



# Assessment of Budget Transparency in Honduras

The International Budget Partnership and the Fundación Democracia sin Fronteras

## Background

In early 2011 the Millennium Challenge Corporation (MCC) approached the International Budget Partnership (IBP) and requested an update of the Open Budget Survey 2010 results for Honduras to assess recent changes in public documentation. The IBP's Open Budget Survey is the only independent and comparative measure of budget transparency around the world and is regularly used by many governments, donor agencies, and civil society organizations to inform budget reforms, aid packages and policies, and transparency campaigns.

This is the case with the MCC, which requires governments to meet certain minimum thresholds on various aspects of governance, including fiscal transparency, as a condition for the receipt of MCC assistance. Because Honduras performed poorly on the 2010 Survey, the MCC requested this assessment as part of the approval process for an assistance package to the Honduran government.

The Open Budget Index, constructed by the IBP using data collected from its Open Budget Survey, is a biennial assessment of the level of transparency in national government budgets. With an Open Budget Index score of 11 out of 100, Honduras ranked 80th among the 94 countries assessed in the 2010 Survey. One likely reason for Honduras's poor score was the extraordinary political situation in the country in 2009. As a result of this crisis, the 2010 budget was not enacted and published until the middle of the year.

This report and the assessment on which it is based was produced by the IBP and the Fundación Democracia sin Fronteras (FDsF). The IBP collaborates with civil society around the world to analyze and influence government budgets in order to reduce poverty and improve the quality of governance, and the FDsF works to strengthen democracy in Central America by promoting greater transparency, accountability, environmental justice, and the protection of and respect for human rights.

The IBP and FDsF agreed to provide the MCC with a current assessment of budget transparency in Honduras, specifically focusing on those changes in transparency occurring between 15 September 2009 (which is the date used to assess public availability of budget reports in the Open Budget Survey 2010) and 31 August 2011. This assessment also briefly addresses the level of effective budget oversight provided by the national legislature and the supreme audit institution in Honduras, as well as opportunities provided for public participation in the budget process.

Pursuant to the terms of the contract, this assessment was conducted by FDsF, with technical assistance from the IBP. In addition to documenting changes in transparency throughout the budget process, the report also comments on the extent to which the Honduran government has implemented reforms based on recommendations made in the Open Budget Survey 2010 country

summary report for Honduras. Finally, this report offers additional recommendations on ways in which the Honduran government can sustain and expand the budget transparency reforms it has already implemented.

## Methodology

The Open Budget Survey is a rigorous, evidence-based assessment of national budget transparency practices conducted biennially by the IBP. The Survey evaluates the timeliness and comprehensiveness of public finance information contained in eight key national budget reports that should be published during the fiscal year as required by international best practices. The Survey also assesses the extent of effective budget oversight provided by legislatures and supreme audit institutions, and opportunities for public engagement in the budget process. The Open Budget Survey methodology is based on criteria developed by the International Monetary Fund in its *Code of Good Practices on Fiscal Transparency*, the Organization for Economic Cooperation and Development in its *Best Practices for Budget Transparency*, and the International Organization of Supreme Audit Institutions in its *Lima Declaration of Guidelines on Auditing Precepts*.

In every country that is assessed by the Survey, the IBP collaborates with budget experts drawn from one local civil society organization or academic institution that is not associated with the government. Using a questionnaire of 123 multiple-choice questions, researchers select appropriate answers based on evidence available in government budget documents. Each country's completed questionnaire is independently reviewed by two anonymous and independent budget experts. In addition, the IBP invites the national government of each country covered in the Survey to comment on the questionnaire completed for that country. IBP staff members review the results for each country by checking the citations and comments provided by the researchers, peer reviewers, and government reviewers to justify the score for each question. This process typically takes 18 months to implement.

This report for the MCC is not based on a full implementation of the Survey — the assessment was prepared in a six-week period between July and August 2011, makes only partial use of the Open Budget Survey methodology, and was not subject to peer review. However, Honduras will be included in the Open Budget Survey 2012, and that comprehensive evaluation will allow the results presented here to be confirmed.

Though the report assesses the public availability of the same eight key budget documents evaluated in the Open Budget Survey, it does not evaluate the comprehensiveness of the information presented in these documents, and the data was collected independent of the formal process to collect data for the Open Budget Questionnaire. Instead, FDsF reviewed media reports and government websites, conducted interviews with public officials, and used formal access-to-information mechanisms to determine the public availability of budget documents as of 31 August 2011. Budget reports and documents published after this date are not considered in this assessment.

In addition to evaluating the public availability of budget documents, FDsF also assessed budget oversight provided by the national legislature (Congreso Nacional) and the supreme audit institution (Tribunal Superior de Cuentas), drawing on the framework followed in the Open Budget Survey. FDsF interviewed officials from the Ministry of Finance (Secretaría de Finanzas), the Tribunal Superior de Cuentas, and members of various political parties in the Congreso Nacional (See Annex

1). To evaluate budget oversight provided by the Congreso Nacional, FDSF assessed the legislature's legal amendment powers and the time available to it to review the Executive's Budget Proposal.

## Key Findings

Our assessment finds that since our previous assessment in the Open Budget Survey 2010 the Honduran government has taken significant steps to increase the public availability of the key documents evaluated in the Survey. This is a positive outcome, and we encourage the Honduran government to continue on this trajectory toward greater transparency throughout the budget process. In this assessment, we found that the government published seven of the eight key budget reports, according to the criteria used to assess the public availability of these reports in the Open Budget Survey (See Annex 2 for web links of budget documents).<sup>1</sup> By contrast, our previous assessment reported that the government had published only three of the eight key budget reports.

If the Honduran government continues to regularly publish these key budget documents, Honduras *will* improve its score significantly on the next Open Budget Index 2012, and, more important, it will improve the ability of the public and civil society to understand and participate more fully in budget decisions and oversight.<sup>2</sup>

## Public Availability of Key Budget Reports

In this section, we describe our findings on each of the eight key budget reports.

**Table 1: Availability of Eight Key Budget Documents**

<b>Document</b>	<b>Publication Status as per Current Assessment (on 31 August 2011)</b>	<b>Publication Status as per OBI 2010 (on 15 September 2009)</b>
Pre-Budget Statement	Published	Produced, Not Published
Executive's Budget Proposal	Published	Produced, Not Published
Enacted Budget	Published	Published
Citizens Budget	Not Produced	Not Produced
In-Year Reports	Published	Published
Mid-Year Review	Published	Not Produced
Year-End Report	Published	Published
Audit Report	Published	Not Produced

### *Pre-Budget Statement*

The Open Budget Survey 2010 reported that the Honduran government did not publish a Pre-Budget Statement, although this document was produced for the government's internal use. A Pre-Budget Statement presents the assumptions used in developing the budget, such as expected

<sup>1</sup> The Open Budget Survey uses two primary criteria to determine if a budget report is publicly available: 1) the report is available to any and all citizens, and 2) the report is released to the public within a specified timeframe to ensure that access to the information is useful in understanding and seeking to influence the government's budget policies.

<sup>2</sup> The Open Budget Index provides an overall score to every country in the Index based on 92 multiple-choice questions that assess the public availability, timeliness, and comprehensiveness of eight key budget reports. Since the assessment of Honduras that we conducted between July and August 2011 does not assess the comprehensiveness of the eight key reports, we do not know the exact extent to which Honduras' score on the Open Budget Index will improve.

revenues, expenditures, and debt levels, and the broad budget allocations among sectors. It should be published at least one month before the Executive's Budget Proposal is presented to the Congreso Nacional. In this assessment, we find that in July 2011 the Honduran SEFIN (Ministry of Finance) published a Pre-Budget Statement — *Política presupuestaria para el ejercicio fiscal 2012* — which corresponds to our recommendation in the Open Budget Survey. The report is available at [http://www.sefin.gob.hn/wp-content/uploads/2011/08/Politica\\_Presupuestaria.pdf](http://www.sefin.gob.hn/wp-content/uploads/2011/08/Politica_Presupuestaria.pdf).

#### *Executive's Budget Proposal*

The Open Budget Survey 2010 reported that the Honduran government did not publish the Executive's Budget Proposal, although this document was produced by the executive for internal use. The Executive's Budget Proposal presents the government's detailed declaration of the policies and priorities it intends to pursue in the upcoming year, including the specific allocations to be made to each ministry and agency. It should be published prior to its enactment by the legislature. In this assessment, we find that, in line with our recommendation in the Open Budget Survey 2010, the Honduran government published the Executive's Budget Proposal and supporting documents for its 2011 budget (*Proyecto de presupuesto año fiscal 2011*) when these were presented to the Congreso Nacional in September 2010. The budget proposal (available at <http://www.sefin.gob.hn/?p=365>) received media coverage when it was published.<sup>3</sup>

#### *Citizens Budget*

The Open Budget Survey 2010 reported that the Honduran government did not produce a Citizens Budget — a simplified version of either the Executive's Budget Proposal or the Enacted Budget that is easily accessible to a broad audience and that can facilitate budget discussions in the country. In this assessment, we find that the Honduran government still has not published a Citizens Budget that meets all of the criteria for public availability used in the Open Budget Survey. While we recognize that the government has published a document that meets some of our criteria for producing a Citizens Budget, the document was not published within the Survey's minimum timeframe. To meet our criteria, the Citizens Budget should be published at the same time as the Executive's Budget Proposal or the Enacted Budget and not six months after the publication of these reports — as was the case with the Citizens Budget the Honduran government released in July 2011 (see [http://www.sefin.gob.hn/wp-content/uploads/2011/08/Presupuesto\\_Ciudadano\\_2011.pdf](http://www.sefin.gob.hn/wp-content/uploads/2011/08/Presupuesto_Ciudadano_2011.pdf)).

#### *Enacted Budget*

The Open Budget Survey 2010 reported that the Honduran government published its Enacted Budget after it was approved in July 2009 — but both the enactment and the publication occurred well into the fiscal year. An Enacted Budget is the legal document that authorizes the executive to implement the policy measures in the budget. In this assessment, we find that the Enacted Budget (*Presupuesto General de la República 2011*) continues to be made publicly available and, unlike our previous findings in the Survey, we find that the budget was enacted before the start of the fiscal year — consistent with good practice. The 2011 budget was approved in December 2010 and is available at <http://www.sefin.gob.hn/data/2011/DGP/PresupuestoAprobado2011/principal.html>.

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<sup>3</sup> For example, see <http://www.elheraldo.hn/Pa%C3%ADs/Ediciones/2010/09/10/Noticias/Gobierno-invertira-11-000-millones-en-unos-300-proyectos-durante-2011>.

### *In-Year Reports*

The Open Budget Survey 2010 reported that the Honduran government published In-Year Reports with a month's time lag. In-Year Reports are monthly or quarterly reports on actual revenues, expenditures, and debt incurred. In this assessment, we find that In-Year Reports continue to be made publicly available, but not within the timeframe required by international best practices. The *Informes de Ejecución Presupuestaria* related to the period between the second quarter of 2010 and the first quarter of 2011 were published with a one- to three-month lag. Further, though not within the scope of this assessment, a cursory review indicates that these reports continue to lack such detailed information as program-level data on actual expenditures. In-Year Reports are available at [http://www.sefin.gob.hn/?page\\_id=8246](http://www.sefin.gob.hn/?page_id=8246).

### *Mid-Year Review*

The Open Budget Survey 2010 reported that the Honduran government did not produce a Mid-Year Review — a report that provides data on actual revenue, expenditure, and debt incurred for the first six months of the budget year. The Mid-Year Review should discuss any changes in economic assumptions that affect approved budget policies and whether adjustments are necessary. In this assessment, we find that the Honduran government published a Mid-Year Review in July 2011, which corresponds to recommendations made in the Open Budget Survey 2010. See *Informe de Seguimiento y Evaluación de la Ejecución Presupuestaria al II trimestre 2011*, available at [http://www.sefin.gob.hn/wp-content/uploads/2011/08/Evaluacion\\_II\\_2011/principal.html](http://www.sefin.gob.hn/wp-content/uploads/2011/08/Evaluacion_II_2011/principal.html).

### *Year-End Report*

The Open Budget Survey 2010 reported that the Honduran government published a Year-End Report but that the report lacked comprehensive information. A Year-End Report summarizes the financial situation at the end of the fiscal year and should include an update on progress made in achieving the policy goals of the Enacted Budget. In this assessment, we find that the Year-End Report (*Informe de Liquidación del Presupuesto General de Ingresos y Egresos de la República Ejercicio Fiscal 2010*) continues to be publicly available. It was published in April 2011 and is available at <http://www.sefin.gob.hn/?p=10837>. However, though the scope of this assessment does not include an evaluation of the comprehensiveness of the government's budget reports, a cursory review of this document suggests that it continues to lack some important information.

### *Audit Report*

The Open Budget Survey 2010 reported that the Honduran supreme audit institution, the Tribunal Superior de Cuentas, did not produce an Audit Report that met the Survey criteria. An Audit Report is generated by an independent body auditing all activities undertaken by the executive. In this assessment, we find that the Tribunal Superior de Cuentas published an Audit Report for the 2009 fiscal year in August 2010, which is in line with recommendations made in the Open Budget Survey 2010. (See *Informe Consolidado Sobre el Comportamiento de las Finanzas Del Estado, la Deuda Pública, Ingreso y Gastos del Presupuesto General de la República INFORME EJECUTIVO N° 001/DF 2010 PERIODO 2009*, available at [http://www.tsc.gob.hn/Rendicion\\_de\\_cuentas/Informe\\_01-DF-2010.pdf](http://www.tsc.gob.hn/Rendicion_de_cuentas/Informe_01-DF-2010.pdf).)

Though releasing the Audit Report eight months after the end of the fiscal year just barely falls short of international best practice (six-month release), it does represent a positive step by the Tribunal Superior de Cuentas. However, if the Tribunal Superior de Cuentas was to maintain this progress, it would have released the Audit Report for 2010 by August 2011, but to date we have not found this document. We hope that this delay does not represent a step back in the progress the Tribunal Superior de Cuentas has made.

## **Budget Oversight Provided by Legislature and Supreme Audit Institutions and Opportunities for Public Participation in Budgeting**

The Open Budget Survey 2010 reported that the Honduran legislature did not have sufficient time to discuss and approve the budget. This limitation was a result of the constitutional crisis in the country during the period of the Open Budget Survey 2010. This assessment finds that the national legislature now has sufficient time to review the budget before approving.

Further, the Open Budget Survey 2010 results for Honduras reported that the supreme audit institution, the Tribunal Superior de Cuentas, did not issue timely audit reports on government expenditures, thus limiting its oversight function. In this assessment we find that the Tribunal has now issued timely audit reports.

Finally, the country summary of Honduras' results on the Open Budget Survey 2010 reported that public participation in the budget process was limited and the legislature did not hold public hearings during budget discussions or allow these discussions to be broadcast in the media. In this assessment we find that the national legislature has opened its budget discussions to the public and the hearings have been covered in the media.<sup>4</sup>

However, more could be done to expand public engagement in the budget process by the executive and the legislature. (See recommendation 3 below.)

### **Recommendations**

Our assessment finds that the Honduran government has recently taken significant steps to improve the public availability of budget information. While recognizing these important steps, the following further improvements can be made.

**1. Improve the public accessibility of budget reports.** We found it challenging to open links and download budget reports from the website of the Secretaría de Finanzas, which could be because the links are incorrect or the documents have been taken down from the website and not replaced. For example, despite multiple attempts, we could not open the link to the Mid-Year Review. Further, it was also difficult to identify the location of the budget reports on the website, especially the reports related to the Executive's Budget Proposal. We urge the Honduran government to improve the presentation of information on its website and ensure that relevant budget information can be easily accessed. Further, since Internet access is limited in the country, we also recommend that the government makes budget reports available on compact disks and widely distributes hard copies of these reports through government printing presses, national libraries, and public information offices.

**2. Improve the timeliness of key budget reports.** This assessment finds that the Honduran government is meeting international best practices in its release of its Pre-Budget Statement, Executive's Budget Proposal, Enacted Budget, Mid-Year Review, and Year-End Report. However, it is falling short with the other budget reports and would substantially improve the level of transparency in the budget process by taking steps to release these documents in a timely manner.

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<sup>4</sup> For example, see <http://www.hondudiario.com/content/presupuesto-2011-listo-para-ser-discutido-este-martes-en-el-cn> and <http://mediamonitor.hn/m/node/1700>.

For example, the Citizens Budget should be published at the same time as the Executive's Budget Proposal or the Enacted Budget (at least three months before the start of the fiscal year — not six months after as was done for the most recent Citizens Budget — if it pertains to the budget proposal and before the start of the fiscal year if it pertains to the approved budget). In-Year Reports should be published consistently within one month of the end of the relevant reporting period, which is not happening currently. Finally, Audit Reports should be released within six months of the end of the relevant fiscal year to meet international best practices and as soon as audit reports are presented to the legislature — although this would require that the executive agencies complete their accounts in a timely manner so that the Tribunal can audit these accounts.

**3. Expand opportunities for public engagement in budgeting both during budget formulation and execution.** The Secretaría de Finanzas should develop and implement mechanisms for public consultations. These mechanisms should be widely publicized and the objectives for the consultations made widely available in advance. Further, the public should be informed about how their inputs were or were not used in budget decision making. The Congreso Nacional also should offer opportunities for civil society in the country to testify on relevant topics during budget deliberations. The dates for public hearings should be publicized well in advance so that citizens can prepare for these hearings.

**4. Improve and expand the Citizens Budget.** While we welcome the government's attempts to pilot a Citizens Budget in 2011, we recommend that in future periods the government develop its Citizens Budget after extensive public consultations. Such consultations would enable the government to better understand the types of information that the public wishes to see in a Citizens Budget and can use in public engagement processes. There are several mechanisms that the government might use to gather these inputs, including focus groups, social networks, surveys, hotlines, and meetings/events in universities or places where people gather to discuss public issues. Further, the Citizens Budget could be made widely available through radio broadcasts, in leaflets distributed across the country, and on government websites.

**5. Implement transparency laws and include specific reference to public access to budget information.** The Law of Transparency and Access to Information 2006 of Honduras (*Ley de Transparencia y Acceso a la Información Pública* 2006) clearly states that the budget should be in the public domain. Thus, the legal framework for budget transparency already exists in Honduras; it now needs to be rigorously implemented. We recommend that the Honduran government further develop this framework by specifying in rules or circulars the timeframe within which budget reports should be made publicly available. We think such explicit inclusion of budget transparency requirements can sustain the public availability of key budget reports in future periods. Further, the legislature should also consider enacting a legal provision regarding public engagement in budget formulation and implementation. Such laws exist in other Latin American countries (such as Brazil).

## **Conclusion**

The International Budget Partnership and the Fundación Democracia sin Fronteras are impressed by the commitment shown by the Honduran government to expanding budget transparency since the Open Budget Survey 2010. These steps enhance the ability of the public to clearly understand how the government is using public resources, which can lead to richer, more informed discussions on budget policies and, ultimately, to better decisions and outcomes. We recommend that the

government build on these important steps by further expanding budget transparency and public engagement in the budget process (See Annex 3 for examples of budget reports from Latin American countries that meet best practice guidelines). We have begun research on the Open Budget Survey 2012 and will be closely monitoring developments on budget transparency in Honduras throughout the next 18 months, culminating with the publication of the Open Budget Survey 2012.



## Annex 1. List of Persons Interviewed

Names	Title
<b>Secretaría de Finanzas</b>	
Lic. Roberto Zuñiga	Director General de Presupuesto
Lic. Carlos Cuadra	Unidad de Planeamiento y Evaluación de Gestión
Lic. Dagoberto Ordoñez	Asesor de Presupuesto
<b>Tribunal Superior de Cuentas</b>	
Lic. Norma Castellón	Directora Ejecutiva
Lic. Cesar Santos	Dirección de Participación Ciudadana
Lic. Guillermo Sierra	Dirección de Fiscalización
<b>Congreso Nacional</b>	
Lic. Victoria Chavez	Comisión de Presupuesto I
Lic. Geovany Chávez	Comisión de Presupuesto I
Lic. Yeny Paz	Comisión de Presupuesto II
Lic. Yanira Vásquez	Comisión de Presupuesto II
Lic. Iveth Turcios	Comisión de Presupuesto II

## Annex 2. Key Budget Documents Used: Budget Year, Full Titles, and Internet Links

Budget Document	Budget Year Used	Full Title, Date, and Internet Link
Pre-Budget Statement	2012	<i>Política presupuestaria para el ejercicio fiscal 2012</i> , Date of Publication: July 2011 <a href="http://www.sefin.gob.hn/wp-content/uploads/2011/08/Politica_Presupuestaria.pdf">http://www.sefin.gob.hn/wp-content/uploads/2011/08/Politica_Presupuestaria.pdf</a>
Executive's Budget Proposal	2011	<i>Proyecto de presupuesto año fiscal 2011</i> Presented to the Congreso Nacional on 13 September 2010 Available at: <a href="http://www.sefin.gob.hn/?p=365">http://www.sefin.gob.hn/?p=365</a>
Supporting Budget Documents	2011	<i>Política Presupuestaria para el ejercicio fiscal 2011 y Presupuesto Pluriannual del 2012-2014</i> Published in September 2010 <a href="http://www.sefin.gob.hn/data/2011/DGP/PresupuestoAprobado2011/politica2010.pdf">http://www.sefin.gob.hn/data/2011/DGP/PresupuestoAprobado2011/politica2010.pdf</a>
		<i>Disposiciones Generales del Presupuesto de ingresos y egresos de la República de las Instituciones Descentralizadas año fiscal 2011</i> Published in September 2010 <a href="http://www.sefin.gob.hn/data/2011/DGP/PresupuestoAprobado2011/principal.html">http://www.sefin.gob.hn/data/2011/DGP/PresupuestoAprobado2011/principal.html</a>
		<i>Programa de Inversión Pública 2011</i> Published in September 2010 <a href="http://www.sefin.gob.hn/data/2011/DGP/PresupuestoAprobado2011/inversion.html">http://www.sefin.gob.hn/data/2011/DGP/PresupuestoAprobado2011/inversion.html</a>
		<i>Estrategia de reducción de la Pobreza 2011</i> Published in September 2010 <a href="http://www.sefin.gob.hn/data/2011/DGP/PresupuestoAprobado2011/erp.html">http://www.sefin.gob.hn/data/2011/DGP/PresupuestoAprobado2011/erp.html</a>
Enacted Budget	2011	<i>Presupuesto General de la república 2011</i> Published in the Official Gazette dated 28 December 2010 (Number 32, 402); <i>Publicado en el diario oficial la Gaceta con fecha con fecha 28 de diciembre del 2010 (numero 32,402)</i> and available on SEFIN's website in January 2011

		<a href="http://www.sefin.gob.hn/data/2011/DGP/PresupuestoAprobado2011/principal.html">http://www.sefin.gob.hn/data/2011/DGP/PresupuestoAprobado2011/principal.html</a>
Citizens Budget	Not Produced	Not Produced
In-Year Reports	2011	<p><i>Ejecución Presupuestaria de la Administración Central Primer Trimestre Año 2011</i>  Date of Publication: June 2011  Available at:  <a href="http://www.sefin.gob.hn/?p=13195">http://www.sefin.gob.hn/?p=13195</a></p> <p>The other reports for the past fiscal years are available:  <a href="http://www.sefin.gob.hn/?page_id=8246">http://www.sefin.gob.hn/?page_id=8246</a></p>
Mid-Year Review	2011	<p><i>Informe de Seguimiento y Evaluación de la Ejecución Presupuestaria al II trimestre 2011</i>  Date of publication: July de 2011  Available at: <a href="http://www.sefin.gob.hn/wp-content/uploads/2011/08/Evaluacion_II_2011/principal.html">http://www.sefin.gob.hn/wp-content/uploads/2011/08/Evaluacion_II_2011/principal.html</a></p>
Year-End Report	2010	<p><i>Informe de Liquidación del presupuesto General de Ingresos y Egresos de la República Ejercicio Fiscal 2010</i>  Date of Publication: April 2011  <a href="http://www.sefin.gob.hn/?p=10837">http://www.sefin.gob.hn/?p=10837</a></p>
Audit Report	2009	<p><i>Informe Consolidado sobre el Comportamiento de las Finanzas Del Estado, la Deuda Pública, Ingreso y Gastos del Presupuesto General de la República</i>  INFORME EJECUTIVO N° 001/DF 2010 PERIODO 2009,  Date of Publication: August 2010  Available at:  <a href="http://www.tsc.gob.hn/Rendicion_de_cuentas/Informe_01-DF-2010.pdf">http://www.tsc.gob.hn/Rendicion_de_cuentas/Informe_01-DF-2010.pdf</a></p>

### Annex 3. Key Contents of Key Budget Reports and Examples

<b>Pre-Budget Statement</b>			
<i>Importance</i>	<i>Key Contents</i>	<i>Publication Timeframe</i>	<i>Examples of these reports that meet good practice standards on transparency</i>
<ul style="list-style-type: none"> <li>• Strengthens link between policies and budget allocations</li> <li>• Identifies government's basic strategy for the medium term</li> <li>• Improves the rationality of the budget formulation process</li> <li>• Allows for legislators and public to provide input on broad budget themes</li> </ul>	<ul style="list-style-type: none"> <li>• Macroeconomic forecast over the medium term</li> <li>• Government's fiscal objectives over the medium term</li> <li>• Broad sectoral allocations</li> <li>• Expectations for broad categories of taxes and revenues</li> <li>• Description and cost of new policy measures</li> </ul>	<ul style="list-style-type: none"> <li>• Ideally, in the fourth or fifth month of previous budget year</li> <li>• Sometimes combined with midterm evaluation of the previous year (seventh month)</li> <li>• At least one month before publication of the Executive's Budget Proposal</li> </ul>	<ul style="list-style-type: none"> <li>• Brazil: <i>Projeto da Lei de Diretrizes Orcamentarias</i> 2011 Presentation/rationale <a href="http://www.planejamento.gov.br/secretarias/upload/Legislacao/projetos/projetoLDO2011_em.pdf">www.planejamento.gov.br/secretarias/upload/Legislacao/projetos/projetoLDO2011_em.pdf</a></li> </ul> <p>Main Report: <a href="http://www.planejamento.gov.br/secretarias/upload/Legislacao/projetos/projetoLDO2011.pdf">http://www.planejamento.gov.br/secretarias/upload/Legislacao/projetos/projetoLDO2011.pdf</a></p> <p>Annexes: <a href="http://www.planejamento.gov.br/link_secretaria.asp?cod=6496&amp;cat=50&amp;sec=8&amp;sub=507">http://www.planejamento.gov.br/link_secretaria.asp?cod=6496&amp;cat=50&amp;sec=8&amp;sub=507</a></p>
<b>Executive's Budget Proposal</b>			
<ul style="list-style-type: none"> <li>• Most important economic policy instrument and expression of executive's priorities</li> <li>• Determines tax burden on citizens</li> <li>• Determines the distribution of resources among different segments of the population</li> <li>• Determines costs/debt to be borne by future generations</li> </ul>	<ul style="list-style-type: none"> <li>• Minister of Finance's budget speech and budget summary</li> <li>• Budget bill on revenues and appropriations</li> <li>• Macroeconomic forecast</li> <li>• Assessment of sustainability of current policies</li> <li>• Forecast and explanation</li> </ul>	<ul style="list-style-type: none"> <li>• At least three months before the start of the budget year</li> </ul>	<ul style="list-style-type: none"> <li>• Chile: <i>Proyecto Ley de Presupuesto</i> 2011 <a href="http://www.dipres.cl/574/propertyvalue-15168.html">http://www.dipres.cl/574/propertyvalue-15168.html</a></li> </ul>

	<ul style="list-style-type: none"> <li>of revenues</li> <li>• Estimates and classification of expenditures</li> <li>• Financing of deficit</li> <li>• Composition of debt</li> <li>• Presentation of other fiscal activities (such as social security)</li> <li>• Overview of financial position</li> <li>• Tables should provide estimates for the budget year and two years beyond budget year, and actual outturns for two years preceding budget year</li> </ul>		
<b>Citizens Budget</b>			
<ul style="list-style-type: none"> <li>• Budget is technical and difficult to understand</li> <li>• Makes the budget “accessible” and not just available</li> <li>• Facilitates wide and informed debate on fiscal priorities</li> <li>• Demonstrates the government’s commitment to the public and fosters trust in government</li> </ul>	<ul style="list-style-type: none"> <li>• Objectives of the document, description of budget process, and institutional coverage of budget</li> <li>• Economic outlook and government development objectives</li> <li>• Government’s accounts and budget prospects</li> <li>• New measures</li> <li>• Delivery of services</li> </ul>	<ul style="list-style-type: none"> <li>• At the same time as the document it pertains to</li> </ul>	<ul style="list-style-type: none"> <li>• El Salvador: <i>Guía del Presupuesto General del Estado para el Ciudadano</i> <a href="http://www.transparenciafiscal.gob.sv/portal/page/portal/PTF/Presupuestos_Publicos/Guias_del_presupuesto_para_el_ciudadano/Gu%EDa_del_Presupuesto_para_el_Ciudadano_2011.pdf">http://www.transparenciafiscal.gob.sv/portal/page/portal/PTF/Presupuestos_Publicos/Guias_del_presupuesto_para_el_ciudadano/Gu%EDa_del_Presupuesto_para_el_Ciudadano_2011.pdf</a></li> </ul>
<b>Enacted Budget</b>			
<ul style="list-style-type: none"> <li>• Law of the land</li> <li>• Provides baseline information against which actual budget results</li> </ul>	<ul style="list-style-type: none"> <li>• Listing and brief commentary on major expenditures and revenues</li> </ul>	<ul style="list-style-type: none"> <li>• As soon as the budget is approved by the legislature and no later than three</li> </ul>	<ul style="list-style-type: none"> <li>• Guatemala: <i>Decreto Número 54-2010, Ley del Presupuesto de Ingresos y Egresos del Estado para el Período Fiscal 2011</i></li> </ul>

<ul style="list-style-type: none"> <li>can be compared</li> <li>Enables an assessment of changes made by the legislature to the budget proposal</li> </ul>	<ul style="list-style-type: none"> <li>Nonfinancial performance data</li> <li>Reconciliation of deviations between the budget proposal and the Enacted Budget</li> <li>Overall debt situation</li> <li>Revised economic forecast (if there is a major delay between the budget proposal and the Enacted Budget)</li> <li>Impact on government's financial assets and liabilities, contingent liabilities, etc.</li> </ul>	<p>months after it has been enacted</p>	<p><a href="http://www.minfin.gob.gt/archivos/pr_esu2011/inicio.htm">http://www.minfin.gob.gt/archivos/pr_esu2011/inicio.htm</a></p>
<p><b>In-Year Reports</b></p>			
<ul style="list-style-type: none"> <li>Snapshot of budget implementation</li> <li>Periodic measure of revenue and expenditure trends</li> <li>Builds capacity and systems that improves budget management</li> </ul>	<ul style="list-style-type: none"> <li>Progress in implementing budget</li> <li>Actual revenues collected and expenditures incurred in each month and year-to-date and comparison with plans</li> <li>Government's borrowing activities</li> </ul>	<ul style="list-style-type: none"> <li>At least one month after the end of the reporting period (i.e., monthly report for June should be published no later than 31 July)</li> </ul>	<ul style="list-style-type: none"> <li>México: <i>Informes sobre la situación económica, las finanzas públicas y la deuda pública</i> 2011 <a href="http://www.shcp.gob.mx/POLITICA_FINANCIERA/FINANZASPUBLICAS/ITSSEFPDP/Paginas/2011a.aspx">http://www.shcp.gob.mx/POLITICA_FINANCIERA/FINANZASPUBLICAS/ITSSEFPDP/Paginas/2011a.aspx</a></li> </ul>
<p><b>Mid-Year Review</b></p>			
<ul style="list-style-type: none"> <li>Enables comprehensive assessment of actual spending and revenue collection against original estimates at midpoint of budget year</li> <li>Assesses the impact of changes in the macro-economy on the budget</li> </ul>	<ul style="list-style-type: none"> <li>Revisions in economic assumptions and their impact on budget estimates</li> <li>Identification and explanation of deviations</li> </ul>	<ul style="list-style-type: none"> <li>OECD recommends publication within at least six weeks of the end of the reporting period</li> <li>IMF recommends publication within at least</li> </ul>	<ul style="list-style-type: none"> <li>Chile: <i>Estado de Operaciones de Gobierno a Junio</i> 2011 <a href="http://www.dipres.gob.cl/572/article-73549.html">http://www.dipres.gob.cl/572/article-73549.html</a></li> </ul>

<ul style="list-style-type: none"> <li>• Identifies the need for changes in budget allocations, including need for supplementary budgets</li> <li>• Takes stock of progress in realizing specific performance targets</li> </ul>	<p>in budget spending and revenues and estimates</p> <ul style="list-style-type: none"> <li>• Details on policy decisions taken and policy developments since presentation of budget</li> </ul>	<p>three months of the end of the reporting period</p>	
<b>Year-End Report</b>			
<ul style="list-style-type: none"> <li>• Enables comprehensive assessment of actual spending and revenue collection against original estimates at the end of the budget year</li> <li>• Takes stock of government's performance in realizing its targets and performance indicators</li> <li>• Informs future policy direction</li> </ul>	<ul style="list-style-type: none"> <li>• Overall budgetary outcomes</li> <li>• Overall position of government's assets and liabilities (balance sheet)</li> <li>• Expenditures by functional and economic classification and listing of actual revenues collected under different categories</li> <li>• Summary of government spending by sector and programs</li> <li>• Deviations and explanation of deviations between macroeconomic forecast and actual results</li> <li>• Narrative on strengths and weaknesses in performance of ministries/agencies</li> <li>• Nonfinancial information on government's performance in realizing its targets and performance indicators</li> </ul>	<ul style="list-style-type: none"> <li>• OECD recommends publication within at least six months of the end of the reporting period</li> <li>• IMF recommends publication within at least one year of the end of the reporting period.</li> </ul>	<ul style="list-style-type: none"> <li>• Perú: <i>Informe de Evaluación Consolidada del Presupuesto del Sector Público del Año Fiscal 2009</i>  <a href="http://www.mef.gob.pe/contenidos/pr_esu_publ/presu_sect/EvaluacionAnual_Final_2009.pdf">http://www.mef.gob.pe/contenidos/pr_esu_publ/presu_sect/EvaluacionAnual_Final_2009.pdf</a></li> </ul>

Audit Report			
<ul style="list-style-type: none"> <li>• Independent and authoritative assessment of budget execution</li> <li>• Assesses the degree to which the government has complied with the budget law</li> <li>• Provides commentary on the accuracy and reliability of government financial statements</li> <li>• Closes the accountability loop</li> <li>• Provides a valuable resource for legislative, civil society, and media analyses of government performance</li> </ul>	<ul style="list-style-type: none"> <li>• Comments on the accuracy and fairness of government financial statements</li> <li>• Comments on the adequacy of government's control systems for managing public finances</li> <li>• Identify cases in which the government has breached the budget and other related laws on public finances</li> <li>• Provide the SAI's opinion (qualified, unqualified, disclaimer etc.) on the accounts audited</li> <li>• List recommendations for rectifying problems identified by audit</li> <li>• Track status of previous audit recommendations</li> </ul>	<ul style="list-style-type: none"> <li>• Best practice as per the IBP is to publish the document within six months of the end of the budget year</li> <li>• IMF recommends the publication of these documents within at least one year of the end of the reporting period</li> </ul>	<ul style="list-style-type: none"> <li>• Costa Rica: <i>Contraloría General de la República, Memoria Anual 2010</i>  <a href="http://documentos.cgr.go.cr/content/dav/jaguar/Documentos/Memoria/2010/MA2010_web.pdf">http://documentos.cgr.go.cr/content/dav/jaguar/Documentos/Memoria/2010/MA2010_web.pdf</a></li> </ul> <p><i>Resumen de la Memoria</i>  <a href="http://documentos.cgr.go.cr/content/dav/jaguar/Documentos/Memoria/2010/Resumen_Mem2010_web.pdf">http://documentos.cgr.go.cr/content/dav/jaguar/Documentos/Memoria/2010/Resumen_Mem2010_web.pdf</a></p>