

## Overview



Transparency:

**68** /100

(Open Budget Index score)



Public  
Participation:

**22** /100



Budget Oversight:

**61** /100

## About the survey

Government budget decisions – what taxes to levy, what services to provide, and how much debt to take on – affect how equal a society is and the well-being of its people, including whether the most disadvantaged will have real opportunities for a better life. It is critical that governments inform and engage the public on these vital decisions that impact their lives.

The **Open Budget Survey (OBS)** is the world's only independent, comparative and fact-based research instrument that uses internationally accepted criteria to assess public access to central government budget information; formal opportunities for the public to participate in the national budget process; and the role of budget oversight institutions such as the legislature and auditor in the budget process.

The survey helps local civil society assess and confer with their government on the reporting and use of public funds. This 7th edition of the OBS covers 117 countries.

Visit [www.internationalbudget.org/open-budget-survey](http://www.internationalbudget.org/open-budget-survey) ↗ for more information, including the full OBS methodology, the 2019 Global Report, findings for all surveyed countries, and the Data Explorer.

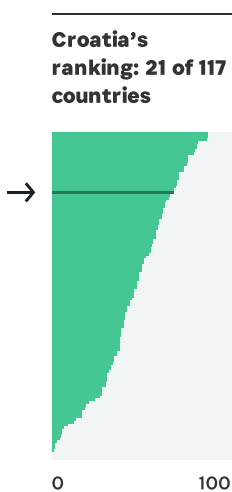


# Transparency

This part of the OBS measures public access to information on how the central government raises and spends public resources. It assesses the online availability, timeliness, and comprehensiveness of eight key budget documents using 109 equally weighted indicators and scores each country on a scale of 0 to 100. A transparency score of 61 or above indicates a country is likely publishing enough material to support informed public debate on the budget.

Croatia has a transparency score of **68** (out of 100).

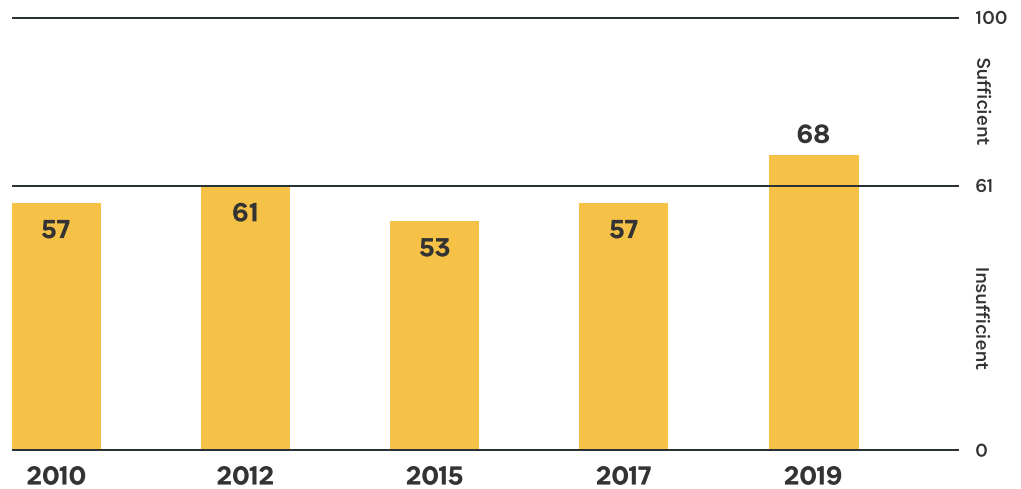
## Transparency in Croatia compared to others



Global Average	45
Slovenia	68
Croatia	68
Albania	55
Hungary	45
Macedonia	41
Serbia	40
Bosnia and Herzegovina	33

0 Insufficient 61 Sufficient 100

## How has the transparency score for Croatia changed over time?



## Public availability of budget documents in Croatia

- Available to the Public
- Published Late, or Not Published Online, or Produced for Internal Use Only
- ⊘ Not Produced

Document	2010	2012	2015	2017	2019
Pre-Budget Statement	●	●	●	●	●
Executive's Budget Proposal	●	●	●	●	●
Enacted Budget	●	●	●	●	●
Citizens Budget	⊘	⊘	●	●	●
In-Year Reports	●	●	●	●	●
Mid-Year Review	⊘	⊘	⊘	⊘	●
Year-End Report	●	●	●	●	●
Audit Report	●	●	●	●	●

## How comprehensive is the content of the key budget documents that Croatia makes available to the public?



Key budget document	Document purpose and contents	Fiscal year assessed	Document content score
Pre-Budget Statement	Discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.	2019	78
Executive's Budget Proposal	Submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.	2019	67
Enacted Budget	The budget that has been approved by the legislature.	2019	95
Citizens Budget	A simpler and less technical version of the government's Executive's Budget Proposal or the Enacted Budget, designed to convey key information to the public.	2018	33
In-Year Reports	Include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.	2017 & 2018	63
Mid-Year Review	A comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.	2018	63
Year-End Report	Describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.	2017	69
Audit Report	Issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.	2017	81

Croatia's transparency score of **68** in the OBS 2019 is substantially higher than its score in 2017.

## What changed in OBS 2019?

Croatia has increased the availability of budget information by:

- Increasing the information provided in the Enacted Budget and Audit Report.
- Publishing the Pre-Budget Statement online in a timely manner.

## Recommendations

Croatia should prioritize the following actions to improve budget transparency:

- Improve the comprehensiveness of the Citizens Budget (CB) by: distributing it via additional means of dissemination; establishing mechanisms to identify the public's requirements for budget information in the CB; and publishing CBs for additional stages of the budget process, such as the formulation and audit phases.
- Provide information on tax expenditures in the Executive's Budget Proposal.



# Public Participation

Transparency alone is insufficient for improving governance. Inclusive public participation is crucial for realizing the positive outcomes associated with greater budget transparency.

The OBS also assesses the formal opportunities offered to the public for meaningful participation in the different stages of the budget process. It examines the practices of the central government’s executive, the legislature, and the supreme audit institution (SAI) using 18 equally weighted indicators, aligned with the Global Initiative for Fiscal Transparency’s [Principles of Public Participation in Fiscal Policies](#) ↗, and scores each country on a scale from 0 to 100.

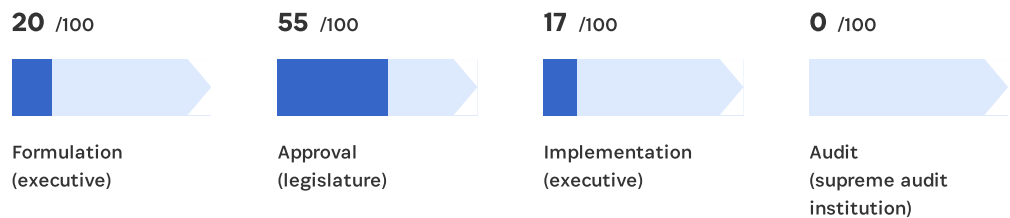
Croatia has a public participation score of **22** (out of 100).

## Public participation in Croatia compared to others



For more information, see [here](#) ↗ for innovative public participation practices around the world.

## Extent of opportunities for public participation in the budget process



## Recommendations

Croatia's executive has established a council during budget formulation and a council during budget implementation but, to further strengthen public participation in the budget process, should also prioritize the following actions:

- Expand mechanisms during budget formulation and implementation that engage any civil society organization or member of the public who wishes to participate.
- Actively engage with vulnerable and underrepresented communities, directly or through civil society organizations representing them.

Croatia's Parliament has established public hearings related to the approval of the annual budget and public hearings related to the review of the Audit Report, but should also prioritize the following actions:

- Allow any member of the public or any civil society organization to testify during its hearings on the budget proposal prior to its approval.
- Allow any member of the public or any civil society organization to testify during its hearings on the Audit Report.

Croatia's State Audit Office should prioritize the following actions to improve public participation in the budget process:

- Establish formal mechanisms for the public to assist in developing its audit program and to contribute to relevant audit investigations.

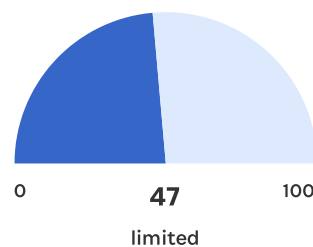


# Budget Oversight

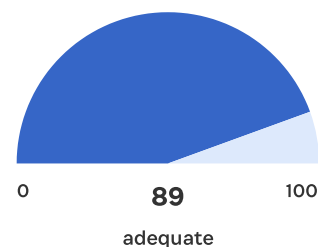
The OBS also examines the role that legislatures and supreme audit institutions (SAIs) play in the budget process and the extent to which they provide oversight; each country is scored on a scale from 0 to 100 based on 18 equally weighted indicators. In addition, the survey collects supplementary information on independent fiscal institutions (see Box).

The legislature and supreme audit institution in Croatia, together, provide adequate oversight during the budget process, with a composite oversight score of **61** (out of 100). Taken individually, the extent of each institution's oversight is shown below:

## Legislative oversight



## Audit oversight



weak: 0 - 40; limited: 41 - 60; adequate: 61 - 100

## Recommendations

Croatia's Parliament provides limited oversight during the planning stage of the budget cycle and weak oversight during the implementation stage. To improve oversight, the following actions should be prioritized:

- The legislature should debate budget policy before the Executive's Budget Proposal is tabled and approve recommendations for the upcoming budget.
- The Executive's Budget Proposal should be submitted to legislators at least two months before the start of the budget year.

To strengthen independence and improve audit oversight by the Croatia State Audit Office, the following actions are recommended:



- Ensure audit processes are reviewed by an independent agency, such as a peer SAI, an international organization, an academic institution with relevant expertise, or an independent domestic agency with quality assurance functions in the area of financial reporting.

## **The emerging practice of establishing independent fiscal institutions**

Croatia's independent fiscal institution (IFI) is the Fiscal Policy Commission. Its independence is set in law, and it reports to the legislature. It publishes an assessment of the official macroeconomic and fiscal forecasts produced by the executive.

*\*The indicators for IFIs are \*not\* scored*

# Methodology

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- Only documents published and events, activities, or developments that took place through 31 December 2018 were assessed in the OBS 2019.
- The survey is based on a questionnaire completed in each country by an independent budget expert:  
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- To further strengthen the research, each country's draft questionnaire is also reviewed by an anonymous independent expert, and in Croatia by a representative of the Ministry of Finance.