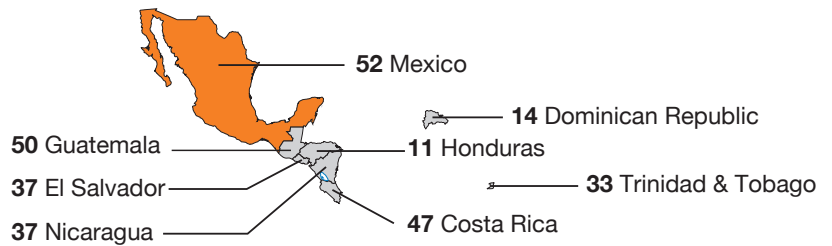
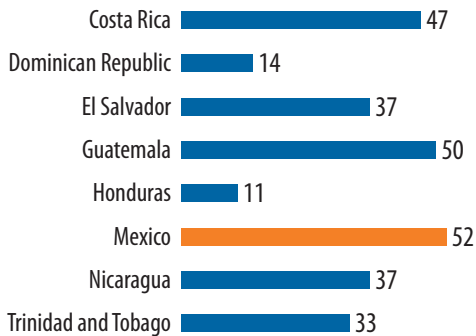


Overall score: 52 (Out of 100) Provides some information to the public in its budget documents during the year.

How Does Mexico Compare to Its Neighbors?



Key Findings

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

Mexico's OBI 2010 score is 52 out of 100, which is significantly higher than the average score of 33 for other countries in Central America and the Caribbean. Still, Mexico's score indicates that the government provides the public with only 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.

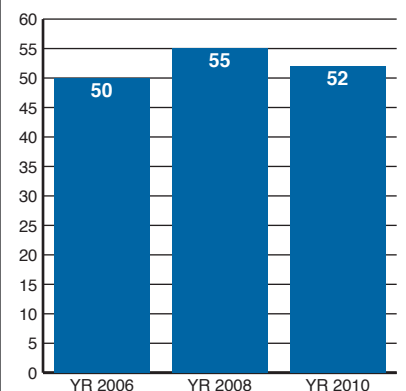
Mexico's score decreased slightly from 2008 to 2010.

Information in Public Budget Documents

Adequacy & Availability of Eight Key Budget Documents

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

OBI Scores Over Three Surveys



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

An **Executive's Budget Proposal** is the government's most important policy instrument. It presents how the government plans to raise revenues through taxes and other sources and spend these monies to support its priorities, thus transforming policy goals into action. In Mexico, the budget proposal is not sufficiently comprehensive. Major gaps in information are found in the following areas:

- It lacks sufficient information that can help explain the relationship between the government's revenue and expenditure plans and its policy and macroeconomic goals.
- It lacks information on certain fiscal activities that can have a major impact on the government's ability to meet its fiscal and policy goals, including information on extra-budgetary funds, contingent liabilities, financial and non financial assets. Absent this information, the public does not know the government's complete fiscal position.

A **Pre-Budget Statement** sets forth the broad parameters that will define the government's forthcoming budget. Mexico publishes a Pre-Budget Statement, but it is not sufficiently comprehensive. It does not, for instance, provide a description of the government's policies and priorities used to guide the development of detailed budget estimates.

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 the public with the data it can use to assess the government's stated policy priorities and hold it to account. Mexico publishes 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 for raising revenues and spending public funds. Mexico, at the time the questionnaire was completed, did not produce a Citizens Budget. However, a Citizens Budget was published for the enacted budget in January 2010.

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. Mexico publishes comprehensive In-Year Reports.

A **Mid-Year Review** provides an 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 a government's fiscal performance to be assessed against the plan laid out in the original budget. It allows the government, legislature, and the public to identify whether or not adjustments related to revenues, expenditures, or borrowing should be made during the last six months of the year. Mexico does not produce a Mid-Year Review.

A **Year-End Report** compares the actual budget execution to the Enacted Budget. Year-End Reports can inform policymakers on tax policies, debt requirements, and major expenditure priorities, facilitating modifications for upcoming budget years. Mexico publishes a Year-End

OPEN BUDGET SURVEY 2010

Mexico

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

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

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Report, but it is not comprehensive. It does not, for example, include audits of actual outcomes.

An **Audit Report** is an independent evaluation of the government's accounts by the country's supreme audit institution (SAI). It reports whether the government has raised revenues and spent monies in line with the authorized budget, and whether the government's accounts of its revenues and expenses are accurate and can be relied upon to provide a reliable picture of the fiscal situation. The Audit Report also provides information on any problems identified by the auditors in the management of public funds during the budget year. Mexico publishes an Audit Report, but it is far from comprehensive. For instance, it does not include audits of extra-budgetary funds.

Public Participation and Institutions of Accountability

Beyond improving the availability and comprehensiveness of key budget documents, there are other ways in which Mexico's budget process could be made more open. These include ensuring the existence of a strong legislature and supreme audit institution (SAI) to provide effective budget oversight.

Are oversight bodies effective in their budget roles?

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 2010. An average score between 0-33 is graded as weak, 34-66 as moderate, and 67-100 as strong.

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

1. have full powers to change the Executive Budget Proposal at the start of the year;
2. have full powers to approve any changes made to the budget over the course of the fiscal year.

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

1. it does not issue very timely Audit Reports on the final expenditures of national departments; and
2. it does not issue reports on the follow-up steps taken by the executive to address audit recommendations.

Recommendations

Mexico should:

- produce and publish a Citizens Budget and Mid-Year Review;
- increase the comprehensiveness of the Executive's Budget Proposal, Pre-Budget Statement and Year-End Report;
- enable the legislature to provide more comprehensive oversight especially when the budget is being approved;
- enable the SAI to publish comprehensive reports.