



OPEN BUDGET SURVEY 2017

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Budgets as bridges

- There has been a decline in public trust around the world, including in democratic institutions
- And widespread mismanagement of public resources and growing inequality
- Governments have been unable or unwilling to respond to major challenges
- But decisions about how public resources are raised and spent are at the heart of democratic practice and the ability of societies to tackle inequality...
- ...Budgets are therefore the first place to look for ways to strengthen the relationship between governments and citizens

What the OBS measures

THE THREE AREAS OF A WELL-FUNCTIONING BUDGET ACCOUNTABILITY SYSTEM



TRANSPARENCY

- 109 indicators used to construct the Open Budget Index assess whether governments publish online and in a timely manner eight key budget documents



OVERSIGHT

- 18 revised questions examine formal oversight institutions



PUBLIC PARTICIPATION

- 18 new questions examine opportunities for public participation in national budget decision-making and oversight

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OBS research process



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.

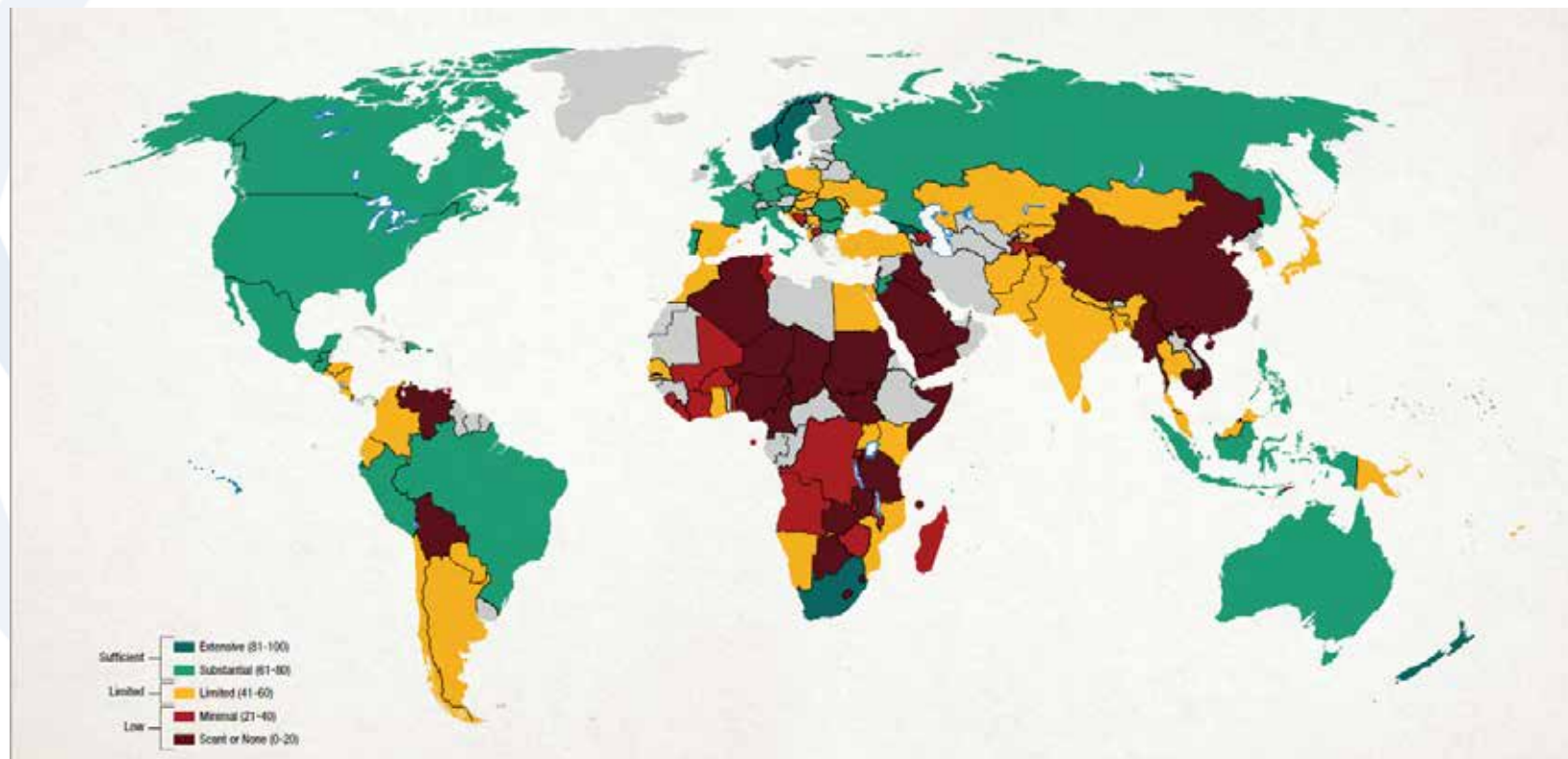


OBS 2017: Finding 1

Governments fail to make sufficient information available to the public to understand, debate and participate in budget decisions

The Open Budget Index (OBI) 2017

- The average OBI score of the 115 countries surveyed in 2017 is 42 out of 100, suggesting that the global state of transparency is limited



Characteristics associated with different levels of transparency

- On average, countries releasing sufficient budget information are:
 - more likely to be democratic,
 - have greater media freedom,
 - are less dependent on oil revenue, and
 - have lower perceived corruption
- But, there is nothing regionally or culturally determined about budget transparency.
- The 11 countries that publish all 8 key documents are spectacularly diverse, representing all major regions of the world: Brazil, Bulgaria, Georgia, Indonesia, Italy, Jordan, Mexico, New Zealand, Peru, South Africa, and Sweden



OBS 2017: Finding 2

Progress toward greater transparency has stalled for the first time since IBP began measuring it over a decade ago

OBI decline reflects large drop in Sub-Saharan Africa score between 2015 and 2017

Regional changes in OBI scores, 2015 - 2017

Region	Regional Average OBI		
	2015	2017	Change*
East Asia & Pacific	41	44	3
Eastern Europe & Central Asia	54	55	1
Latin America & Caribbean	50	50	1
Middle East & North Africa	21	20	-1
South Asia	42	46	5
Sub-Saharan Africa	39	29	-11
Western Europe & the United States	74	73	-1
All countries	45	43	-2

* Changes may not tally due to rounding

Taking a longer view: 2008 - 2017

- The decline in budget transparency in 2017 did not erase all of the gains from previous rounds of the Open Budget Survey
 - Between 2008 and 2017, the average OBI score rose by 6 points for comparable countries
- Available budget documents contain more information than they did in previous years
- Decline also did not erase all of Sub-Saharan Africa gains
 - Between 2008 and 2017, the average OBI score rose by 9 points for 16 comparable SSA countries

A community meeting is taking place outdoors in a rural setting. A woman in a white hijab and light-colored dress stands at the front, holding a white sheet of paper and addressing a group of people. The group consists of men and women, some wearing traditional head coverings and colorful clothing. They are seated on the ground, some holding papers or folders. In the background, there are trees and a sign on a post. The overall atmosphere is one of a community gathering or public consultation.

OBS 2017: Finding 3

Problems associated with a lack of budget transparency are compounded by the existence of weak and ineffective oversight institutions and few opportunities for public participation in budgeting

Examples of participation mechanisms

- Philippines: Budget Partnership Agreements have strengthened the ability of individual agencies to negotiate their budget demands with the central budget agency through partnerships with citizens
- South Korea: Waste Reporting Center has saved the government an average of US\$1 billion a year over the last 16 years
- Canada: For the fiscal year 2017 budget, pre-Budget Consultations resulted in more than a million interactions between citizens and their government

Legislative oversight is limited

- Legislatures exercise more oversight earlier in the budget process than during implementation
 - Could lead to spending not in line with the initial priorities agreed to in the original budget
- Legislatures amend the budget in over half of the countries surveyed...
- ...But, in majority of countries, the executive can change the budget during implementation without legislative approval
- In more than one-third of countries, legislatures do not examine any Audit Reports produced by Supreme Audit Institutions

RECOMMENDATIONS

Systematic reform of the public finance system requires stakeholders to work together to ensure that information is available; that efficient, equitable, and responsive decisions are made; and that those decisions are effectively implemented.

GOVERNMENTS

Governments can increase transparency by simply publishing online all budget documents that they produce; they should also establish formal mechanisms for public participation in budgeting.

OVERSIGHT INSTITUTIONS

Oversight institutions must be strengthened to ensure decisions made in the budget process are implemented; they should also expand and improve public participation in the budget process.

CIVIL SOCIETY

Civil society organizations should continue to advocate for greater transparency and engage in the budget process as much as possible.

DONORS

Donors should work with civil society and oversight institutions to push for sustainable transparency and participation reforms.