

International Budget Partnership

Annual Report

Calendar Year 2009

1. Executive Summary

Introduction. The International Budget Partnership (IBP) collaborates with a large and diverse network of civil society organizations (CSOs) around the world to enhance independent budget monitoring. It seeks improvements in budget transparency, greater opportunities for public participation, more responsive public finance management institutions, and improved budget outcomes; all of which contribute to good governance and the more effective use of scarce public resources.

In support of this work, the IBP is fortunate to receive core funding from the Ford Foundation, Hewlett Foundation, and the Open Society Institute, as well as dedicated project support from the U.K. Department for International Development, the Gates Foundation, and the Swedish International Development Agency. This annual report will explain to stakeholders how the IBP and the context within which it works evolved during 2009, the activities that were implemented over the last year, and a sense of the significance and impact of this work. The executive summary focuses on impact and the highlights of the last year, while the main body of the report analyzes in more detail the IBP's understanding of the context for civil society budget work, its theory of change, and the lessons that are being learned.

The IBP implements two core programs — the Partnership Initiative (PI) and the Open Budget Initiative (OBI) — and these two programs draw support from the Training and Technical Assistance team and the Communications team. The PI begins at the country level and builds upward by providing multi-year financial grants, coupled with training and technical assistance, to partner organizations in 18-20 priority countries.¹ The PI deepens the impact of civil society analysis and advocacy by supporting several organizations working toward concrete budget outcomes at the national and subnational levels in each priority country. An extensive PI learning program facilitates horizontal learning among civil society organizations while also documenting the positive effects of transparent and inclusive budget processes, and successful examples of strategic advocacy. The learning program also aggregates the results of work across individual countries and packages the findings in ways that contribute to international policy discussions and advocacy.

The OBI works less intensively in any one country but is active in a wider range of countries and in the international arena, seeking to advance the core principle that budget transparency and citizen participation are preconditions for responsive and accountable government budgets. The centerpiece of the OBI program is the Open Budget Survey, the only global, independent, comparative assessment of budget transparency and participation. The Survey is conducted by OBI research partners based in over 90 countries and supported with IBP financial and technical assistance to augment their research and advocacy efforts. The Survey sets a standard for transparent and accountable budget practices and institutions and provides data for evaluating progress towards this standard. The OBI is also increasingly active in analyzing this data to better understand the causes and consequences of budget transparency, and how to improve country practices.

¹Partnership Initiative priority countries to date are: Brazil, Ghana, Kenya, India, Indonesia, Mali, Mexico, Pakistan, Philippines, South Africa, Tanzania, Uganda, and Zambia. Countries assessments have been completed for consideration in 2010 for El Salvador, Ecuador, Mozambique, Guatemala, and Peru.

Over the past 13 years, the IBP has worked around the world — with its most important asset, its partners — to secure improved budget processes and outcomes. These efforts have contributed to significant changes in many countries and at the international level, as well. While in the early 1990s there were perhaps a handful of pioneering CSOs that focused on budget monitoring, there are now engaged CSOs monitoring government budgets in over 100 countries, with strong, sustainable organizations in at least 25 of these countries.

At the international level, the role of CSOs in improving budget processes and outcomes is now widely recognized in the multilateral and bilateral donor community, and increasingly in professional organizations representing other formal oversight institutions. IBP case studies, together with other emerging evidence, is showing that skilled budget-focused CSOs are able to contribute to significant improvements in budget processes and outcomes — although there is still a need for greater evidence to understand the conditions under which these changes occur. The challenge is how to support CSO budget work so as to achieve reforms in a wider range of countries, more frequently.

In an effort to answer this challenge, the IBP adopted a new five-year strategic plan at the beginning of 2009. (A copy of the plan is being submitted along with this report.) The plan sets the ultimate goals at the core of IBP's mission as systemic improvements in the quality of governance, and more effective and efficient use of scarce public financial resources. (Please see Diagram One at the conclusion of this report for a visual representation of IBP's theory of change.)

Over the medium term (5-10 years), as a step toward the realization of its ultimate goals, the IBP and its partners aim to achieve significant reforms in public finance management in a range of countries. These reforms, which the IBP has set as its intermediate goals, will result in improvements that make budget processes more transparent and participatory, make budget policies more responsive to national priorities, make budget rules, regulations, and institutions stronger and better able to resist corruption and mismanagement, and ensure a more effective and efficient expenditure of public resources.

The strategic plan further stipulates that, in the next three to five years, the IBP can maximize its contribution to achieving these intermediate goals by focusing on five clearly defined outcomes where the activities the IBP implements and the services it provides can make a significant difference. At the country level we seek to deepen our partner's skills and their partnerships with national and regional networks. We also aim to better document this work and its impact. The strategic plan, for the first time, also includes two outcomes at the international level that are critical to the success of our partners — a supportive donor community and a set of international norms promoting global budget transparency standards. Therefore, at a minimum we hope to achieve the following outcomes over the next three to five years.

- Highly skilled, sustainable budget organizations
- CSO networks promoting budget transparency and accountability
- Research findings on the relationship between civil society budget work and changes in budget processes and outcomes
- An international community that is more supportive of budget transparency and accountability
- Significant movement toward a set of norms on budget transparency and participation

These outcomes were not yet identified when the 2009 IBP annual activity plan and budget were finalized, but the new strategic plan and outcomes are all organic outgrowths of the IBP's experience and understanding of the context in which it works today. The remainder of this report will, therefore, describe the IBP's 2009 work as a contribution to these short-term outcomes.

Highly skilled, sustainable budget organizations

- a. Enhanced, focused grant making:** During 2009 the IBP made re-grants of just under US\$2 million to 47 civil society budget groups in 33 countries of Latin America, Asia, Europe, and Africa and managed an additional US\$825,000 in pass-through grants. This was a roughly 66 percent increase in grantmaking from 2008. Much of this increase was in the Partnership Initiative with its strategy of making multiple grants in a limited number of priority countries. However, the OBI also made small grants to 12 groups undertaking subnational research projects and 25 groups engaged in national-level advocacy campaigns for greater transparency and public participation.
- b. Exciting new partners join the Partnership Initiative:** Eight new Indian partners have joined the PI, enabling an intensive focus on monitoring two pioneering public programs: the National Rural Health Mission and the National Rural Employment Guarantee Scheme. In South Africa, an innovative collaboration between the Treatment Action Campaign and the Center for Economic Governance and AIDS in Africa was launched to track the government's provision of anti-retrovirals to communities with high HIV/AIDS incidence. In the Philippines, the Concerned Citizens of Abra for Good Government (CCAGG) has joined the PI. The CCAGG monitors government procurement and budgets in public works programs and has a substantial reputation for uncovering and correcting corrupt practices.
- c. Increased, intensive technical assistance:** The IBP's grant making and training teams collaborated closely to ensure that every PI partner is provided with specially tailored technical assistance and a dedicated mentor, drawn from experienced practitioners in the field. Every IBP mentor has been carefully selected, has completed a week-long induction workshop, and has been supported during the past year to ensure a uniform approach and quality.
- d. Building knowledge:** The IBP guide to monitoring budget execution — *Our Money Our Responsibility: A Citizens' Guide to Monitoring Government Expenditures* — was translated into French, Spanish, Russian, Arabic, and *Bahasa Indonesian* (the latter, prepared by our partner, Pattiro, has already received 100,000 website hits). In addition to expanding access to *Our Money, Our Responsibility*, the IBP and the International Human Rights Internship Program, with support from the UN Food and Agricultural Organization, produced a landmark guide to using budget analysis to evaluate country commitments to the Right to Food. The IBP's training team also designed and piloted the first intermediate course on using budget analysis to monitor health systems and policies and hosted general intermediate trainings for a variety of civil society organizations.

CSO networks promoting budget transparency and accountability

- e.** Coordinated grants to multiple organizations have been made in five of the current 13 priority PI countries and are being developed for all the rest. This approach leads to the kind of joint advocacy campaigns within a country that are best exemplified in the combined work of our Brazilian partners, IBASE and INESC, to open the operations of the off-budget BNDES, a massive development bank with global impact. At the regional level, the launch of Open Budget Survey 2008 created

opportunities for partners — and their networks — to work together to enhance pressure for open budgeting within individual countries and within regions.

- f. IBP partners are also working increasingly in partnership with other oversight institutions, such as the legislature and Supreme Audit Institution. To take one example, research from the Center for Budget and Governance Accountability played a decisive role in defining discussions in the Indian parliament in this year's discussions on budgetary allocations to women, children and the education sector. IBP partners are also working closely with government where there are meaningful opportunities to do so. During 2009, for example, IBP partner the Center for Social Accountability, was requested by the Eastern Cape Health department in South Africa to assess its strategic plan. The head of the Health department subsequently instructed program managers in the department to incorporate all of CSO's suggestions into its next draft of the strategic plan.

Research findings on the relationship between civil society budget work and changes in budget processes and outcomes

g. Documenting our partners' work

Three recent IBP case studies document the impact of long-term budget campaigns on: 1) the size and effectiveness of the Child Support Grant in South Africa (a broad coalition), 2) the pace of earthquake relief in Pakistan (Omar Asghar Khan Foundation), and 3) the provision of quality education in Tanzania (HakiElimu). As part of the IBP effort to present evidence of the impact of our partners' work, a powerful video on the social auditing method and initial impact of Muslims for Human Rights (MUHURI) in Kenya was launched in September 2009. The video has already been widely used, including receiving over 6,000 YouTube viewers. The IBP also has initiated four long-term, prospective case studies to document the successes and challenges of partner campaigns in Brazil, Mexico, South Africa, and Tanzania.

h. Testing the causes and consequences of budget transparency

Quantitative studies initiated in 2009 will test the relationship between a country's budget transparency and its access to credit markets, performance in human development, and dependence on oil and gas revenues. Further studies focus on the relative transparency performance of four aid-dependent countries and the determinants of fiscal transparency. An important project has also been launched to undertake nine in-depth country case studies to help explain why some countries become more transparent and participatory than others. All of these studies will be published in late 2010.

An international community that is more supportive of budget transparency and accountability

i. Open Budget Survey 2008 launch generates substantial media coverage

In a global collaboration spanning 85 countries, the IBP and its civil society partners released the Open Budget Survey 2008 on 1 February 2009. The findings from the second implementation of the Survey were disseminated at international launches in Washington, D.C., and London. IBP partners collaborated on convening eight regional launches, as well as on public events in at least 70 of the 85 participating countries. (See Appendix I for brief summaries of these launch activities.) These launches successfully generated over 150 newspaper and magazine articles, television and radio

segments, and blog and website postings. International coverage included *The Economist*, *Washington Post*, Voice of America News, Agence France Presse, and BBC international and regional radio, and, most recently, *The Wall Street Journal*. Coverage in 2009 far surpassed the coverage of the 2006 Survey, significantly increasing momentum of the public dialogue on government budget transparency and accountability.

j. Growing numbers of country governments engage with the OBI

IBP partners conducting research for the OBI increasingly are finding that their governments want to engage with them on budget transparency-related issues. For example, Mexico's Ministry of Finance consulted extensively with IBP partner Fundar to develop and publish the country's first ever Citizens Budget (a popular presentation of national budgets that is advocated in the Survey). Discussions of this nature are taking place in the Democratic Republic of Congo, the Kyrgyz Republic, Tanzania, and Morocco, as well. The governments of Croatia and New Zealand also have recently worked with our local partners to adapt their transparency practices to conform to OBI standards, and the Rwandan and Brazilian governments contacted IBP directly to learn more about ways through which they could improve budget transparency. Very significant, over 30 governments have agreed to officially review and comment on the next round of the Survey to be published in October 2010, in contrast to only four governments that provided official comment on the 2008 Survey. Data collection for the 2010 Survey has been completed and includes nine new countries — Iraq, Mozambique, Mali, Spain, Portugal, Chile, Slovakia, Italy, and East Timor.

k. OBI influences practices of international development agencies

Citing the Open Budget Survey as a principal source, the IMF has recently revised its *Code on Good Practices on Fiscal Transparency* to include new clauses requiring countries to publish Citizens Budgets, as one of the core sets of documents underpinning good practices. The IMF also has strengthened provisions in the *Code* that emphasize the public's right to information and government's responsibility to proactively provide information — both issues at the core of the Survey. The United States Department of State uses the Survey as one of its primary sources of information to gauge whether or not U.S. aid-recipient countries are meeting the requirements of U.S. law. The agency has on its own initiative sent OBI country reports to U.S. embassies around the world asking them to use the reports in guiding conversations with each government. The Dutch government is in the process of implementing a similar initiative with all relevant Dutch embassies. World Bank and IMF missions consistently use the contents of the Survey in their country missions and reports on fiscal transparency issues. A consortium of donors in Tanzania, led by the Irish, is using Survey data as the basis for their discussions with the Tanzanian government on improving budget transparency in the country.

l. Open Budget Survey established as the global standard for budget transparency and oversight

As discussed above, major donors and development agencies promoting public finance reform use the results of the Survey in guiding deliberations with country governments; while an increasing number of country governments are using the OBI as a yardstick for improving budget transparency. Use of the Survey in the academic and policy literature is also growing (see Appendix IV for a list of academic and organizational publications that have cited the Survey findings). Similarly, the number of organizations requesting IBP-authored OBI articles or OBI speakers at meetings grew (See

Appendix III for a representative list). The Survey is also used as part of several important, related indices, such as the World Bank's governance index, and the Global Integrity Index, among others.

m. Deepening engagement with international partners

Work with staff of the Open Society Institute has broadened to include engagement in most regions, and a particularly in-depth partnership with the OSI Public Health Watch. The IBP also continues to collaborate closely with staff at the Hewlett Foundation. In all its work, the IBP gives priority to the country grantees of the Ford Foundation and Open Society Institute — many of IBP's longest-standing partners are grantees of these institutions. Work with international grantees of these foundations and the Hewlett Foundation, such as the Revenue Watch Institute, Tiri, Publish What You Fund, and Oxfam America is growing, as well. At the same time, the IBP continues to broaden its role in supporting the engagement of several international NGOs in the field — this year adding Oxfam Novib and nine other significant international partners to its network.

Significant movement toward a set of norms on budget transparency and participation

m. International advocacy on budget transparency and participation

Together with ten other international civil society organizations, the IBP launched an exciting new initiative in 2009 to test access to budget information in 85 countries. Over the next six months, partners in each of these countries will request of their governments the same six pieces of budget information relating to expenditures on drugs to prevent maternal mortality, funds flowing to national environmental agencies and subsidies, and the transparency and predictability of aid. This is the most significant cross-country test of access to information to date, and the results will be launched in September 2010 to coincide with the UN Millennium Development Goals Summit.

n. Dialogue on the establishment of norms

The IBP has started discussions with international donors and agencies, academics, and policymakers about the potential development and ratification of global norms on budget transparency. Initial conversations with the U.S. Department of State and the National Security Council and with the Dutch, U.K., and Swedish governments have demonstrated considerable interest. Strong interest has also been expressed by international agencies representing parliamentarians and Auditors-General, as well as in the World Bank, the IMF, and other UN agencies. This initiative promises our partners greater leverage with their governments and could also make a major contribution to aid effectiveness, but we are still in the very early stages of testing the idea.

Conclusion

For the IBP, 2009 has been a rewarding year. In each of the current 13 priority countries for the PI, grants have been made to at least one, and often several, strong civil society organizations that have demonstrated their capacity to have a positive impact on one or more aspect of the public finance management cycle in their country. The IBP has been collaborating with these partner organizations to strengthen their theories of change and capacity for self-monitoring as well as providing regular opportunities for partners' staff members to participate in training programs and for IBP mentors to provide targeted technical assistance. These stronger, more sustainable civil society partners are

increasingly collaborating with one another in coordinated country strategies that enhance their capacity for strategic advocacy.

The increasingly valuable and recognized Open Budget Survey reinforces the work of IBP partners in individual countries by establishing benchmarks for open and accountable budget practices, measuring country performance against these benchmarks, and increasing attention and, thereby, pressure to improve.

In support of both country-level and international work, the IBP is devoting increased resources and attention to the task of documenting the relationship between civil society engagement in public budgeting and budget policies and outcomes. Toward this end, a wide range of studies, both qualitative and quantitative, were commissioned during 2009 and will be published over the coming months and years.

These efforts to work more intensively with partners and to document the impact of civil society work on budget transparency and accountability has made possible a meaningful expansion of the role the IBP is now playing in creating a more supportive international environment and advancing progress toward a set of norms that would create, for the first time ever, standards for acceptable practices for government budget transparency, for citizen participation in public finance processes, and for government accountability regarding budget outcomes.

In turn, the IBP expects that progress towards a more supportive international environment and norms of acceptable government performance will help to make our civil society partners more sustainable and open doors and opportunities for collaboration that will enhance their impact. This is what has made 2009 a rewarding year for IBP — the steady progress that we are making toward achieving each of the five short-term outcomes that are so critical if we are to make progress towards the IBP's longer-term goals.

2. IBP 2009 Detailed Report

This main body of the annual report will provide a more detailed description and analysis of the IBP's work in 2009, and progress towards our desired five short-term outcomes.

a) Highly skilled, sustainable budget organizations

The first, and probably most important, short-term outcome that the IBP seeks is a set of stronger and more established civil society budget organizations that can make a difference at the level of the nation-state. Winning reforms in budget policies and processes requires sustained work and a long-term commitment. To be effective, these organizations must have adequate resources available to make them sustainable for the foreseeable future, and the technical skills to analyze budgets and engage in public education and advocacy.

Providing financial support

To these ends, the IBP — through the Partnership Initiative (PI), the Open Budget Initiative (OBI), and the Training Program — provides re-grants and technical assistance to a wide range of organizations. All together, during 2009, the IBP made grants totaling US\$1,929,000 to 47 organizations in 33 countries, plus an additional \$825,000 in pass-through grants to two organizations.

For many of the most sophisticated, lead organizations in IBP focus countries, the re-grants can be quite substantial, taking the form of three to five year institutional support, up to a maximum of \$150,000 per year. The re-grants contribute to the financial support necessary for these organizations to define and pursue their country-level goals and participate in building an international movement. Other CSOs that may be less experienced in budget analysis and advocacy receive project support grants that allow new skills to be sharpened and new lines of work to be deepened, as a possible prelude to longer-term, core support.

The IBP also provides a number of smaller grants to strengthen advocacy around the Open Budget Survey and to explore how the methodology of the Survey might be replicated at the subnational level. These grants contribute to a coordinated campaign within and across countries, but with a narrower focus than the Partnership Initiative. The Open Budget Initiative seeks, in now close to 100 countries, greater transparency in government budgets and greater government accountability for the effective use of scarce public resources.

The financial support IBP provides goes to a diverse group of organizations. Some, such as Fundar in Mexico or Ibase in Brazil, are well established, highly capable CSOs that use budget analysis in pursuit of broad national-level policy goals. Others, such as HakiElimu in Tanzania and the Omar Asghar Khan Foundation in Pakistan, got their start with a focus on a single sector or issue and have gradually expanded their work from that base.

During 2009, IBP re-granting expanded substantially to include several exiting new partners and partnerships. Eight new Indian partners have joined the Partnership Initiative, enabling an intensive focus on monitoring two significant new pioneering national programs: the National Rural Health

Mission and the National Rural Employment Guarantee Scheme. An innovative new partnership in South Africa, also supported through our Partnership initiative, brings together the networks and advocacy experiences of the Treatment Action Campaign with the technical skills of the Center for Economic Governance and AIDS in Africa to track the government's roll-out of anti-retroviral drugs to poor communities with high HIV/AIDS incidence. A pioneering Philippine organization, the Concerned Citizens of Abra for Good Governance (CCAGG), has also recently joined the PI. CCAGG is well known for its work in uncovering corrupt procurement and budgeting practices in public works programs.

To responsibly and effectively manage its grant-making workload, the IBP has had to develop new capacities and systems to improve its ability to function as an intermediary organization. For each of the core countries in which the IBP works, a country strategy has been prepared and approved by an external reference group; a proposal has been solicited, reviewed and revised for every grant that has been approved; and new systems have been put in place to conduct the required background checks and records filing to comply with the U.S. legal and regulatory frameworks.

Providing training and technical assistance

Sustainable budget organizations need to be more than just financially stable; they need to be effective. Therefore, in addition to financial support, the IBP provides a range of widely respected training courses and specialized capacity building to enhance the skills of staff members of civil society organizations.

Some of the highlights of the Training Program during 2009 include the IBP's first five-day General Intermediate Training for the Middle East and North Africa region. It was held in Turkey and attended by 20 participants drawn primarily from organizations supported by the Ford Foundation and the Open Society Institute. A similar General Intermediate Training was held in Armenia for potential future partners of the Open Society Institute, and a week-long roundtable for 12 participants on the use of budget analysis in right-to-education campaign was held in Washington, D.C., together with the International Human Rights Internship Program. A major 10-day workshop on health and budgets was developed and offered for the first time in October. The workshop was held in India for 40 staff members of organizations that receive financial support from Google.org and the IBP for overseeing health systems finance and health service delivery.

The IBP's ongoing training efforts include developing materials for our courses and guides to effective budget analysis and advocacy. For example, in 2009, the IBP guide to monitoring budget execution — *Our Money Our Responsibility: A Citizens' Guide to Monitoring Government Expenditures* — was translated into French, Spanish, Russian, Arabic, and *Bahasa Indonesian* (the latter, prepared and posted online by our partner Pattiro, has already received 100,000 website hits). In addition, the IBP and the International Human Rights Internship Program, with support from the UN Food and Agricultural Organization, produced a landmark guide to using budget analysis to evaluate country commitments to the Right to Food.

As an example of the IBP's more specialized capacity building, 50 researchers received training in 2009 on how to complete the Open Budget Survey and on how to use that data for country level advocacy campaigns seeking greater government budget transparency. All of the Survey researchers are also engaged in a six month intensive program of data gathering, analysis, and review with participation and guidance from external consultants and IBP staff members. This means that in the 90-plus countries where the Open Budget Survey questionnaire is being administered there are civil society analysts who

have developed new diagnostic skills that will help to shape their understanding of their countries' budget systems and the longer term budget work of their organizations.

In addition to the training courses and workshops, the IBP has developed a system for providing tailored, ongoing technical assistance to individual organizations. In 2009 an initial cohort of 20 mentors, drawn from the IBP staff and other allied organizations, completed a week-long training program. Each mentor is assigned to one or more of IBP's partners and is required to visit the organizations at least once a year and to keep in contact to respond quickly to requests for assistance.

This kind of in-depth, specialized technical assistance is often reinforced by IBP-supported exchanges between budget groups, and by worldwide meetings of the organizations that are recipients of IBP re-grants. Among the larger of the exchanges, IBASE hosted an exchange that focused on coalition building, INESC hosted another that explored the relationship between human rights and budget analysis, and CIDADE hosted a visit to Porto Alegre in Brazil for groups interested in learning more about participatory budgeting.

Among the lessons learned over the course of 2009 was a clearer understanding of how important technical assistance is for the success of individual organizations and country strategies. The IBP has expanded the range of organizations with which it works and not all of these organizations have extensive experience with budget work. Others among IBP's long-term partners have gone through leadership changes that have proven to be challenging. In all cases, fostering effective country or regional coalitions and advocacy campaigns takes time and regular input from IBP staff members or experienced consultants. The upshot of this lesson is that the IBP needs to have more of its staff time available for this critical service, and it needs to increase the size of the pool of qualified consultants on whom it can call.

b) CSO networks promoting budget transparency and accountability

In its early years, the IBP typically supported one budget-focused organization per country. In several important cases, this approach led to the creation or strengthening of one national institution with the ability to provide credible evidence that is broadly and effectively used by a wide range of civil society organizations (and legislators and auditors) operating across diverse sectors. But in a number of other cases, the organizations the IBP supported produced information that was not used effectively to promote changes in budget processes and outcomes. IBP case studies — backed by broader research on social change — suggested that IBP core partners' efforts and impact would be strengthened if they were to pursue stronger partnerships with other civil society organizations, with the media and formal oversight institutions, or even with government.

For these reasons, and wherever relevant, an increasing number of IBP country strategies promote grant making to several local institutions that are working on common problems. By bringing the different skills sets and foci of these groups together to pursue a shared, significant advocacy objective, the IBP seeks to deepen the potential impact of the work of each. Over time, we also hope to strengthen the relationship between CSOs working on budgets and the media and other oversight institutions. This is a relatively new approach for IBP, and these plans are most advanced in Tanzania, India, South Africa, Mexico, and Brazil. It is expected that during 2010 this model will be implemented in even more countries.

An example from Brazil is illustrative of this approach. The IBP has made grants to two key national Brazilian budget organizations with complementary skills that are working together to make the national government's development bank (BNDES) more transparent and accountable. The development bank annually lends more money than the World Bank and is a central player in determining the parameters of Brazil's (and even the Southern Cone region's) model of development. However, the Bank's operations are entirely off-budget, and the president of the bank reports directly to the President of Brazil. Despite repeated attempts over the years by individuals and organizations, the Bank's activities remain closed to public and effective legislature oversight.

Over the past two years, IBASE and INESC, have together build a substantial coalition incorporating main line NGOs, trade unions, environmental groups, community groups, organizations representing the indigenous peoples, social movements working to improve the conditions of landless agricultural workers that shows early promise of cracking open the operations of the Bank. The most recent high profile activity undertaken by the coalition was a three-day series of meetings with poor and indigenous communities affected by BNDES funded development projects in the ethanol, paper and cellulose, agriculture, mining and energy sectors. At the end of the community meetings, a delegation met with the president of the bank, Luciano Coutinho and presented a set of demands for reforms in the transparency and decision-making of the bank. The fact that the president was willing for the first time to meet with civil society and that some bank information is now being more widely shared is evidence that the campaign is beginning to have a meaningful impact. The potential implications of this work are significant for other parastatal organizations in Brazil, but also given the investments of the bank, for broader patterns of development in the region. Core to the work has been bringing together the technical analysis skills and national networks of INESC with the advocacy skills and deep linkages with national mass movements that IBASE brings to the partnership.

IBP partners also are working in close partnership with other oversight institutions, such as the legislature and supreme audit institution. For example, research from the Center for Budget and Governance Accountability in India (CBGA) played a decisive role in defining the budget discussions in the Indian Parliament. Their presentations on allocations to women, children and education were extensively quoted by members of parliament. (CBGA's work was also recognized by the International Development Research Centre, who awarded them with the India Social Science Research Award for research on public provisioning for adaptation to climate change.) As reported in previous Annual Reports, collaboration between budget groups and supreme audit institutions continues to be explored in many environments.

Where possible, IBP partners are working closely with the executive branch, as well. One outstanding example from 2009 involves the Center for Social Accountability (CSA), which works with a broad coalition of CSO partners to improve health service delivery in the Eastern Cape province of South Africa. The CSA assesses the integrity of strategic planning and budget processes in the provincial health department in order to ensure sufficient and appropriate service delivery in one of the poorest parts of South Africa. Last year the strategic planning unit in the provincial health department responded to pressure from CSA and its partners by requesting CSA to assess its annual strategic plan. The response of the Health Department to the assessment was very positive — the head of the department subsequently requested program managers to make all the changes recommended by the CSA in the next draft of the Strategic Plan. The provincial Department of Housing has subsequently requested a similar assessment of their strategic plan from the CSA.

The IBP is also working to build regional networks of budget organizations collaborating to advance budget transparency and accountability. This work follows evidence derived from the Open Budget Survey that the desire to gain membership in regional institutions such as the European Union can have a positive impact on budget transparency in member-candidate countries. To foster collaboration between our OBI partner organizations, the IBP supported eight regional launches of the 2008 Survey in 2009 – Central America, South America, Middle East and North Africa, West Africa, East Africa, Southern Africa, Asia, and Southeast Asia.

Although a lead organization was identified in each region, the launch activities were planned jointly among the partners from the countries in the region, as well as with other regional civil society networks and coalitions. The partners collaborated on identifying common issues related to budget transparency and participation based on the Survey findings, developing regional messages for the media and policy makers, and planning and conducting events and activities. All of this required partner organizations within each region to establish effective communication channels, develop decision-making processes, and coordinate roles and responsibilities.

In addition to resulting in widespread and ongoing media coverage of the Survey and budget transparency issues, these launches established a foundation of regional collaboration within the broader network of civil society budget analysis and advocacy, which the IBP will strengthen with deeper support for regional work on the Open Budget Survey 2010 release. The regional launches were a significant step in building a network based on the idea that diverse groups in different countries share issues and an agenda for promoting public budget systems that are responsive and use public resources efficiently and effectively.

c) Research findings on the relationship between civil society budget work and changes in budget processes and outcomes

One of the most important roles that the IBP can play in support of allied CSOs and donors seeking greater budget openness is to document evidence that civil society engagement has on budget policies and processes. The evidence gathered on the impact of our work and that of our partners is important to test our assumptions and refine our strategies. We also believe that rigorous information on strategies, impact, and association will help to refine donor strategies and encourage donors to sustain their investments, or invest more deeply, in the sector. Building the community that supports budget work, including progressively convincing skeptics, is vital to sustaining our joint enterprise.

The IBP implemented several activities in 2009 designed to produce rigorous and compelling case studies of the impact of civil society budget work. First and foremost, the IBP has encouraged and supported the partners it provides with financial assistance to design theories of change for their organizations and identify indicators that could be used to track the impact of their activities. The feedback the IBP has received on this process testifies to the fundamental positive impact that this work can have on the strategic thinking and organizational structure of our partners. We intend to standardize this process into an advanced strategic planning module to be adapted and delivered by our mentors as part of their long-term work with our partners.

Second, IBP has completed and will soon publish three retrospective case studies produced by independent researchers of the very positive impacts of long-term budget campaigns. The first of these case studies focuses on the impact of a coalition that has worked for 10 years to protect vulnerable children in post-Apartheid South Africa by improving the design and reach of a national child support

grant. A second case study focuses on the impact of the work of the Omar Asghar Khan Foundation in the North-West Frontier Province in Pakistan to improve the pace and effectiveness of earthquake relief assistance. The final case study documents and links the budget analysis and advocacy of HakiElimu in Tanzania to policy and program reforms in the education sector.

In order to overcome the methodological limits of retrospective case studies, the IBP has recently commissioned four three to five-year case studies that will document the progress against their predetermined goals of Ibase in Brazil, Fundar in Mexico, HakiElimu in Tanzania, and the Center for Social Accountability in South Africa. These case studies are being carried out by independent scholars, who have full responsibility for both the research design and the findings of the case studies. These are the first case studies of this kind — designed to track progress towards organizational goals and to produce a comprehensive history of a specific campaign for reforms in public finance management.

In 2009 the IBP's Communications team led collaborated with a talented filmmaker to produce a documentary video of the work that IBP partner organization, Muslims for Human Rights (MUHURI), is doing to involve communities directly in monitoring the Constituency Development Fund (CDF) in Mombasa, Kenya. The documentary, *It's Our Money. Where's It Gone?*, presents MUHURI's use of "Social Audits" to involve communities in monitoring budgets and holding their government accountable for managing the public's money and meeting the needs of the poor. The final product is both engaging and inspiring — it not only introduces the Social Audit methodology to viewers but also presents a compelling argument for public participation in budget oversight.

The IBP has posted the video in French, Spanish, and English on its website and on YouTube, where it has received over 6,000 hits to date. It also has been shown to donors, governments, international financial institutions, and international civil society organizations to bolster the case for supporting civil society budget analysis and advocacy and for establishing international norms for transparent and participatory budget practices. In addition, IBP partner organizations have used the video both to advocate for better budget practices in their countries and in trainings on social auditing and other budget monitoring methodologies.

Finally, the IBP initiated a number of research projects in 2009 to use Open Budget Survey data to deepen understanding of the catalysts and impact of expanding budget transparency. Quantitative studies will test the relationships between budget transparency and countries': a) access to credit markets, and b) performance on the Human Development Index; while other studies will explore the determinants of fiscal transparency and the effect of dependence on oil and gas extraction on transparency. A cross-country qualitative study will seek to explain why some aid-dependent countries do better than others on budget transparency. IBP also has engaged Harvard University to undertake in-depth case studies to help explain why some countries in the Open Budget Survey are becoming more transparent than others. The results of all of these studies will be published toward the end of 2010.

d) An international community that is more supportive of budget transparency and accountability

Generating evidence of the impact civil society can have on budget policies and processes, as well as on the quality of services delivered by governments is of critical importance. The other half of the battle is to ensure that the international community is more supportive of budget transparency and accountability. In practical terms this means that donors must better align their lending practices with these goals and make more resources available for work around these goals, International Financial Institutions must

begin pushing this agenda more aggressively, public intellectuals and opinion leaders need to speak out more forcefully on these issues, and international civil society must come together in ways that allow it to assert greater influence on international decisions. To help make all of this happen, the IBP has begun making its international work a higher priority.

IBP's most important activity toward this goal is the biennial Open Budget Survey. The Survey is the only independent and comparative measure on budget transparency worldwide. It is also the only assessment (independent or otherwise) that is consistently published to provide data showing changes in countries' levels of budget transparency over time. To easily measure the overall commitment of the countries surveyed to transparency and to allow for comparisons among countries, IBP created the Open Budget Index from the Survey. The Index assigns a score to each country based on the information it makes available to the public throughout the budget process.

The IBP and its partners in 85 countries released the 2008 Survey in February 2009. This followed the first round of the Survey, which was launched in 2006 and covered 59 countries. The major findings of the Survey showed the state of budget transparency to be dismal in the majority of countries included in the sample. Almost 50 percent of the sample was found to provide only scant or no budget information to their publics. However, changes in Open Budget Index scores over 2006 also provided evidence that budget transparency practices are improving in approximately 20 countries in the sample, and that many more countries could improve budget transparency immediately within existing resource and capacity constraints, if there is sufficient political will. Through its impact on the media, donors and even directly with country governments, the Survey is beginning to shift the political will and encouraging countries to improve transparency practices.

Media impact

The launch of the Survey successfully generated over 150 newspaper and magazine articles, television and radio segments, and blog and website postings around the world, far surpassing the reach of the 2006 Survey. The widespread coverage significantly contributed to the increasing momentum of the public dialogue on government budget transparency and accountability. Notable international coverage included *The Economist*, *Washington Post*, Voice of America News on television and radio, Agence France Presse, BBC international and regional radio, and, most recently, *The Wall Street Journal*. There was particularly strong coverage in widely-read and watched national and regional media in most participating countries, including NTV (Kenya), *La Nación* (Argentina), Once TV and *Vanguardia* (Mexico), *Daily Star* (Lebanon), *Times of India*, Sina (China), *Malaysia Times*, *Philippine Star*, and other media outlets worldwide.

The findings from the second Survey were disseminated at events at the National Press Club in Washington, D.C., and at the London School of Economics. To generate media attention and foster collaboration between our Survey partner organizations, the IBP also supported eight regional launches in Central America, South America, Middle East and North Africa, West Africa, East Africa, Southern Africa, Asia, and Southeast Asia (See Appendix 1 for brief descriptions of these launches).

The 2008 Survey was also launched online through a newly designed, comprehensive, and interactive website (www.openbudgetindex.org). The microsite, which is embedded in the IBP's main website, includes the results for the 2006 and 2008 Surveys, downloadable databases of both years' data, stories of how civil society organizations have used budget information to improve the lives of people in their countries, and print-ready PDFs of all the 2008 Survey materials and advocacy tools. Not only has the site had traction beyond the initial launch, accounting for over 40 percent of the IBP's monthly website traffic, but Survey-based advocacy by our partner organizations continues to have an impact on national

debates, as evidenced by a recent spate of articles in the Georgian press and an editorial in a newspaper in Botswana.

To support all of the above, the IBP communications team, informed by our partners' input, developed print and electronic materials to support the launches and the ongoing advocacy in the 85 countries included in the Survey. These materials included two-page country summaries, a postcard and wall poster, an Open Budget advocacy guide, tips for media outreach, and templates for press releases and policy briefs. In addition, the IBP commissioned a South African songwriter and music producer to create "It's Your Money," which was played and distributed at launch events and picked up by radio stations in a number of countries.

Despite all of the excellent press coverage of the 2008 Survey, and the more diverse range of communication products and strategies being used by the IBP, 2009 has taught us at least one valuable lesson: it is still very difficult to break into what, for lack of a better term, might be called the "international" media. Efforts to get opinion pieces into the *New York Times*, *Wall Street Journal*, and *Guardian* failed. The print and electronic media in capital cities outside of Washington, D.C., and London still do not give priority to budget transparency and accountability issues. In response, we have started to build a network of international journalists that we can draw on for the 2010 Survey release.

Increasing engagement with country governments

There are several indications that country governments are starting to take notice of the Survey and improve their transparency practices based on these standards. IBP partners conducting research for the OBI are finding that their governments are increasingly engaging them in budget transparency-related discussions. For example, Mexico's Ministry of Finance consulted extensively with IBP partner Fundar to develop and publish the country's first ever Citizens Budget (a popular presentation of a country's national budget promoted by the Survey). Similar discussions of this nature are taking place in the Democratic Republic of Congo, Morocco, Tanzania, and the Kyrgyz Republic (although the governments in these countries have not yet published Citizens Budgets), as well. The Croatian government has worked over the past couple of years with IBP partner, the Institute for Public Finance, to revamp their transparency practices and, similarly, the New Zealand government worked with IBP's local partner to introduce transparency in the area of tax expenditures.

Further reflecting the growing importance of the Survey, the Namibian government felt it necessary to publish an op-ed piece in a national newspaper presenting their point of view on the state of the country's budget transparency in response to the publication of the 2008 Survey in the country. Similarly, the Rwandan government was sufficiently concerned about their Open Budget Index performance to contact the World Bank and the IBP to protest and subsequently ask for assistance in improving their ranking. The Brazilian government has also contacted the IBP directly to learn more about ways through which they could improve budget transparency, and the government of Yemen has written to commit to improve their performance on the Survey.

Perhaps most important, over 30 governments have agreed to officially review and comment on the next round of the Survey to be published in October 2010. In each case, it is the Minister or Deputy-Minister of Finance that has established contact directly with the IBP. This promises a marked change from the

2008 Survey when only five governments officially provided comments, although all governments are given the opportunity to comment in-depth on the results.²

Impact on donor practices

The results of the Survey have significant implications for the donor community. The Survey shows that there is a strong and negative relationship between a country's reliance on foreign aid and its performance on the Open Budget Index. Further, the majority of aid-recipient countries provide greater budget-related information to their donors than they make available to their publics. In light of these findings, the IBP has undertaken a major outreach campaign to donors to encourage them to support additional research on the impacts of donor aid on a country's budget transparency, and to ask that they encourage aid-recipient governments to make the budget documents they produce available to their publics. This effort has included specialized individual briefings with the World Bank, IMF, DFID, USAID, AusAid, SIDA, CIDA, Norad, and the Netherlands foreign assistance program.

The most notable impact of this work to date has been an important shift in IMF policy on fiscal transparency. The IMF has recently revised its *Code on Good Practices on Fiscal Transparency* to include new clauses requiring countries to publish Citizens Budgets, as one of the core sets of documents underpinning good practices. A forthcoming IMF Working Paper sets out the expected contents of these documents and the resulting obligations of governments in considerable detail. The IMF did not previously accept the importance of accessible documents on the budget as part of international good practices, and the Survey is referenced consistently as a principal source of this shift in its position. The IMF also has strengthened provisions in the *Code* that emphasize the public's right to information and government's responsibility to proactively provide information — both issues at the core of the Survey, and previously neglected in the *Code*.

During the past year, several donor and development agencies, including the U.S. State Department, the World Bank, the International Monetary Fund (IMF), and embassies of a number of other donor countries have begun to use results from the Survey in their discussions with recipient country governments. The United States' *Consolidated Appropriations Act, 2008* (P.L. 110–161) requires budget transparency in recipient countries as a condition of the provision of U.S. foreign aid. A decision to provide aid, deny aid, or grant a waiver must be made by the State Department based on objective evidence. In seeking to implement this part of the Act for the first time, the U.S. State Department is relying on the Survey as one of its primary sources of information to gauge whether or not U.S. aid-recipient countries are meeting the requirements of U.S. law. Further, the agency has on its own initiative sent Open Budget Survey country reports to U.S. embassies in all countries covered by the Survey. It has asked these embassies to take the Survey's findings into consideration during discussions on aid with the recipient governments, particularly those that have been granted a waiver and are required to improve their practices in order to retain U.S. aid.

The Dutch government has expressed a similar interest in utilizing the Survey's findings and is in the process of sending country reports to relevant Dutch embassies in 45 priority countries. Further, a consortium of donors, led by the Irish in Tanzania, approached the IBP for assistance in using data on Tanzania from the Survey in their discussions with the government on improving budget transparency in

² The IBP first consults with research partners on sending the completed questionnaire to the government for comment. In the vast majority of cases, our research partners have agreed to this. If the government comments, IBP posts on its website the entire comment together with the OBS questionnaire and the comments of two anonymous peer reviewers.

the country. World Bank missions consistently use the Survey in their country missions and reports on fiscal transparency issues.

Open Budget Survey becomes the global standard for budget transparency

The increasing use of the Open Budget Survey by a variety of stakeholders is an important measure of its growing recognition as the independent, comparative standard on budget transparency and oversight. As argued above, there is a substantial increase in the use of the Survey in civil society, government and donor advocacy, aid provision, and transparency practices of country governments. Similarly, use of the Survey in the academic and policy literature is growing. Over the past year, articles utilizing Survey data have appeared in *Comparative Political Studies*, *Comparative Law and Political Economy*, the *World Bank Research Observer*, and the *International Social Sciences Journal*, among others. The number of journals requesting IBP-authored OBI articles over the past year has increased, as well, and includes the *International Journal on Government Auditing*, *International Journal on Public Finance Management*, and the OECD's *Journal on Budgeting*.

Further, IBP staff members were requested as keynote speakers at several important international gatherings, including the general body meeting of the Inter-Parliamentary Union, the annual meeting of the International Consortium on Government Financial Management, and the general assembly of the International Organization of Supreme Audit Institutions. The Open Budget Index is used as part of the World Bank's governance index, and the Global Integrity Index, among others.

Mobilizing international support for civil society budget work

In addition to the Open Budget Survey, a number of other IBP work streams contribute to the broad goal of building a more supportive international community for improvements in budget transparency. Since the IBP's inception it has worked to encourage greater and deeper donor engagement in the sector. Over the past year, the IBP has contributed to the development of the program and grant-making strategies of private foundations and official bilateral donor agencies. IBP has provided advice to staff members of the Atlantic Philanthropies, the Gates Foundation, Google.org, the Hewlett Foundation, OSI, and Omidyar. In-country support has also been provided to grantees of these organizations and on the grant-making strategies of several DFID and SIDA country offices.

Two highlights of this work include:

- In Indonesia and China, the IBP has carried out specially tailored, separate country assessments to respond to the program priorities of the Ford Foundation. In both cases, these reports sought to document the environment and opportunities for budget work and to suggest a joint IBP-Ford Foundation agenda. Both reports were the culmination of background research and two weeks of interviews and discussions conducted in-country and were well received by Foundation staff. The IBP has refined its country assessment method over several years and is open to conducting similar assessments for the Ford Foundation or other donors in important contexts for budget work around the world.
- The IBP's work over the past two years with the OSI's Public Health Watch also stands out. Starting in 2008 the IBP worked with Public Health Watch staff to define a strategy for their involvement in budget work and to choose grantees. This was followed by intensive IBP training and technical assistance to grantees in multiple countries. Last year, the responsible Public Health Watch program officer attended IBP's health and budgets training together with her grantees. This allowed the IBP to work with the grantees and coach the program officer. Next year, the program officer and two other staff members will shadow IBP staff members on

technical assistance missions. As a result of this process, the OSI grantee organizations have established programs and are starting to see results in their interactions with governments in Georgia, the Kyrgyz Republic, Macedonia, and Ukraine. And the OSI Public Health Watch has growing capacity to replicate this strategy in other countries.

The IBP also has stepped up its participation in major international meetings where it is possible to reach new audiences with its messages about transparency and accountability. For example, the IBP joined the Millennium Development Goals Addis Ababa meeting in October to discuss progress towards Goal #5 (Maternal Mortality). Because an IBP representative was there to highlight how important these are for achieving the targets set for Goal #5, the call to action approved at the meeting prominently mentions the need for donor transparency and financial accountability. Similar presentations have been made to the International Consortium on Government Financial Management, the Intentional Organization of Supreme Audit Institutions (INTOSAI), the annual meeting of the Inter-Parliamentary Union, the senior budget officials meeting of the OECD, the African Development Bank, as well as other institutions and professional organizations.

At the same time, the IBP works to support the engagement in this field of other international civil society organizations, including a number of those that are grantees of our core donors, such as Tiri, Publish What You Fund, Oxfam America, and the Revenue Watch Institute. The IBP's partnership with Revenue Watch Institute, in particular, continues to grow, and Warren Krafchik serves as a member of the governing board. The IBP is embarking on a further major partnership with Oxfam Novib to support Oxfam's strategy and partners' engagement with budget work in fragile states. Finally, as described in the next section, the IBP's Six Question Campaign has established strong partnerships with nine other international organizations and networks.

e) Significant movement toward a set of norms on budget transparency and participation

We believe that the work described in the previous four sections of this report must culminate over the next three to five years in a set of norms that guide practices in government budget transparency, citizen participation, and public finance accountability. It may not be reasonable to expect that binding, enforceable rules will be ratified by the appropriate institutions within five years, but we certainly expect that there will be significant movement toward defining the content of those norms and increasing acceptance by major stakeholders that binding, enforceable norms are appropriate goals for the longer term.

This work is proceeding on two levels. First, through the OBI and PI we are building strong, broad civil society partnerships at the country and international levels. The IBP has built a very strong network of budget organizations operating within countries, and also at the regional level, as described in the previous sections. We feel that it is possible to reach out much more broadly to many more sectors of civil society that have (or should have) an interest in budget transparency and participation but might not work on these issues on a day-to-day basis.

Our most significant effort to do this is the recently launched Six Question Campaign, which will test access to budget information in practice. In this work, the IBP has brought together ten international organizations and networks that work on: a) access to information (Access-info Europe and the Center for Law and Development), b) the environment (World Resources Institute and the International Institute for Sustainable Development), c) aid transparency (Publish What You Fund, Oxfam America, and

Oxfam Novib, and d) reproductive health (Family Care International, White Ribbon Alliance, and the Averting Maternal Death and Disability program at Columbia University).

In terms of the campaign, one partner from these networks in each of 85 countries around the world will make and track six requests for budget information from his or her government. The questions will be identical across all of the countries with two focusing on funds for environmental agencies and fossil fuel subsidies, two on the provision of key drugs to avert maternal mortality and trainings for medical personnel, and two on the transparency and predictability of aid. This is the most significant cross-country test of access to information to date, and the results will be launched to coincide with the United Nations Millennium Development Goals Summit in September 2010. The initiative will help the IBP to build a broad cross-sector international coalition toward our goal of strengthening national and international advocacy on budget transparency practices and standards.

At the same time, the IBP is working to build support for international norms on budget transparency among governments and donor organizations. Although work on this effort only began during the latter half of 2009, special attention is drawn here to briefings given to those involved in the effort to reform the U.S. foreign assistance programs. These include staff members of the National Security Council, the National Economic Council, the Office of the Deputy Secretary of State, and Senator Kerry's and Congressman Berman's offices. Similar briefings have been provided to senior managers at SIDA and senior advisors to the Swedish Minister of Development, to the Dutch Ministry of Development and Netherlands Foreign Assistance Program, to senior World Bank staff members, and to current and former senior staff members in the IMF Fiscal Affairs Department. The IBP has also briefed the presidents of the Inter-Parliamentary Union and the International Organization of Supreme Audit Institutions. (Please see Appendix III for the complete list of briefings and discussions held over the last year.)

It is very early days in this effort, but the initial responses we have received from these meetings are very encouraging. A common response from donors has been that moving towards international norms in budgeting is a logical precondition for achieving aid effectiveness and international development goals, including the MDGs.

There is already substantial international convergence on good practices in budget transparency, as reflected in the work of the OECD, IBP, and IMF. Further, a wide range of developed and developing countries have shown that it is possible to achieve good transparency practices in diverse environments, opening the way for combined Southern and Northern leadership on this issue. There is much less convergence, however, on good practices for civil society participation (or that of legislatures and SAIs) in the budget process. Our discussions also have shown less convergence on the possible location of or steps to establish these norms.

The IBP is currently continuing with these dialogues, particularly in the U.S. where there seems to be immediate traction, and we are working to develop a detailed proposal for the content of the norm. Further, we have commissioned research on possible processes for establishing the norm, drawing on experiences from the human rights, environment, disability and other relevant sectors. Finally, we are building a group of advisors, partners, and advocates that we hope to convene in the next few months to begin to build a long-term strategy for this work.

4. Conclusion

The past year is one in which the IBP has made significant strides. There has been a rapid increase in the number of re-grants made and the amount of money that has been directed to budget groups in a growing number of countries. Systems for assessing the country context for grant making, administering the processing of re-grants, and supporting the recipients of grants have all been developed and institutionalized. The recipients of grants are being provided with enhanced levels of technical assistance and mentoring and incorporated into patterns of exchanges and networking. The strategy of making multiple grants in priority countries has started to lead to strengthened coalitions and more coordinated efforts to achieve a common set of goals.

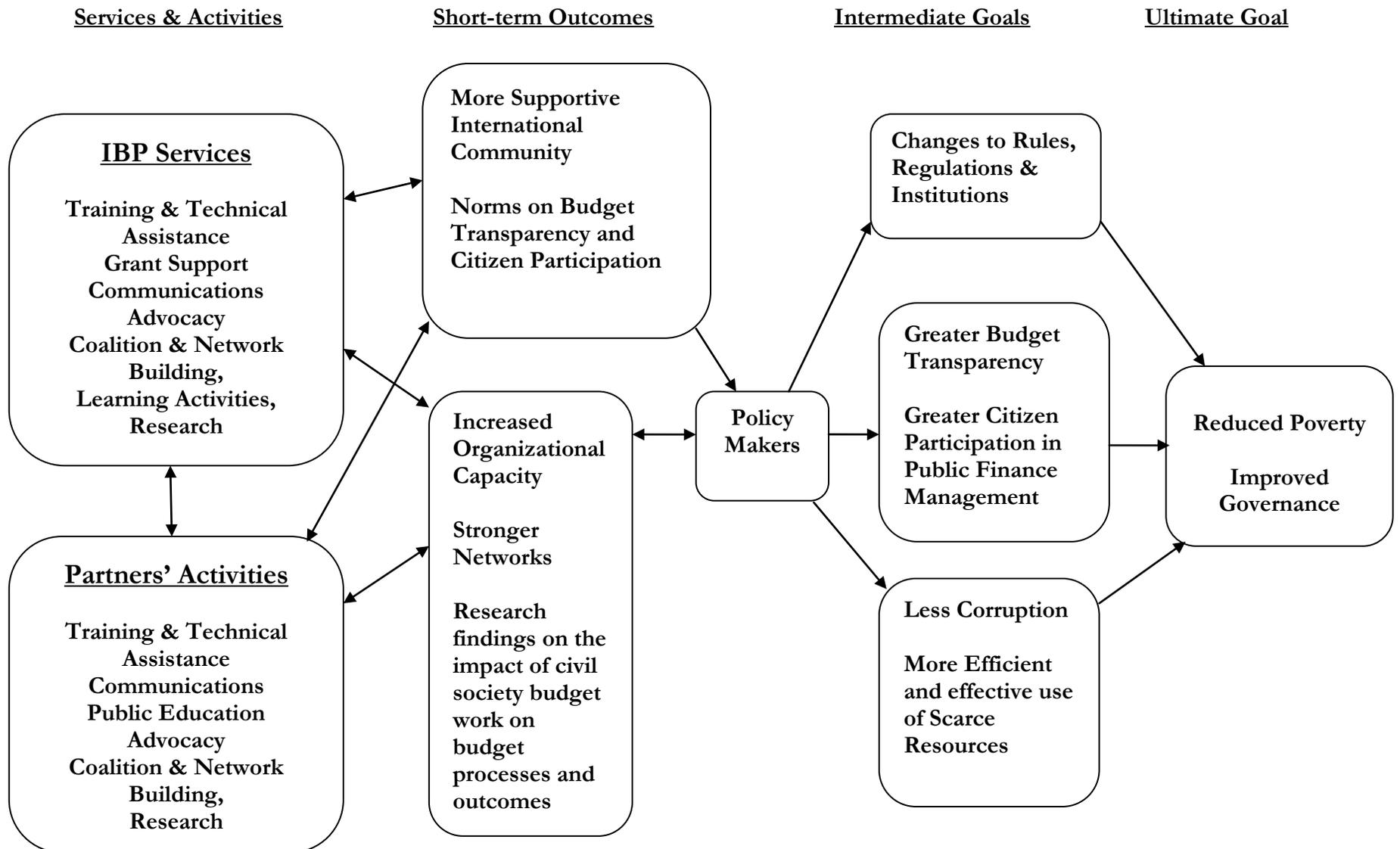
The launch of the Open Budget Survey 2008 has drawn ever greater attention to the still dismal state of government budget transparency and accountability. This, in turn, has generated additional pressure on governments to be more transparent, in part because a growing number of academics, donors, international financial institutions, and policy institutes is using and publicizing the results of the Survey. Great progress has been made in molding an international network of analysts from among the IBP's civil society partners that now collaborates on both the data gathering and launch of the Open Budget Survey and is increasingly engaged in joint advocacy campaigns to achieve reforms in government budget transparency and accountability.

Significant new research projects have been commissioned to build the evidence for our field of work, and we are taking advantage of new opportunities for international advocacy on international donor practices and norms. These efforts are raising the international profile of the IBP and opening new doors for future collaboration with donors, international civil society organizations, and aid agencies.

Several highly skilled staff members have joined the IBP during 2009, allowing us to continue the decentralization of our organizational structure and deepen our work in Latin America, Africa, the MENA region, and South Asia. The addition of new staff members has also considerably strengthened IBP's capacity for work on health policy and budgeting.

None of this would have been possible without the continued generous support of all of IBP's donors. We want to take this opportunity to express our deep appreciation for your sustained support and trust. It will be another ambitious year in 2010, and we welcome the chance to provide you with more detailed briefings in person (at your offices or ours if you wish) and to have you join us in international meetings, training programs, and in launch activities around the Open Budget Survey 2010, if it is convenient and any of these activities are of interest to you.

Diagram One. The IBP Theory of Change



Appendix 1. The Open Budget Survey 2008 Launches Worldwide

Since 1 February 2009, the IBP's civil society partners have conducted regional and national Open Budget Survey 2008 launch activities in each of 85 countries in order to raise awareness about the critical importance of transparent and accountable budgets for good governance and poverty reduction.

Central America: On 2-3 February, Fundar, the civil society organization that conducted the Survey research for Mexico, convened OBI researchers from around the region in Mexico City to produce a radio program and hold a public discussion and press conference on the Survey results. Fundar also had a luncheon with Mexican government officials, legislatures, and representatives from the supreme audit institution, where they discussed the research findings and methodology and recommendations for increasing budget transparency and had the opportunity to hear about good practice from the other researchers from the region. These activities generated significant coverage of the Survey on broadcast and in print media.

East Africa: On 5-6 February, the Social Development Network, the civil society organization that conducted the Survey research for Kenya, convened nine OBI researchers from the region in Nairobi for a public discussion and press conference on the Survey results and training on an innovative budget tracking tool. The public meeting, titled "Open Budgets, Social Watch for Accountability," drew participants from civil society, government, and the private sector and focused on the role of nonstate actors on issues of economic and democratic governance. The press conference on the second day generated broad media coverage on TV and radio and in print.

Middle East & North Africa: In the first week of February, the Lebanese Transparency Association, the civil society organization that conducted the Survey research for Lebanon, convened OBI researchers from around the region in Beirut for a public discussion and press conference on the Survey results and the implications for civil society. Participants included representatives from the Lebanese Ministries of Administrative Reform and Economy and Trade, civil society, academia, and the media from Lebanon and the Arab region. The discussions at the event resulted in a list of eight recommendations for improving budget transparency and accountability in the region, including enacting Freedom of Information laws, replacing traditional budget systems with performance-based systems, and strengthening the relationship between civil society and legislatures and Ministries of Finance.

South America: On 20 February, CIPPEC, the civil society organization that conducted the Survey research for Argentina, convened OBI researchers and government officials from around the region in Buenos Aires for a public discussion and press conference on the Survey results. Forty-two people attended, including academics, journalists, politicians, diplomats, business leaders, and civil society representatives. The event and complementary media outreach generated six articles in print outlets from around the region and three radio interviews.

Southern Africa: On 18 February, the Institute for Democracy in South Africa, the civil society organization that conducted the Survey research for South Africa, convened OBI researchers and from around the region and South African government officials in Pretoria for a panel discussion and press conference on the Survey results.

South Asia: On 4 February, the Center for Governance and Budget Accountability, the civil society organization that conducted the Survey research for India, convened OBI researchers, government officials, economists, and civil society organizations from around the region in New Delhi

for a public discussion and press conference on the Survey results. The press conference succeeded in generating broad media coverage, including articles in the *Times of India*, the *Financial Express*, and *Business Today*.

Southeast Asia: On 5 February, the Philippines Center for Investigative Journalism and the Center for Policy Studies, the civil society organizations that conducted the Survey research for the Philippines and Malaysia, respectively, convened OBI researchers, government officials, economists, and civil society organizations from around the region in Bangkok for a public discussion and press conference on the Survey results. The event was attended by 26 diplomats and journalists from regional and international media, including the *Bangkok Post*, Thai TV-3, the Asia News Network, Associated Press and Bloomberg. Recommendations for next steps included further coordinated research and advocacy with the ASEAN framework.

West Africa: On 10 February, the Integrated Social Development Center, the civil society organization that conducted the Survey research for Ghana, convened OBI researchers and members of the West Africa Rights Based Advocacy Network in Nigeria for a public discussion and press conference on the Survey results and ways for groups to collaborate for greater transparency in the region. The event generated coverage in both broadcast and print media, including Nigerian Television Authority (NTA), Cable Network Broadcasting Corporation (CNBC) Africa, New Agency of Nigeria (NAN), the *Guardian*, and the *Daily Independence*,

Afghanistan: On 4 February, Integrity Watch Afghanistan, the civil society organization that conducted the Survey research for Afghanistan, convened a press conference on the Survey results in Kabul. In addition to generating media coverage, the release of the OBI prompted the government of Afghanistan to respond that the country's dependence on foreign aid reduces its ability to meet international norms for transparency because assistance flows are unpredictable. However, the ministry indicated an intention to make improvements.

Kyrgyz Republic: During the first half of February, the Independent Human Rights Group Public Foundation, the civil society organization that conducted the Survey research for the Kyrgyz Republic, convened a press conference on the Survey results, using a comparative perspective. This was followed up with a roundtable event titled "Development through Transparency," which was attended by representatives from civil society organizations, government ministries and departments, parliamentary committees, and political parties.

Venezuela: On 2 February, *Transparencia Venezuela*, the civil society organization that conducted the Survey research for Venezuela, sent an email notification about the Open Budget Survey 2008 report to researchers, academics, journalists, and civil society organizations. They also posted the report on the organization's website, which generated media coverage and public presentations with academics, journalists, civil society, legislators, and the general public. Copies of the Survey report were widely distributed at these presentations. On March 19, a panel discussion and press conference was organized at the academic institution *Instituto de Estudios Superiores en Administración* (IESA) to discuss the Survey results. *Transparencia Venezuela* collaborated with Mexican NGO *Fundar* on this event.

Yemen: On 21 March, the Cultural Development Programs Foundation, the civil society organization that conducted the Survey research for Yemen, convened a press conference on the Survey results to coincide with Mother's Day, in an effort to connect transparency to the Millennium Development Goal of safe motherhood. In addition to the event, the CDPF produced a music video of "It's Your Money,"

the OBI campaign song, with Arabic subtitles. The event was attended by civil society organizations, members of the Anticorruption Council, legislators, and officials from the Ministry of Finance. Results included media coverage in several newspapers and on the evening television news and a commitment from the Ministry of Finance to begin posting budget information on the government's website.

Appendix II. 2009 External Publications Commissioned by the IBP or Authored by IBP Staff Members Reporting on the Results of the 2008 Open Budget Survey.

Vivek Ramkumar. "The State of Budget Transparency Worldwide." *The International Journal on Government Financial Management*, Volume IX, No. 2 (2009), (published by the International Consortium on Government Financial Management).

Ruth Carlitz, Paolo de Renzio, Warren Krafchik, and Vivek Ramkumar, "Budget Transparency around the World: Results from the 2008 Open Budget Survey." *The OECD Journal on Budget*, Volume 2009/2.

Vivek Ramkumar. "Legislatures constrained by inadequate powers to effectively oversee budgets." *Parliamentarian* (2009), volume 90, issue 2, p. 176-179 (published by the Commonwealth Parliamentary Association).

Vivek Ramkumar. "The State of Budget Transparency around the World." *The ABWA Journal*, Volume No. 5, 2009 (published by the Association of Accountancy Bodies in West Africa).

Vivek Ramkumar. "Open Budget Survey Findings on SAIs and Independence." *The International Journal of Government Auditing*, July 2009 (published by the International Association of Supreme Auditing Institutions).

Vivek Ramkumar. "The State of Budget Transparency around the World." *PolicyNet Newsletter*, September 2009 (published by policy-net.org)

Paolo de Renzio, Pamela Gomez, and James Sheppard. "Budget transparency and development in resource-dependent countries." *International Social Science Journal*. Vol. 57, No. s1, 2005.

Appendix III. Public Presentations and Briefings by IBP Staff Members in 2009. (Number of participants at each presentation in parentheses).

- Two *webinars* organized by PolicyNet (a global network of public policy researchers), September 2009. (15)
- Two presentations to World Bank staff members, March and April 2009. (35)
- The Inter American Development Bank staff members, April 2009. (10)
- The Open Society Institute, February 2009. (30)
- American University faculty and students, April 2009. (20)
- The Inter-Parliamentary Union general body meeting, October 2009. (350)
- Swedish International Development Cooperation Agency, October 2009. (20)
- Major Swedish NGOs and coalitions, October 2009. (15)
- The United Kingdom Department for International Development, February 2009. (25 participants from the UK and five country offices)
- National Democratic Institute, February 2009. (20)
- Kenya Embassy delegation, October 2009. (15)
- International Consortium on Government Financial Management. (150)
- Omar Asghar Khan Foundation, March 2009. (20)
- United States Agency for International Development, April 2009. (40)
- Millennium Challenge Corporation, March 2009. (50)

Appendix IV. Publications and Analyses Using the OBI Data and Findings.

Academic Journal Articles

Wehner, Joachim. "Institutional Constraints on Profligate Politicians: The Conditional Effect of Partisan Fragmentation on Budget Deficits." *Comparative Political Studies*. Vol. 43, No. 2, 2010.

Philipps, Lisa and Miranda Stewart. "Fiscal Transparency: Global Norms, Domestic Laws, and the Politics of Budgets." *Brooklyn Journal of International Law*. Vol. 34, No. 3, 2009.

Haque, M. Emranul and Kyriakos C. Neandis. "Fiscal Transparency and Corruption." *Center for Growth and Business Cycle Research, University of Manchester*, Discussion Paper Series No. 114, February 2009. Available at: <http://www.socialsciences.manchester.ac.uk/cgbcr/dpcgbc/dpcgbc114.pdf>.

Philipps, Lisa and Miranda Stewart. "Defining Fiscal Transparency: Transnational Norms, Domestic Laws and the Politics of Budget Accountability." *Comparative Research in Law & Political Economy*. Vol. 4, No. 7, 2008.

Kaufmann, Daniel and Aart Kraay. "Governance Indicators: Where Are We, Where Should We Be Going?" *World Bank Research Observer*. Vol. 23, No. 1, 2008.

de Renzio, Paolo, Pamela Gomez, and James Sheppard. "Budget transparency and development in resource-dependent countries." *International Social Science Journal*. Vol. 57, No. 51, 2005.

Books

Lomborg, Bjørn, ed. Latin American Development Priorities: Costs and Benefits. Cambridge: Cambridge University Press, March 2010.
<http://www.cambridge.org/us/catalogue/catalogue.asp?isbn=9780521747523&ss=ind>

Publications of International Organizations

<http://www.odi.org.uk/resources/download/4673.pdf> (ODI Project Brief, Moon and Williamson, January 2010)

<http://www.oecd.org/dataoecd/2/0/44473622.pdf> (presentation at OECD Global Forum on Development by Centre for Policy Dialogue Bangladesh, 28 January 2010)

http://www.usaid.gov/our_work/global_partnerships/gda/dem_guide/democracy_guide.pdf (USAID Building Alliances Series: Democracy, October 2009)

<http://www.msc.st/BriefDisabilityRights.html> (Human Rights Based Approach, Disability Rights Burkina Faso, 2009)

<http://www.ipu.org/un-e/case09.pdf> (Parliament's Role in the Development Agenda: Two Case Studies, Inter-Parliamentary Union, September 2009)

<http://erc.undp.org/evaluationadmin/downloaddocument.html?docid=3329> (UNDP Bangladesh, ASICT, Review Mission Report, September 2009)

http://www.fao.org/righttofood/publi09/budget_guide_en.pdf (Budget Work to Advance the Right to Food, 2009)

<http://go.worldbank.org/RXDJGO5UQ0> (World Bank Policy Research Working Paper, June 2009)

http://www.undp.org/governance/publications.htm#pubs_parac (UNDP users guide for measuring public administration performance, June 2009)

<http://tol.org/client/country-reports/37-azerbaijan.html> (Transitions Online/Freedom House Nations in Transit 2009 Azerbaijan country report, 2009)

http://www.undp.org/oslocentre/docs07/undp_users_guide_online_version.pdf?q=indicators (UNDP governance indicators: user's guide 2nd ed., 2007)