

Opening Budgets to Public Understanding and Debate: Results from 36 Countries

by

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As part of the global movement toward more open government, citizens have become increasingly concerned with obtaining access to accurate, comprehensive and timely information on the budgets of their countries. The International Budget Project developed the Open Budget Questionnaire, a measurement tool to evaluate public access to budget information from the perspective of civil society organisations. In early 2004, civil society researchers from 36 developing countries and transition economies completed the questionnaire. Other budget process issues were also included in the questionnaire, in order to explore ways of improving public understanding and involvement in the budget and to identify concrete steps that countries can take to improve their budget systems.

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1. Introduction

Consistent with the movement toward more open government, citizens around the world have become increasingly concerned with obtaining access to accurate, comprehensive, and timely information on their country's budget. The growing interest in access to budget information is unsurprising – a government's budget and reports issued throughout the year are key documents that should allow the public to evaluate a government's policy intentions, its policy priorities, and their implementation. Access to such budget information is essential to ensure government financial accountability, and for civil society's informed participation in budget debates.

The International Budget Project (IBP) of the Center on Budget and Policy Priorities was established in 1997 to assist non-governmental organisations (NGOs) and researchers in developing countries in their efforts to analyse budget policies, open budget processes, and strengthen budget-related institutions. The IBP's goal is to make budget systems more responsive to the needs of society and, accordingly, to make these systems more transparent and accountable to the public.

As such, the IBP worked for two years (2003-04) to develop the *Open Budget Questionnaire*, a comparative measurement tool to evaluate public access to budget information and budget processes across countries from the perspective of civil society organisations. The findings presented here are intended to contribute to the debate and discussion on budget transparency.

1.1. The rising global interest in budget transparency

Since the mid-1990s, a number of important global trends have spurred interest in budget transparency. These trends include an increasing focus on combating corruption, interest in ensuring accountability for the delivery of public services, the process of decentralising government, and increased emphasis on community-led development. The interest of some international donors in building the capacity of governments to administer development funds by providing direct budget support rather than through traditional project-specific support has also been a factor.

Meanwhile, civil society organisations (CSOs) with a broad range of mandates and interests have become increasingly concerned about the availability of budget information and opportunities for participation. These

CSOs include organisations with an emphasis on pro-poor budgeting, combating corruption, or monitoring a government's adherence to its commitments under the *International Covenant on Economic, Social and Cultural Rights*. Organisations with specialisation in sector-specific issues such as health or education have also recognised the importance of budget transparency to their work.

1.2. Development of international standards

Both multilateral organisations and civil society have become interested in promoting budget transparency by further defining those practices and procedures necessary to ensure transparency and accountability. Some efforts involve the development of codes of good or best practices, in conjunction with research to assess adherence to the guidelines developed. Other efforts have involved measuring perceptions through surveys or polls to determine how knowledgeable individuals in a country view adherence to a set of practices researchers have defined as necessary to budget transparency.

The International Monetary Fund adopted the *Code of Good Practices on Fiscal Transparency* in 1998 in the wake of the Asian financial crisis (IMF, 2001). The Asian financial crisis and a series of other financial collapses during the 1990s spurred a debate on the need to reform the global financial architecture. Although the debate on the global financial system is ongoing, it did contribute to a view within international financial institutions that good governance is central to achieving macroeconomic stability, and that fiscal transparency is a key aspect of good governance.

Subsequently, the OECD developed guidelines of what are considered to be best practices for transparency relating to budgets, the *OECD Best Practices for Budget Transparency* (OECD, 2001). The OECD best practices are focused on information that should be publicly available as part of a government's budget documents and during each stage of the budget process. The OECD best practices provide specific guidelines on the principal budget documents and reports that a government should produce. These include details relating to the disclosures to be contained in the reports, and practices for ensuring the quality and integrity of the reports. This focus differs in some respects from the IMF fiscal transparency code, which also contains valuable reporting guidelines intended to provide coverage of the entire public sector, including sub-national government.

1.3. Civil society research efforts

The *Open Budget Questionnaire* effort grows out of related recent civil society efforts. Budget transparency and participation have been topics of considerable interest to civil society budget groups and researchers for some time. They were

the subject of extensive discussion at the first international conference for non-governmental budget researchers hosted in 1997 by the IBP.

This led the IBP and the Institute for Democracy in South Africa (Idasa) to develop a methodology to assess budget transparency and participation in the budget process. The IBP hoped that the method would help budget groups to compare budget transparency in their own countries with other countries. Idasa was concerned with documenting the significant improvements in transparency in South Africa and establishing a yardstick for future improvements. Both organisations thought that the scorecard might eventually be used by broader civil society and legislatures in developing countries to pressure for greater transparency.

The IBP and Idasa also organised the second international conference of budget groups around the theme of transparency and participation in the budget process. At this February 1999 conference, the initial results from the South Africa study were presented. Several of the conference attendees decided to undertake open budget work in their own countries. These groups included Poland's Gdansk Institute for Market Economics, which produced a report on openness and transparency of public finances in 2001.

In December 2001, civil society research on budget transparency and participation took a significant step forward with the release of a study examining these dimensions in five Latin American countries. The researchers engaged in the study came from some of the leading academic and non-profit institutions in Latin America including: Poder Ciudadano in Argentina; the Brazilian Institute for Social and Economic Analysis (IBASE); the Economics Department at the University of Chile; in Mexico, the Center on Research and Teaching in Economics (CIDE) and the groups Fundar and Gender Equity; and the Research Center of the Pacific University in Peru. This regional effort was subsequently expanded to include ten Latin American countries, producing research that was released in November 2003.

In June 2002, a cross-country transparency civil society study was published that covered five African nations. The Africa study was co-ordinated by the Africa Budget Project at Idasa, which gathered the country researchers to refine the methodology and discuss preliminary results. The survey was based on a review of available documentation and personal interviews with experts drawn from civil society, the media, academia, the private sector, and members of the executive and legislative branches of government. The groups that conducted this study include Isodec in Ghana, Transparency International in Kenya, Integrity in Nigeria, Idasa in South Africa, and in Zambia the University of Zambia, Women for Change, and Catholic Commission for Justice and Peace. The Africa regional initiative was expanded to nine countries in 2003 and will also produce research.

Other civil society efforts have involved regional and local governments. In Russia, the group Strategia organised a series of conferences focusing in large part on budget transparency and participation and sparked considerable research in this area in 2001. Strategia conducted the research at the local level in Murmansk, Petrozavodsk, and Velikije Luki, and at the regional level in St. Petersburg, Novosibirsk, Pskov, Samara, and Yuzhno-Sakhalinsk oblast.

The current study profited greatly from these previous efforts. Those efforts helped sort through a variety of methodological issues and employed innovative techniques, from which we have learned. Many of the researchers were also directly involved in this study, as described in the next section.

1.4. The structure of this report

The next three sections of this report present the findings, first by examining the results by the three main categories in which the questions were placed, then by the subcategories within each category, and finally by specific questions. The last section examines the results from a questionnaire completed by the researchers on the distribution of budget documents in their respective countries. The report concludes by sketching out how the report and its findings might be of use to the governments studied as well as to civil society, and briefly discusses the IBP's future plans in this area.

2. Principal findings by major category

The study's principal findings are shown in Table 1 which presents the scores in three categories for the 36 participating countries. The average scores for the categories show that countries tend to do a better job of meeting best practice guidelines for the information presented in the executive's budget proposal than they do for providing information on the budget after it has been enacted, or taking steps to encourage public and legislative involvement in the budget process.

- **Executive budget documents:** The average score of 56% (out of a possible total of 100%) for the countries in the sample indicates that their practices are more positive than not with regard to the executive's budget proposal, but that much possible improvement remains. (A score of 67% implies that acceptable standards have been met, on average, for the questions in the category.)
- **Monitoring and evaluation reports:** This category includes questions regarding in-year, mid-year, year-end, and audit reports. The average score for this category drops to 44%, indicating that practices are mostly negative, and generally fall short of best practice for the countries in the sample.
- **Public and legislative involvement:** The average score for the final category is 40%, implying that current practices with regard to encouraging public and legislative involvement are weak for the countries in the sample.

Table 1. Summary of Findings by Major Category
(sorted by category score)

Country	Executive Budget Documents	Country	Monitoring and Evaluation Reports	Country	Public and Legislative Involvement
Czech Republic	86%	Slovenia	99%	Slovenia	86%
Slovenia	86%	Poland	97%	South Africa	77%
Botswana	84%	South Africa	82%	Czech Republic	65%
South Africa	83%	Czech Republic	76%	Poland	63%
Poland	79%	Russia	74%	Brazil	57%
Peru	77%	Mexico	70%	Uganda	54%
Kenya	72%	Kenya	64%	Indonesia	52%
Namibia	68%	Peru	64%	Romania	51%
Jordan	68%	Bulgaria	57%	Peru	49%
Ghana	64%	Romania	55%	Argentina	49%
Azerbaijan	64%	Georgia	53%	Burkina Faso	48%
Russia	63%	Croatia	51%	Mexico	48%
Mexico	62%	Brazil	49%	Kenya	46%
Brazil	61%	Uganda	48%	Costa Rica	46%
Argentina	61%	Jordan	46%	Russia	45%
Uganda	59%	Indonesia	45%	Bangladesh	40%
India	59%	El Salvador	44%	Colombia	38%
Bangladesh	58%	Burkina Faso	43%	India	37%
El Salvador	58%	Argentina	42%	El Salvador	37%
Colombia	57%	Botswana	42%	Croatia	36%
Costa Rica	56%	Bangladesh	40%	Botswana	36%
Nepal	56%	Kazakhstan	36%	Bulgaria	34%
Burkina Faso	56%	Colombia	36%	Malawi	33%
Malawi	52%	Nicaragua	34%	Namibia	33%
Georgia	52%	Ghana	34%	Ghana	33%
Romania	51%	Nepal	32%	Jordan	31%
Kazakhstan	48%	Costa Rica	31%	Kazakhstan	28%
Indonesia	47%	Zambia	31%	Azerbaijan	27%
Bulgaria	45%	India	30%	Honduras	25%
Honduras	43%	Ecuador	25%	Georgia	24%
Zambia	35%	Namibia	14%	Nicaragua	20%
Ecuador	31%	Bolivia	12%	Zambia	19%
Croatia	28%	Azerbaijan	10%	Mongolia	19%
Bolivia	21%	Honduras	7%	Bolivia	18%
Nicaragua	19%	Malawi	6%	Ecuador	14%
Mongolia	0%	Mongolia	0%	Nepal	7%
Average	56%	Average	44%	Average	40%

Note: The shading groups countries according to their average score. Scores of 67% or above generally indicate “positive” practices, and scores of 50% to 66% reflect “mostly positive” practices. In contrast, scores of 33% to 49% indicate “mostly negative” practices, and scores of less than 33% reflect “negative” practices.

Most countries in the sample follow this general trend – higher scores for executive’s budget proposal and lower scores for the other two categories. There are, however, some exceptions. Nine of the countries show higher scores for monitoring and evaluation reports than for the executive’s budget proposal. These are Bulgaria, Croatia, Georgia, Mexico, Nicaragua, Poland, Romania, Russia, and Slovenia. Further, Croatia, Indonesia, Mongolia, and Nicaragua have higher scores for public and legislative involvement than for the executive’s budget proposal category.

Box 1. Content of major categories

The questions were grouped into three major categories that describe the study’s principal findings. These include the executive budget documents, monitoring and evaluation reports, and public and legislative involvement.

Executive budget documents

This category includes 45 questions that cover information presented in the executive’s budget proposal as it is tabled in the legislature. The executive budget documents category also reflects information in any of the supporting documents that the executive may issue simultaneously as companion documents to facilitate understanding and interpretation of its main budget proposal. Many of the best practices assumed in the questions used in this category reflect the *OECD Best Practices for Budget Transparency*, and some of the guidelines contained in the *IMF Code of Good Practices on Fiscal Transparency*.

Monitoring and evaluation reports

This category includes 25 questions on reports that are used to monitor the budget’s execution during the fiscal year and to evaluate it after the year has concluded. These include: in-year reports on the budget’s execution, which the OECD recommends should be issued monthly; a mid-year review, which should provide a comprehensive report covering the first six months of the budget year; and a year-end report that should serve as the government’s key accountability document, which should be audited.

Public and legislative involvement

The third category is intended to capture those budget-related materials and aspects of the budget process that, if emphasised, can help to improve public understanding of the budget and contribute to increased involvement of the public and the legislature in the budget debate. This category includes 42 questions on budget documents that can enhance public debate and understanding, such as a pre-budget statement, and practices during the budget’s formulation and approval that can assist public involvement.

2.1. High scores

Only two countries – Slovenia and South Africa – score more than 67% in all three categories, and thus can be said to have strong practices in all of the major areas covered by the questionnaire. (A score of 67% implies that acceptable standards have been met, on average, for the questions in the category.) The Czech Republic and Poland were close to achieving this goal, scoring above 67% in the first two categories and just below 67% in the third category.

2.2. Low scores

Three countries – Bolivia, Ecuador, and Mongolia – score below 33% in all three categories, indicating serious deficiencies in terms of the openness of their national budget processes. Mongolia's score of zero in the first two categories is attributable to the fact that it makes none of the budget documents available to the public that are covered in the questionnaire. This includes the executive's budget proposal, which is not considered a public document. Five of the countries score below 33% in two of the three categories (Azerbaijan, Honduras, Nepal, Nicaragua, and Zambia).

3. Detailed findings by category and subcategory

This section of the report discusses in more detail the results from the 36 countries examined. The categories presented in the previous section are broken down into subcategories, and findings for each of these subcategories are presented below.

3.1. Executive budget documents

The countries on average receive the highest marks for information contained in the executive's budget proposal. The "executive budget documents" category averages a score of 56%, indicating that countries' performance on average is "mostly positive" in this category (see Table 2).

Countries on average tend to provide significant amounts of basic information on expenditures and revenues in the executive's budget proposal for the budget year and for past years, according to the subcategory scores. The subcategories that fare the best cover information for the budget year and beyond, and for the prior year and before. The two highest subcategory average scores are for the "budget year and beyond" at 65%, and "prior year and before" at 63%. Both are close to the level of 67% considered to be indicative of meeting acceptable standards on average for all questions in the subcategory.

However, the "comprehensiveness" subcategory has an average score of 40%, indicating weak performance. This suggests that in many countries in

Table 2. **Executive Budget Documents**

Country	Budget Year and Beyond			Prior Year and Before			Compre- hensiveness	Category Total
	Budget year (BY)	Multi-year (BY+2)	Sub- category Total	Prior year (BY-1)	Historical (BY-2)	Sub- category Total	Sub- category Total	Executive Budget
Argentina	81%	100%	87%	39%	43%	41%	55%	61%
Azerbaijan	70%	50%	64%	85%	100%	91%	36%	64%
Bangladesh	81%	0%	56%	94%	86%	91%	28%	58%
Bolivia	59%	0%	41%	0%	0%	0%	21%	21%
Botswana	96%	0%	67%	100%	86%	94%	92%	84%
Brazil	96%	100%	97%	15%	14%	15%	71%	61%
Bulgaria	56%	0%	38%	55%	90%	69%	29%	45%
Burkina Faso	70%	0%	49%	48%	29%	41%	79%	56%
Colombia	81%	42%	69%	42%	76%	56%	48%	57%
Costa Rica	85%	8%	62%	55%	86%	67%	41%	56%
Croatia	70%	0%	49%	39%	0%	24%	12%	28%
Czech Republic	100%	50%	85%	100%	95%	98%	76%	86%
Ecuador	74%	0%	51%	55%	0%	33%	7%	31%
El Salvador	81%	0%	61%	85%	71%	80%	33%	58%
Georgia	78%	0%	54%	67%	76%	70%	31%	52%
Ghana	78%	100%	85%	76%	100%	85%	21%	64%
Honduras	70%	75%	72%	58%	14%	41%	15%	43%
India	78%	0%	54%	82%	90%	85%	38%	59%
Indonesia	85%	0%	59%	70%	0%	43%	38%	47%
Jordan	74%	0%	51%	82%	95%	87%	64%	68%
Kazakhstan	59%	58%	59%	64%	57%	61%	23%	48%
Kenya	70%	92%	77%	76%	95%	83%	55%	72%
Malawi	67%	67%	67%	48%	24%	39%	50%	52%
Mexico	96%	0%	67%	85%	71%	80%	39%	62%
Mongolia	0%	0%	0%	0%	0%	0%	0%	0%
Namibia	89%	100%	92%	70%	90%	78%	33%	68%
Nepal	81%	0%	56%	88%	100%	93%	19%	56%
Nicaragua	63%	0%	44%	0%	0%	0%	14%	19%
Peru	93%	92%	92%	73%	95%	81%	56%	77%
Poland	100%	50%	85%	88%	90%	89%	64%	79%
Romania	89%	50%	77%	48%	43%	46%	29%	51%
Russia	78%	58%	72%	76%	100%	85%	33%	63%
Slovenia	100%	8%	72%	100%	100%	100%	86%	86%
South Africa	100%	100%	100%	100%	100%	100%	49%	83%
Uganda	74%	67%	72%	85%	90%	87%	19%	59%
Zambia	59%	58%	59%	42%	0%	26%	21%	35%
Average	77%	37%	65%	64%	61%	63%	40%	56%

Note: The category scores reflect the average of the subcategory scores. The scores for the subcategories were calculated by averaging the scores of the individual questions within each subcategory.

the study there is insufficient information in the budget proposal to provide the full information necessary to allow the public to assess the government's fiscal position during the budget year or in future budget years. For example, in some countries important information on items such as expenditure arrears, contingent liabilities, or future liabilities is not disclosed to the public in budget documents.

Box 2. Subcategories of “executive budget documents”

Table 2 provides more detail on the “executive budget documents” category, presenting the subcategories of questions that comprise this category.

The first subcategory is **budget year and beyond** and it includes 13 questions that ask about expenditure, revenue, and debt information provided in the executive's budget for the budget year and for future years. This subcategory is divided into two groupings, one relating to information provided during the budget year, and a second for projections of expenditures and revenues for the two subsequent budget years labelled “multi-year”.

The second subcategory is **prior year and before**, with 18 questions that ask about the basic financial data in the budget for the year prior to the budget year and for years before that. Such prior year information is essential during budget debates for comparative purposes. This subcategory is divided into two groupings, one regarding expenditure and revenue information provided for the year preceding the budget year, and another for information two or more years prior to the budget year labelled “historical”.

The third subcategory is **comprehensiveness**, and it asks questions about assumptions and activities that can have a significant impact on the budget during the year or in future years. This subcategory's 14 questions seek to examine whether the budget discusses, for instance, the economic assumptions upon which the budget estimates are based, extra-budgetary funds, quasi-fiscal activities, contingent liabilities, and donor assistance.

3.1.1. Budget year and beyond

The questions in the “budget year and beyond” subcategory have been broken down in Table 2 to show further detail to distinguish between information available for the budget year and multi-year projections covering future years. What is notable in this subcategory is that although countries on average tend to provide significant information for the budget year in formats that are suitable for policy analysis, many fail to provide information for future years. This indicates that many have yet to adopt best practices in

budgeting that call for strengthened planning and transparency in regard to their programmatic and fiscal goals in future years, such as adoption of a medium-term expenditure framework. The average score of 77% for information presented for the budget year stands in marked contrast to the average score of 37% for multi-year projections for future years.

A total of 26 countries have positive scores (at least 67%) with regard to the basic budget data for the budget year provided in the executive's budget proposal. No country except Mongolia scores below 50% for this grouping. For information provided during the budget year, eight countries score above 90%, with four countries – Czech Republic, Poland, Slovenia, and South Africa – scoring 100%.

Regarding information presented for future budget years, five countries have scores of 100% on the questions dealing with multi-year projections. Argentina, Brazil, Ghana, Namibia, and South Africa have multi-year budgets that provide detailed expenditure and revenue estimates. Kenya and Peru also show strong performance in providing multi-year information. In contrast, 16 countries do not present multi-year budgets covering at least two years beyond the budget year. A further 12 countries present some limited multi-year information.

3.1.2. Prior year and before

In the “prior year and before” subcategory the scores for the presentation of data covering the prior year and those covering a longer historical period are about the same – 64% and 61% respectively. Slovenia and South Africa scored 100% on both provision of budget information for the year prior to the budget year and for previous years. Azerbaijan, Bangladesh, Botswana, Czech Republic, and Nepal also provide substantial information on previous budget years, all scoring above 90% in the “prior year and before” subcategory.

In sharp contrast, Bolivia and Nicaragua provide no prior year or historical data in their budgets. Mongolia does not make its budget available to public and, as such, also scores 0% for the prior year and before subcategory. In addition, four other countries – Croatia, Ecuador, Indonesia, and Zambia – include no historical data beyond the prior year.

3.1.3. Comprehensiveness

The responses to the questions in the “comprehensiveness” subcategory indicate especially weak performance. Fifteen countries have scores of less than 33%, indicating negative performance in disclosing information on such activities as tax expenditures, quasi-fiscal activities, non-financial assets held by government, and the future liabilities that government faces (such as civil service pensions). Only five countries – Botswana, Brazil, Burkina Faso, Czech

Republic, and Slovenia – have positive practices in this area, based on their scores of 67% or higher.

The “comprehensiveness” subcategory contains questions that attempt to assess whether **all** government activities that may have an impact on the budget are fully disclosed to the legislature and the public in budget documents. In some countries, for instance, entities outside central government (such as public corporations) undertake fiscal activities. Similarly, activities that can have a significant impact on the budget (such as payment arrears and contingent liabilities) are not properly captured by the regular modes of presenting expenditure, revenues, and debt. A lack of transparency and mismanagement of such activities have led to an enormous drain on government budgets in many countries.

3.2. Monitoring and evaluation reports

In contrast to the information contained in the executive’s budget proposal, the responses indicate that far fewer countries of the 36 countries examined have positive practices in terms of issuing to the public reports that monitor the budget while it is being implemented or that evaluate the budget once the fiscal year has been completed. The second major category in the study – “monitoring and evaluation reports” – receives an average score of 44%, indicating mostly negative performance on average (see Table 3).

This suggests that countries are doing a fairly poor job in both presenting in-year monitoring reports and end-of-year evaluation reports, with these subcategories showing scores of 45% and 43% respectively. The low scores for the executive’s year-end report is especially of concern because this document should serve as the government’s key accountability document, showing the executive’s compliance with levels of revenues and expenditures authorised by the legislature in the budget.

3.2.1. In-year monitoring

In the “in-year monitoring reports” subcategory, a total of 19 countries score below 50%, indicating that about half of the countries in the sample do a poor job of reporting their in-year budget activities. Only Slovenia scores 100% for both in-year reports and the mid-year review. Poland also receives substantially high scores on in-year reporting and for its mid-year review.

Significantly, a total of six countries provide no regular in-year reports monitoring the progress of the budget (Azerbaijan, Botswana, Ghana, Indonesia, Malawi, and Mongolia). An additional 11 countries score less than 50% in the “in-year monitoring reports” subcategory, providing scanty or delayed information on expenditures, revenues, and borrowing during the

Table 3. **Monitoring and Evaluation Reports**

Country	In-Year Monitoring Reports			End-of-Year Evaluation Reports			Category Total
	In-Year Reports	Mid-Year Review	Subcategory Total	Year-End Reports	Audit Reports	Subcategory Total	Monitoring and Evaluation Reports
Argentina	74%	0%	51%	48%	13%	33%	42%
Azerbaijan	0%	0%	0%	0%	47%	19%	10%
Bangladesh	74%	0%	51%	43%	7%	28%	40%
Bolivia	26%	0%	18%	0%	13%	6%	12%
Botswana	0%	0%	0%	76%	93%	83%	42%
Brazil	48%	50%	49%	24%	87%	50%	49%
Bulgaria	100%	0%	69%	57%	27%	44%	57%
Burkina Faso	52%	0%	36%	71%	20%	50%	43%
Colombia	33%	25%	31%	43%	40%	42%	36%
Costa Rica	19%	0%	13%	61%	33%	50%	31%
Croatia	74%	0%	51%	38%	67%	50%	51%
Czech Republic	81%	67%	77%	81%	67%	75%	76%
Ecuador	48%	0%	33%	29%	0%	17%	25%
El Salvador	63%	0%	44%	57%	27%	44%	44%
Georgia	70%	33%	59%	43%	53%	47%	53%
Ghana	0%	75%	23%	62%	20%	44%	34%
Honduras	4%	0%	3%	14%	7%	11%	7%
India	41%	50%	44%	0%	40%	17%	30%
Indonesia	0%	58%	18%	71%	73%	72%	45%
Jordan	81%	0%	56%	0%	87%	36%	46%
Kazakhstan	85%	0%	59%	19%	7%	14%	36%
Kenya	59%	83%	67%	62%	60%	61%	64%
Malawi	0%	0%	0%	0%	27%	11%	6%
Mexico	85%	58%	77%	71%	53%	64%	70%
Mongolia	0%	0%	0%	0%	0%	0%	0%
Namibia	11%	50%	23%	0%	13%	6%	14%
Nepal	37%	50%	41%	38%	0%	22%	32%
Nicaragua	74%	0%	51%	29%	0%	17%	34%
Peru	96%	0%	67%	76%	40%	61%	64%
Poland	96%	100%	97%	95%	100%	97%	97%
Romania	100%	0%	69%	52%	27%	42%	55%
Russia	81%	75%	79%	62%	80%	69%	74%
Slovenia	100%	100%	100%	100%	93%	97%	99%
South Africa	100%	83%	95%	76%	60%	69%	82%
Uganda	41%	33%	38%	62%	53%	58%	48%
Zambia	33%	8%	26%	38%	33%	36%	31%
Average	52%	28%	45%	44%	41%	43%	44%

Note: The category scores reflect the average of the subcategory scores. The scores for the subcategories were calculated by averaging the scores of the individual questions within each subcategory.

Box 3. Subcategories of “monitoring and evaluation reports”

Table 3 presents more details of the “monitoring and evaluation reports” category, which is comprised of the two subcategories described below.

The first examines **in-year monitoring reports**. The 13 questions in the in-year monitoring subcategory ask about the availability of in-year reports and the mid-year review that can be used to assess progress in implementation of the budget during the fiscal year. This subcategory is divided into two groups, one relating to regular periodic reports on the budget’s execution that the OECD recommends should be issued monthly, and a second grouping showing the country’s mid-year review.

The **end-of-year evaluation reports** subcategory consists of 12 questions that ask about the availability and content of a year-end report, and an audit report prepared by the supreme audit institution that can be used to assess the budget once the budget year has ended. This subcategory is divided into two groupings, one that shows a score for the country’s year-end report, and a second grouping for the audit of the year-end report.

fiscal year (Bolivia, Brazil, Colombia, Costa Rica, Ecuador, Honduras, India, Namibia, Nepal, Uganda and Zambia).

A total of 19 countries – slightly more than half the countries in the sample – do not produce mid-year reviews. This is of serious concern because the mid-year review is a highly significant document for tracking the progress of the budget during the fiscal year. This report should provide a comprehensive update on the budget’s implementation, and should disclose the impact of any changes to macroeconomic assumptions and of any government decisions or other circumstances that will significantly impact the budget for the remainder of the year.

3.2.2. End-of-year evaluation

In the “end-of-year evaluation reports” subcategory, 25 countries score 50% or below, implying notable weaknesses in this area. The year-end report is especially significant because it should serve to demonstrate the executive’s compliance with the levels of spending and revenue collections authorised by the legislature, as well as explain any deviation from these levels. The report should also include non-financial data to allow the public to evaluate the executive’s performance during the year.

Further, it is essential that an independent body audit the year-end report and issue a public report on its finding. This is a key function of a national

supreme audit institution. Yet the study finds that only Poland and Slovenia scored 90% or better for the provision of information in both their year-end reports and audit reports. Poland scores 100% for audit reports, while Slovenia receives a perfect score for year-end reports.

At the same time, ten countries – Azerbaijan, Bolivia, Ecuador, Honduras, India, Kazakhstan, Malawi, Mongolia, Namibia, and Nicaragua – had exceptionally low scores for both year-end reports and audit reports, with their scores for the end-of-year evaluation subcategory at 20% or lower.

3.3. Encouraging public and legislative involvement in the budget

The study finds that the weakest aspect of the budget process in nearly all of the countries has to do with efforts by the executive or the legislature to facilitate public discourse and understanding of the budget. Most executives fail to provide information to the public and to legislatures that can help make the budget and the policies it embodies more understandable. Without such information, a wider and informed debate on a nation's fiscal priorities is impossible. The study's third category – “encouraging public and legislative involvement in the budget” – receives an average score of 40%, the lowest average score of the three major categories (see Table 4).

3.3.1. Highlighting policy and performance goals

The lowest average score for any subcategory in the study relates to information provided to highlight policy and performance goals. The average score in this subcategory is 31%. The weakness of this average score is a concern because effective budgeting requires that policy goals be aligned with budget allocations, yet few countries are providing the necessary information to assess this essential aspect of their budgets. This includes providing non-financial data that would allow for evaluation of the effectiveness of spending programmes, such as the number of beneficiaries for a programme, other performance indicators or targets, and information on policies specifically intended to assist the poor.

Only three countries – Czech Republic, Slovenia, and South Africa – have scores above 67% in this subcategory, indicating the common availability of this policy and performance information. Notably, a total of 19 countries have scores below 33%, and ten of these countries – Bolivia, Croatia, Ecuador, El Salvador, Georgia, Honduras, Kazakhstan, Mongolia, Nepal, and Nicaragua – have exceptionally low scores at 10% or lower.

3.3.2. Involvement of the legislature

The involvement of the legislature in the budget process is, on average, slightly weak in the 36 countries answering the questionnaire, with an

Table 4. **Encouraging Public and Legislative Involvement in the Budget**

Country	Highlighting Policy and Performance Goals		Involvement of the Legislature		Facilitating Public Discourse and Understanding			Category Total
	Subcategory Total	Approving Budgets	Engaging with the Budget	Subcategory Total	Supplementary Materials and Explanations	Encouraging Budget Debate	Subcategory Total	Encouraging Public and Legislative Involvement
Argentina	54%	61%	48%	54%	37%	43%	40%	49%
Azerbaijan	18%	40%	52%	47%	19%	14%	17%	27%
Bangladesh	54%	44%	24%	33%	30%	38%	33%	40%
Bolivia	0%	39%	33%	36%	11%	24%	17%	18%
Botswana	25%	56%	67%	62%	26%	14%	21%	36%
Brazil	44%	83%	62%	72%	30%	90%	56%	57%
Bulgaria	21%	50%	33%	41%	19%	71%	42%	34%
Burkina Faso	15%	56%	76%	67%	52%	76%	63%	48%
Colombia	31%	50%	29%	38%	41%	48%	44%	38%
Costa Rica	41%	72%	52%	62%	30%	43%	35%	46%
Croatia	0%	56%	52%	54%	37%	76%	54%	36%
Czech Republic	85%	72%	38%	54%	67%	43%	56%	65%
Ecuador	3%	28%	24%	26%	0%	29%	13%	14%
El Salvador	8%	83%	52%	67%	44%	24%	35%	37%
Georgia	10%	44%	33%	38%	19%	29%	23%	24%
Ghana	46%	44%	43%	44%	11%	5%	8%	33%
Honduras	8%	83%	29%	54%	15%	14%	15%	25%
India	23%	56%	33%	44%	70%	10%	44%	37%
Indonesia	49%	89%	38%	62%	26%	71%	46%	52%
Jordan	33%	33%	33%	33%	26%	29%	27%	31%
Kazakhstan	8%	61%	33%	46%	30%	33%	31%	28%
Kenya	46%	44%	52%	49%	41%	48%	44%	46%
Malawi	46%	40%	29%	33%	22%	14%	19%	33%
Mexico	49%	53%	43%	47%	33%	62%	48%	48%
Mongolia	0%	61%	29%	44%	0%	29%	13%	19%
Namibia	31%	72%	29%	49%	19%	19%	19%	33%
Nepal	8%	0%	0%	0%	19%	10%	15%	7%
Nicaragua	10%	22%	24%	23%	26%	29%	27%	20%
Peru	33%	67%	48%	56%	63%	52%	58%	49%
Poland	38%	61%	86%	74%	59%	95%	75%	63%
Romania	56%	83%	24%	51%	59%	29%	46%	51%
Russia	13%	56%	76%	67%	33%	76%	55%	45%
Slovenia	87%	94%	76%	85%	81%	90%	85%	86%
South Africa	72%	83%	81%	82%	71%	81%	76%	77%
Uganda	51%	50%	33%	41%	67%	76%	71%	54%
Zambia	15%	39%	24%	31%	4%	19%	10%	19%
Average	31%	56%	43%	49%	34%	43%	38%	40%

Note: The category scores are the average of the subcategory scores. The scores for the subcategories were calculated by averaging the scores of the individual questions within each subcategory.

average score of 49%. The countries, on average, show somewhat better practices, scoring 56%, on the questions related to the legislative approval of the budget. A total of 11 countries score 67% or above in this area, and these higher scores indicate the extent to which the executive consults with the legislature during the budget's formulation, the legislature's legal powers to amend the budget, and the legislature's role in approving supplemental budgets and contingency funds.

However, the group of questions labelled “engaging with the budget” receives substantially lower scores than does the previous grouping related to legislative approval of the budget. These questions ask, for instance, whether the legislature is holding public hearings on the budget, an essential step if the legislature is to review and understand the budget in detail. Another question asks how far in advance of the start of the fiscal year the legislature receives the budget, giving an indication of the amount of time available for the legislature to debate the budget. These questions show an average score of 43%, with 10 countries scoring less than 33%. Nepal scores zero for this subcategory of questions on the legislature because the authorities dissolved the legislature in 2002 due to a civil conflict.

3.3.3. Facilitating public discourse and understanding

Under the “facilitating public discourse and understanding” subcategory, both groupings of questions (supplementary materials and explanations, and encouraging budget debate) show low scores. In particular, the 34% average score for the questions involving the provision of supplementary materials and explanations is quite low. In total, 20 countries have scores of less than 33% on these questions, and ten of these countries have scores below 20%. Such scores indicate that governments are not taking steps to provide non-technical descriptions of the budget – for instance, in the form of a “citizens’ budget” – or other information that can help the public better understand the budget and the budget process.

Although somewhat higher at 43%, the average score for the questions examining whether the executive is taking steps to encourage budget debate is still fairly low. This reflects in large part the fact that few countries release a comprehensive pre-budget statement in advance of the budget to outline the budget and stimulate discussion; 17 countries (or slightly less than half of the total) do not release any pre-budget statement to the public. In other countries, the release date of the budget is not known far enough in advance to give the legislature and interested civil society groups sufficient time to prepare for its release and provide input on budget policies.

Box 4. Subcategories of “encouraging public and legislative involvement in the budget”

The results for the category “encouraging public and legislative involvement in the budget” are presented in Table 4. The category is divided into the three subcategories discussed below.

The **highlighting policy and performance goals** subcategory has 13 questions that ask whether the budget discusses specific policy proposals separately from ongoing activities. They also ask whether the budget (and year-end reports) includes non-financial data or other information that help assess the performance of government programmes.

The **involvement of the legislature** subcategory asks 13 questions about the role of the legislature in approving the budget, including supplemental budgets, and actions it takes to examine the budget, such as holding public hearings. This subcategory is divided into two groupings, the first relating to the approval of budgets, which deals with the extent to which the executive consults with the legislature during the budget’s formulation, the legislature’s legal powers to amend the budget, and the legislature’s role in approving supplemental budgets and contingency funds. The second grouping, engaging with the budget, examines how far in advance of the budget year the legislature receives the budget proposal, whether legislative committees hold hearings on the budget’s macroeconomic framework, and hearings on the individual budgets of administrative units such as ministries or agencies.

The third subcategory is **facilitating public discourse and understanding**. These 16 questions examine a range of activities that the executive could undertake to help promote wider debates on the budget. The subcategory is split into two parts. The first group of questions examines whether the executive is providing supplementary materials and explanations that can assist the legislature and the public to better understand the technical aspects of the budget and the context in which the budget debate occurs. The second group of questions looks at steps the executive could take to encourage more budget debate, such as releasing a pre-budget statement and clarifying its release timetable for the executive’s budget proposal.

4. Responses to specific questions

This section of the report examines country responses to the individual questions contained in the *Open Budget Questionnaire*. Examining the responses to individual questions highlights specific ways in which countries in the sample typically engage in positive and negative budget practices.

The findings of this section are similar to those discussed above relating to the category and subcategory averages. For instance, the individual questions in the “encouraging public and legislative involvement in the budget” category fare worse than questions in the “executive budget documents” category. There are, however, identifiable specific budget practices – such as issuing citizens’ budgets, monitoring extra-budgetary funds, tracking policies to benefit the poor, and describing the conditions of international aid, to name a few – where examining the responses to individual questions is more informative than the category or subcategory scores.

The score for a particular question reflects the average of the 36 country responses to the question. Those questions with an average score of 67% or above indicate that the practices assessed are at least mostly fulfilled in the countries examined. Questions with an average score of less than 33% indicate that the practices, on average, are used only to a small degree across the countries.

As Table 5 indicates:

- There were 21 questions for which the average score was 67% or more, indicating positive practices. The highest score was on the issue of whether the executive’s budget documents provided information on interest payments for the budget year; all the survey countries but Mongolia provide such information, yielding a score of 97% for this question.
- There were 34 questions for which the average score was less than 33%, indicating negative practices. The lowest score applied to whether the legislature held hearings on departmental budgets that included testimony from the public. The vast majority of countries fail to hold such hearings, yielding the meagre score of 10%. Few of the countries examined provide an official forum for the public to comment on this key feature of a budget proposal.
- There were 57 questions for which the answers scored from 33% to 67%; that is, the scores to just over half of the questions indicate practices that are mostly positive (50% to 66%) or mostly negative (33% to 49%). In all these cases, the scores suggest room for improvement.

Table 5. Answers to the 112 individual questions

	Number in category	Percent of questions
Positive practices (67% or more)	21	19%
Negative practices (less than 33%)	34	30%
Other (between 33% and 67%)	57	51%

For a complete list of the individual questions and their scores, see the IBP website at www.internationalbudget.org/openbudgets/index.htm.

4.1. Positive practices

Out of the 21 questions with scores of 67% or above, 16 relate to the provision of budget year or prior year information in the executive budget documents. These include the seven questions with the highest scores. This result reinforces the report's conclusion that most of the countries examined provide significant basic budget information. In cases where a country fails to provide such information, however, its budget documents are falling short in a fundamental fashion.

- For the budget year, countries typically are quite good at presenting information in the executive's budget proposal on interest payments on the debt (a 97% score), sources of tax revenue (93%), sources of non-tax revenue (88%), expenditures classified by administrative unit (85%), and expenditures by economic classification (75%).
- For the year prior to the budget year, countries also generally meet the standards when it comes to providing sources of tax revenue (78%) and non-tax revenue (74%). Note the drop-off, however; countries provide less information about revenues for the prior year than they do for the upcoming budget year.

Of the remaining five questions with high scores, three relate to the role of the legislature. Two of the questions are worth noting. The expenditure budget approved by the legislature tends to include a reasonable amount of detail. The average score on this question was 74%. More than a third of the countries provide full programme-level detail, while the large majority of the remaining countries provide at least expenditures by administrative unit or functional classification. Since it is the budget that is approved by the legislature that is the one to be implemented, the provision of adequate details is essential to ensure proper oversight.

Also of importance, the executive branch of most of the countries tends to comply with legislative requests for more detailed budget information; the average score here was 73%. Positive practices in this area are vital to the legislature's ability to fulfill its oversight responsibilities.

4.2. Negative practices

Significantly more questions received scores below 33% than scores of 67% or above. The large majority of the 34 questions that received scores indicating negative practice fell into the following four subcategories:

- **Nine of the 13 questions in the area of "highlighting policy and performance goals" received scores below 33%.** As examples, most countries failed to design performance targets that enable one to assess

whether progress is being made toward meeting policy goals (the score on this question was just 19%); to provide non-financial data useful for assessing how an expenditure programme is performing (22%); or to use performance indicators (26%). The low scores on these and other performance or policy indicators make it difficult to assess whether government budgets are aligned with policy priorities. Further, even when key policy connections are described in the executive's budget, whether or not the implemented budget achieves these connections frequently is not assessed. For instance, while all but seven countries provide at least some information in the executive budget on how policies benefit directly their most impoverished populations, 19 countries fail to provide any information on how actual spending levels on programmes to assist the nation's poor differed from enacted levels. Because of the frequently large gap between the amount of funds enacted to be spent on a programme and the amount of funds that is actually spent, the absence of information on this gap is troubling.

- **Seven of the 14 questions in the area of the “comprehensiveness” of the executive’s budget had scores of less than 33%.** In their budgets, most countries provided little or no information about non-financial assets (scoring 21%), quasi-fiscal activities (23%), future liabilities (23%), tax expenditures (27%), financial assets (28%), expenditure arrears (30%), and the impact of different macroeconomic assumptions (31%). The poor practices in the first six of these questions point towards a common deficiency in the budget documents of many countries. Even though a large share of budget activities are carried out through activities or mechanisms that are not captured in the standard presentations of revenue and expenditure, information concerning these activities or mechanisms is typically absent.
- **Five of the 16 questions relating to “facilitating public discourse and understanding” scored less than 33%.** Only six countries – Colombia, El Salvador, India, Slovenia, South Africa, and Uganda – have a “citizens’ budget” that provides a non-technical presentation of the budget designed for a broad audience; the remaining 30 countries examined do not. In another example, only five countries – Argentina, Costa Rica, Peru, Poland, and Slovenia – provide significant information about the distribution of tax burdens.
- **Four of the 13 questions concerning the “involvement of the legislature” did poorly.** There were several questions which indicated room for substantial improvement. Three of these questions relate to legislative hearings. Legislatures in 17 countries do not hold public hearings on the macroeconomic and fiscal framework, while 14 countries hold quite limited hearings in this area. In 27 countries, the legislature does not release any type of public report on its hearings. In 28 countries, the hearings on the individual budgets of the government’s administrative units do not include testimony from the public, so only the government’s view is represented.

The poor practices in this area indicate that most countries are failing to develop one of the most direct forums for encouraging broader understanding of and debate over the budget.

4.3. Other observations

Macroeconomic forecasts lack sensitivity analyses. While 23 countries present a fairly detailed macroeconomic forecast upon which budget projections are based, only 12 countries include a detailed analysis of the effects of alternative economic assumptions, such as different rates of inflation or economic growth. Such a sensitivity analysis is important, because modest changes in macroeconomic assumptions can lead to substantial variations in expected budget outcomes, such as the amount of the deficit.

Multi-year budgets contain insufficient detail. About half of the countries surveyed provide aggregate levels for estimated expenditures and revenues for a multi-year period. Yet only about one-quarter of the countries provide disaggregated information for expenditures and revenues for a multi-year period. Detailed multi-year projections are necessary to understand the anticipated path of expenditures on particular programmes or the collection of certain revenues.

All four of the questions related to the mid-year review received scores of less than 33%. Only Kenya, Poland, Russia, and Slovenia fared well on all four questions and release a comprehensive mid-year review that discusses changes in the economic outlook and provides updated expenditure and revenue estimates. This finding further documents the limited use of this potentially helpful report. When done properly, it provides an important mid-year snapshot of how the budget is being implemented.

Information on the conditions associated with International Financial Institution (IFI) and donor assistance is sorely absent. Some 23 countries provide no budgetary information explaining conditions associated with assistance from donor countries; 20 countries provide no information about conditions associated with IFI aid. Just four countries – Burkina Faso, Poland, Slovenia, and Uganda – provide fully comprehensive information about donor country aid conditions; the same four countries are the only ones that provide fully comprehensive information about conditions applying to IFI assistance. Since these conditionalities can play an important role in shaping government's budget policy choices, it is clear many countries should place a higher priority on making them known to the public.

5. The public availability of budget documents

This section of the report examines the public availability of various documents linked to the formulation, approval, execution, and monitoring of the budget in the respondent countries. Making these documents publicly

available is one of the first and most important steps to cultivate an open and accountable budget process.

The information for this section is taken from the “distribution of budget reports” chart at the end of each country’s questionnaire (see IBP website) and is not included in the scores discussed elsewhere in this study. The information provided in these charts shows that the countries surveyed have an uneven approach to making budget-related documents available to the public. Further, in a number of countries, documents were prepared but not released to the public; rather, they were used only by the executive or the legislature for internal purposes. In these countries, the openness of their budget processes could be improved simply by making these documents available to the public.

5.1. Publicly available information essential for an open budget process

The *Open Budget Questionnaire* pays particular attention to the information that is made available to the public, from the executive’s proposed budget to the final audit reports released after the budget year has been completed. Although information that the executive may have but does not make public can assist the executive with its task of managing the budget, information available only for internal purposes does not help to inform the public about the budget. Only information that is available to the public can help deepen the public’s understanding of the budget and ultimately facilitate a more inclusive and accountable budget process (see Box 5 for an explanation of when a document is “released to the public”).

This analysis specifically examines whether a country follows the recommendations contained in the *OECD Best Practices for Budget Transparency* with regard to issuing six key budget documents – the pre-budget statement, the executive’s budget proposal, in-year monitoring reports, a mid-year review, year-end evaluation reports, and independent audit reports. In addition, the questionnaire asks whether the executive releases a “citizens’ budget” – that is, a non-technical discussion of its budget proposals intended to reach a wide audience.

To be of significant value to the public, bolstering its role in the budget process, documents provided to the public must be comprehensive, understandable, and timely. Other parts of the questionnaire examine these crucial questions in more detail. This section of the report focuses only on the most basic question: Is a particular document made available to the public? This is the first crucial step in making a budget process more open. Once a document is made public, its comprehensiveness, clarity, and timeliness can always be improved. In fact, the more a document is subject to public scrutiny and use, the more likely feedback will improve its contents over time. So making it public is an essential first step.

Box 5. What is meant by “public document”?

The questionnaire focuses on documents released to the public. Budget documents and reports that are produced by the executive or other entities such as the supreme audit institution may fall into three categories:

- those that are produced for internal purposes only and are not made available to the public;
- those that are made available to the public either free of charge or for a minimal fee, but only if the public requests the particular documents from the executive; and
- those that are distributed to the public either free of charge or for a minimal fee, such that the public can access the documents through means other than requesting them directly from the executive (for instance, on the Internet or from a public library).

A document is considered as “released to the public” in either the second or third categories above. A document must be available to any member of the public who requests it to meet the conditions of the second category.

5.2. Budget documents made available to the public

Table 6 shows that two-thirds or more of the 36 countries examined make available to the public four of the six documents recommended by the OECD: the executive’s budget proposal, in-year reports, year-end reports, and audit reports. About half of the countries provide the other two documents: the pre-budget statement and the mid-year review. Only a relatively small number of countries release a citizens’ budget. Only four countries – Colombia, Slovenia, South Africa, and Uganda – provide all seven documents to the public.

Table 6. Budget documents made available to the public
(out of 36 countries completing the questionnaire)

	Number of countries	Percent of total
Pre-budget statement	19	53%
Executive’s budget proposal	35	97%
Citizens’ budget	6	17%
In-year monitoring reports *	27	75%
Mid-year review	17	47%
Year-end evaluation reports	29	81%
Audit reports	24	67%

* Results for in-year expenditure reports only.

The most prevalent public document is the executive's budget proposal, which is publicly available in 35 of the 36 countries examined. Of all the budget documents, the executive's budget typically is the most detailed and it receives the most attention in the media and by the public. Only in Mongolia, where the executive provides the budget just to the legislature (which is not allowed to distribute it), is the document not available to the public. A high percentage of countries provide in-year reports monitoring expenditure (75% of the countries), year-end evaluation reports (81%), and audit reports (67%) to the public. These reports are essential for assessing the execution of the budget and the extent to which the financial and policy goals embodied in the budget have been met.

As noted, about half of the countries examined make available to the public a pre-budget statement and a mid-year review. Some might argue that these documents are less important than the others. But their value should not be underestimated, particularly when it comes to facilitating public discourse and understanding. Both documents tend to be less technical than other reports, typically putting the budget information into the context of larger fiscal and economic circumstances. A pre-budget statement can be particularly important in countries where the legislature has only a short time to debate the budget.

The fewest number of countries provide a citizens' budget. Here again, some may try to make the case that this document is not essential, as it is simply repeating information that is already presented in the main executive budget document. Further, a citizens' budget could be prepared by a group outside the executive with the information provided in the budget, raising issues as to whether such a document is a responsibility of the executive. But the questionnaire asks about the executive providing a citizens' budget in part to gauge the executive's efforts at providing information to the public that is clearer and more accessible than the budget document, whose presentation is often fairly technical. In general, the questionnaire seeks to assess the extent to which the executive has made the extra effort to clarify to the public the policy goals and funding priorities embodied in the budget. The citizens' budget is an important component of such an effort.

5.3. Budget documents that are not made available to the public

In many cases, documents that are not made available to the public are in fact prepared, but are only used by the executive or the legislature for their internal purposes.

- Although one-quarter of the 36 countries examined do not release to the public in-year reports monitoring expenditures and one-fifth do not release year-end evaluation reports, all of these countries except one – Namibia –

prepare these reports for internal purposes. That is, the executive collects the relevant information, but uses it only for its own management purposes.

- Similarly, one-third of the countries do not make audit reports available to the public, but all of these countries except one – Nicaragua – have a regular audit process, and audit reports are prepared for the use of the executive or the legislature. Even in the case of pre-budget statements, more than two-thirds of the countries that do not release this report to the public prepare it for internal purposes.
- Only in the case of the mid-year review are there few instances of it being prepared for internal purposes. (In the case of the citizens' budget, it would make no sense for the executive to prepare it for internal purposes.)

Unlike other parts of the study, which are based on the assessments of public documents made by non-governmental researchers, the findings in this section are more difficult to verify because they involve documents that are not publicly available. Even if a non-governmental researcher can confirm the existence of a document prepared by the executive for internal purposes, it can be very difficult for the researcher to assess the contents of the document to determine if it meets the desired standards. Nevertheless, the findings still seem to point to the existence of a significant amount of information that is prepared for internal purposes but not released to the public, even though international organisations such as the OECD recommend that such information be disclosed to the public.

To improve the openness of the budget process in a country, therefore, more of these documents prepared for internal purposes should be made available to the public. The most difficult step in providing budget information to the public is actually collecting the information and putting it into reports. This can sometimes involve developing complicated collection processes and databases. Thus a call to make certain information public could require a significant undertaking on the part of the executive. But in many of these cases, the country has already undertaken the difficult step of collecting the information and preparing the report. Therefore making these documents available to the public is an easier next step for these governments to take to make their budget processes more open.

5.4. Making budget documents more widely available

The executive can take any number of steps to make budget documents and budget information more accessible to the public. For instance, it can announce in advance when documents will be released, so that the media and the public can be better prepared to engage in a discussion of their contents. Documents can be written in plainer, less technical language or, in some countries, translated into multiple languages to accommodate more diverse

Table 7. **Budget documents not available to the public**
(number of countries, out of 36 countries completing the questionnaire)

	Reports prepared for internal use	Reports not prepared at all	Total, not available to the public
Pre-budget statement	13	4	17
Executive's budget proposal	1	0	1
Citizens' budget	n.a.	30	30
In-year monitoring reports*	8	1	9
Mid-year review	11	8	19
Year-end evaluation reports	6	1	7
Audit reports	11	1	12

* Results for in-year expenditure reports only.

populations. The executive can more actively promote the budget with the media and the public, making itself more available for public discussions.

Budget documents can also be distributed more widely. Often, public documents are available only if requested or are available only to a narrow group of technicians in the capital city. Narrower distribution may be appropriate for a technical report, but broader access is surely more desirable for other budget documents. Making documents available in a timely manner at a wide range of locations, from the public library to the Internet, can greatly increase the potential for public access.

5.5. Many countries post documents on the Internet

Posting budget documents on the Internet is becoming increasingly more common. Of the 36 countries examined, all but three – Honduras, Kenya, and Zambia – post at least one budget document on the Internet. Colombia, Slovenia, and South Africa post all seven of the documents, from the pre-budget statement to audit reports, on the Internet. Brazil, Mexico, and Russia post all of the documents recommended by the OECD (*i.e.* all but the citizens' budget, which they do not produce). Internet links to budget documents available on line are provided in the “list of budget documents” chart for each country (see IBP website).

Although making budget documents available on line is a practice that should be encouraged, it is not without its limitations. The biggest problem in poorer countries is that only a limited segment of the population has Internet access. Sometimes budget documents are quite large, potentially making them difficult and costly to download. Nevertheless, even when such problems exist, interested parties – such as non-governmental organisations, international institutions, and academic researchers – still have much easier access to

documents available on line, and these groups in turn can further the dissemination process.

Information is most valuable when it is made available in a timely fashion. While availability of a document on the Internet can be a sign of timeliness, it is no guarantee. In some cases, documents are only posted some time after a “hard copy” of the document has been released to the media or the public. For instance, in some cases researchers provided links to government websites, but noted that the documents on these websites were out of date and that, for all practical purposes, the executive was not making relevant documents available on line. Governments should commit themselves to keeping websites up-to-date and using the Internet as a way to make budget information more accessible in a timely manner.

6. Conclusions: taking open budget work forward

In the near term, we hope that this study as well as the detailed questionnaires for each country found on the IBP website will be of use to countries that are interested in opening up their budget systems. The information here is designed to assist civil society organisations around the world in their own assessments of their budget systems and how they might be improved. A few of the lessons that emerge are discussed below.

- **Progress on budget transparency is feasible and sometimes can be achieved within a short period.** The development of budget systems that are open in a wide range of ways in a relatively short time period has been accomplished already in the Czech Republic, Poland, Slovenia, and South Africa.
- **Concrete steps towards improvements are readily identifiable.** We believe each of the completed *Open Budget Questionnaires* for the countries in this study suggests concrete steps that a government may take to improve its performance. As examples, in some instances this may be through the adoption of a multi-year budget. In other cases, it will necessitate strengthening the comprehensiveness of the budget by improving the quality of information disclosed regarding extra-budgetary funds, quasi-fiscal activities, tax expenditures, and contingent liabilities. For many countries, in-year reporting and year-end reporting are in significant need of improvement.
- **Facilitate public and legislative involvement.** This study indicates that countries should take much larger steps to further open national budget processes to broader citizen participation. In some countries, the executive could greatly increase information available during the formulation phase by issuing a pre-budget statement that discloses the macroeconomic assumptions and revenue and expenditure parameters with which it will

formulate the budget. In other countries, opening the budget process will require making the legislature's involvement in budget deliberations more meaningful by providing sufficient time prior to the start of the budget year for legislative debate. And in many others, legislative hearings open to the public on the budget would greatly increase public understanding of the government's handling of important policy issues.

- **Make budget documents available to the public.** Public access to budget documents is vital to ensuring government financial accountability, and for the public's informed participation in budget debates. Yet in many cases essential documents are already produced by governments for internal use but are not released to the public. Many countries could improve their budget processes simply by releasing documents that they already routinely prepare.

These are just a sampling of the policy implications that flow from the study. We are eager to hear from the governments in the countries examined about their assessments of our findings, and would be glad to engage in discussions about them.

More generally, we hope that this questionnaire and this study will be a useful departure point for civil society researchers around the globe interested in opening up the budget processes in their countries. We encourage new researchers to use the survey instrument in their own countries, believing that its use will both help them to improve their understanding of their own budget systems and to develop a reform agenda.

Further, the questionnaire may offer a starting point for wider efforts researchers might undertake to examine the budget systems of their countries. The questionnaire can complement analysis of other issues – such as the relationship between national and sub-national budget policies or the operations of natural resource funds – essential to understanding the impact of budget policies in certain countries.

Here at the International Budget Project we intend to distribute this study widely, partly to receive comments on how our method and analysis can be improved. We also see this study as one part of our broad array of efforts to encourage budget transparency worldwide. The current intent is also to issue another study in the future, replicating, with necessary amendments, our current methodology and including more countries. A potential series of cross-country studies would help track progress on opening budget processes over time.

In many ways, and in many countries, how to make budgets more open, accountable, and participatory is a discussion in its infancy. We hope this cross-country study helps deepen this discussion. And, with our colleagues around the world, the IBP remains committed to working to continue to strengthen our open budgets initiative in an attempt to further advance

progress on issues so essential to ensuring the accountability of the single most important piece of legislation enacted by governments on an annual basis: the budget.

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Table of Contents

Opening Budgets to Public Understanding and Debate: Results from 36 Countries by Pamela Gomez with Joel Friedman and Isaac Shapiro	7
Budgeting in Switzerland by Dirk-Jan Kraan and Michael Ruffner	37
Market-type Mechanisms and the Provision of Public Services by Jón R. Blöndal	79
Sustainable Budget Policy: Concepts and Approaches by Allen Schick	107
Government Performance: Lessons and Challenges by Teresa Curristine	127