Drawing on internationally accepted criteria developed by multilateral organizations, 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 Bulgaria changed over time?**

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2008</th>
<th>2010</th>
<th>2012</th>
<th>2015</th>
<th>2017</th>
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<td>Pre-Budget Statement</td>
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<td>Executive’s Budget Proposal</td>
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<td>Enacted Budget</td>
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<td>Citizens Budget</td>
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<td>In-Year Reports</td>
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<td>Mid-Year Review</td>
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<td>Year-End Report</td>
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<td>Audit Report</td>
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</table>

**How comprehensive and useful is the information provided in the key budget documents that Bulgaria publishes?**

- **Formulation**
  - Pre-Budget Statement: Scant
  - Executive’s Budget Proposal: Substantial
  - Enacted Budget: Substantial
  - Citizens Budget: Minimal

- **Implementation**
  - In-Year Reports: Scant
  - Mid-Year Review: Minimal
  - Year-End Report: Substantial
  - Audit Report: Substantial

Bulgaria’s score of 66 out of 100 is substantially 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.

Bulgaria’s score of 22 out of 100 indicates that it provides few opportunities for the public to engage in the budget process. This is higher than the global average score of 12.

To what extent do different institutions in Bulgaria provide opportunities for public participation?
BUDGET OVERSIGHT

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 Bulgaria provide budget oversight?

The legislature provides limited oversight during the budget cycle. This score reflects that the legislature provides adequate oversight during the planning stage of the budget cycle and weak oversight during the implementation stage of the budget cycle.

Oversight by an Independent Fiscal Institution

Bulgaria’s Fiscal Council serves as its independent fiscal institution (IFI). Its independence is set in law, and it reports to the legislature. It publishes an assessment of the official macroeconomic or fiscal forecasts produced by the executive.

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. For more information, see Lisa von Trapp, Ian Lienert, and Joachim Wehner, “Principles for Independent Fiscal Institutions and Case Studies,” OECD Journal on Budgeting, March 2016 (special issue), pp. 9-24.

RECOMMENDATIONS

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

How can Bulgaria improve transparency?

Bulgaria should prioritize the following actions to improve budget transparency:

- Increase the information and data provided on the financial position of the government and on expenditures in the Executive’s Budget Proposal.

The main barriers to effective legislative oversight are:

- A debate on budget policy by the legislature does not take place prior to the tabling of the Executive’s Budget Proposal.
- 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 and reduces spending due to revenue shortfalls.
- A legislative committee does not examine or publish reports on the Audit Report online.

To what extent does the supreme audit institution in Bulgaria 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.

- Provide detailed data on comparisons between planned nonfinancial outcomes and actual outcomes in the Year-End Report and increase the information provided in the Citizens Budget.
How can Bulgaria improve participation?
Bulgaria should prioritize the following actions to improve public participation in its budget process:

■ Actively engage with individuals or civil society organizations representing vulnerable and underrepresented communities during the formulation and monitoring of the implementation of the national budget.
■ Hold legislative hearings on the Audit Report, 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 Bulgaria improve oversight?
Bulgaria should prioritize the following actions to make budget oversight more effective:

■ Ensure the legislature holds a debate on budget policy prior to the tabling of the Executive’s Budget Proposal and approves recommendations for the upcoming budget.
■ Ensure a legislative committee examines and publishes a report on the Audit Report online.
■ Ensure audit processes are reviewed by an independent agency.
■ Publish the reports of the independent fiscal institution on macroeconomic or fiscal forecasts and on cost estimates of new policy proposals online.

METHODOLOGY

The Open Budget Survey uses internationally accepted criteria developed by multilateral organizations from sources such as the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), the International Organisation of Supreme Audit Institutions (INTOSAI) and the Global Initiative for Fiscal Transparency (GIFT).

It is a fact-based research instrument that assesses what occurs in practice through readily observable phenomena. The entire research process took approximately 18 months between August 2016 and January 2018 and involved about 300 experts in 115 countries. The Open Budget Survey 2017 assesses only events, activities, or developments that occurred up to 31 December 2016. The survey was revised somewhat from the 2015 version to reflect evolving methods for disseminating budget information and to strengthen individual questions on public participation and budget oversight. A discussion of these changes can be found in the Open Budget Survey Global Report (see link below).

Survey responses are typically supported by citations and comments. This may include a reference to a public document, an official statement by the government, or comments from a face-to-face interview with a government official or other knowledgeable parties.

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.

The government of Bulgaria provided comments on the draft Open Budget Questionnaire results.

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

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