures whether governments in 100 countries produce and disseminate to the public 8 key budget documents recommended by international good practices. It also examines effective budget oversight and public participation in national budget decision making.
- The Survey does not reflect opinion but measures observable facts using 125 indicators.
- A subset of questions from the Open Budget Survey are used to construct the Open Budget Index (the OBI) to present a hard score, ranging from 0 to 100 on budget transparency in a country and to rank countries.

The state of budget transparency around the world is dismal.

- Seventy-seven of 100 countries assessed fail to meet basic standards of transparency and accountability when it comes to their national budgets.
- Twenty-one countries fail to publish the Executive's Budget Proposal, the essential document that describes the government's proposed budget policies.
- Of the 800 budget documents assessed in 100 countries (the Survey assesses 8 key documents in every country), governments produced 131 documents for internal use only. Budget transparency could be improved quickly and at limited cost if governments began to publish these available documents.
- Even when the documents are published, they frequently lack sufficient detail. For example, the Executive's Budget Proposals that countries publish provide, on average, less than three-fifths of the desired information as per international good practice criteria.
- The worst performers on budget transparency include Bolivia, China, Equatorial Guinea, Qatar, newly democratic Myanmar, and Zambia, which provide little to no information to their citizens about how the government is spending the public's money.
- Only six countries surveyed release extensive budget information. Those top-tier countries are: New Zealand, South Africa, United Kingdom, Sweden, Norway, and France.

There is a gradual trend towards improvements in budget transparency but at the current pace it will take at least a generation for the vast majority of countries in the world to attain significant levels of budget transparency.

- The Survey recorded a 20 percent increase in budget transparency in 40 countries with comparable data between 2006 and 2012.
- This progress is from a low base and budget transparency practices continue to be poor in these countries. To illustrate, the average OBI score among the 40 countries whose OBI scores were 40 or less in 2010 rose from 19 in 2010 to 26 in 2012.
- While some countries, such as Afghanistan, Honduras, Burkina Faso, and Dominican Republic, registered dramatic gains in budget transparency in recent years, other countries, such as Egypt, Serbia, Sri Lanka, and Zambia, registered dramatic declines.
- Far too many countries with unacceptably low levels of budget transparency are failing to advance reforms. Among the 33 countries whose OBI scores were between 41 and 60 in 2010, the average OBI score remained essentially the same in 2010 while the average OBI scores for the 20 countries whose OBI scores exceeded 60 in 2010 fell by one point in 2012.
- These findings suggest that political commitment of governments accompanied by other favorable factors, such as donor interventions, international standards, and civil society pressure, can yield significant and rapid improvements in budget transparency.

Problems associated with lack of budget transparency are compounded by few opportunities for public participation in budgeting.

- The 2012 Open Budget Survey contains a new section on public participation in the budget process. The results indicate that most countries currently provide few opportunities for public engagement. Among the 100 countries surveyed in 2012, the average score on the indicators of public participation in the budget process is just 19 out of 100.
- Some promising innovations in this area, however, are being advanced, including public hearings, social audits, citizen audit requests systems, fraud hotlines, and client surveys.

On paper, oversight institutions have formal powers but their effectiveness is constrained in practice.

- In three-quarters of countries, legislatures have insufficient or no staff to analyze the budget. Further, once the budget is enacted, in large numbers of countries the executive branch undermines legislative oversight by subsequently redistributing the resources, or by arbitrarily allocating additional revenues and contingency funds, all without seeking legislative approval.
- In 2012 supreme audit institutions (SAI) in only 14 countries receive scores suggesting they are weak. At least on paper, many other countries received moderate scores on the strength of their SAIs.

- Countries with weak legislatures or weak SAIs also tend to be countries with little budget transparency and few opportunities for public participation, implying all governance aspects of their budget systems are deficient. These countries are Angola, Cameroon, China, Equatorial Guinea, Fiji, Morocco, Myanmar, Qatar, Tunisia, and Zimbabwe.

Ultimately it is the governments who need to develop political will to implement budget reforms. IBP recommends that governments commit to achieving practical benchmarks on budget transparency based on the scores they receive on the Open Budget Index.

- Countries with scores of 40 or less on the OBI should ensure that at a minimum they publish their Executives' Budget Proposal, Enacted Budgets, Audit Reports, and the Citizens Budgets, in a regular and timely manner. They should also organize public hearings to collect citizen views on budgets.
- Countries in the middle category of the OBI (those with scores between 41 and 60) should resolve to provide significant budget information as measured by moving their OBI scores above 60. This can be achieved by improving the comprehensiveness of existing budget documents.
- All countries should advance both fundamental and innovative participation mechanisms throughout the budget process, and all countries should publish all their budget documents on the Internet in "machine-readable" formats, like an Excel spreadsheet, that facilitate analysis.

Improving budget transparency will require a major effort from all stakeholders to prioritize this issue and resolve the central challenge of shifting incentives for governments to improve.

- Civil society should continue its role in pushing for more transparency and accountability, and further demonstrate the constructive roles it can play with adequate information and access.
- Legislatures and SAIs should demand the independence and resources necessary to make them effective, and should improve their collaboration with each other and civil society.
- Multi-stakeholder initiatives need to commit the resources and influence required to make them a success.
- Donor agencies should follow and expand recent instances of tying foreign aid to budget reforms.