The Open Budget Survey uses 109 equally weighted indicators to measure budget transparency. These indicators assess whether the central government makes eight key budget documents available to the public online in a timely manner and whether these documents present budget information in a comprehensive and useful way.

Each country receives a composite score (out of 100) that determines its ranking on the Open Budget Index – the world’s only independent and comparative measure of budget transparency.

How has the OBI score for Albania changed over time?

Albania’s score of 50 out of 100 is moderately higher than the global average score of 42.
Transparency alone is insufficient for improving governance. Public participation in budgeting is vital to realize the positive outcomes associated with greater budget transparency.

To measure public participation, the Open Budget Survey assesses the degree to which the government provides opportunities for the public to engage in budget processes. Such opportunities should be provided throughout the budget cycle by the executive, the legislature, and the supreme audit institution.

The questions assessing participation in the Open Budget Survey 2017 were revised to align them with the Global Initiative for Fiscal Transparency’s new principles on public participation, which now serve as the basis for widely accepted norms on public participation in national budget processes. Therefore, data on the extent of public participation in budgeting in the Open Budget Survey 2017 cannot be compared directly to data from earlier editions.

However, Albania has failed to make progress in the following ways:

- Not producing a Mid-Year Review.
- Including only minimal information in the Year-End Report.

Albania’s score of 2 out of 100 indicates that it provides few opportunities for the public to engage in the budget process. This is lower than the global average score of 12.

How does public participation in Albania compare to other countries in the region?

To what extent do different institutions in Albania provide opportunities for public participation?

Albania’s score of 50 on the 2017 Open Budget Index is substantially higher than its score in 2015.

Since 2015, Albania has increased the availability of budget information by:

- Publishing the Year-End Report and the Citizens Budget online.
- Increasing the information provided in the Audit Report and the Pre-Budget Statement.
The Open Budget Survey examines the role that legislatures, supreme audit institutions, and independent fiscal institutions play in the budget process and the extent to which they are able to provide effective oversight of the budget. These institutions play a critical role — often enshrined in national constitutions or laws — in planning budgets and overseeing their implementation.

These indicators were revised to better assess the role of formal oversight institutions in ensuring integrity and accountability in the use of public resources. Therefore, data on the role and effectiveness of oversight institutions in the Open Budget Survey 2017 should not be compared directly to data from earlier editions.

To what extent does the legislature in Albania provide budget oversight?

The legislature provides adequate oversight during the budget cycle. This score reflects that the legislature provides adequate oversight during the planning stage of the budget cycle and adequate oversight during the implementation stage of the budget cycle. The main barriers to effective legislative oversight are:

- A legislative committee does not examine or publish reports on in-year budget implementation online.
- In practice, as the budget is implemented, the legislature is not consulted before the government shifts funds between administrative units specified in the Enacted Budget.

To what extent does the supreme audit institution in Albania provide budget oversight?

The supreme audit institution provides adequate budget oversight.

- Under the law, it has full discretion to undertake audits as it sees fit.
- Moreover, the head of the institution is appointed by the legislature or judiciary and cannot be removed without legislative or judicial approval, which bolsters its independence.
- Finally, the supreme audit institution is provided with sufficient resources to fulfill its mandate, but its audit processes are not reviewed by an independent agency.

Oversight by an Independent Fiscal Institution

Albania does not have an independent fiscal institution (IFI). While IFIs are not yet widespread globally, they are increasingly recognized as an important source of independent, nonpartisan information. IFIs take a variety of different institutional forms. Common examples include parliamentary budget offices and fiscal councils.


RECOMMENDATIONS

For more detailed information on the survey findings for Albania, please see the Open Budget Survey Data Explorer at survey.internationalbudget.org.

How can Albania improve transparency?

Albania should prioritize the following actions to improve budget transparency:

- Produce and publish a Mid-Year Review.
- Provide detailed data on the financial position of the government and increase the information on performance and policy in the Executive’s Budget Proposal.
How can Albania improve participation?
Albania should prioritize the following actions to improve public participation in its budget process:

- Pilot mechanisms for members of the public and executive branch officials to exchange views on national budget matters during both the formulation of the national budget and the monitoring of its implementation. These mechanisms could build on innovations, such as participatory budgeting and social audits. For examples of such mechanisms, see www.fiscaltransparency.net/mechanisms/.
- Hold legislative hearings on the formulation of the annual budget, during which members of the public or civil society organizations can testify.
- Establish formal mechanisms for the public to assist the supreme audit institution in formulating its audit program and to participate in relevant audit investigations.

How can Albania improve oversight?
Albania should prioritize the following actions to make budget oversight more effective:

- Ensure a legislative committee examines and publishes reports on in-year budget implementation online.
- In practice, ensure the legislature is consulted before the executive shifts funds between administrative units specified in the Enacted Budget during the budget year.
- Ensure audit processes are reviewed by an independent agency.
- Consider setting up an independent fiscal institution to further strengthen budget oversight.

The survey is based on a questionnaire that is completed for each country by independent budget experts who are not associated with the national government.

The draft responses to each country’s questionnaire are then independently reviewed by an anonymous expert who also has no association with the national government.

In addition, IBP invites nearly all national governments to comment on the draft responses and considers these comments before finalizing the survey results.

Researchers respond to comments from peer reviewers and their government, if applicable, and IBP referees any conflicting answers in order to ensure consistency across countries in selecting answers.

Despite repeated efforts, IBP was unable to get comments on the draft Open Budget Questionnaire results from the government of Albania.

Further Information
Visit openbudgetsurvey.org for more information, including:

- The Open Budget Survey 2017: Global report
- Data explorer
- Methodology report
- Full questionnaire