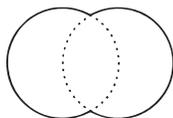


# Croatia

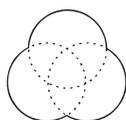
## Overview



### Transparency:

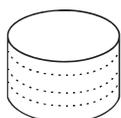
**67** /100

(Open Budget Index score)



### Public Participation:

**17** /100



### Budget Oversight:

**63** /100

## About the survey

Government budget decisions – what taxes to levy, what services to provide, and how much debt to take on – have important consequences for all people in society. When governments provide information and meaningful channels for the public to engage in these decisions, we can better ensure public money is spent on public interests.

**The Open Budget Survey (OBS)** is the world’s only independent, comparative and fact-based research instrument that uses internationally accepted criteria to assess public access to central government budget information; formal opportunities for the public to participate in the national budget process; and the role of budget oversight institutions, such as legislatures and national audit offices, in the budget process.

The survey helps local civil society assess and confer with their government on the reporting and use of public funds. This 9th edition of the OBS covers 125 countries.

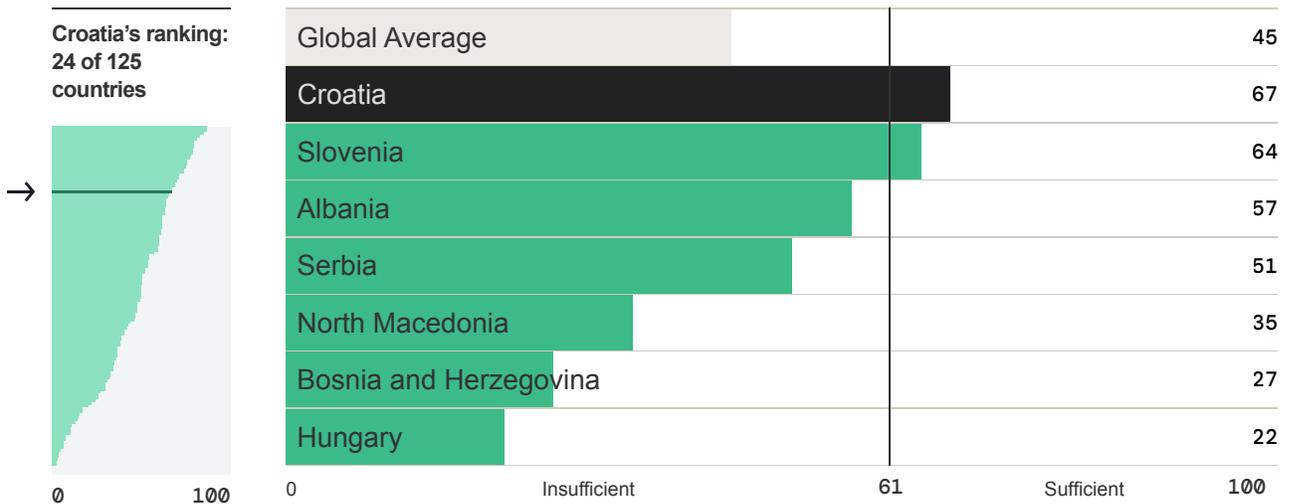
Visit [www.internationalbudget.org/open-budget-survey](http://www.internationalbudget.org/open-budget-survey) for more information, including the full OBS methodology, the 2023 Global Report, findings for all surveyed countries, and the Data Explorer.

# Transparency

This part of the OBS measures public access to information on how the central government raises and spends public resources. It assesses the **online availability, timeliness, and comprehensiveness** of eight key budget documents using 109 equally weighted indicators and scores each country on a scale of 0 to 100. **A transparency score of 61 or above indicates a country is likely publishing enough material to support informed public debate on the budget.**

Croatia has a transparency score of **67** (out of 100).

## Transparency in Croatia compared to others



# How has the transparency score for Croatia changed over time?



## Public availability of budget documents in Croatia

KEY	
<span style="color: green;">●</span>	Available to the Public
<span style="color: yellow;">●</span>	Published Late, or Not Published Online, or Produced for Internal Use Only
<span style="color: red;">⊘</span>	Not Produced

Document	2012	2015	2017	2019	2021	2023
Pre-Budget Statement	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: yellow;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Executive's Budget Proposal	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Enacted Budget	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Citizens Budget	<span style="color: red;">⊘</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
In-Year Reports	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Mid-Year Review	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: red;">⊘</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Year-End Report	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Audit Report	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>

# How comprehensive is the content of the key budget documents that Croatia makes available to the public?

KEY	
<span style="color: green;">●</span>	61-100 / 100
<span style="color: yellow;">●</span>	41-60 / 100
<span style="color: red;">●</span>	1-40 / 100

Key budget document	Document purpose and contents	Fiscal year assessed	Document content score
Pre-Budget Statement	Discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.	2023	100
Executive's Budget Proposal	Submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.	2023	67
Enacted Budget	The budget that has been approved by the legislature.	2023	89
Citizens Budget	A simpler and less technical version of the government's Executive's Budget Proposal or the Enacted Budget, designed to convey key information to the public.	2022	42
In-Year Reports	Include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.	2021-22	59
Mid-Year Review	A comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.	2022	33
Year-End Report	Describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.	2021	74
Audit Report	Issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.	2021	71

Croatia's transparency score of **67** in the OBS 2023 is near its score in 2021.

## What changed in OBS 2023?

Croatia has increased the availability of budget information by:

- Increasing the information provided in the Pre-Budget Statement.

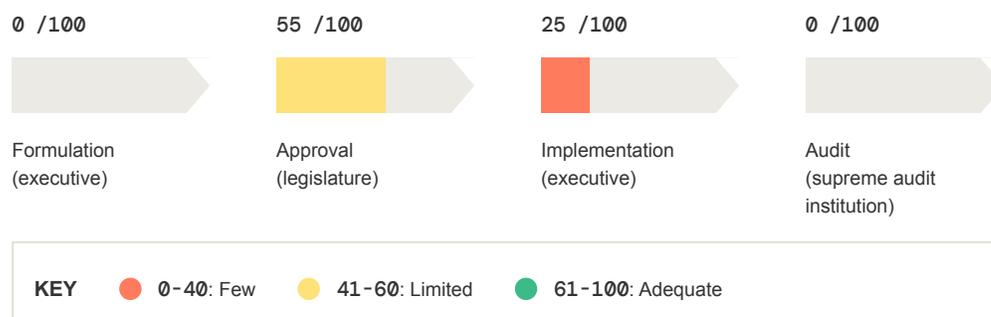
## Recommendations

Croatia should prioritize the following actions to improve budget transparency:

- Improve the comprehensiveness of the Mid-Year Review by providing an updated macroeconomic forecast for the budget year underway, updated revenue estimates by category and individual sources, and updated estimates of government borrowing and debt.
- Expand on the participatory nature of the Citizens Budget, for example by identifying the public's requirements for budget information prior to the release of the document, including contact information for follow-up by citizens, publicizing it via additional methods of dissemination (e.g., billboards, radio programs), and publishing simplified budget documents covering the formulation and audit phases of the budget cycle.
- Supplement the data included in In-Year Reports by publishing relevant methodology, including explanations of breaks in time series due to policy changes.



# Extent of opportunities for public participation in the budget process



## Recommendations

Croatia's Ministry of Finance has established hearings where members of the public, civil society organizations, and private organizations can engage with the Economic and Social Council during budget implementation but, to further strengthen public participation in the budget process, should also prioritize the following actions:

- Pilot mechanisms to engage the public during budget formulation.
- Expand mechanisms during budget implementation to engage any civil society organization or member of the public who wishes to participate.
- Actively engage with vulnerable and underrepresented communities, directly or through civil society organizations representing them.

Croatia's Parliament has established public hearings related to the approval of the annual budget and public hearings related to the review of the Audit Report, but should also prioritize the following actions:

- Allow any member of the public or any civil society organization to testify during its hearings on the budget proposal prior to its approval.
- Allow any member of the public or any civil society organization to testify during its hearings on the Audit Report.

Croatia's State Audit Office should prioritize the following actions to improve public participation in the budget process:

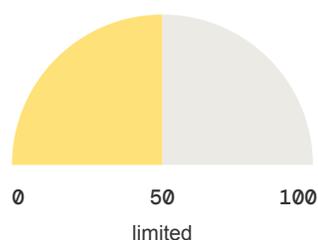
- Establish formal mechanisms for the public to assist in developing its audit program and to contribute to relevant audit investigations.

# Budget Oversight

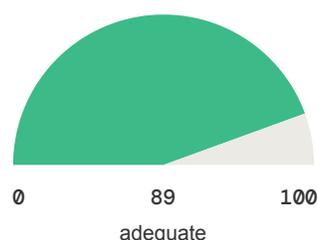
The OBS examines the role that legislatures and supreme audit institutions (SAIs) play in the budget process and the extent to which they provide oversight; each country is scored on a scale from 0 to 100 based on 18 equally weighted indicators. In addition, the survey collects supplementary information on independent fiscal institutions (see Box).

The legislature and supreme audit institution in Croatia, together, provide adequate oversight during the budget process, with a composite oversight score of **63** (out of 100). Taken individually, the extent of each institution's oversight is shown below:

## Legislative oversight



## Audit oversight



**KEY** ● 0-40: Few ● 41-60: Limited ● 61-100: Adequate

## Recommendations

Croatia's Parliament provides adequate oversight during the planning stage of the budget cycle and weak oversight during the implementation stage. To improve oversight, the following actions should be prioritized:

- The legislature should debate budget policy before the Executive's Budget Proposal is tabled and approve recommendations for the upcoming budget.
- The Executive's Budget Proposal should be submitted to legislators at least two months before the start of the budget year.
- In practice, ensure the legislature is consulted before the executive shifts funds specified in the Enacted Budget between administrative units; spends any unanticipated revenue; or reduces spending due to revenue shortfalls during the budget year, at least when the change is larger than a specified threshold.

To strengthen independence and improve audit oversight by the Croatian State Audit Office, the following actions are recommended:

- Ensure audit processes are reviewed by an independent agency.

### **The emerging practice of establishing independent fiscal institutions**

Croatia's independent fiscal institution (IFI) is the Fiscal Policy Commission. Its independence is set in law, and it reports to the legislature. It publishes an assessment of the official macroeconomic and fiscal forecasts produced by the executive.

*The indicators on IFIs are not scored in the Open Budget Survey.*

# Methodology

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- Only documents published and events, activities, or developments that took place through 31 December 2022 were assessed in the OBS 2023.
- The survey is based on a questionnaire completed in each country by an independent budget expert:  
Mihaela Bronic; Josip Franic  
Institut za javne financije - Institute for Public Finance (IPF)  
Smičiklasova 21 10000 Zagreb Croatia  
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- To further strengthen the research, each country's draft questionnaire is also reviewed by an anonymous independent expert, and in Croatia by a representative of the Ministry of Finance.