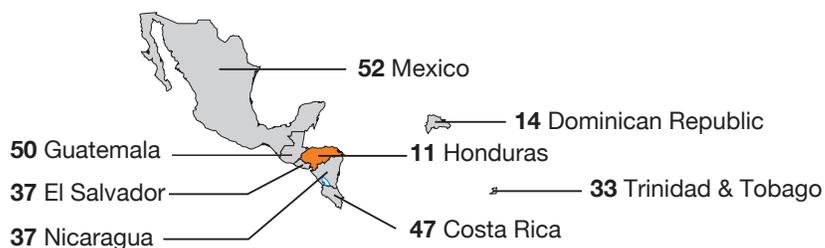
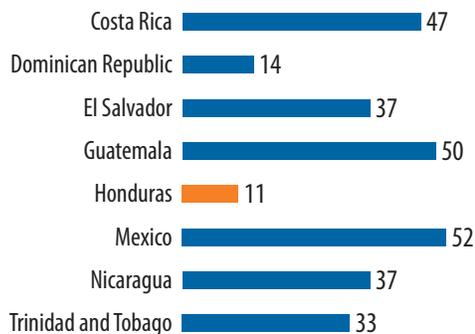




**Overall score: 11** (Out of 100) Provides scant information to the public in its budget documents during the year.

### How Does Honduras 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 the relative transparency of each country's budget process. These scores constitute the Open Budget Index.

Honduras's score is 11 out of 100, which is about one-fourth of the average score (42) for the 94 countries surveyed. Honduras's score indicates that the government provides the public with scant information on the central government's budget and financial activities assessed by the Survey. This makes it virtually impossible for citizens to hold the government accountable for its management of the public's money.

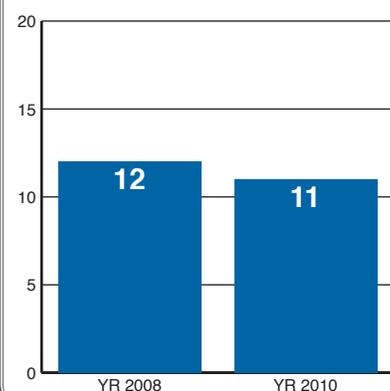
Honduras scored the lowest of all the countries surveyed from the Central America & Caribbean region.

### Information in Public Budget Documents

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

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

### OBI Scores Over Two Surveys



\* Grades for the comprehensiveness and accessibility 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. 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.

An **Executive's Budget Proposal** is the government's most important policy instrument. It presents the ways the government plans to raise revenues and where these funds are allocated, thus transforming policy goals into action. In Honduras, the budget proposal is produced for internal purposes but is not made public.

A **Pre-Budget Statement** sets forth the broad parameters that will define the government's forthcoming budget. Honduras produces a Pre-Budget Statement but does not make it public.

An **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 data the public can use to assess the government's stated policy priorities and hold it to account. Honduras produces a fairly comprehensive Enacted Budget, but it does not present the approved budget for all programs.

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. Honduras does not produce a Citizens Budget.

**In-Year Reports** provide a snapshot of the budget's effects during the budget year. They allow for comparisons with the enacted budget figures and thus can facilitate adjustments. Honduras produces fairly comprehensive In-Year Reports, but while they contain information on departmental totals, they lack program-level detail.

A **Mid-Year Review** provides a comprehensive overview of the budget's effects at the midpoint 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. Honduras does not produce a Mid-Year Review.

A **Year-End Report** compares the actual budget execution to the Enacted Budget. The Year-End Report can inform policymakers' on tax policies, debt requirements, and major expenditure priorities, thus facilitating adjustments for upcoming budget years. Honduras produces a Year-End Report, but it is far from comprehensive. Less than two-thirds of the data on actual outcomes have been audited, and the Year-End Report does not explain differences between the original estimates and the actual outcomes of nonfinancial data.

An **Audit Report** is an evaluation of the government's accounts by the country's supreme audit institution (SAI). It reports whether the government has raised revenues and spent national revenue in line with the authorized budget, whether the government's bookkeeping is balanced and accurate, and whether there were problems in the management of public funds. Honduras does not produce an Audit Report.

# OPEN BUDGET SURVEY 2010

## Honduras

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:

Elda Dariela Díaz Vásquez  
Centro de Investigación y Promoción de los Derechos Humanos (CIPRODEH)  
Tegucigalpa, Honduras  
ciprodeh@cablecolor.hn  
eldadariela@yahoo.com

## Public Participation and Institutions of Accountability

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

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

Oversight Institution	Strength**
Legislature	Moderate
SAI	Moderate

\*\* Legislature and SAI strengths are calculated from the average scores received for a subset of questions from the Open Budget Survey. 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 Honduras' legislature is inadequate because it does not:

1. have sufficient powers to amend the Executive Budget Proposal at the start of the year;
2. have sufficient time to discuss and approve a budget; and
3. hold open budget discussions at which the public can testify or allow the public to be present during legislative hearings at which the executive testifies on its proposed budget.

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

1. It does not issue timely Audit Reports on the final expenditures of national departments.
2. It does not have adequate reporting on the follow-up steps taken by the executive to address audit recommendations for remedial action.

## Recommendations

### Honduras should:

- publish the Executive's Budget Proposal and Pre-Budget Statement on government websites;
- produce and publish the Audit Report, Mid-Year Review, and Citizens Budget;
- provide opportunities for the public to attend legislative hearings on the budget;
- strengthen the role of the legislature by providing it with sufficient amendment powers and time to review the budget; and
- improve the oversight role of the SAI.