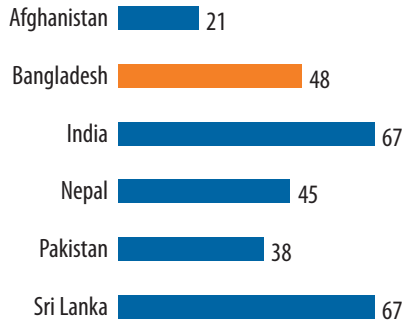


**Overall score: 48** (Out of 100) Provides some information to the public in its budget documents during the year.

### How Does Bangladesh Compare to Its Neighbors?

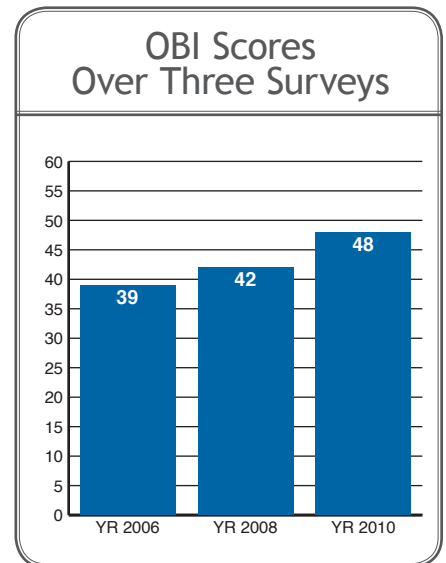


## Key Findings

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

Bangladesh's score is 48 which is above the average score of 42 for the 94 countries that were surveyed. Bangladesh's score shows that the government provides the public with some information on the central government's budget and financial activities during the course of the budget year. This makes it challenging for citizens to hold the government accountable for its management of the public's money.

Bangladesh's OBI score increased from 42 to 48 from 2008 to 2010. This is because Bangladesh now provides more comprehensive information in its Enacted Budget and In-Year Reports.



### Adequacy & Availability of Eight Key Budget Documents

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

\* Grades for the comprehensiveness of the information provided in each document and its accessibility are calculated from the average scores received on a subset of questions from the Open Budget Survey related to each document. 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 Bangladesh, the budget proposal does not provide comprehensive details. Major gaps in information in the budget proposal are found in the following areas:

- information on the impact of different macroeconomic assumptions on the budget is not presented.
- it lacks information on certain fiscal activities that can have a major impact on the governments' ability to meet its fiscal and policy goals, including information on extra-budgetary funds, quasi-fiscal activities, tax expenditures, contingent and future liabilities, and financial and nonfinancial assets, etc. Absent this information, the public does not know the governments' complete fiscal position.
- it provides limited information on outputs and outcomes, such as the number of beneficiaries for expenditure programs and performance indicators for expenditure programs. This makes it difficult to monitor the budget's impact.

**The Pre-Budget Statement** sets forth the broad parameters that will define the government's forthcoming budget. Bangladesh does not produce a Pre-Budget Statement. However, the OBI researcher reports that a series of pre-budget consultations are held with economists, business association leaders, economic reporters, and civil society groups etc.

**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. Bangladesh publishes a fairly comprehensive Enacted Budget, but it does not present the approved budget for all programs.

## OPEN BUDGET SURVEY 2010

### Bangladesh

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:

Mohammed Abu Eusuf  
Department of Development Studies, University of Dhaka, Dhaka-1000 Bangladesh  
With the support from Unnayan Shamannay, Dhaka  
Tel: +880-1711287444  
eusuf101@yahoo.com

**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. Bangladesh 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 facilitate adjustments. Bangladesh’s Monthly Reports on Fiscal Position (In-Year Reports) contain comprehensive information, but some details regarding the composition of government debt is missing. Also, these reports should be released in a more timely manner (i.e., within one month after the end of the reporting period) as opposed to two months later which is currently the case.

**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. Bangladesh does not produce a Mid-Year Review.

**The Year-End Report** compares the actual budget execution to the Enacted Budget. Year-End Reports can inform policymakers’ on tax policies and debt requirements, as well as on major expenditure priorities, or adjustments, for upcoming budget years. Bangladesh does not produce a Year-End Report.

**The Audit Report** is an evaluation of the government’s accounts by the country’s supreme audit institution. It reports whether the government has raised revenues and spent national revenue in line with the authorized budget, whether the government’s book keeping is balanced and accurate, and whether there were problems in the management of public funds. Bangladesh does not publish an Audit Report.

### *Public Participation and Institutions of Accountability*

Beyond improving the availability and comprehensiveness of key budget documents, there are other ways in which Bangladesh’s budget process could be made more open. This includes ensuring the existence of a strong legislature and supreme audit institution (SAI) that provide effective budget oversight, as well as providing greater opportunities for the public to participate in the budget process.

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

Oversight Institution	Strength**
Legislature	Weak
SAI	Weak

\*\* Legislature and SAI strengths are calculated from the average scores received for a subset of questions from the Open Budget Survey related to each institution. 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, budget oversight provided by Bangladesh's legislature is inadequate because it does not:

1. have full powers to amend the budget proposal presented to it at the start of the year before the budget is enacted;
2. have full powers to approve any changes made to the budget over the course of the fiscal year;
3. have sufficient time to discuss and approve the budget; and
4. allow the public to give testimony at public hearings on budget discussions.

According to the Open Budget Survey, budget oversight provided by Bangladesh's SAI is inadequate due to the following reasons:

1. it does not have sufficient funds to meaningfully exercise its mandate;
2. it does not issue Audit Reports on the final expenditures of national departments;
3. it has inadequate channels of communication with the public;
4. there is limited legislative scrutiny of audit reports; and
5. it does not issue reports on the follow-up steps taken by the executive to address audit recommendations.

## Recommendations

### **Bangladesh should:**

- produce and publish a Pre-Budget Statement, Citizens Budget, Mid-Year Review, and Year End Report;
- increase the comprehensiveness of the Executive's Budget Proposal;
- provide opportunities for the public to testify at legislative hearings on the budget;
- enable the legislature to provide more comprehensive oversight not only when the budget is being approved, but also during the budget execution period; and
- empower the SAI to publish comprehensive Audit Reports, including reports on extra-budgetary funds.