

Budget Transparency in Honduras

In the Open Budget Survey 2006 Honduras scored 38 of 100 on the Open Budget Index (OBI, a comparative measure of budget transparency calculated from a subset of Survey questions). However, its score dropped to 11 in 2008 and 2010. This drop happened despite the introduction of the Transparency and Access to Public Information Law in 2006.

In 2010 the IBP's partner, El Centro de Investigación y Promoción de los Derechos Humanos (CIPRODEH), publicized the results of the OBI through press conferences, television presentations, and events with government and civil society representatives. One of the newspapers used the headline "Honduras Has Lowest Budget Transparency in Central America."

CIPRODEH met with government officials, including the Minister and Deputy Minister of Finance. As a result of these meetings, the National Anti-Corruption Council included the OBI as an indicator of governance in its training.

In December 2010 the Board of Directors of the Millennium Challenge Corporation (MCC) met to consider a new agreement for Honduras. The first MCC agreement with Honduras happened in 2005, in which US\$205 million was allocated to fund infrastructure projects and rural development.

In the December 2010 meeting the MCC Board was optimistic about Honduras because there was a new government and the country had performed well on the first agreement. The MCC, therefore, reached agreement with the new government that there should be a new plan to improve the country's governance, public resource management, and fiscal transparency. The MCC said it would use the Open Budget Survey as one measure of performance on the plan.

The MCC officials met with IBP officials to discuss the Survey, and also arranged a conference call between the Honduran Ministry of the Presidency and the IBP. Because the next OBI would only appear in 2012, the MCC requested IBP and its Honduran partner, the Fundación Democracia sin Fronteras (FDsF), to do a special assessment in 2011. The MCC also funded the National Opinion Research Center at the University of Chicago to produce a Public Finance Management Performance Report.

The IBP and FDsF interviewed public officials and reviewed government websites and media reports. They also assessed the performance of the National Congress and the Public Accounting Authority in overseeing the budget.

The IBP/FDsF assessment report said that the Honduran government had taken "substantial steps toward increasing public availability of the Survey's eight key documents." But the report also highlighted work that still needed to be done. The draft report was presented in September 2011 at a workshop attended by many high-level officials.

The government used the findings of the two reports to draw up the Plan to Improve Fiscal Transparency and Management 2012, with the IBP's assistance. As a result, the plan refers explicitly to the OBI requirements for publication of eight key documents.

Eventually, the MCC did not make a second agreement with Honduras. Nevertheless, the government says it will still implement the Plan and submit a new proposal to the MCC in 2012. External actors helped to bring about these improvements in budget transparency in Honduras, but several civil society groups also had a strong advocacy voice that pushed things forward.