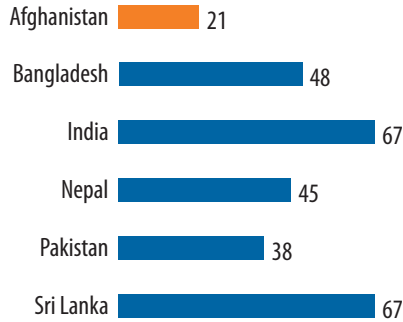


**Overall score: 21** (Out of 100) Provides minimal information to the public in its budget documents during the year.

### How Does Afghanistan Compare to Its Neighbors?

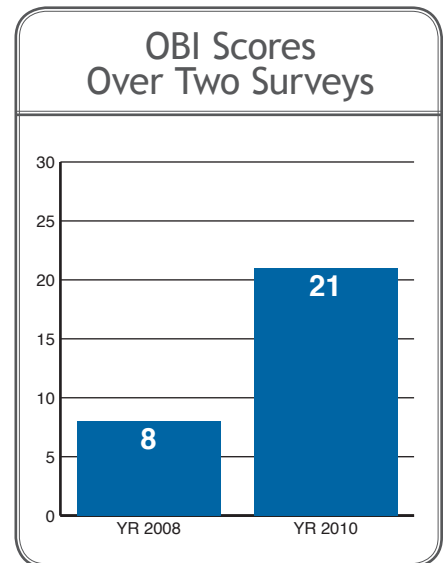


## Key Findings

The scores for 92 questions from the Open Budget Survey 2010 (see text box) are used to compile objective scores and rankings of each country's relative transparency. These scores constitute the Open Budget Index 2010.

Afghanistan's score is 21 out of 100, which is less than half the average score for the 94 countries surveyed. Afghanistan's score indicates that the government provides the public with minimal information on the central government's budget and financial activities during the course of the budget year. This makes it extremely difficult for citizens to hold the government accountable for its management of the public's money.

Afghanistan's OBI score did increase substantially from 2008 to 2010. It rose from 8 to 21 largely because the government now publishes more comprehensive In-Year Reports and a Mid-Year Review, and because it now makes publicly available an Audit Report that previously was only for internal use.



**Adequacy & Availability of Eight Key Budget Documents**

Document	Level of Information Grade*	Publication Status
Pre-Budget Statement	E	Produced, Not Published
Executive's Budget Proposal	E	Produced, Not Published
Enacted Budget	A	Published
Citizens Budget	E	Not Produced
In-Year Reports	A	Published
Mid-Year Review	A	Published
Year-End Report	D	Published
Audit Report	D	Published

\*Grades for the comprehensiveness and accessibility of the information provided in each document are calculated from the average scores received on a subset of questions from the Open Budget Survey 2010. An average score between 0-20 (scant information) is graded as E; 21-40 (minimal) is graded as D; 41-60 (some) is graded as C; 61-80 (significant) is graded as B; and 81-100 (extensive) is graded as A.

The **Executive's Budget Proposal** is the government's most important policy instrument. It presents how the government plans to raise revenues and where these funds are allocated, thus transforming policy goals into action. In Afghanistan the Draft 1388 National Budget (Executive's Budget Proposal) is not made public.

A **Pre-Budget Statement** sets forth the broad parameters that will define the government's forthcoming budget. While the Pre-Budget Statement is produced for internal purposes in Afghanistan, it is not made public.

The **Enacted Budget** becomes a country's law and provides the baseline information for all budget analyses conducted during the budget year. In general terms, the Enacted Budget should provide the public with the data it can use to assess the government's stated policy priorities and hold it to account. Afghanistan published a comprehensive Enacted Budget.

A **Citizens Budget** is a nontechnical presentation of a government's budget that is intended to enable the public — including those who are not familiar with public finance — to understand a government's plans. Afghanistan does not produce a Citizens Budget.

**In-Year Reports** provide a snapshot of the budget's effects during the budget year. They allow for comparisons with the enacted budget figures and thus can facilitate adjustments. Afghanistan published comprehensive In-Year Reports.

The **Mid-Year Review** provides a comprehensive overview of the budget's effects at the mid-point of a budget year and discusses any changes in economic assumptions that affect approved budget policies. Information in this report allows the government, legislature, and the public to identify whether or not adjustments related to revenues, expenditures, or borrowing should be made for the remainder of the budget year. Afghanistan published a comprehensive Mid-Year Review.

# OPEN BUDGET SURVEY 2010

## Afghanistan

The International Budget Partnership's Open Budget Survey assesses the availability in each country assessed of eight key budget documents, as well as the comprehensiveness of the data contained in these documents. The Survey also examines the extent of effective oversight provided by legislatures and supreme audit institutions (SAI), as well as the opportunities available to the public to participate in national budget decision-making processes.

Research to complete this country's Open Budget Survey was undertaken by:

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The **Year-End Report** compares the actual budget execution to the Enacted Budget. Year-End Reports can inform policymakers on tax policies, debt requirements, and major expenditure priorities, facilitating adjustments for upcoming budget years. Afghanistan published a Year-End Report but the document is not adequately comprehensive. It lacks information regarding the performance of the actual budget compared to the approved budget.

The **Audit Report** is an evaluation of the government's accounts by the country's supreme audit institution (SAI). It reports whether the government has raised revenues and spent national revenue in line with the authorized budget, whether the government's bookkeeping is balanced and accurate, and whether there were problems in the management of public funds. The Audit Report published in Afghanistan is insufficiently comprehensive.

### *Public Participation and Institutions of Accountability*

Beyond improving the availability and comprehensiveness of key budget documents, there are other ways in which Afghanistan's budget process can be made more open. These include ensuring the existence of a strong legislature and SAI that provide effective budget oversight and providing greater opportunities for public engagement in the budget process.

#### **Are oversight bodies effective in their budget role?**

Oversight Institution	Strength**
Legislature	Moderate
SAI	Weak

\*\* Legislature and SAI strengths are calculated from the average scores received for a subset of questions from the Open Budget Survey 2010. An average score between 0-33 is graded as weak, 34-66 as moderate, and 67-100 as strong.

According to the Open Budget Survey 2010, budget oversight provided by Afghanistan's legislature is inadequate because it does not:

1. have full power to amend the budget proposal presented to it at the start of the year before the budget is enacted; or
2. hold public hearings during budget discussions.

According to the Open Budget Survey 2010, budget oversight provided by Afghanistan's SAI is inadequate for the following reasons:

1. it is not fully independent from the executive; the executive can remove the head of the SAI without seeking final consent from the legislature or judiciary;
2. it does not have complete discretion in law to choose what to audit;
3. there is limited legislative scrutiny of audit reports;
4. it has inadequate channels of communication with the public; and
5. it does not issue reports on the follow-up steps taken by the executive to address audit recommendations

## Recommendations

### **Afghanistan should:**

- publish budget documents that are already being produced — the Executive’s Budget Proposal and the Pre-Budget Statement— on the government’s website in a timely manner;
- produce and publish a Citizens Budget;
- provide opportunities for the public to testify at legislative hearings on the budget; and
- increase the powers of the legislature and SAI to provide more comprehensive oversight of the execution of the budget.