

OPEN BUDGET SURVEY 2017 KEY FINDINGS

The Open Budget Survey (OBS) is the only independent, comparative, and regular measure of budget transparency and accountability around the world. The OBS is produced by independent budget experts with no ties to government.

- The Open Budget Survey 2017 measures whether governments in 115 countries produce and make publicly available online and in a timely manner eight key budget documents recommended by international good practices. It also examines formal oversight institutions and opportunities for public participation in national budget decision making.
- The OBS is not an opinion survey but rather measures observable facts using 145 scored indicators.
- This is the sixth round of the Open Budget Survey, with earlier assessments occurring in 2006, 2008, 2010, 2012, and 2015.

In recent years, there has been a decline in public trust around the world, in part due to governments that have been unable or unwilling to respond to major challenges, such as mismanagement of public resources and dramatic increases in inequality. Because open and accountable public budgeting is at the heart of democratic practice, it is the first place to look for ways to strengthen the interaction between governments and citizens.

- The Open Budget Survey assesses whether the basic conditions needed for representative democracy to function – the free flow of information, effective oversight, and opportunities for public participation in decision making – are being met in the budget sphere.
- The OBS 2017's examination of transparency, oversight, and participation in the budget process shows that no country has adequate practices in all three areas, largely because governments are failing to create formal spaces for citizens to have a voice in budget decision making. Further, in 22 of the 115 countries assessed, all three areas of a well-functioning accountability system are weak.
- Of particular concern, the OBS 2017 finds that progress toward greater budget transparency globally has stalled, declining modestly for the first time since IBP began measuring it.

There are large gaps in the amount of budget information that governments are making available to the public.

- The state of budget transparency around the world is limited, with many governments failing to publish key documents. Three in four surveyed countries fail to provide sufficient information to the public on their national budgets and receive scores of 60 or less (out of 100) on the Open Budget Index (OBI), the part of the survey that measures budget transparency.
- Twenty-seven of the 115 countries assessed fail to publish the Executive's Budget Proposal, the foundational document that describes the government's proposed budget policies.
- Nearly 40 percent of budget documents that should be published worldwide are not available to the public. They are either not produced at all, produced for internal use only, not released online, or published too late to be useful.

- Even when documents are published, they frequently lack sufficient detail. For example, basic information that many citizens would likely wish to have on sector spending, budget implementation, and the goals and outcomes of spending are missing in many budget documents.
- Among the worst performers on budget transparency are Equatorial Guinea, Lesotho, Niger, Qatar, Venezuela, and Yemen; none of these countries publish any of the key budget documents.
- Only five countries surveyed release extensive budget information. Those top-tier countries are Georgia, New Zealand, Norway, South Africa, and Sweden.
- There is nothing regionally or culturally determined about budget transparency. The 11 countries that publish all eight 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.

Progress toward greater transparency has stalled for the first time since IBP began measuring it over a decade ago. Halting progress toward greater transparency is particularly discouraging in light of the low level of global transparency.

- The average OBI score fell from 45 in 2015 to 43 in 2017 for the 102 countries surveyed in both rounds.
- An important driver of this year's change in transparency trends is the reversal of previous gains in Sub-Saharan Africa. Of the 27 countries in Sub-Saharan-Africa included in both the 2015 and 2017 surveys, 22 saw their transparency scores fall in 2017. In contrast, scores in Asia increased on average, making up for part of the losses South Asia experienced in 2015. Other regions saw slower growth or modest declines in their scores.
- This is also the first time since IBP began the OBS that there has been a decrease in the number of key budget documents published. The decline in the number of budget documents published is the main driver of the decrease in transparency.
- The decline in budget transparency in 2017 did not erase all of the gains from previous rounds of the Open Budget Survey. Countries still provide more budget information in 2017 than they did a decade ago. In fact, the average OBI score among the 77 countries for which there are comparable data since 2008 increased by six points over the period.
- While the number of publicly available documents has decreased in this round of the survey compared to 2015, available budget documents contain more information than they did in previous years. More information, for example, has been made available in Executive's Budget Proposals in 2017 in key categories such as transfers to state corporations and expenditures for the poor.
- Not all countries experienced a decline in transparency in the OBS 2017. Some, including Georgia, Jordan, Mexico, and Senegal, have experienced substantial gains in transparency since they were first included in the survey. These four countries show that any government can register impressive gains in transparency. These gains are the result of efforts by government champions, active and engaged civil society and citizens, a vigilant media, and committed donors and private sector institutions.

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

- Not a single country out of the 115 surveyed offers 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). Only four countries have scores that indicate moderate opportunities for public participation (between 41 and 60): Australia, New Zealand, the Philippines, and the United Kingdom.
- Tested mechanisms for enhancing citizen participation exist. The South Korean government has established a Waste Reporting Center, where citizens can register their complaints about the government's inefficient use of resources. This has resulted in budget savings of US\$16 billion over the last 16 years. The previous government of the Philippines made a concerted effort to work with civil society organizations through Budget Partnership Agreements, which have led to increased engagement, collaboration, and advocacy for reforms between the government and CSOs.
- Legislatures provide only limited oversight in the budget process. Legislatures do amend the proposed budget in over half of the countries surveyed, but in the majority of countries, the executive is able to change the budget during implementation without legislative approval. In more than a third of countries, legislatures do not examine any Audit Reports produced by supreme audit institutions.
- While the basic conditions for supreme audit institutions to carry out their oversight function exist in the majority of countries surveyed, the conditions tend to be less favorable in countries that have lower levels of budget transparency.
- For the first time, the OBS assessed independent fiscal institutions — independent, nonpartisan institutions that are attached to either legislative or executive branches of government. The Open Budget Survey found that 18 countries have well-resourced independent fiscal institutions, 10 countries have independent fiscal institutions that are not well resourced or legally independent, and 87 countries do not have independent fiscal institutions.

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.

- IBP encourages national executives to establish formal mechanisms for public participation in budgeting and to complement these mechanisms by making sufficient budget information available (scoring 61 or higher on the Open Budget Index) to help ensure that participation opportunities for citizens are meaningful. A simple first step that all executives should take is to publish on their websites all budget documents that they produce.
- Legislatures, supreme audit institutions, and other oversight agencies must be strengthened to ensure decisions made in the budget process are implemented. Oversight institutions should also expand the number and improve the inclusiveness of existing participatory mechanism to encourage more meaningful public participation in the budget process.
- Civil society organizations should continue to advocate for greater transparency while emphasizing the need for vulnerable voices to be heard in budget debates. They should also

make use of available budget information and engage in budget debates to the maximum extent possible.

- Donors should ensure that their financial assistance contributes to greater transparency and public participation in the budget process. This can be achieved by closer coordination between donors and domestic stakeholders such as civil society and government oversight bodies, with a focus not just on transparency reforms but also on the sustainability of these reforms, and on strengthening public participation in budgeting.