

Embargoed to 00.01 GMT on 30 January 2018

CONTACT: Delaine McCullough, IBP, +1-202-325-8806 Stephanie Dukes, Vanguard Communications +1-202-248-5363

Amid Declining Public Trust in Government and Increasing Inequality, Progress Toward Global Budget Transparency Stalls for the First Time in a Decade

Open Budget Survey 2017 shows 89 out of 115 countries fail to make sufficient budget information publicly available; International Budget Partnership says this failure undermines the ability of citizens worldwide to hold their government to account for managing public funds.

Washington, D.C. — Many governments around the world are making less information available about how they raise and spend public money, according to the results of the Open Budget Survey 2017 (OBS), conducted by the International Budget Partnership (IBP).

After 10 years of steady progress by countries, IBP says the OBS 2017 showed a modest decline in average global budget transparency scores, from 45 in 2015 to 43 in 2017 for the 102 countries that were surveyed in both rounds (scores are out of a possible 100). This is in stark contrast to the average increase of roughly two points documented among comparable countries in each round of the OBS between 2008 and 2015. The reversal of transparency gains is particularly discouraging given that roughly three-quarters of the countries assessed do not publish sufficient budget information (a score of 61 or higher).

Launched in 2006, the OBS is the world's only independent, comparative assessment of the three pillars of public budget accountability: transparency, oversight and public participation. The sixth round of this biennial assessment, the 2017 survey evaluated 115 countries across six continents, adding 13 new countries to the survey since the last round in 2015.

Warren Krafchik, executive director of IBP, said, "The declines in budget transparency are worrisome against a global backdrop of rising inequality, restrictions on media and civic freedom, and a weakening of trust between citizens and their governments."

"Citizens of every country in the world have the right to know how their government is raising and spending public funds," said Krafchik. "Citizens should also have opportunities to participate in budget making and oversight, which can lead to more equitable budgets and

efficient spending. The failure of most governments to involve the public in decision making or to explain their plans and budgets weakens trust and undermines democracy."

Declines in budget transparency were most dramatic in sub-Saharan Africa, where the average budget transparency scores fell by 11 points between 2015 and 2017. Other regions experienced small increases or small declines in their scores, with the exception of Asia, where the average score rose more substantially. A number of countries have experienced significant gains in transparency since they were first included in the survey, including Georgia, Jordan, Mexico and Senegal.

The OBS 2017 also revealed that most countries fail to provide meaningful opportunities for the public to participate in the budget process — both to inform decisions about how government raises and allocates funds and to hold government accountable for implementing those decisions. Not a single country out of the 115 surveyed offered participation opportunities that are considered adequate (a score of 61 or higher). The average global score is just 12 out of 100, with 111 countries having weak scores (lower than 41). Without opportunities for citizens' active participation — particularly citizens from marginalized or vulnerable groups — budget systems may only serve the interests of powerful elites.

In addition to assessing transparency and participation, the OBS also evaluated the role of formal oversight institutions, such as supreme audit institutions (SAIs) and legislatures. The survey found that only 32 countries' legislatures (28 percent) have adequate oversight practices, 47 countries (41 percent) have limited oversight practices, and 36 countries (31 percent) have weak oversight practices. In comparison, the OBS finds that in 75 out of 115 countries (65 percent) the basic conditions for SAIs to provide adequate oversight are in place. Well-funded and independent oversight institutions are critical to better budget planning and implementation.

The news is not all bad this round. There have been several advances toward more open budgets. While the number of publicly available budget documents decreased in this round of the survey compared to 2015, published documents contain slightly more information now than they did in previous years. Though overall global transparency has declined from 2015, the level of transparency in 2017 remains above where it was a decade ago.

"Transparency scores in this round of the survey show that any government, irrespective of region or culture, can become more transparent," said Krafchik. "The vast majority of countries in the world could quickly improve transparency by making documents they already produce publicly available. Most countries that produce documents that they are not publishing on their official websites already publish other documents online, so they could easily do so for all documents."

For the full report, including recommendations, and other resources, such as country-specific results, please visit www.openbudgetsurvey.org.

The <u>International Budget Partnership</u> collaborates with civil society organizations around the world to analyze, monitor, and influence government budget processes, institutions, and outcomes. IBP's aim is to make budget systems more transparent and accountable to the public in order to improve governance and combat poverty. The Ford Foundation, the Open Society Foundations, the Flora and William Hewlett Foundation, the U.K. Department for International Development (UKAid), The French Ministry for Foreign Affairs and International Development, and UNICEF provide funding for the Open Budget Initiative at the International Budget Partnership.