

FREQUENTLY ASKED QUESTIONS - OPEN BUDGET SURVEY 2017

1. *What is the Open Budget Survey 2017?*

- It is the only independent, comparative, regular measure of public budget transparency and accountability around the world, produced by independent civil society budget experts who are not beholden to any national government.
- The survey uses documented evidence and objective criteria to evaluate the extent to which national or central governments in 115 countries make available to the public the eight key budget documents set by international standards for budget transparency. To be considered “publicly available,” documents must be available online and in a timeframe consistent with good practices. In addition, the survey assesses whether the information provided in the documents is comprehensive and useful.
- The survey also 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.
- Furthermore, the survey assesses the degree to which the executive, the legislature, and the supreme audit institution provide opportunities for the public to engage throughout the budget process.
- The survey is *not* an opinion poll or a measure of perceptions – it is based on a rigorous, objective methodology subject to independent review.

2. *How are the Open Budget Survey and the Open Budget Index 2017 related?*

- Implemented every two years, the survey is a unique analytical instrument that assesses government budget transparency and accountability, including spaces for public participation and the strength of formal oversight institutions.
- The Open Budget Index assigns a transparency score on a 100-point scale using 109 of the 228 Open Budget Survey questions — this set of questions focuses specifically on whether the government provides the public with timely access to comprehensive information contained in eight key budget documents. The Open Budget Index, or OBI, measures the overall commitment of the 115 countries assessed to transparency and allows for comparisons among countries.

3. *What are the key findings?*

- The Open Budget Index 2017 reveals that 89 of 115 countries fail to provide sufficient information to the public about the budget. This information covers the choices governments are making about, for example, whether to prioritize health or infrastructure spending, whether they are actually spending what they committed to spend in their approved budgets, and whether any funds have been mismanaged. The global average OBI score for the 115 countries is 42 (out of 100).
- The survey finds an overall decline in global budget transparency levels between 2015 and 2017, with average OBI scores declining from 45 to 43 for the 102 countries that participated in both surveys. This is the first time the OBI has recorded such a decline since it was launched in 2006. A large part of the decline in transparency occurred in sub-Saharan Africa, where scores fell by nearly 11 points. Some of the decline is also due to a modest change in the survey’s methodology, but the decline would have been significant regardless of this shift.

- In spite of low overall transparency around the world and declining scores in 2017, a number of countries saw improvements this year, and these countries are diverse: Mexico, Dominican Republic, Georgia, Senegal, Thailand, Morocco, Indonesia, and Fiji all saw increases in transparency.
- Efficient, effective, and accountable budget systems stand on three pillars: budget transparency, public engagement in the budget process, and effective formal oversight institutions. The absence of any one of these three components can significantly weaken the entire system.
- Any country can be transparent accountable to its people. Governments can improve transparency and accountability quickly and easily by publishing online all of the budget information (key documents and other budget information that is currently missing in their published documents) that they already produce and by incorporating public participation in the budget process.
- When it comes to oversight, only 32 country legislatures provide adequate oversight at the approval and implementation stages of the budget process. This means that in many cases, there are inadequate checks on executive control of the budget process to ensure that other voices are able influence priorities or monitor implementation. By contrast, the conditions needed for supreme audit institutions to provide oversight are adequate in most countries: 75 out of 115 in the Open Budget Survey 2017.
- This year, we introduced a more robust assessment of public participation that is based on evolving norms and the latest principles released by the Global Initiative for Fiscal Transparency. This assessment asks whether executives, legislatures, and auditors encourage public participation in budget processes, and looks at participation mechanisms throughout the budget cycle—from formulation through approval, implementation and audit. Only three countries have all of these mechanisms in place to some degree (Australia, New Zealand, and the United Kingdom).
- It would be relatively easy to build on existing participation practices going forward by expanding and deepening them; most countries do not need to build their participatory mechanisms entirely from the ground up, but they do need to make these mechanisms more widespread and inclusive.

4. *With large budget deficits in our country, is your study more timely and relevant?*

- The Open Budget Survey is particularly relevant in a challenging fiscal environment. More constrained resources can lead to more contested policy choices. In this circumstance, budget transparency enables the public to participate in the difficult policy choices that make up the budget, thus enhancing the credibility and quality of difficult fiscal policy decisions.
- Governments often need to borrow from private credit markets to raise the funds needed to provide services and implement programs. Transparency encourages the kind of predictability demanded by global investors, while lack of transparency can impede a country's access to credit for financing public needs. We have evidence that greater transparency leads to better and cheaper access to credit markets.^{1,2}

¹ See Hameed, F. (2011). "Budget Transparency and Financial Markets." IBP: Washington, D.C.
<http://internationalbudget.org/wp-content/uploads/IBP-Working-Paper-1-Budget-Transparency-and-Financial-Markets.pdf>

² IMF (2012). "Fiscal Transparency, Accountability, and Risk" IMF: Washington, D.C.
<http://www.imf.org/external/np/pp/eng/2012/080712.pdf>

- Improving the level of transparency and accountability in its budget systems and processes is a good way for a country to show its development partners and creditors that it is serious about fighting corruption and enhancing efficiency.

5. You say that based on the OBI study that our country provides minimal or no information. Why?

- The OBI ranks each country government according to how many of the eight basic budget documents it makes available to the public online, in a timely manner, and how much information is included in those documents. In essence, it measures the overall commitment of the 115 countries studied to transparency and allows for comparisons among countries. Our government does not release critically important information about how it is raising and spending public funds to meet public needs, which has resulted in a low OBI score.
- Of the 115 countries, 47, including [NAME OF YOUR COUNTRY], are found to provide minimal, scant, or no information on the budget. In other words, they publish few, if any, of the key budget documents required by international good practices — or the information that they do provide to the public in each of these documents is not comprehensive.
- Most concerning are the 27 countries that provide scant or no information to the public — the vast majority of which only provide the public access to the Executive’s Budget Proposal after it is approved by the legislature. This means that the public receives the budget — an account of their tax dollars and other public resources — as a *fait accompli*.
- However, the survey finds that many of these countries produce some budget documents for internal use, release some in hard copy, or publish some too late in the budget process for the information to be useful. They could all improve their transparency performance immediately and at little cost by posting these already-produced documents online in a timely manner. The primary constraint for publishing these documents is not capacity.

6. How much corruption is there really in developing country budgets? Can you give me a figure?

- The Open Budget Survey does not measure corruption; it measures budget transparency and oversight capability.
- The Open Budget Survey, however, is relevant to the issue of corruption in that a lack of transparency encourages the misuse of public funds — in other words, when governments are not open about what they do with public funds, it makes it more likely that corruption will go undetected.
- Lack of transparency creates opportunity for corruption and wasteful spending.

7. Is it costly for governments to be transparent?

- At a very minimal cost, countries could substantially increase transparency immediately. Most countries surveyed already produce many of the key budget documents required by international good practices, or they already produce key budget information (such as on debt and macroeconomic forecasts) that they do not publish. These governments simply need to make this information available to the public — in other words, by just uploading the relevant budget documents onto official agency websites, countries could see immediate substantial improvements and at virtually no additional cost.

- However, if a government is truly committed to an informed and active public, there are long-term investments needed to build broad public understanding of budgets and to develop the necessary information systems and architecture.

8. *Why do governments become transparent? Is it pressure? Does your information lead to change?*

1. This is the sixth release of the Open Budget Survey, so we are able to look at comparative data and determine four causes for improvements in transparency and accountability:
 - a. **Political transitions** that replace authoritarian governments with governing systems characterized by greater space to challenge the government or engage politically, including through elections and greater voice among opposition parties, or where new parties assume power. Such transitions are more likely to have an impact on budget transparency when complemented by the presence of capable CSOs interested in engaging the government on the budget. It is also more likely when oversight bodies, such as legislatures, are empowered vis-à-vis the executive.
 - b. The presence of **reform champions with government**, at either political or technical level, who believe in the importance of transparency — for political/ideological or professional reasons — and are able to push for reforms, construct new narratives and overcome resistance.
 - c. **Fiscal and economic crises** that prompt governments to put in place mechanisms and incentives, including independent scrutiny, to restore fiscal discipline and economic confidence.
 - d. Widely publicized **cases of corruption** that lead reform-oriented actors to react strongly and compel governments to open up access to fiscal information.
2. Another factor are external influences that promote global norms to empower domestic reform processes and civil society actors, including multistakeholder initiatives, such as the Open Government Partnership, that prioritize transparency and accountability, as well as the push for increased transparency and accountability from international donors.

9. *How reliable are your figures?*

- The OBI is the most reliable and extensive database on government budget transparency across countries and over time.
- The data were checked through a five-step process: research for each country is conducted by a local, independent, expert researcher; IBP then cross-checked and referenced answers with other published data; the completed questionnaires are checked by anonymous, independent reviewers; government officials are offered an opportunity to comment on the questionnaire for their country; and finally IBP staff referee any disagreement between reviewers and researchers to arrive at the most appropriate answer for the questions.
- Also, this is not just a questionnaire filled out at someone's desk. It involves committed, independent researchers around the world who tested budget transparency in practice, for example, by meeting with ministry representatives, parliamentarians, and authorities from

supreme audit institutions, engaging with other civil society organizations in the country to assess budget practices, and monitoring official websites to track the availability of documents. Each researcher also provided documented evidence — citation of a law, interview, a copy of a document — to back up his or her answer.

10. *Why is a questionnaire a good way to research budget transparency?*

- The Open Budget Survey approach is the most appropriate way to measure budget transparency around the world in a comparable way:
 - a. It is comparable because the survey questionnaire focuses on whether governments meet international standards that are relevant and accepted around the world.
 - b. It is a rigorous measurement tool because it requires experts to answer questions for which you can gather hard evidence — rather than relying on perceptions, which are used in many other international surveys.
- The survey should be complemented with in-depth country studies to determine the causes and consequences of transparency and the factors motivating good and poor performance.

11. *Can you explain what a Citizens Budget is?*

- Most budget information is produced in formats that can be technical and difficult to understand. Most of the public, therefore, is unlikely to read and understand these documents.
- A Citizens Budget is a simplified version of the Executive's Budget Proposal or Enacted Budget that allows an ordinary member of the public to understand the policy decisions outlined in the government's budget. It should explain, in accessible language and graphics, where government gets its money from, and how it intends to spend it.
- A citizen's version could be developed for any of the seven budget documents. The OBS, however, assesses the existence and content of Citizens Budgets for the Executive Budget Proposal or the Enacted Budget.
- As per the OBS 2017, 57 countries publish a Citizens Budget, a less technical and more understandable version of the Executive's Budget Proposal or Enacted Budget.

12. *Are you surprised at the order of the countries in the OBI 2017 rankings?*

- Compared with the OBI 2015, the 2017 ranking order shows that several countries in different contexts have substantially improved their performance over the past two years (e.g., Georgia, Dominican Republic, Thailand, Senegal, and Morocco).
- The OBI 2017 rankings provides good news to those interested in improving transparency. In particular, the rankings show that all types of countries can perform well, or fairly well, on budget transparency. This includes countries that are relatively poor (Guatemala, Uganda); those that depend on oil and gas revenue (Mexico, Norway, and Russia); and those that are in the Middle East and sub-Saharan Africa (Jordan and South Africa).

13. *You mentioned Georgia and Dominican Republic as having made significant improvements in transparency. How did they accomplish this?*

- Typically significant improvements are the result of governments publishing documents that they were producing before but not publishing. These improvements are often motivated by

both an internal commitment to become more transparent and external pressure and incentives from development partners and civil society. This is the case with both Georgia and Dominican Republic.

14. How does a lack of budget transparency allow corruption and mismanagement to go unchecked?

- The misuse of public funds — this can range from legislators giving themselves bonuses out of unspent public funds to irregularities in government procurement processes — happens in far too many countries around the world.
- The lack of transparency and weak oversight in these countries opens the door to abuse and inappropriate and inefficient use of public money because there is a greater likelihood that such instances will go undetected.

15. Can we talk with your researchers in various countries?

- Yes, we encourage you to do this. Contact information for each researcher is available at <http://internationalbudget.org/opening-budgets/open-budget-initiative/open-budget-survey/country-info/researchers/>.
- Five countries with difficult political environments had to use anonymous researchers (Burundi, China, Equatorial Guinea, Myanmar, Qatar, and Saudi Arabia). At the request of these researchers, IBP decided not to disclose their identity. We will be happy to pass questions to these researchers.

16. How is this study making a difference?

- This is the sixth release of the Open Budget Survey, and it is becoming a standard for measuring and understanding budget transparency — it is already widely used by international donors and research institutions, such as the World Bank, International Monetary Fund, several bilateral donors around the world, and multistakeholder initiatives, such as the Open Government Partnership and the Global Initiative for Fiscal Transparency.
- Increasingly national governments included in the survey are contacting us or our country research partners to identify ways that they can improve.
- Over time, the Open Budget Index will enhance the domestic and international pressure on governments to improve budget transparency. Greater budget transparency is an essential precondition for improved accountability, which in turn leads to more effective poverty reduction programs.

17. When will you do the next OBS?

- The next round of research will likely begin in August 2018 and the results will be released in 2019.

18. How much does it cost to do the study?

- The total cost of conducting the Survey in 115 countries is a modest \$3 million.
- The International Budget Partnership is able to produce high-quality data at such a modest cost because of the time and commitment to budget transparency of over 300 experts engaged in

the struggle for better information. The study is produced by experts passionately engaged in these issues every day.

19. On what basis were the countries for the study chosen, and why 115?

- We wanted to develop a representative sample that would allow us to generalize with confidence about most countries in the world.
- To do this we needed a sample that was large enough to ensure that a diversity of countries from the major regions in the world was well represented.
- We studied 59 countries for the 2006 release, 85 countries for the 2008 release, 94 countries for 2010, 100 for 2012, 102 for 2015, and 115 for this release. Our goal is to continue expanding the reach of the survey, always taking into account where we have access to independent experts and organizations that could produce rock-solid data.

20. The top five performers are relatively developed countries—is it fair to compare their scores with developing countries?

- The survey finds that countries in a wide range of circumstances can do well on transparency — no particular set of circumstances should prevent good transparency performance. We should expect governments to do well on transparency regardless of income levels, aid or natural resource dependency, etc. Uganda and Guatemala, for example, both lower income countries score highly on the OBI. Whether a government makes available to the public the information it does produce is primarily a question of political will, not cost.

21. How does the survey connect budget transparency to the lives of poor and marginalized communities?

- The budget is the government's most important policy tool; it affects the lives of all people, particularly the poor. This is because those who are poor rely on essential public services to ensure healthy and productive lives and to offer opportunities to improve their futures and that of their children.
- A lack of transparency can reduce the credibility of policy choices and the effectiveness of policy interventions. It can also open the doors to corrupt and wasteful spending, which can reduce the impact of anti-poverty programs.
- The role of the OBI is to ensure that local and international pressure is galvanized to improve budget transparency.

22. Why are Freedom of Information laws important?

- People have a right to information on the collection and use of public funds. The OBI finds that government budget information is often provided in a discretionary manner. Freedom of Information legislation provides a legal basis to ensure that public information is available to all members of the public regardless of their social or economic status or whether they have privileged relationships with those in government.
- To monitor government performance on budgets and poverty, civil society and community members often need very detailed, sector- or program-specific information — much of this type of fine-grained, disaggregated data is unlikely to be available in the documents that government

publishes. A Freedom of Information law would allow civil society to access all of the information that the government produces.

- But, a Freedom of Information law is not sufficient to ensure that the public has access to adequate timely, comprehensive budget information. Freedom of Information laws focus on the information that the government already produces, but tools like the OBI are necessary to pressure governments to increase the amount, timeliness, and comprehensiveness of budget information that is publicly provided.
- While Freedom of Information laws establish an environment in which civil society and community members can demand information, it is important to point out that such legislation is not required for improvements in budget transparency, with sufficient political will governments can — and do — make information available at any point.

23. What does the survey not evaluate?

- The Open Budget Survey *does not* assess subnational budget systems, procurement issues, or any information provided outside of the eight documents by off-budget institutions and state-owned enterprises.
- The survey also does not directly measure the quality or accuracy of information contained in budget reports — whether the information provided is correct — or the degree to which government budgets are equitable and address the needs of their populace.
- The survey does not cover in-depth issues such as off-budget funds and activities and public procurement that can have a major bearing on government financial positions.
- The survey does not measure corruption.

24. What can international donors do to help with improving budget transparency?

International donors can play a much more vigorous role in promoting budget transparency by:

- encouraging greater budget transparency by creating incentives for governments to act to improve budget transparency in the countries they support, including providing more on-budget support to countries that demonstrate better budget transparency practices;
- providing technical assistance to oversight institutions and actors (legislatures, SAIs, civil society, media, etc.) so that there is greater capacity to pressure executives to expand budget transparency and accountability; and
- making sure that information about their own aid is dealt with in a transparent manner. This can mean that any general aid they provide to a country is reflected in that country's budget documents. It also can mean that donors report on their own project aid in a transparent manner, including, if possible, reporting on such aid in formats and timetables that are compatible with the recipient country's budget systems.

25. Has anything changed in the Open Budget Survey, since last round? Is this affecting comparisons across time?

- IBP revised the Open Budget Survey (OBS) somewhat from the 2015 version to reflect evolving methods for disseminating budget information and to strengthen individual questions on public participation and budget oversight. As a result, the OBS 2017:

- Modifies the definition of “public availability of budget documents” to reflect more up-to-date methods for disseminating budget information. In prior rounds of the survey, documents that governments made available only in hard copy were still considered to be publicly available. The survey now only considers documents that are published on official government websites as being publicly available.

The decision to modify the definition of public availability reflects the growing practice of using official websites to disseminate budget information to the public. The OBS 2017 finds that just three percent of publicly available documents are available only in hard copy, and that the vast majority of countries surveyed publish at least one budget document online.

The modification of the definition of the “public availability of budget documents” has a very modest impact on the Open Budget Index 2017 (OBI) scores. Thus comparisons of OBI 2017 scores to those from prior rounds are still valid.

- Revises indicators on public participation in budget processes to align them with the Global Initiative for Fiscal Transparency’s (GIFT) new principles on public participation, which now serve as the basis for widely accepted norms on public participation in national budget processes. Unlike the changes in document availability, these changes in the participation measures are significant. 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.
- Revises the indicators examining the role of legislatures, supreme audit institutions, and independent fiscal institutions in ensuring the integrity and accountability in the use of public resources. These changes were significant, so data on the role and effectiveness of oversight institutions in the Open Budget Survey 2017 cannot be compared directly to data from earlier editions.