Latin American Index of Budget Transparency

A comparison of 10 countries

2003
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Introduction

Several indexes have recently been launched to measure the transparency of government performance throughout the world. In general, transparency implies that the reasons for all governmental and administrative decisions, as well as the costs and resources committed in the application of these decisions, are accessible, clear, and communicated to the general public. Hence, transparency implies various advantages: it favors compliance with the law, promotes restrained use of public resources, reduces margins of discretion with which the law is interpreted, and impels honest and responsible behavior in the exercise of public authority.

Transparency in public spending is particularly relevant given the central character of the budget of any government. The true objectives, commitments, and priorities of those in control of the government are tangibly expressed in the budget. Applied budget analysis therefore allows evaluation of who truly wins and loses with the distribution of public resources. In addition, this type of analysis reveals the degree of efficiency and effectiveness of public spending, by revealing potential cases of corruption. To sum up, the analysis and evaluation of the degree of transparency of the budget process contribute to strengthen democratic institutions and consolidate the rule of law.

In 2001, eight organizations from five Latin American countries developed the first edition of the Index of Budget Transparency in Latin America (Índice de Transparencia Presupuestaria en América Latina - ITP). The central objective of the project was to obtain information to evaluate the degree of transparency of budget practices in the countries involved in the study. To achieve this, a study was designed and structured in two parts: a survey of perceptions answered by groups of experts in each of the countries involved, and a guide designed for analysis of the legal framework that regulates the budget process answered by an expert on legal and budget matters in each country.

The elaboration of the ITP constituted a considerable social contribution at the international level, given that it provided a useful evaluation tool to exercise social and political pressure to improve the budget process in each of the countries considered in the study. In addition, the ITP contributed with updated knowledge for observers and users of budget information.

This measurement and evaluation tool was replicated in 2003. In this second version, five new countries were included. The full list of countries considered in 2003 is: Argentina, Brazil, Colombia, Costa Rica, Chile, Ecuador, El Salvador, Mexico, Nicaragua, and Peru. This expanded study thereby fulfills the goal to enrich the effort by incorporating new experiences. The undertaking of this second ITP edition has been possible thanks to the generous support of the Ford Foundation in Mexico, and complementary support from its offices in Brazil and Chile. In addition, we were assisted by funds from the Open Society Institute facilitated by the International Budget Project (IBP), and support from the British Department for International Development (DFID) in Peru.
This second ITP edition is also the result of a collective effort involving nongovernmental organizations, universities, and research centers from the ten countries involved. The organizations participating in the second transparency index edition are the following:

- Poder Ciudadano (Buenos Aires, Argentina)
- Instituto Brasileiro de Análises Sociais e Econômicas, IBASE (Rio de Janeiro, Brazil)
- Departamento de Economía, Universidad de Chile (Santiago de Chile)
- Corporación Fondo de Apoyo de Empresas Asociativas, CORFAS (Santa Fe de Bogota, Colombia)
- Posgrado de Economía de la Universidad de Costa Rica, Programa Estado de la Nación and Fundación Arias (San Jose, Costa Rica)
- Centro de Derechos Económicos y Sociales, CDES (Quito, Ecuador)
- Probiidad (San Salvador, El Salvador)
- Berumen y Asociados, Centro de Investigación y Docencia Económicas, CIDE and Fundar, Centro de Análisis e Investigación (Mexico City, Mexico)
- Centro de Información y Servicios de Asesoría en Salud, CISAS, Coordinadora Civil and Grupo Fundemos (Managua, Nicaragua)
- Centro de Investigación de la Universidad del Pacífico (Lima, Peru)

All these organizations and institutions actively participated in the implementation of the perceptions survey and in the research and analysis of the formal and practical conditions of the budget process in each country. Regional coordination of the effort was assumed by Fundar, and the initiative had the participation and continual support of the International Budget Project. Three objectives guided this new study:

- Replicate and improve an index which allows measurement of the degree of transparency in national public spending and at the same time facilitates over time comparisons between countries.
- Update existing knowledge on the budget process and the importance of transparency in this field.
- Identify the areas of the budget with less transparency so that governments may work on concrete solutions.

This analysis is based on a methodology that combined three elements:

1. A survey applied among experts and users of budget information, which evaluates their perceptions regarding transparency. This survey was applied following the same criteria in the ten countries (see methodology section), allowing comparison of the distinct relevant characteristics of transparency in quantitative terms. This survey was used to build the General Index of Budget Transparency. The Index rated the countries within a scale of 0 to 100, where zero is equivalent to no transparency and 100 to total transparency.

2. A detailed analysis of the formal and practical conditions of the budget process, guided by a questionnaire. This questionnaire was answered by local experts, and reviewed by various readers. The questionnaire is designed to identify the aspects of the legal structure of the budget process that influence and promote transparency, at the same time evaluating the application of these legal frameworks in practice. The results of this analysis complemented the information obtained through the survey, and a qualitative dimension could be added to the study. The questionnaire thus served to delve deeper into the reasons that explain the perceptions on budget transparency and identify possible obstacles.

3. A guide to link the perceptions survey and the formal/practical analysis of the questionnaire. This linkage guide allowed comparison of results and identification of relevant legal provisions and their actual level of application. In addition, it facilitated feedback among participating countries. This linkage exercise is the basis for the specific improvement recommendations and proposals emitted in this document.

The Transparency Index was developed based on these methodological tools and the analysis of 14 variables identified as the most relevant within the budget process. Each of these variables was analyzed based on the information obtained from the perceptions survey and from the questionnaires that served to evaluate the formal and practical conditions of the budget process. From this analysis by variables, a whole of recommendations was drawn for each country, aiming at improving the budget transparency conditions. These recommendations are nourished not only from the analysis of each country’s specific context, but also from country comparisons.

This document is structured in five sections. In the first part, the methodology of the design and implementation of the perceptions survey is briefly presented. The second section presents the results of the Budget Transparency General Index. In the third part, the comparative analysis by variables is presented. For each variable, the results graph and a brief explanation of its importance and relation with each of the evaluated countries are presented. Note that the detailed statistical information of each of these variables is presented in the third annex to this document. The recommendations suggested for each country are presented in the fourth section. Finally, three annexes are integrated in the fifth section: a more detailed methodological explanation, the perceptions survey guide, and the detailed statistical results.

The systematic and comparative evaluation of the state of transparency in the budget of various countries is an unequalled information source for observers and users of budget information. The document aims to offer a tentative agenda of specific improvements by country, which contributes to strengthen democratic institutions and transparency in Latin America. We hold the conviction that the undertaking of independent studies on budget transparency can add significant value to budget discussion, budget practices, and possible reforms undertaken by distinct countries in this matter. It is a mechanism to reveal the failures in the communication of governmental
budget decisions and to offer alternatives to strengthen social participation in budget allocation.

In addition, the ITP is an effort to generate greater knowledge on the budget and favor transparency by establishing a precise, credible, and simple reference in regard to information on public finances and its public accessibility. Hence, it strengthens the appeal for more transparent and efficient governments with high degrees of integrity and consistently smaller margins for discretionary practices and corruption.

Methodology

The methodology used to build the Budget Transparency Index was designed in the year 2000 and applied in 2001 in five Latin American countries: Argentina, Brazil, Chile, Mexico, and Peru. The same methodology with some changes was used for the second edition of the Index applied in ten countries: the five mentioned above, plus Colombia, Costa Rica, Ecuador, El Salvador, and Nicaragua. This methodology is composed of three parts:

1. Perceptions survey

Due to the fact that budget transparency defines the surroundings in which decision-making, participation, and the impact of public resource allocations take place, it is essential to evaluate the existing perceptions in this regard. A survey was applied for this purpose, with the following characteristics and criteria:

Population: Given the limited field of experts on budget issues and practices, four groups of "experts on budget questions and users of budget information" were defined as the target population. These populations are small and were identified based on common criteria in the ten countries:

- Legislators: Popular representatives participating in the budget/public expenditure committees were chosen (Representatives and/or Senators).
- Communications media: Journalists who write about the budget in newspapers and magazines with national coverage were chosen.
- Academics or researchers: The experts who study the subject and/or have published on the budget. They were selected based on censuses of research and/or upper education institutions.
- Civil society organizations (CSOs): CSOs working on issues related to the budget, accountability, transparency, corruption, and public resource monitoring were chosen. Directories were built based on declarations in the press related to the budget or based on existing directories in the countries.

Questionnaire: The Budget Transparency in Latin American 2003 survey was based on the 2001 questionnaire including some modifications. The questionnaire contained 70 questions grouped into three categories:

1. Scores of budget transparency at different levels: an assessment of budget transparency conditions in general and assessments of the specific processes or topics of budget formulation, approval, execution, oversight, citizen participation, and access to information.
2. Assessments of the importance of each of the budget stages or related topics (formulation, approval, execution, oversight, citizen participation, and access to information).
3. Specific questions on the level of transparency in the budget. These questions are built as Likert scales in a range of 1 to 5, to simultaneously measure agreement and its degree.

Reported Values
The results are reported with two units or scales. The score of general transparency conditions and scores by stage or process are the averages obtained in the experts survey using a scale of 1 to 100. The Budget Transparency General Index is given by a score of this type.

On the other hand, the percentage is reported of positive or “agreement” responses for specific variables and questions. This percentage is the sum of the “agree” and “totally agree” responses (values 4 and 5) among the total of valid responses, in the following scale:

<table>
<thead>
<tr>
<th>1 Do not agree at all</th>
<th>2</th>
<th>3 Neither agree nor disagree</th>
<th>4</th>
<th>5 Totally agree</th>
</tr>
</thead>
</table>

Weighing: In 2001, the perception survey included larger legislative populations for all the countries, because three parliamentary committees were incorporated instead of one. The analysis of results showed that the responses of the legislators tend to be more positive than those of the rest of the population of experts. In addition, the size of the legislative populations varies considerably among countries, and its proportion in the responses ranges from 4 to 33 percent. In order to avoid a “legislative slant” of different proportions among countries, the responses were weighed so that the legislators’ responses are the equivalent of 10 percent of total responses in each country.

Construction of variables: The variables are groups of questions that address particular aspects of transparency. A total of 14 variables were built from 49 specific questions. The variables and the number of questions integrating each of them are detailed as follows:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Total questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citizen participation in the budget</td>
<td>5</td>
</tr>
<tr>
<td>Authority and participation of the legislature in the budget</td>
<td>3</td>
</tr>
<tr>
<td>Information on macroeconomic criteria of the budget</td>
<td>2</td>
</tr>
<tr>
<td>Changes in the budget</td>
<td>1</td>
</tr>
<tr>
<td>Budget allocation</td>
<td>4</td>
</tr>
<tr>
<td>Budget oversight</td>
<td>5</td>
</tr>
<tr>
<td>Evaluation of the internal comptroller</td>
<td>1</td>
</tr>
<tr>
<td>Capacities of the institutions of external oversight</td>
<td>3</td>
</tr>
<tr>
<td>Accountability</td>
<td>7</td>
</tr>
<tr>
<td>Control over federal officials</td>
<td>5</td>
</tr>
<tr>
<td>Responsibilities among governmental levels</td>
<td>1</td>
</tr>
<tr>
<td>Information on federal debt</td>
<td>4</td>
</tr>
<tr>
<td>Quality of information and statistics in general</td>
<td>4</td>
</tr>
<tr>
<td>Timeliness of budget information</td>
<td>4</td>
</tr>
<tr>
<td>Revenue allocation</td>
<td></td>
</tr>
<tr>
<td>Disbursements</td>
<td></td>
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<tr>
<td>Budget oversight</td>
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<tr>
<td>Evaluation of the internal comptroller</td>
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<tr>
<td>Capacities of the institutions of external oversight</td>
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<td>Quality of information and statistics in general</td>
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<tr>
<td>Timeliness of budget information</td>
<td></td>
</tr>
<tr>
<td>49</td>
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</tr>
</tbody>
</table>

2. Formal/practical analysis
In order to place into context the results provided by the perceptions survey and emit recommendations, the legal or formal framework, which regulates the budget process and the practices in the different stages of this process were analyzed. In addition, a detailed analysis was undertaken of the prevailing conditions of access, usefulness, and dissemination of budget information.

- Description of legal framework. Based on an open question questionnaire format, the key actors in each of the budget process stages and their functions, attributions and responsibilities were identified.
- Practical analysis. The objective was to identify the degree of compliance with the legal framework, based on enumeration of the real practices during the budget process. A closed question format was chosen for this questionnaire.²

Both parts were answered by a group of local experts and reviewed by local readers and subsequently by experts from other countries through an exchange of documents among the groups participating in the initiative. The complete formal/practical analysis documents from the ten countries are available in electronic version at http://www.internationalbudget.org/themes/BudTrans/LA03.htm.

3. Linkage guide:

The perceptions survey answered by experts and users of budget information and the formal/practical analysis are linked through a guide. This guide followed the order of the survey variables and has the objective to explain the results, placing them into context in the legal framework and practice that governs the budget process. This guide also allows comparison of the legal and practical provisions of the distinct countries by facilitating review of norms and their compliance for aspects of particular interest. Hence, this guide is the basis for the recommendations and concrete proposals presented in this document. The linkage guide is available in electronic format at http://www.internationalbudget.org/themes/BudTrans/LA03.htm.

4 The complete list of variables, attributed questions, and percentages of positive responses for each country are included in the annexes.

5 The questionnaire to evaluate the practices was developed by the International Budget Project, with the objective to establish a minimum common framework among the budget transparency evaluation efforts being pursued in distinct regions of the world. Hence, it is an addition to the Latin American Budget Transparency Index.
Results of the General Index of Budget Transparency

The majority of the participating countries had unsatisfactory levels in reference to transparency in public spending. The first indicator in this sense is provided by the Budget Transparency General Index, which comes from a question repeated at the beginning and end of the perceptions survey. The experts assess general transparency conditions in a scale of 1 to 100, with the majority of values located around 50 points.

The responses to this question reveal that in three of the ten countries: Chile, Costa Rica, and Brazil barely satisfactory budget transparency levels are perceived. A second block, formed by Argentina, Colombia, Mexico, and Peru reaches approval levels. Finally, the lowest scores correspond to Ecuador, El Salvador, and Nicaragua.

The intuitive score assigned to budget transparency by the experts and users changed after they were confronted with the 49 specific questions of the questionnaire. In general, perception deteriorated after becoming familiar with the distinct concepts that give sense and depth to transparency. In particular, in the cases of Brazil and Costa Rica, the disillusionment is visible. The drop in positive scores for these two countries means that Mexico, which maintained the same levels before and after the questionnaire, went from fourth to second-best classified. Chile was reaffirmed in the position of most transparent. The case which stands out as exceptional is Nicaragua, where the perception of transparency improved after the experts and users explored the meaning and content of budget transparency.

Analysis by variable

Citizen participation in the budget

Citizen participation throughout the budget process is indispensable not only to strengthen democracy in a country, but as an effective way to assure that the most pressing needs of the population are reflected in the governmental budget.

Citizen participation is the worst classified variable in all the countries. Its positive scores range from 3 percent for Ecuador to a maximum of 20 percent for Brazil.

This variable is formed by five attributes:

- Mechanisms exist to incorporate the opinion of the general population in budget formulation.
- Mechanisms exist and are known by the population to incorporate its opinion during the budget approval.
- In the event of substantive changes in the approved budget during its execution, the executive branch provides exhaustive reports on these changes to the public.
- Mechanisms exist to allow incorporation of the opinion of the population in the budget.
- Upon completion of budget execution, the executive branch provides exhaustive reports on the impact of its spending.

As noted, this is the worst classified variable. This is due to the fact that, in general, the countries do not have formal mechanisms to provide incentive for the population to participate in any phase of the budget process. In the case of Mexico, which is the second best evaluated, there are no formal mechanisms to assure integration of citizen priorities in the budget process. This occurs both in the formulation and approval phases, since there are no legal obligations for the executive or legislative powers to undertake public consultations in these stages.
In addition, to date there have been no exhaustive evaluations of the impact of public expenditures in Mexico, despite the fact that this executive duty is legally stipulated. Nor are there any precedents in which there were substantive changes in the budget that were informed to the public. Despite this panorama, it is important to highlight that the Federal Law of Transparency and Access to Public Information came into effect on June 12, 2003, empowering the population, at least formally, to participate in the budget process in an informed manner.

The case of Peru is contrasting, given that the seven percent of positive responses obtained for this variable conflicts with the existence of a variety of formal mechanisms to foster citizen participation, particularly in budget formulation. On one hand, during fiscal year 2003, participative programming has been implemented to incorporate the opinion of the different social sectors in the budget. On the other, it is noteworthy that significant budget changes are made known through tri-monthly reports, as stipulated in Peru's Law of Transparency and Access to Information. Nevertheless, perception of participation in Peru is very low, due to the fact that the legislation of this country has no known norm that requires the executive to submit a report on the impact of executed expenditure and because there are no mechanisms for participation in the other phases of the budget process.

In addition to these cases, it is important to point out that countries such as Ecuador, Argentina, El Salvador, Chile and Costa Rica do not have in almost any instance a legal framework for citizen participation in the budget process. In Costa Rica, while there is no specific law in this sense, there is a group of disperse legislative norms, which would allow citizen participation, especially in the approval and oversight phases, although not in budget discussion and execution. In Ecuador, since the year 2000 the National Congress and civil society have organized budget dialogues and debates. However, these dialogues have not been institutionalized and their resolutions are not binding.

**Authority and participation of the legislature in the budget**

Legislative branch participation in the budget is indispensable, given its role as primary counterweight to the executive, and because in principle it represents the population’s interests and priorities. It is through the legislature that these interests and priorities may be incorporated, in monetary terms, within the budget.

The experts in all the countries assigned high scores to the authority and participation of the legislature. In fact, it is the second most highly classified variable within the transparency survey. It is also interesting that half the countries are above the general average obtained. The following graph illustrates that Nicaragua and Argentina top this variable with 51 percent positive responses, leaving Ecuador at the bottom with 26 percent.

### Three statements make up this variable:

- The legislative branch has sufficient powers to modify the budget proposal of the executive branch.
- The legally allocated time period for budget analysis and discussion is sufficient.
- There is meaningful debate in the legislature on the budget proposal of the executive.

As previously mentioned, this is one of the best classified variables. This is due to the fact that the majority of the countries have a legal framework that gives substantial faculties to the legislators in this area. Costa Rica, El Salvador, Mexico and Nicaragua for example, have such a formal framework. In addition, all the countries in the Index have specialized committees responsible for the review and correction of the budget, and for the declaration of opinion on the budget, which is then discussed, in almost all cases, during Congress plenary session. In addition, most members of Congress in these countries are backed up by the law to know the criteria and logics applied in resource allocation as well as to demand the information they consider necessary from the executive.

Argentina receives the best evaluation, and it is noteworthy that this is precisely the variable that receives the highest percentage of positive responses in this country. While in practice the legislature has rarely had to modify the executive’s project, Argentinean congressmen are legally authorized to make substantial changes to the budget. For such effects, the Budget and Treasury Committees of the Chambers of Senators and Representatives may summon all types of government officials to request additional information. Furthermore, the budget project is accompanied by indicators, criteria, and techniques to make it more comprehensible.

It is important to point out that due to the Argentinean economic crisis, the authority and participation of the legislature have decreased, with the executive playing a more dominant role as seen in the determination of the total budget amount or the foreseen debt.  

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6 In article 70 of the Decree of Budget Expenditures of the Federation.
7 Consult p. 18 of the Formal/Practical Guide of Peru. Here you will also find a practical example of citizen participation in the budget formulation for fiscal year 2003.
8 The time period was specified in each country.
9 These legal frameworks may be studied in further detail by consulting the Formal/Practical Guides of each country.
10 The legally allocated time period for budget analysis and discussion is sufficient.
Noneetheless, debate around the budget is weak in Argentina. The legislature does not have the technical resources to support discussion of the budget. For example, no professional technical support area exists for Congress. Furthermore, while the Budget and Treasury Committees of the Chambers of Senators and Representatives are the ones that formally discuss the budget, in practice the representatives are the ones more deeply involved in the process, resulting in a very superficial debate.

Nicaragua, which is the second best evaluated country, reflects a perception that differs from what happens in practice. Despite the existence of laws in this country that define legislative branch authority in this area, the congressmen are limited for certain faculties, such as the increase of income.

It is important to highlight the Costa Rican case, given that it is entirely anomalous. While the legislative power has faculties to delete, lower, increase, or create new items in the budget, the budget represents only one third of total public spending. The remaining two thirds are approved by the Office of the Comptroller of the Republic, with no legislative intervention.15

In Chile, the more positive perception of the discussion period contrasts with a more critical perception of the meaningfulness of the debate and legislative authority to modify the executive proposal. The legislative debate is concentrated at an aggregated level - amounts allotted for the Ministries and public agencies - and the legal framework indicates that the National Congress may not modify the estimation of income and may only reduce spending, which does not refer to permanent laws. However, the legislative power has broad faculties to request the background and explanations it needs, and in recent years the information provided by the executive has significantly increased in the discussion as well as execution and evaluation phases.16

As a general observation, it is important to note that the question referring specifically to the time period within which the legislators may discuss the budget is identified as insufficient only in Costa Rica, Mexico and Nicaragua.

Information on macroeconomic criteria

To be more transparent, the annual budget should be prepared and presented within an exhaustive and consistent macroeconomic framework. Macroeconomic criteria are useful to reveal the impact of spending and income, taking into account variables such as inflation, interest rates, or GNP growth.

Among the variables that integrate the Budget Transparency Index, information on macroeconomic criteria is the best classified. As may be observed, Chile heads the survey with 76 percent positive responses, followed by Mexico and Peru. The majority of countries have scores above the average, which is 48 percent. Nicaragua stands out with particularly negative scores.

![Information on macroeconomic budget criteria](image)

The macroeconomic criteria variable is composed of two questions:

* The executive publishes the macroeconomic assumptions used to elaborate the new budget.
* The income projections in the budget are reliable.

The good assessments result from the fact that the majority of countries legally mandate the executive to publish the macroeconomic assumptions upon which the new budget elaboration is based. The countries with this framework include Argentina, Colombia, Costa Rica, Mexico and Peru. However, it is important to point out that the two questions that make up the variable receive notably distinct scores. In fact, in all cases except Chile and Costa Rica, the second question provokes particularly negative perceptions. In other words, income projections in the majority of countries are not considered very reliable.

Despite the good evaluation of Costa Rica, which presents 47 percent positive assessments, there is discrepancy between the results of the experts’ opinion and the formal/practical study. Both the quality and the availability of the macroeconomic projections elaborated by the Central Bank would merit a more positive response.

This is the best evaluated variable at the global level for Mexico and Chile. This is due to the fact that the macroeconomic criteria on which budget elaboration is based are published. The document known as Economic Policy General Criteria presents long-term projections on inflation and interest rates, among other criteria. This document also illustrates the impact of these variables on spending, income, and debt for the budget year in course and the following.

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15 Law 51 or Budgetary Regimen Law.
16 Law project #15048 was recently presented, which intends to transfer approval of the budget of the autonomous institutions to the Legislative Assembly. This requires a constitutional reform which needs majority approval. As this report is being written, the law proposal is on the day’s agenda for its third reading; if the vote is affirmative, a committee will be formed to address the law.
17 Political Constitution of the Republic.
18 Constitutional Organic Law (10, 913) of the Congress.
19 In addition, a recent modification of the legal framework broadens legislative attributions, assigning permanent character to the Special Mixed Budgets Committee, which until the year 2002 met only during the discussion and approval period.
In the case of Chile, over the past ten years the executive has increased information published on the macroeconomic projections, even without an explicit legal obligation. These variables, as well as the principle aggregates of economic score, are attached to the proposed Budget Law with projections for the budget year up for approval and the following three years.

In contrast, Nicaragua stands out as the worst evaluated country where there is no formal obligation in regard to publication of macroeconomic projections. In fact, the macroeconomic criteria that serve as the basis for budget elaboration may be found published, a posteriori, in the government’s internet page. In 2002 for example, a variety of contradicting data was released, inhibiting formation of a clear idea of macroeconomic perspectives. The real projections were not made known until much later, given that they implied an adjustment which had not been previously consulted with the National Assembly, nor discussed with the country’s economic and political actors. In this sense, the Nicaraguan case clearly illustrates spaces of discretion which could be reduced through adequate legal provisions.

As previously stated, globally speaking the income projections in the budgets are little reliable. The causes for this generalized perception are varied. For example, in the cases of Mexico and Argentina, erroneous inflation calculations have been made in recent years. In countries such as Ecuador and Nicaragua, doubts around income projections stem from the sources of the same - loans, donations, and oil revenues - as well as the destination of this type of income.

**Changes in the budget**

During the execution phase, it is common for the executive branch to make changes to the budget which was approved by the legislature. While margins of flexibility are indeed necessary, the measure of the reporting of these changes is important. In this variable, a good evaluation is observed in Costa Rica with 54 percent positive responses. This is in fact the second best classified variable for this country. In contrast, Argentina received only eight percent positive responses, with this being its worst evaluated variable.

The statement which integrates this variable is:

- In the event that substantial modifications are made to the approved budget during its execution, to what extent does the legislative branch participate in these changes?

With the exceptions of the cases of Argentina and Chile, this is one of the best evaluated variables by the experts and users consulted. In Argentina, legislative intervention is formally foreseen a posteriori, and the executive branch can therefore use its discretion in this sense, thereby detracting from transparency in resource allocation. The Financial Administration Law establishes that the decisions which affect the total amounts of the budget and of foreseen debt shall be reserved for the National Congress, as shall changes which imply increasing current spending to the detriment of capital expenditures or financial applications, and those which imply a change in the distribution of the final objectives. In recent years, and in relation to the economic crisis, special powers have been conceded to the executive, resulting in situations in which this provision is not always complied with. In practice, the executive branch implements more modifications than those for which it is legally authorized.

The Nicaraguan case stands out, in that in general it registers low scores in the majority of variables, but in this case the experts surveyed have a more positive opinion. In Nicaragua the legislative branch actively participates in modifications made to spending during its execution, especially in case of contingencies such as natural disasters or war. In addition to participating in budget modifications regarding unforeseen expenses, it may also participate in income fluctuations.

In Costa Rica, which is the country where this variable is most positively perceived, the legislature actively participates in the modification of ordinary and extraordinary budgets. The legislature approves changes prior to their execution for contingency as well as other funds.

In Mexico, legal provisions exist so that the legislature participates in the event of a reduction of five percent of the originally foreseen income. However, it is not clear whether it may intervene in budget modification - even in the case of approval of funds to address emergencies. Similarly, in Peru the legislature may intervene when there have been changes in supplementary credits, financing and transfers from budget items, as well as budgetary credits and cancellations.

In El Salvador, the Constitution authorizes the legislative assembly to “decree the Budget of Income and Expenditures of the Public Administration, as well as its reforms.” In the approved budget, the Assembly includes specific provisions on modifications which may occur during execution, and significantly delegates power to authorize these changes to the Ministry of the Treasury. In the case of Ecuador, there is a constitutional norm on the express participation of the legislative branch to approve increases.

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allocated in an inertial manner, progress has been made in increasing flexibility and transparency to the remaining amounts through a procedure in which public agency initiatives may be presented and evaluated to compete for funding.

In a similar manner, the Multi-Annual Government Plan presented at the beginning of each presidential period is used as a basis for resource allocation in Ecuador. However, the perception of the experts is that, for example, national and international legislation on human rights is not taken into account to define public spending priorities. Furthermore, almost all the experts agree that the resources assigned by the executive fail to correspond to state policies oriented toward the well-being of Ecuador citizens.

Costa Rica recently approved a law that establishes the relevant character of the National Development Plan for budget elaboration, although the country has still been unable to apply this precept in practice. In El Salvador, budgets are normally based on each government’s program, but there is no legal obligation on which long-term criteria should be followed for the formulation of such programs. In practice it is unclear how the government program relates to the budget, since the program is not expressed in budget indicator terms.

Public criteria exist in Chile for resource allocation to the regional and municipal governments. Besides, the State Financial Administration law establishes that the budget should express the public policies and a medium-term financial program. The annual formulation includes, for each public service, a definition of its mission and the goals of the programs to be financed with the budget. In practice, while close to 70 percent of the budget is allocated in an inertial manner, progress has been made in increasing flexibility and transparency to the remaining amounts through a procedure in which public agency initiatives may be presented and evaluated to compete for funding.

In Mexico, a large part of the budget is legally preassigned. This part of the budget, which ranges between 60 and 70 percent, is made up by the so-called public sector financial requirements, which refer essentially to wages, pensions, and federal contributions to the states and municipalities, among others. Something similar occurs in Argentina where a high percentage of the budget is formally assigned to fixed jurisdictions. An analogous situation is found in Costa Rica, where commitments such as:

- The majority of resources allocated by the national executive to the state governments are assigned according to public criteria.
- Budget allocation is for the most part inertial, in other words based on past allocations.
- Annual budgets are elaborated following long-term policies established in the National Development Plan.
- Resources executed faithfully follow the spending levels approved by the legislature.

Despite the fact that the annual budgets are formally or informally elaborated following long-term policies, in the majority of countries budget allocation is mostly inertial. This means that, regardless of planning and evaluation exercises, the budget is allocated based on previous levels of spending.

In Nicaragua, there is no legal obligation for annual budgets to be elaborated following long-term policies, although there are provisions that indicate that the long-term programs and projects must be contemplated within the General Budget of the Republic, with explanations of the percentage of the programs which are being executed. Argentina does not have a National Development Plan, but its long-term policies are reflected in the multi-annual budget items. In Peru, while the so-called Institutional Strategic Plan, in which are stated the income and expenditure guidelines according to institutional objectives, is used as a long-term guide for budget elaboration, this Plan is hardly disseminated. This is reflected in the minimal knowledge the experts have of the Plan.

A comparison of 10 countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Budget allocation (Percentage of positive responses)</th>
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<tbody>
<tr>
<td>Chile</td>
<td>44</td>
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<tr>
<td>Mexico</td>
<td>29</td>
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<tr>
<td>Brazil</td>
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<td>Colombia</td>
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<td>Peru</td>
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<td>Argentina</td>
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<td>Nicaragua</td>
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<td>Ecuador</td>
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<td>Brazil</td>
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as constitutional allocations and specific destinations are fixed in an inertial manner. In Colombia and Peru, the budget is very inflexible, given that between 86 and 91 percent of ordinary and total budget resources respectively, are preassigned to inertial obligations such as the wages of public officials.16

Regarding public criteria for resource allocation to sub-national governments, this obligation is legally established in Argentina. However, in practice resource distribution remains subject to political negotiations between the executive branch and the governors. In Nicaragua, until the recent approval of the Municipal Transferences Law, there was no legal provision to regulate fund transfers. The resource allocations transferred to local governments or municipalities by the national government are undertaken through presidential decision. The amount and form in which these resources are transferred is determined at the time of budget discussion in the National Assembly. The new law regulates the amount for 2004 at four percent, to be gradually increased until reaching ten percent. In the same way, it includes criteria to define the distribution among municipalities.

In Colombia, the Transferences Law exists to regulate not only transfer of resources at the sub-national level, but also spending categories and the amount allocated to each one, according to public criteria. In Peru, resource assignment criteria are public, such as for example the miner canon. In addition, mechanisms exist to assure integration of the preferences of sub-national governments within the budget formulation process. In Costa Rica, the low number of positive responses for this question - 13 percent - may be explained based on the minimal application of existing legislation on municipal budgets. In El Salvador there is only one criteria for resource allocation to sub-national governments, and it is a percentage of current income. Regarding distribution among municipalities, the law establishes the criteria, among which are population size and socio-economic indicators. In Mexico resources are allocated according to the Fiscal Coordination Law.

Finally, it should be pointed out that in the majority of countries the resources executed do not respect the spending levels approved by the legislators. The exception is in Chile where total spending executed by the central government over the past five years has fluctuated between 97 and 99.8 percent of the approved budget.

**Oversight**

The oversite oversight variable refers to the degree of trustworthiness around the auditing of public spending destined to government-owned or semi-official enterprises, decentralized entities, defense, and the contracting of foreign debt. The relevance of this variable rests on the fact that these resources do not form part of central administration expenses, or they have been customarily considered to have lax supervision. The results reveal that perception of deficient oversight prevails in these spending categories, with relevant differences among countries. Costa Rica is the only country with a positive result above 50 percent, followed by Chile, Mexico, and Colombia, and then by Brazil, El Salvador and Argentina with positive assessments below 40 percent. Ecuador, Nicaragua, and Peru have very low scores, with the last of these receiving only four percent positive responses. For the case of Ecuador, this variable is among the three lowest in the Index, below citizen participation and evaluation of the internal comptroller.

The statements used to build this variable are:

- The resources exercised by semi-official enterprises are well supervised.
- The resources exercised by decentralized entities are well supervised.
- National defense spending is well supervised.
- Foreign debt contracting is supervised.

Costa Rica has the highest score for this variable due to the institutional consolidation of the General Comptroller of the Republic. This institution has been the entity responsible for supervision of the Public Treasury for more than half a century, including all governmental entities and even those private institutions which receive state funds. It is an auxiliary body to the Legislative Assembly but with full operative and administrative independence which, in opinion studies, appears with the highest levels of trust among the public. Most of its oversight functions are carried out through what the institution calls “prior supervision” (budget approval, modifications, endorsement of documents, etc.) while its posterior supervision activities (audit reports, attention to denounced abuses, etc.) represent approximately 35 percent of its total annual activities.

Paradoxically, in the case of Ecuador the General State Comptroller is empowered to exercise the control of state institutions, including the public sector entities with financial autonomy, decentralized spending, and funds designated to national defense. However, in practice this function is not perceived as trustworthy, probably because respective information is not published and there is no access to reports from control bodies. This fact weakens the oversight processes. In addition there are reserved provisions, which for example restrict oversight of defense spending. This explains why in Ecuador and the other countries, except Argentina, the question in relation to

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17 The Constitution of Ecuador, Art. 118, identifies the state institutions as: 1. the bodies and dependencies of the legislative, executive, and judicial functions; 2. the electoral bodies; 3. the control and regulation bodies; 4. the entities which integrate the autonomous sectional regimen; 5. the bodies and entities created by the Constitution or law to exercise state custody, provide public services, or develop economic activities assumed by the state; 6. the legal persons created by sectoral legislative act to provide public services.
oversight of defense spending receives the lowest scores within this variable.

In Argentina, Chile and Mexico there are also legal provisions, which demand oversight of financial issues in these sectors. While in practice they are supervised, the perception shows a lack of confidence in these efforts. Peru and Nicaragua stand out despite the existence in both countries of laws to guarantee compliance with oversight in these areas, those surveyed share the opinion that it is incorrectly fulfilled. In Nicaragua, all entities subject to partial or total budgeting should be supervised. However, the weak points to take into account in this country are the oversight of decentralized and semi-official entities, as well as information on external debt. In Peru, the Organic Law of the Control System of the General Comptroller of the Republic - independent of the executive branch - establishes the requisite to oversee the central government, entities and bodies, including the armed forces and the police. Furthermore, the Law of Transparency and Access to Information establishes the provision that the armed forces respond to information requests, and that they show their information to Congress. However, the perception is different.

**Evaluation of the internal comptroller**

The existence of reliable internal bodies dedicated to budget oversight is indispensable to evaluate the way in which public spending is executed and improve the efficiency and effectiveness of the same. In addition, the recommendations which may be emitted by these bodies are very important for the improvement of administrative, evaluative, and resource execution practices.

Evaluation of the internal comptroller is the third worst evaluated within the Budget Transparency Index. As may be observed, four of the ten countries are below the average and only Costa Rica reaches a score above 45 percent positive responses. The absolutely unacceptable percentages obtained by Colombia, Ecuador, and Peru are especially worth noting.

The statement which composes this variable is:

- The internal comptroller is trustworthy.

While this is one of the worst evaluated variables, the assessments vary considerably among countries, due more to the perceptions on the trustworthiness of the internal comptroller and possibly to the poor performance of the different comptrollers than to the series of legal mechanisms, which in reality exist to regulate the existence and functions of these bodies.

All ten countries have laws that mandate the central government entities to have internal auditing systems to render accounting on their spending. In addition, it is important to highlight that each of these systems is formally extended to the country’s tax administration. Nevertheless, the existence of a legal framework that oversees the functions of the audits does not guarantee its efficiency or trustworthiness. For example, in the case of Ecuador, even with specific norms to regulate the functions of its auditing body - the Organic Law of the General State Comptroller - a negative perception prevails around its reliability, which should be seen in the context of deep institutional weakness. Implementation of this study coincided with a prolonged period of public debate on this entity and the non-election of the Comptroller, which responds to political barriers imposed in the National Congress and recent corruption scandals. All of this appears to be reflected in the results of the perceptions survey, given that this is the worst classified variable for this country.

Another important factor is that the recommendations emitted by these bodies are not always addressed, as it occurs in Argentina, Colombia and Costa Rica. This phenomenon is generated for different reasons. In the Costa Rican case, there is no follow-up system to audit provisions, and it is therefore impossible to know for certain whether they are followed. Despite this, it may be observed that this country has an above-average perception level, which may be related to the recent approval of the General Law for Internal Control that strengthens the role of these provisions. Colombia has a distinct problem, in that the recommendations are taken into account or not depending on the auditor’s political weight.

In another variation, internal control bodies exist in each ministry in Nicaragua, but little is known about their recommendations. The General Office of Governmental Accounting, which should perform the role of general internal control, has a very low profile, since it does not develop auditing functions itself but rather produces the budget execution report. The Peruvian case is positive as the audits evaluate the degree to which the norms, guidelines, and procedures have been effective for the safekeeping of assets and to assure the reliability of accounting information. This process is simultaneous to the generation of recommendations, given that the same entities are responsible to control their functions during spending execution and incorporate improvements to upgrade performance. However, this country is one of the worst evaluated within this variable.

This variable is well classified in Chile compared to the other countries, but it is the third worst evaluated variable in the country. There is no law to mandate public agencies to have internal control units, despite the existence of bodies to emit norms in this regard. Among the 87 percent of agencies that currently have such units, some studies have questioned their independence.

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22 Please consult the Formal/Practical Guide for each country for more detailed information on each country’s legal framework.
In Chile, the legislation allocates autonomy to the General Comptroller role that converts it into a kind of “fourth power” of the state, which in addition to supervising the financial management and legality of public administration acts, its responsible for the General Accounting of the Nation. Its possible that the effectiveness of the Comptroller in Chile may be less positively assessed than other variables due to presumed irregularities being investigated in the judicial branch towards the end of 2002.

In other countries, such as Colombia and Argentina the problem arises due to the relative novelty of the external control bodies. External control was inexcusant in these countries until recently. Institutional and regime changes experimented in recent years have made it possible for the external control bodies to gain greater legitimacy, but their institutional effectiveness has been stained by ambiguities in the legal frameworks that regulate their functions. In Colombia, the Office of the Comptroller with clearly corrupt vices prevailed for many years, deteriorating its image. However, following the 1991 constitutional reform and the new role performed by the Office, its image has enjoyed a radical change, reflected in the expert perceptions.

In some cases, such as Nicaragua and Ecuador, the external control bodies are not fully autonomous. In the case of Nicaragua, it is interesting to observe that the perception is not as negative as in other variables, when the formal and practical study found that despite the existence of necessary legal attributions, the external control body does not play a determining role in the struggle against corruption. In addition, it lacks credibility due to its lack of party independence and it lacks its own technical capacity. It is therefore forced to contract outside auditing firms thereby making its operation slower and more expensive, reflecting a lack of priorities in internal strengthening.

In Ecuador, while there are clear norms in relation to external comptroller attributions, they are usually not applied. Thus, for example, perception of control over compliance with the physical goals of budget programs is low, even when the Organic Law of the General Comptroller assigns broad authority for oversight of budget execution.

**Accountability**

Accountability or the rendering of accounts, understood as the periodic and institutionalized obligation of public and political officials to report on decisions adopted, the reasons for behind the decision-making process and costs generated, is a fundamental aspect of the strengthening of democratic institutions. A real state of law cannot exist without an effective global system of accountability. Therefore, the control of corruption and transparency require institutionalized accountability mechanisms.

This study detected ineffective accountability in the budget process in all ten countries, with low scores obtained throughout the region. The best assessed country...
in this variable was Chile, where 39 percent of those surveyed reported perceiving an adequate accountability system. Ecuador is at the other extreme with an approval percentage of only ten percent.

Measurement of this variable was based on seven statements:

- The executive periodically publishes the information necessary to evaluate progress toward the fulfillment of its program goals.
- The executive emits reports on the state of governmental income and expenditures.
- The government emits reports on the progress in the execution of programs and their physical objectives.
- The budget execution reports include exhaustive information on the spending of any type of decentralized body or semi-official enterprise.
- Budget documents clearly present the primary policy initiatives financed by the budget.
- The purchase prices paid by the executive branch are made public in purchases or expenditures greater than 500,000 pesos.*
- The government provides indicators that allow adequate evaluation of spending impact.

For the ten countries analyzed, accountability practices are still perceived as marginal and unclear. This perception is reaffirmed by the legal provisions. In countries such as Argentina, Colombia, Peru and Mexico, accountability is deficient due to deficiencies in the institutional design of norms and regulations. For example, none of the countries has the legal obligation to publish indicators to allow adequate evaluation of spending impact. Furthermore, many of the reports lack the necessary consistency in method and format to undertake a sustained exercise or to allow over time comparison.

In reference to Ecuador, despite explicit norms in the legislation calling for tri-monthly executive reports on the execution of the General Budget (such as the Organic Law of Responsibility, Stability, and Fiscal Transparency), the perception and practices emphasize the lack of public information and indicators to evaluate the impact of public spending.

Control over public officials

Public control requires controls. Power corrupts, but absolute power corrupts absolutely. It is therefore necessary that those who hold public authority be subject to external and internal controls that guarantee that their performance conforms with the legal framework which regulates their functions. In the ten countries considered in this study, the results obtained in this variable were also failing. Truly effective control over public officials is not perceived in any of the countries. The best positioned country in this variable is Brazil and Colombia, where 36 percent of those surveyed affirmed perceiving effective control over public officials. At the other extreme, only an 11 percent approval percentage was obtained in Ecuador.

Five statements were used to quantify this variable:

- The salaries of public officials may be known with certainty.
- Information on all benefits enjoyed by public officials is public.
- Unexplainable increased wealth may be detected by the property declarations submitted by officials.
- Guilty parties can be identified in the event of irregularity in budget execution.
- The functionary who makes improper use of the budget for his/her benefit or that of others is penalized.

The general result derived for this variable is that control perceived over public officials is not very effective. Even in Colombia, the country with the highest percentage of positive responses, there is no legal mandate for public functionary benefits (bonuses, medical insurance, use of automobiles, etc.) to be made public. A low number of those interviewed believes that it is possible to establish responsibilities where irregularities arise during the execution of the budget.

In the most serious cases, as in Ecuador, audit results are presented late or they are not even presented, and public officials who are found guilty are not always penalized according to law. Although salary policies should be published in the official registry, there is no explicit provision on the publication of the salaries and other benefits of public officials.
The constant in all analyzed cases is that the justice administration system encounters difficulties to penalize those officials guilty of deviation of funds or irregularities, making it a low risk to incur in illicit acts or fail to follow legal guidelines. In Costa Rica for example, illicit enrichment is not specified as a crime, and therefore the property declarations presented by public officials in the General Comptroller Office have no purpose.

**Responsibilities among governmental levels**

This variable measures whether spending responsibilities among the different levels of government are clear. It is important because it provides information on the checks and balances existing among the different governmental levels in relation to spending authority, as well as whether there are incentives to avoid problems such as local level indebtedness. As long as there is a lack of clarity in the assignment of responsibilities fiscal coordination problems may arise. In addition, the results of this variable can shed light on perceptions around decentralization processes in the region. In many countries, with exceptions such as Costa Rica, a high percentage of the budget is designated to sub-national governments. For this reason it is important to know whether there is clear delimitation of responsibilities.

All ten countries received less than 50 percent positive assessments. Chile is the best classified, followed by Brazil, Colombia, and Costa Rica. We also observe that Argentina, Mexico, Ecuador and Peru have very low scores. Although this is not one of the worst evaluated variables in the regional Index, it is the worst for some countries. For example, it is the second worst evaluated variable for Mexico, the sixth worst in Argentina, and the fourth worst in Peru.

This variable is gauged by only one statement:

- Division of budget responsibilities among national and sub-national governments is very clear.

The worst scores are also worth noting. In Peru\(^1\), the Budget Law for the year 2003 and other laws establish the division of responsibilities, but the low percentage of positive responses may be explained by the fact that this country is going through a decentralization process. In Mexico, the budget document together with other norms\(^2\) clearly defines responsibilities among governmental levels. However, the perception is not at all positive. This result may be the consequence of vacuums existing in Mexico in regard to the manner in which resources are distributed by the federation to the states, and from these to the municipalities. In Argentina, responsibilities among governmental levels are regulated by the co-participation regime. However, the legislation in this area is confusing, and in practice it is very difficult to observe its compliance due to the constant modifications of this regime.

Chile is one of the best evaluated variables but the perception is barely satisfactory if contrasted with the existence of laws which clearly define budget attributions in the central government (which includes the regional governments) and in the municipalities, which are responsible for the local administration which is not part of the central government nor the Budgets Law. In Colombia, on the other hand, the issue of responsibilities according to governmental level is foreseen in the Transferences Law.

**Information on debt**

This variable inquires into whether information on amounts, destination, conditions, and duration of governmental debt is made public. This variable’s importance resides in the fact that its debt is a fundamental element for a state to be able to comply or not with the demands of the population. A budget tied down by ineffective indebtedness has less room to maneuver to promote priority sectors and expenditures. This question is especially important for the region due to prevailing debt problems and the budget rigidity they have caused.

The best classified countries are Chile and Costa Rica, but neither reaches 50 percent positive responses. These are followed by Argentina, Brazil, Colombia, El Salvador and Mexico. The worst scores were for Ecuador and Nicaragua, in the former positive scores only reached 15 percent.

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\(^1\)Law of Bases of Decentralization, Organic Regional Governments Law, and Organic Municipalities Law. In addition, the Directives that regulate the phases of Public Sector Budget Programming and Formulation for fiscal year 2004 of the national, regional and local governmental levels are already available, as well as that of Entities of Business Treatment and the Instructions guide for Participative Budget Programming in the Regional and Local Governments for fiscal year 2004 .

\(^2\)Budget Law for the year 2003.
The statements that integrate this variable are the following:

- The destination of contracted debt is made public.
- The duration of the debt (time periods) is made public.
- Any future or past obligations of the federal government are made public.
- All future obligations of the government are recorded as public debt.

It is important to highlight that despite these results, the debt amounts, destinations, time periods, and conditions are published in all the analyzed countries except Ecuador. In Argentina, the Financial Administration Law establishes that the Central Administration entities may not formalize any public credit operation, which is not contemplated in the general budget law of the respective year. This law mandates that as a minimum the type of debt, be it internal or external, the maximum authorized amount, minimum repayment period and destination must be indicated.

Publication of debt is guaranteed in Mexico by the Public Debt General Law that requires the Ministry of the Treasury to periodically publish public debt data. The same applies in Peru in accordance with the Transparency and Access to Information Law. In Costa Rica all external debt should be approved by the Legislative Assembly. The Office of the Comptroller publishes the movement of external and internal debt (creditor, debtor, balance, payments, interests and commissions) in its annual account as well as on its web page. The Central Bank also maintains the statistical series of internal and external debt.

There is no legal provision requiring publication of this information in Nicaragua, but access to debt figures is available in practice through governmental web portals. In Ecuador, the experts’ perception is that amounts and payment periods are made public, but not the destination and conditions under which the loan was received. While a norm exists calling for such information to be published through the Official Registry, loan destinations are rarely published and disseminated in practice.

A gap in this area is that debt information is not incorporated within the budget proposal submitted by the executive in any of these countries except Nicaragua and Chile. In this document there is no information on total governmental debt, interest on debt, composition by currencies, by time periods, and debt backed up by the government.

**Quality of information and statistics in general**

Quality in budget information provided by the government is indispensable not only to create a valuable accountability instrument but also to offer a tool for citizen participation in the budget process for the general population. In the same way, the statistical data published represents a valuable tool for institutions dedicated to applied budget analysis.

Quality of budget information is the third best classified variable in the Index. Once again, Chile heads the graph, with 61 percent positive responses. In addition to Chile, four more countries are above the average, while Costa Rica, Ecuador, Nicaragua and Peru are below.

**This variable is measured by four statements:**

- In general, the institutions that generate national statistics produce accurate data.
- Budget information is presented in a disaggregated to allow detailed analysis.
- Budget information includes aggregations to allow an integral analysis.
- The budget provides a complete panorama of national government finances.

The positive perceptions regarding this variable indicate that in the majority of countries there is confidence in the data and statistics produced by the institutions. Despite this perception, not all the bodies that generate this information are independent of the political influence of the executive occasionally provoking official data to lose its veracity. For example, the institutions responsible for producing the statistics in Chile, Mexico and Nicaragua, are linked to their Treasury Ministries, and in Argentina the heads of these bodies have been designated by the different governments. In other cases such as Colombia, reliable data cannot be integrated due to lack of technical capacities and resources. In this case, it has been necessary to establish agreements with different institutions responsible for releasing information.

In reference to presentation of disaggregated data in the budget, the results vary. For Chile, Costa Rica and Peru data is presented in a disaggregated form, despite the fact that the perception of those surveyed reflect the opposite. For Mexico data is presented in aggregated amounts and in Nicaragua some data such as salaries derived from programs and projects is not presented in a disaggregated form, but this information may be requested.
The statement referring to the aggregations presented by budget information obtains positive assessments in the majority of countries. However, aggregation is lacking in data referring to debt and income in Colombia, and in El Salvador it simply does not exist.

Finally, in the question referring to whether the budget offers a complete panorama of national government finances, the majority of countries report that information indeed may be found in their budgets in reference to economic variables, income and expense balances, economic policy, and spending objectives, among other data. The countries where this presentation does not exist are Argentina, Ecuador and Colombia. In this last country, for example, the budget of the public financial entities is not included, and the budgets of the control bodies and public enterprises, whose approval is determined by specific norms, are not incorporated either. In Colombia the financial plan that regulates the execution of the approved budget is elaborated a posteriori and the Congress therefore lacks knowledge and control over the way in which executions of the diverse budget items are accommodated in the calendar year.

**Timeliness of budget information**

Like quality of information, its timeliness is indispensable to allow opportune identification and analysis of the gaps that may be generated throughout the budget process. For that purpose, this variable aims to measure the degree of timeliness of information in each of the phases of the budget process.

The results for this variable rated it as second worst in the regional Index with only Brazil and Chile above 30 percent approval.

<table>
<thead>
<tr>
<th>Country</th>
<th>Timeliness of budget information (Percentage of positive responses)</th>
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<tbody>
<tr>
<td>Chile</td>
<td>35</td>
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<td>Mexico</td>
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<td>Ecuador</td>
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This variable is made up by four questions:

- With what degree of timeliness is budget information made public during each of the phases:
  - Budget formulation
  - Budget discussion-approval
  - Budget execution
  - Budget control-oversight

In general countries experience that the information made public during the various stages of the budget process is not very timely or not timely at all. Hence, there is no established system for the presentation of information following a set schedule.

As we disaggregate this variable we observe that the experts perceive that the supervision or oversight phase presents the lowest degree in the timeliness of information publication. The best scored phase is that of budget discussion-approval.26

In Chile, the Budget Project is made public on the same day that is sent to the Legislature and during the execution. Data is published every three months on the Economic, Finance, and Public Debt Reports.

In Ecuador, the stages entirely lacking timeliness in information presentation are the execution and oversight phases, despite the existence of express norms on free access to public sector budget and accounting documents and information on loan operations and contracts of all public sector entities.

Additionally, it is important to note that the majority of Formal/Practical Guides reveal that the reports including comparisons between approved versus executed spending, non-financial objectives, and comparisons of performance objectives versus results obtained, are generally published within nine months or less following the end of the fiscal year. Chile, Colombia, Costa Rica, Mexico and Peru fulfill this criteria.

26 To corroborate this information, see annexes in which the information is presented in detail by attribute or question.


### Argentina

Strengths and weaknesses in regard to transparency in the Argentinean budget system, both ex ante and ex post, clearly emerge from the analysis of the perceptions survey results and from the formal and practical study of the national budget system.

The variables with the lowest degree of difficulties are: authority and participation of the legislature, information on macroeconomic criteria, and quality of information and statistics. The most problematic variables are: citizen participation, budget allocation and changes, responsibilities among governmental levels, accountability, timeliness of information, and capacities of external control bodies.

#### Recommendations:

**Authority and participation of the legislature**

- From the studies we may derive that in the budget approval stage the problem is not of a formal nature. In other words, the time and authority allocated to the legislative branch are sufficient, but there appears to be lack of meaningful debate on the budget proposal due to a political decision to not comply with its specific role but rather to allow the debates to take place in informal spaces, to the detriment of quality, timelines, soundness and transparency.

**Quality of information and statistics**

- Improve access to statistical information related to the budget via Internet.

**Citizen participation**

- Create formal spaces for citizen participation in the budget elaboration, discussion, and control phases, such as: consultative boards, and public audiences with citizen participation between September 15 and November 30, with participant inscription and publication of information. This system could be jointly implemented by both congressional chambers. Sanction of the Law of Access to National Public Information. Adequate, reliable and timely information is required in order to participate.
- Develop awareness among citizens on the importance of participating in and influencing the public budget, with schools, universities, and educational centers promoting the relevance and importance of the budget.
- Generate research through the formation of alliances between relevant NGOs and universities.

**Budget allocation and changes**

- Establish greater debate in the legislative branch, hearing the opinions and/or explanations of citizens, civil society organizations, businessmen, and government officials, all within formal spaces and public sessions.
- Implement greater training opportunities for members of the legislative.
- Create a nonpartisan Legislative Budget Office to provide information to the legislature; work on the development of the budget law, budget modification decrees, and taxes; analyze changes necessary during budget execution, and address laws which impact on fiscal matters and the national budget. Its members should be elected by public competition comparing opposing positions and backgrounds.
- Adjust financial resource allocation to medium and long-term State Policies Plans.
- Achieve greater fulfillment of the budget law by the executive branch, with a reduction of delegated duties from the legislative to the executive.
- Achieve greater involvement of the legislative branch in budget law modifications in the execution phase, recovering its control capacity.
- Participate in the discussion of transcendent issues such as public debt negotiation. In other words, participation in macroeconomic and inter-political period control.
- Inform the public of budget changes undertaken during execution.
- Specify the criteria used to establish the financial objectives of each jurisdiction.
- Substantially distinguish the “general transference” budget items to allow identification of the destination of these funds (inputs, services, etc.).
- Distinguish the program use of funds obtained from loans by multilateral credit institutions.
Responsibilities among governmental levels

- Create the Federal Fiscal Body, foreseen in article 75 paragraph 2 of the National Constitution.
- Reform the Federal Co-Participation Tax Regimen through sanction of a law pact to resolve the problems presented by the current regimen.

Accountability and timeliness of information

- Apply indicators which facilitate adequate evaluation of spending impact.
- Elaborate and publish exhaustive reports on the spending of decentralized bodies.
- Publish the complete budget law, including the annexes.
- Present and publish a control and analysis of budget management which evaluates not only the non-financial objectives but also the management decision.

Capabilities of the control body

- Establish greater control of fulfillment of objectives.
- Increase dissemination of reports in a language which is understandable to the public.
- Elaborate reports in a timely manner, so they may resolve pending conflicts.
- Classify reports in correlation with the budget to allow their comparison.
- Review transcendent issues for society.

Brazil

The results of the Budget Transparency Index of Latin American locate Brazil as one of the countries that reflects the highest scores. However, in order to better understand the results we need to follow an analysis in which we establish the study’s variables as parameter.

The variables with the highest percentages of positive responses in Brazil were: information on macroeconomic budget criteria, authority and participation of the legislature, and quality of budget information and statistics in general.

Information on macroeconomic criteria is the variable with the best results, with 53 percent of positive responses. This result is easy to explain, given that this information is usually public knowledge and subject to constant debate in the mass media, especially the information corresponding to GNP growth, trade balance, inflation, and primary surplus.

The variable with the second highest percentage of positive responses, 49 percent, refers to the Authority and participation of the legislature in the budget process. This result is not surprising, given that the legislative branch’s role in the Brazilian budget process is well defined and known. The legislature is a privileged actor with authority to modify and approve the budget proposal tabled by the executive. This proposal is sent to the legislature as a law proposal, and the legislature analyzes and modifies it to later return it to the executive for its approval.

The Quality of information and statistics variable obtained 42 percent of positive responses. The quality of the information and statistics published by the federal government has indeed improved very rapidly in recent years. Civil society has not kept pace with the government; improvement of its analysis capacity has lagged behind the rate at which the state has published its information.

We should also highlight that publication and concern for the quality of information were not strategies followed by other spheres of the Brazilian government. In the majority of municipalities (which total 5,700), information on public budgets is unavailable.

Another noteworthy result corresponds to the Budget allocation variable, which received 39 percent of positive responses. The majority of Latin American countries, with the exception of Chile, present percentages inferior to those obtained by Brazil, with percentages equal to or below 30 percent.

In Brazil, resource allocation obeys two criteria: legal and political. The legal criteria determine a percentage of specific funds for each Brazilian municipality and state (the municipalities’ participation funds or FPM, and the states’ participation funds, FPE). These resources are divided among the municipalities and states in accordance with per capita income and number of regional inhabitants. In addition to these funds there are other regional development incentive funds. The second criteria in resource allocation are political: this is where competition for resources is decided through limited political negotiations with little or no opportunities for civil society influence.

Another aspect which should be highlighted in reference to budget allocation in Brazil is the linkage of spending with determined public policies. There are earmarked resources for health, education, environment, and social assistance policies, among others. However, these linkages, called sealed resources or allocations, do not guarantee the quality of public policies, nor the specific expenditures in these areas. Social control
in this context assumes strategic importance for the implementation of public policies and services that promote the common good of the most vulnerable populations or those with limited access to quality services.

The variables with the worst results in Brazil were: citizen participation in the budget, information on federal debt, and evaluation of the internal comptroller.

Evaluation of the internal comptroller received a total of 33 percent of positive responses, superior to most countries and barely inferior to Costa Rica. In Brazil, each of the Federal Government Ministries has an internal comptroller. We may note that the primary problems of this institution in Brazil stem in large part from the high number of denouncements of corruption and misuse of public resources, leading to loss of credibility. Furthermore, excessive bureaucracy in Brazilian governmental administration makes it even more difficult to secure better control of public spending and more effective action of the internal comptroller.

The Information on public debt variable obtained 31 percent positive responses. The results reflect Brazilian reality; data on Brazil’s external debt is a black box. The information is not commonly published, and when it is released it is not done in a way which allows for the majority of the population to understand it. But even more nebulous than its understanding is the debt negotiation process and the consequences it brings for the quality of life of the Brazilian population.

The worst result of the Brazilian study was obtained by the Citizen participation in the public budget variable, with barely 20 percent of positive responses. Nevertheless, Brazil presents the best results in this category of all the participating countries. We may infer that the results indicate that citizen participation is not an inherent quality of Latin American budget processes.

What makes Brazil stand out in this variable in relation to the results obtained in the remaining countries is due primarily to two factors. In principle we may point out the increased participation in municipal budgets, especially the participative budget experiences. This practice begins to establish roots in peoples’ imagination through the idea that it is possible to influence the public budget, even if they do not effectively participate.

We should also point out the current Brazilian political reality, with the arrival of Lula’s government, in which for the first time civil society is called, although in a limited manner, to discuss the multi-annual plan which will constitute the planning instrument (four-year directive goals and objectives) of the Brazilian budget cycle.

**General recommendations:**

- Based on the noted context, the primary recommendations focus around the establishment of a reform of Brazilian public administration in order to make it more efficient and agile.

- Greater judicial branch action to punish those involved in corruption cases, which are often made publicly known by the press.

We also recall that, within the process of democratization of the Brazilian state, Brazilian society’s power to demand acquires a fundamental dimension for the establishment of a more just and truly democratic society.

**Colombia**

We can affirm that transparency is a process under construction in Colombia. The fact that none of the variables achieved a positive response percentage of 50 or higher indicates the need to reinforce and deepen this process, to which this study aims to contribute. In this sense, we may observe how the majority of percentages are located within the range between 23 and 43 percent, with most of them hovering around 30 percent. The citizen participation and internal control variables fall outside this range, with the latter as the worst evaluated with only 4 percent positive responses, and the former with 15 percent.
These results indicate a panorama in which lack of transparency reigns, despite the great potential offered by the legislation and by the state modernization processes initiated following the 1991 Constitution.

This is demonstrated by the Information on macroeconomic criteria variable, which has the most positive responses—43 percent. This variable is composed by two attributes: publication of the macroeconomic budget criteria, which obtained 65 percent positive responses, accompanied by reliability of macroeconomic assumptions, which obtained 21 percent. We may observe that these two percentages are located at opposite extremes; the criteria are published, but cannot be trusted. Therefore, it is certainly not possible to speak of transparency, because it is based on these assumptions that the country undertakes its projections and marks its future.

The Budget oversight variable is the second best evaluated, with 40 percent positive responses. This evaluation is confirmed by legal provisions, such as Article 268 of the Constitution, Article 91 of decree 111 of 1996, and Article 4 of law 225 of 1995. However, in the composition of the variable it is interesting to observe that two attributes drag the score downward: oversight of defense spending and oversight of public debt.

The third best evaluated variable is Capacity of the external control body, with 40 percent positive responses. This result demonstrates the recognition of the General Office of the Comptroller of the Nation as an important reference, and we therefore consider it important to reinforce its role.

The worst evaluated variable was Citizen participation in the budget, with 15 percent positive responses. This evaluation reveals the lack of transparency in its finest form. In the words of some participants in the perceptions survey, if the budget “is not a problem of figures and balances but rather a vision of the country and the society,” and if the question of “whose priorities are reflected in the budget?” has to be asked, then the need for citizens’ participation must be considered. However, participation does not depend only on favorable mechanisms, spaces, or legislation; the fundamental requisites for citizens to exercise their character as such are education, formation, and information. Otherwise, additional mechanisms might be created without having first taken advantage of those already in existence. This is certainly a “complex process” which citizens “delegate” to their representatives, but what is not known and understood cannot be delegated.

Recommendations:

Information on macroeconomic criteria
- Undertake a study on the last ten years’ macroeconomic projections in order to determine the causes of the deviation of results, first of all to avoid the situation repeating itself in the future, and secondly so that responsibility for future projections may be adopted within the budget system. This study and its future maintenance should be entrusted to the Economics Department of the Public University as a duty of the university to the benefit of national development. The university should bring together a representative group of professionals from different academic institutions. In this way, the ideological participation of different sectors will be guaranteed, but national interest is preserved by the leading center of research.

Budget oversight
- For the sake of contributing to raise the transparency index and improve oversight, processes must be advanced which contribute to better and clearer supervision of defense spending and of external debt contracting. An extraordinary committee is proposed to be created for this purpose, to increase accountability in these areas and organize the best system to provide continuity and follow-up to the process.

External control body
- Reinforce the technical capacity of the General Office of the Comptroller and
guarantee its political independence, in order to ensure that its recommendations contribute to combat corruption. A program to strengthen citizen participation in fiscal control should be especially promoted for that purpose. This program’s task would be to integrate civil society within the exercise of fiscal control, under the responsibility of the Delegate Comptroller for Citizen Participation.

Authority and participation of the legislature

- The legislature needs a highly trained support unit specialized in the budget sphere. This unit is currently in process of creation, and the procedures toward giving it form and content should be accelerated. All the legislators and their support unit should receive training in public finances, without this training converting into an additional justification for increased wage, pension, or other allocations. In this way, greater and more highly qualified legislative participation is sought within the debate on the executive budget proposal.

Internal comptroller

- A campaign must be developed to train and strengthen the internal control bodies of the different ministries and to disseminate their role and importance to the population in general.

Citizen participation in the budget

- A national public finances training plan should be developed, focusing firstly on defining the country Colombians want, the contribution of each Colombian to its construction, and their duties and rights as citizens. The point is that information be made accessible to the common citizen. Diverse strategies may be pursued, including work in all budget stages, from formulation to evaluation. For that purpose, it is important for citizens to know all existing information mechanisms and systems, familiarizing themselves with entities such as the National Planning Office, Treasury Ministry, Congress, etc. Work will then be pursued through and toward:
  - Information dissemination via internet, radio, television, and the press.
  - Promoting use of existing mechanisms.
  - Building new mechanisms as a result of the processes underway.

Costa Rica

In this first Index of Budget Transparency for Costa Rica, the majority of variables considered in the study obtained percentages below 50 percent of positive responses, indicating that few people evaluate transparency in a positive way. There is a considerable gap between the best evaluated aspects.

Budget oversight was the variable with the highest assessment in Costa Rica, with 55 percent of positive responses. This score surpasses all the remaining countries in the perceptions survey. This high rating is due to the existence of an institution validated through a long history of oversight practice. Variance among the distinct attributes which integrate the variable is low. The lowest assessment corresponds to how external debt contracting is supervised. Nevertheless, it should be mentioned that since 1982, the country is very careful in contracting external debt, and creditors are further so. Legislation is clear on the imperative of parliamentary approval prior to the country taking on new debt. Despite this prestige, the General Comptroller’s Office endures some limitations to exercise adequate oversight, primarily due to problems of coverage and follow-up capacity.

The second best evaluated variable corresponds to the Authority of the legislature in budget changes. The assessment of 54 percent is the highest in the region. During the fiscal year, the institutions which make up the central government and their dependencies may request budget modifications, sometimes through transfers among budget items and on other occasions requesting increases or incorporation of new funds. The budget modifications may be carried out through extraordinary budgets and executive decrees, with some exceptions outlined by law which do require legislative approval. However, in this sense it should be recalled that two-thirds of national public expenditure is approved and executed in the Comptroller’s Office, without legislative intervention. The Political Constitution establishes that the Legislative Assembly approves the budget of the central government institutions (executive branch, ministries and their dependencies, legislative branch and auxiliary institutions, judicial branch, and the Supreme Electoral Court). The General Comptroller of the Republic approves the spending of the autonomous institutions27 (state enterprises) and municipal governments.

Publication of macroeconomic criteria received an assessment of 47 percent positive responses, locating it as the third highest evaluated variable in Costa Rica. The rating is substantial in the region and is very congruent (there is little variance between the criteria which integrate it). It reflects an acceptable evaluation of the technical assets of the functionaries responsible for these estimates. The score given by those surveyed is quite low considering the quality of the macroeconomic information generated in the country, especially in the Central Bank. The information is timely, complete, and available through various means (electronic and hardcopy).

27 According to title X of the Political Constitution, the autonomous institutions are administratively independent governmental entities whose directors must respond for their management. Among these are the state banks, the insurance institution, and state enterprises, among others.
The critical areas for budget transparency in Costa Rica are citizen participation in the budget, with eight percent positive responses, legislative participation in budget allocation with 20 percent, and budget accountability with 22 percent of positive responses.

Citizen participation in the budget in Costa Rica is not common practice, much less institutionalized. There are generic norms which allow participation in certain spheres of the budget process, such as public audiences in the Legislative Assembly and mechanisms for citizen denouncements directed to the Comptroller’s office. But mechanisms corresponding to the budget discussion and execution phases are practically inexistent.

The second worst evaluated variable refers to the existence of public criteria for the Allocation of the budget. This unsatisfactory result stems from the inertial allocation of the budget. In fact, for this question Costa Rica obtained the lowest assessment in the region. Regarding the relationship between the budget and the objectives of the Development Plan, as well as the distribution of resources to local governments, progressive laws were recently approved in the country. This includes a law which transfers ten percent of the national budget to local governments, and the Financial Administration and Public Budgets Law. Neither of these laws has yet been implemented.

Finally, Accountability receives the third lowest assessment in Costa Rica. Despite incorporating the explicit duty for all officials to render accounts (article 11 of the Constitution), this duty has not been consistently carried out.

Recommendations:

Budget oversight

• It would be helpful to design an alarm system that allows the Comptroller’s Office to systematically detect the institutions or entities which require yearly oversight, so that it may intervene in important cases and avoid dispersion of efforts in relatively less important issues. This system would be implemented every year, and would reduce the currently existing margin of discretion in the selection of institutions to be scrutinized.

• Establishment of more systematic follow-up procedures is also recommended, which should reveal the degree of effectiveness of oversight, whether recommendations are adhered to, and whether the respective sanctions which result from its findings are applied.

Authority of the legislature

• Taking advantage of the Legislative Assembly’s communications media (web page, parliamentary magazine, and of course La Gaceta), the degree of publication and dissemination of the budget process in general should be increased, including the extraordinary budgets and changes implemented during the fiscal year, with a reasonable amount of disaggregated data.

• Taking into account the example of institutions such as the General Comptroller of the Republic or the judicial branch, and under the assumption that the majority of public institutions have a web page, it is suggested that efforts to systematize budget information be implemented through the web pages to offer the information in a timely, thorough, and understandable manner. Information related to the institution’s internal budget cycle, such as for example the proposed, approved, and executed budgets, administrative contracts, direct purchases, modifications or transfers, a financial report with a summary of the year’s budget performance, etc, should be included in the website. In addition, it is suggested that the same web pages identify a contact person within each institution, who can broaden the information or address requests related to the internal budget information (a virtual consultation window).

Publication of macroeconomic criteria

• Improvement of the Central Bank web page as the primary source of macroeconomic statistics information for researchers and the public. It could have a more user-friendly format for non-experts, for example with an index of each table that describes the variables it contains and whether they apply to annual or monthly periods and over what period of years. This index would avoid the difficulty of having to consult table by table to locate a piece of data. In addition, links for the primary data, such as exchange rates and other frequently consulted information, should be more visible. It is also indispensable that a manual or set of technical notes be elaborated (not only on the information included in the monthly report), in particular to make clarifications on changes in methodology, definitions used, etc.

• A large amount of information processed but not publicly disclosed by the Central Bank could also be incorporated within this web page. To consult this information, such as data on internal debt and education, health, and tourism, etc., it is now necessary to appear personally to request it.
Citizen participation in the budget

- Elaboration and follow-up of the National Development Plan with a participative methodology-given how it links to budget elaboration. The consultative methodology should guarantee the widest possible participation of all sectors of the population and public institutions, so that the budget derived from the Plan already incorporates necessary citizen concerns.
- To promote citizen participation, the Legislative Assembly, especially its committees directly related to the budget, and the Comptroller’s office, should promote the participation of civil society groups in the budget cycle. This should be achieved through the promotion of programs designed for that purpose (public audiences, for instance) and a greater use of already existing mechanisms (web pages, mixed commissions, commission audiences, etc.). For example, audiences of the magisterial sectors can be scheduled during the discussion of the education budget. In case of the Comptroller, the health sector unions and organized groups may be invited to address the Comptroller within a specified time period on the budget of their health institution.

Budget allocation

- Clear definition of public management commitments and their expression in the budget; territorial implications should appear explicitly and clearly. Quantitative and verifiable objectives should be established. The individual and collective responsibility of public officials should be established, starting from the formulation of each institution’s plans.
- Transparency in the institutions’ budget composition: all expenditures related to privileges, collective agreements, pensions, overtime, and other spending not directly derived from the institution’s operation should be made explicit.

Accountability

- Existing channels for denouncing improper use of public funds—including service comptrollers, the Inhabitants Defense Office, the Comptroller’s Office denouncements department, and other established spaces—should be bolstered to inform and address citizens’ demands regarding misuse of public resources. In this regard, an information campaign is necessary which visualizes these spaces as places in which one can denounce a public official, leader, or institution which is responsible for improper administration of public funds.
- Training on accountability is needed. There are problems of language and technical details in relation to accountability of the national budget, and a citizens’ education process is required for this purpose. Activities like those headed by the Ford Foundation and Action Aid alliance in Brazil on budget games directed to public officials and in particular to youth and children are very important. Education should also foment responsibility. The public should not only demand accountability from the state on the use of public funds, but people should also be educated on the duty to pay their taxes.

Chile

Overall, Chile boasts the best score-61.8 over 100—in the general transparency index. It also has the best balance among the ten countries in more than half of the variables that integrate the study. The relationship between the results of the perceptions survey and the analysis of formal and practical aspects supports the idea that there are significant achievements, as well as opportunities to improve transparency in the Chilean budget process.

The best evaluated variables in the perceptions survey follow:

Regarding the first variable, the executive has published more information on macroeconomic assumptions in recent years, even with no explicit legal obligation to do so. These assumptions and the primary aggregates of the economic classification are annexed to the budget law proposal, with projections for the year subject to approval and three following years. In addition, half way through the year, the Ministry of Treasure submits a report of the previous year’s execution. This submission also includes an update of the macroeconomic assumptions for the current year, and its comparison with the estimates made in the original budget proposal. Furthermore, there is a public fiscal policy rule oriented to achieve a surplus or structural balance of one percent of Gross National Product. Each year’s fiscal expenditure should follow the evolution of structural fiscal income and not that of effective fiscal income. Structural fiscal income is calculated in accordance with the economy’s productive capacity, the medium-term price of copper, and the current tax structure. Guiding fiscal policy according to this rule favors the operation of automatic stabilizers in the economy.

The second best evaluated variable is quality of information and statistics. The economic information in general is elaborated by institutions which enjoy prestige and political independence, such as the National Institute of Statistics and the Central...
Bank. The entities primarily responsible for gathering and processing budget data from public agencies are the Budgets Office of the Ministry of the Treasure (DIPRES) and the General Office of the Comptroller of the Republic (CGR)—the latter for accounting and external auditing purposes. The legislation guarantees the independence of the CGR and its functions, and in the case of the DIPRES, its estimates are reliable and its prestige is not affected by its dependence on the executive. The reliability of the budget information is reinforced by increasing consultation of independent experts to elaborate the estimates of certain variables, which are key to determining the macroeconomic assumptions and the fiscal deficit goal, as well as for public program evaluation tasks. In addition, some macroeconomic variables may be compared with information provided by the Central Bank.

The division of responsibilities among governmental levels is the third best evaluated variable. Nevertheless, this perception is barely satisfactory if contrasted with existing laws, which clearly define budget responsibilities for the central government (including the regional governments) and the municipalities. The latter are responsible for the local administration, which is not part of the central government or the Budgets Law.18

The worst evaluated variables in the perceptions survey were the following:

<table>
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<th>Variable</th>
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<td>20</td>
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<tr>
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<td>33</td>
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**Citizen participation** is the worst evaluated variable. This perception is consistent with current practices, with the exception of regional governments, which have the formal objective to achieve effective community participation—through regional boards which approve their budget proposal—and some municipalities which hold consultations by their own initiative. There is also a variety of public funds which may be obtained through competitive selection to finance projects proposed by diverse social organizations.

According to the experts, explicit mechanisms to incorporate public opinion in the budget process are insufficient. For example, there is no legal mandate for citizen consultations or congressional sessions with civil society groups. The norms which favor access to information (Administrative Integrity Law), and the use of electronic websites or the citizen mailbox of the website www.preguntachileno.cl, are not well known.

The second worst evaluated variable refers to participation of the legislature in substantial budget modifications during the execution phase. Current legislation defines a very limited group of areas in which legal authorization is required to increase budget item values. This applies, for instance, to personnel goods and services, and social protection benefits, among others. In practice, the modifications occur in other areas in which the Congress has no influence. This issue is part of a broader context, related to the presidential regimen currently in force. However, increasing legislative participation is observed in budget issues, thanks to the greater frequency and number of executive reports submitted during the discussion, execution, and evaluation phases. An important role is also played by a recent law which assigns permanent character to the Mixed Budgets Commission, and reinforces the congressional Budget Advisory Unit. This should be reflected in increased dedication and specialization in the budget throughout the budget phases.

The third worst evaluated variable refers to the evaluation of the internal comptroller. The formal framework is dominated by the criteria of internal “hierarchical controls” of the executive, and internal auditing is therefore incipient. The country lacks a law which obligates public agencies to have internal control units, despite the existence of bodies which emit norms in this regard—the CGR and the Government’s General Internal Auditing Board. 87 percent of the agencies which currently have such units, have been questioned in terms of their independence. In recent years the government has provided incentives to the entities which improve the quality of their internal audits according to verifiable indicators.20 This is another area in which permanent legal provisions are required.

It is also possible that the perception on internal and external control effectiveness is less positive than that of other variables due to presumed irregularities in the public administration. Since the year 2002 the judicial branch has been under investigation, regarding issues such as oversight of public purchases, traffic of influences, reserved expenditures management, and putting public funds on the stock market. These isolated facts, knowledge of which was in the end positive for the country, led to the adoption of diverse legal framework reforms oriented to increase fiscal transparency.21

**Recommendations:**

**Information on macroeconomic criteria**

- Despite these achievements, it is recommended that the permanence of information openness be guaranteed, in accordance with citizen access to information norms in force in the Administrative Integrity Law. The fiscal policy rule has been established and complied with since the year 2000, but it depends on the political will of the government and lacks legal backing. Another suggestion, applicable to the entire budget information system, consists in broadening dissemination of the concepts underlying the methodology used to calculate the principle variables and structural balance, so that more social actors can take part in the budget debate.

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20 This initiative is part of the Management Improvement Program.

21 These events are exemplified in the Formal/Practical Guide. Note that the country maintains high classifications in the evaluations of fiscal practice scales of the OECD and the IMF, and in International Transparency ratings where it occupies position 17 out of 152 countries.

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Quality of information and statistics

- The observed policy of disclosing budget information in greater quantity and frequency, as currently called for in the annual (transitory) budget law, should be maintained.
- Regularization of the analysis and publication of information on taxation expenditures and eventual liabilities is also recommended, the latter of which is important given the existence of laws which guarantee social protection benefits to workers and minimal earnings to the companies which are increasingly awarded public works concessions.
- Compatibility between the information produced by DIPRES and the CGR should be improved. The use of different accounting bases (cash on hand and outstanding) complicates their understanding, indirectly working to the detriment of the management of some public entities which repeatedly incur in unpaid commitments with suppliers during the second half of the year. The new information system for state financial management (SIGFE) should overcome these problems, and rigorous follow-up will be required during its implementation, foreseen in the coming years.
- Recent progress should be continued in opening and clarifying information on defense spending and the application of funds received by the armed forces via the Reserved Copper Law, as well as in regard to federal resource executions by public enterprises.

Responsibilities among governmental levels

- Those aspects which require effective decentralization or better oversight in the municipalities (for example in their purchase procedures) should be reviewed.

Citizen participation in the budget

- The availability of these tools for participation should be promoted, specifying their potential role in the budget process. In addition, the pertinence of adapting participative budget elaboration mechanisms from other countries should be studied.
- Nevertheless, even after improving the legislation and communication channels with civil society, better understanding of the budget process, language, and information must be promoted. The debate should go beyond the circles of analysts and experts that monopolize the discussion.
- The perception is somewhat more positive in regard to executive branch submission of reports on changes in the approved budget, as well as on the impact of expenditures. Progress has been registered in the latter, in relation to budget formulation and management based on results. However, greater emphasis has been given to evaluation of public agency performance indicators and reports on fulfillment of objectives, for which more - currently scarce - public policy impact studies are needed in the future.

Authority and participation of the legislature

- In this context, measures should be followed to evaluate current capacities of the internal control bodies and the modernization of the CGR. Legislation and implementation of the political agreements which followed the mentioned incidents should also be continued. Among these stand out measures to improve the regulation of reserved and defense spending, and the management of public purchases, as well as criteria for exercising public duty. This will contribute to consolidate accountability and institutional democracy.

Ecuador

Analysis of the legislation and the results obtained from the perceptions survey provide an integral scope of the budget process, with its strengths and weaknesses.

Generally speaking, an excess of norms are in place, some of which are complementary while others are contradictory or repetitive. It is evident that this legal body is not applied, or at least not in a systematic way. The study revealed scarcity of institutional mechanisms to incorporate citizen participation into the process, and the government fails to present the budget progress reports required by law. The budget process is perceived by those surveyed as having a low degree of transparency, not subject to compliance with constitutional and legal obligations, with limited oversight and reliability, and scarce citizen participation.

In the perceptions analysis, positive responses fluctuated between 0 and 36 percent, values below the average of the group of countries participating in the index. The variables with the highest percentages of positive responses are: information on macroeconomic criteria (36 percent), authority and participation of the legislature (26 percent), and quality of information and statistics (24 percent).

![Ecuador: Best evaluated areas](Percentage of positive responses)

- Information on macroeconomic criteria: 36%
- Authority and participation of legislature: 26%
- Quality of information & statistics in general: 24%

The variables with the lowest percentage of positive responses were: evaluation of the internal comptroller (0 percent), citizen participation in the budget (3 percent), and budget oversight (4 percent).
General recommendations:

- The executive, in coordination with congress, should foment rationalization, codification, and technical purging of the legislation. This is important in order to limit, to the maximum degree possible, the self-interested selection of applicable norms.

- The strategic objectives, goals, and guidelines of the National Development Plan, state policies referring to sustainable human development, and national and international human rights norms, should be explicitly considered during budget formulation.

Specific recommendations:

Internal comptroller

- The State General Comptroller’s Office should be technically strengthened and improved to effectively and transparently assume, in a timely manner, the tasks of budget auditing, control, and oversight established in its Organic Law.

- A constitutional reform is required to assure that the election of the Comptroller include mechanisms for citizen participation, in order to identify candidates with high technical profiles and unquestionable political independence.

- Inter-institutional cooperation between the Comptroller’s Office and the Commission on Civic Control of Corruption should be strengthened. This is relevant in order to achieve greater levels of transparency, effectively struggle against impunity, and effective surveillance and follow-up of the use and destination of public funds in general, in particular in the budget process.

Citizen participation in the budget process

- The National Congress should consider formalizing the budget dialogue processes initiated in the year 2000 with civil society participation, assuring that the recommendations be incorporated effectively and in a timely manner in the budget process.

- Awareness-building and intensive training of civil society on the budget process should be promoted by the state and by national and international organizations (through research projects, roundtables, and working forums), in order to facilitate an informed debate and participation. This should also include submission of specific proposals within the budget process.

- Social control mechanisms should be created to assure transparency, accountability, and citizen participation in the budget process. This initiative should be advanced by the Commission of Civic Control of Corruption through the conformation of the Budget Supervisor’s Office.

- The state should commit itself to establish a direct coordination mechanism with the Fiscal Policy Observatory-promoted by the United Nations Development Program (UNDP) and integrated by outstanding citizens-providing it with timely information on budget guidelines and execution.

- Organized civil society has the responsibility to commit itself in a serious, systematic, and proposal-oriented manner to the processes related to budget elaboration, discussion, surveillance and oversight. In addition, it should demand compliance with the international, constitutional, and secondary norms which allow for the exercise and protection of fundamental rights.

Budget oversight

- The Oversight Commission and the Permanent Specialized Commission on Taxation, Fiscal and Banking matters of the National Congress should more diligently exercise their constitutional duties in regard to control over the executive in the diverse process stages.

- The state should implement a disaggregated, systematic, reliable, easily accessible, and periodic public information system on governmental and public sector income and expenditures, as well as on progress in fulfillment of program objectives, with special attention given to the destination, conditions, amounts, and use of public debt.

- The Ministry of Economy and Finances should comply with its legal obligation to present tri-monthly reports on progress in budget execution, and the National Congress should demand presentation of these reports.

- The Ministry of National Defense, the National Security Council, and the Joint Armed Forces Command, should promote broad social dialogue in order to define an institutional policy which facilitates or promotes dissemination and access to information on defense spending.

- The National Congress should elaborate a set of norms to rationalize or eliminate the secondary regulations and provisions that hinder access to information and dissemination of defense spending, for its oversight.

**El Salvador**

With the reform of the state financial administration system which started in 1995\(^{20}\), \(38\) important steps were made towards the modernization of the budget process. Introduction of the methodology by management areas, based on the linkage
between resources and objectives, positioned the budget as the primary instrument of governmental planning, coordination, execution, evaluation, and control. Also noteworthy is progress in the financial information system that generates immediate, detailed, and integrated reports on the budget transactions taking place in each government institution.

Nevertheless, eight years after the state financial reform, this study shows that the intended linkage between resources and objectives has not developed its potential. Furthermore, the budget information produced by the system is far-removed and distant from the public.

Recommendations:

- Establish formal mechanisms that guarantee public participation in decision-making related to the allocation of resources, in the supervision of actual spending, and in the evaluation of the results foreseen in the budget. It would be important to review and retake distinct experiences implemented at the municipal level which have demonstrated significant benefits. Among these stand out participative budget processes-through which various municipalities decide on their investment allocations-and social audit experiences. The primary purpose of mechanisms for citizen participation should be that the needs of the population are recognized and effectively included in the budget.

- Establish multi-annual planning systems in which medium and long-term strategic achievements are established. These systems should contemplate criteria and mechanisms in order to link to the yearly budgets, in a manner which clarifies the way in which these budgets contribute to the strategic goals. In this regard, it would be convenient to consider the results and methodology used by the National Development Commission to formulate the “Bases for a National Plan”.

- In addition to the financial information, require budgets to include specific goals to be achieved with the allocated resources, as well as criteria to evaluate the fulfillment of these same indicators. It is also important to simplify the presentation of budget contents, so that they are comprehensible to a wider number of citizens.

- Strengthen, reorganize, and group the institutions in charge of generating statistical information, and ensure their independence and technical character. This refers in particular to the entities responsible for producing information on public income and expenditures. This information should be easily accessible, at the central as well as the institutional level, and include in addition to financial data the progress in regard to the achievement of budget objectives.

- Require that the Budget Policy, on which each year’s budget is formulated, be made public guaranteeing maximum dissemination and timeliness-immediately following its approval by the Board of Ministers. This would allow the public’s timely analysis of the macroeconomic assumptions, national and institutional objectives and priorities, fiscal policy, income and expenditure estimates, and formulation norms. This would also facilitate existence of meaningful and useful public debate at the moment in which the most determining decisions are made regarding the budget.

- Establish mechanisms at the Legislative Assembly so that other committees or their members may intervene in the budget discussion, besides the Treasury and Budget Committee. This is important because the other committees are responsible for following up the performance of specific institutions. These committees are therefore in a better position to evaluate the budget in terms of the quality and extension of the public services.

- Define and implement geographical indicators to allow for the identification of the way in which budget resources are allocated to the different regions of the country. Currently, this is only clear in case of the transfers to municipalities (which account for six percent of current expenditures), and not regarding the expenditures of ministries and other centralized institutions. The geographical indicators would make it possible to establish a relationship between the budget and the levels of poverty, territorial economic activity, and other factors, by region. Under this logic, the budget could turn into an important instrument to measure the government’s commitment to human development.
• Strengthen the ability to demand the existence and publication of clear criteria for modifications to the approved budget. In addition, the effects of these modifications on service provision should be explained; current modifications specify only the decreases and increases of budget item amounts.

• Broadly publicize the budget follow-up and evaluation reports, as well as the final accounts, highlighting explanations on substantial changes adopted during budget execution and the level of fulfillment of foreseen objectives. In the same way, disseminate the audit and special test reports on budget execution undertaken by the Accounts Court of the Republic, at the institutional level and in consolidated form.

• Assure the political independence, technical character, and timeliness of the control actions which should be carried out by the Accounts Court of the Republic, to assure effective budget oversight. In addition, establish an information system on such control actions, pointing out among other aspects the number, nature, and identification of the findings on irregularities, and the degree of compliance with recommendations and application of sanctions.

• Undertake public awareness-building and orientation campaigns on currently available budget information, how to access it, and how to use it.

**Mexico**

Prevailing budget transparency conditions in Mexico are precarious. Despite efforts on part of the federal government, important gaps persist regarding the legal framework which regulates the budget process and its application. The possibility of broad public scrutiny of the use of resources continues to be a pending matter.

The experts surveyed for the study evaluated critically almost all elements of transparency included in the perception survey. The best evaluated variables were those related to the information on macroeconomic criteria used in the elaboration of the budget (64 percent of positive responses), quality of information and statistics, and budget oversight (both with 41 percent of positive responses). Even while these are the best evaluated variables, the percentage of positive responses is very low.

Information on macroeconomic variables is fundamental to the elaboration of the budget. With this variable we measure whether the executive publishes the macroeconomic assumptions it uses to elaborate the new budget and whether its income projections are reliable. This was the highest rated variable in Mexico.

There is a law which stipulates that the General Criteria of Economic Policy should be published, which includes the macroeconomic criteria used for budget estimates. However, there is no public document in which projections are compared with final results. For this reason, while still being possible to keep track of modifications, no macroeconomic explanation is offered for these variations. Furthermore, among the experts surveyed prevails the perception that the income estimates are unreliable.

The second best evaluated variable was Quality of information, which is related to the above mentioned issue. This variable explores whether the institutions which generate national statistics produce accurate data, whether budget information is presented in a disaggregated format which allows detailed analysis, and if it includes aggregations to facilitate integral analysis. It also addresses whether the budget provides a complete scope of national government finances.

The third best evaluated variable was Budget oversight. Through this variable we explore whether the use of resources allocated to government-owned enterprises, decentralized bodies, and defense spending is well supervised. It also asks whether external debt contracting is subject to oversight.

**Critical areas**

The weak areas for budget transparency in Mexico are citizen participation in the budget (16 percent positive responses), responsibilities among different levels of government, and reliability of the internal comptroller (both with 18 percent of positive responses).

Citizens are the missing actors in decisions around the use and control of public resources. Citizen participation was the worst evaluated variable among the experts consulted, and this situation derives from the fact that there is neither legislation nor

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mechanisms in practice to allow their participation. Even while citizens are represented by legislators, the creation of direct and formal participation mechanisms would be particularly relevant.

Responsibilities among levels of government was the second worst evaluated variable. Despite legal provisions, which regulate the division of budget responsibilities among the national and sub-national governments, centralized decision-making on public spending persists in practice. This combines with a clear tendency toward insufficient oversight of resources executed by the subnational governments.

Evaluation of the internal comptroller is perceived by the experts as a very critical issue. Despite the fact that the Budget, Accounting, and Federal Public Spending Law establishes that “the accounting systems should be designed and operated in order to facilitate oversight of assets, liabilities, income, expenses, and advances in the execution of programs, and in general so that they measure the effectiveness and efficiency of federal public spending,” the perception of those surveyed is that the Public Function Ministry is unreliable.

Recommendations:

Quality of information and statistics

To improve the integrity and quality of budget information, the following should be published:

- Disaggregated information on the different budget line items, to facilitate analysis of the budget and its objectives.
- The specific performance goals of all governmental programs.
- Contingent liabilities, tax exemption amounts, subvention amounts, resources executed by the Mexican Central Bank, unspent resources, in-kind transactions, and user fees charged for public services.
- Information which illustrates the way in which changes to existing policies or new public policy proposals affect income and expenditures.
- A non-technical document directed to the general public which describes the budget and its objectives, as well as the budget process.
- Detailed and timely information for institutions outside of the executive branch, so that they may undertake alternative fiscal analysis. This type of analysis should be promoted.
- The criteria used to estimate income, and periodically, information on income flows and their variations compared to original estimates.
- The programmatic structure should be homogenized to facilitate comparison between different years. In addition, changes to the programmatic structure should be explained and information should be provided in order to be able to track changes in already existing categories.

Budget oversight

- Improve the control system over government-owned enterprises and decentralized bodies, so that information actually reviewed by the internal comptroller forms part of the Public Account.
- Generate legal provisions to better control decentralized spending.
- Include exhaustive information on decentralized spending in the budget execution reports.
- Strengthen the Superior Auditing Office of the Federation, in order to ensure that it effectively oversees federal public resources. Furthermore, it should also give technical support to the various oversight institutions at sub-national level.

Citizen participation in the budget

- Undertake public consultations during budget formulation and discussion, with the purpose of guaranteeing a space for citizens to express their priorities in regard to the allocation of the budget.
- Make it a legal obligation for the federal executive to include an evaluation of budget impact of previous years in the budget proposal presented for consideration to Congress.
- Undertake an information crusade so that the public knows and demands fulfillment of the Federal Transparency and Access to Public Information Law.

Internal comptroller

- Undertake an evaluation to identify the shortcomings of the internal control system.
- Undertake public consultations to identify the causes of negative opinions on the reliability of the internal comptroller.
- Diagnose the organizational effectiveness of the internal control institutions.

Nicaragua

An initial perspective on the results of the transparency survey in this country shows that all the variables have 50 percent or less of positive responses. Most of them are located between 10 and 20 percent of positive responses, which is alarmingly low. Furthermore, by comparing these perceptions with the legal framework that regulates the budget two dynamics stand out: on one hand, we can find some of the reasons behind the negative perceptions; on the other hand, mechanisms that should contribute to a more positive perception can as well be identified. The overall low rates point to the fact that among those who use the budget information, the prevailing perception is that the existing mechanisms are inadequate, insufficient, not timely enough and not sufficiently known to the public.

The positive response regarding the Parliament’s role in the budget process—including situations in which the budget has to be modified—are noteworthy. These are the two best rated variables of the survey; both achieved 50 percent of positive responses.
These rates are consistent with the regulations and the practice that rule the role of the legislature. As such, it is possible to say that the mechanisms of checks and balances are clearly established and observed in practice. It has to be mentioned, however, that one element of this variable—namely the level of debate and discussion in Congress—has a lower rate of positive responses (32 percent). This shortcoming could be improved by stimulating a deeper and more integral discussion in other committees, besides the Economic Affairs Committee-like Health, Childhood, Women and Family, and Education, among others.

The area identified as the most critical is regarding the timeliness of the budget information, which only achieved a 10 percent of positive responses. Once again, the analysis of the formal arrangement of the budget system and its practice confirms this perception. The time gap between when the information should be published, and the moment in which it is effectively made available to the public, is wide. This applies especially to the execution and the control of the budget, although it is acknowledged that the last year has registered some improvements. Nevertheless, it is emphasized that publication of the budget information is almost exclusively limited to internet. In a country like Nicaragua, where less than 5 percent of the population has access to internet, this mechanism is obviously insufficient—limiting in a substantial way the access to information.

Another area that demands urgent action is the internal comptroller. Despite only receiving 11 percent of positive responses, the analysis of the legal framework points to the existence of functional mechanisms. This critical issue was identified from the beginning on of the study, while trying to establish who was responsible for carrying out this role. The answers to this simple question were different, even when coming from high level government officials. The role of the internal comptroller in public entities is not widely known and, therefore, not highly valued. Frequently the role of the internal comptroller is mistakenly interpreted as the role of the General Comptroller—even among experts.

Recommendations:

In general

- Government needs to undertake additional efforts to disseminate the diverse mechanisms and possibilities that exist for citizens to get to know, question and debate the General Budget of the Republic throughout the stages of the cycle. Government can establish mutually beneficial alliances with civil society and the media.
- The National Counsel for Economic and Social Planning (CONPES) could play a more active role in promoting knowledge and discussion regarding the budget among civil society organizations and citizens in general.
- The National Assembly could contribute by opening formal spaces for public audiences during the budget discussions, prior to its approval and during its evaluation. This would strengthen the legislature’s controlling role and bolster its function as a body that represents the population.

Timely and useful information

- It is urgent that the government defines a clear policy for disseminating budget information, not only through electronic means but also through the written media. In order to achieve this, alliances with journalists and media, as well as with civil society organizations can be advised.
- The National Assembly can also play a relevant role in this regard, by making budget information accessible to citizens through its own means and libraries.
- A third option to be explored is the role of municipal governments—especially in the current context of fund transfers. Pertinent information should be accessible to citizens at municipal level.

Internal control

- Clear information about who is responsible for internal control and under what circumstances it is carried out has to be available. This has to be done by the executive branch. A possibility for dealing with it would be through the Integrity Commission of the vice-presidency or the Public Servants’ Ethics Office of the presidency. This would bolster confidence regarding transparency.
- The other branches of government-legislature and judiciary—should also be compelled to explain their own mechanisms of internal control, as well as its results.
- In addition, the General Comptroller of the Republic has to inform regularly about its work, the cases it is studying, its results and other information.
Peru

The results of the perception survey and the study of the legal framework of the budget allow for a critical analysis of budget transparency in Peru.

On one hand, Peru achieved a rate of 45 points (from 100) in the general transparency index. On the other hand, the survey identifies the best and worst rated variables.

The best evaluated variables of the survey were the following:

- Information on macroeconomic criteria: 58%
- Authority and participation of legislature: 36%
- Budget Changes: 30%

The worst evaluated variables were the following:

- Evaluation of the internal comptroller: 6%
- Citizen participation in the budget: 7%
- Capacities of external control bodies: 12%

The study of the legal framework and its application confirms these results. It comes as no surprise that information regarding macroeconomic criteria stands out as the best-evaluated variable. In legal terms, law number 27209 clearly establishes that the budget proposal that is tabled yearly has to include an explanation of the underlying macroeconomic assumptions. This information is publicly available at the website of the Ministry of Economics and Finance of Peru. Similarly, the executive’s proposal also includes information of the main economic variables, at the same time of comparing last year’s macroeconomic forecast and actual outcome.

The second best evaluated variable is the legislature’s role and participation in the budget. A legal framework which defines the role of the legislature in the formulation of the budget is in place, stemming from the Constitution, the Budget Law, Directives for Programming and Formulation of the Budget and others. Furthermore, diverse regulations allow the legislature to know the logic, criteria and allocation formulas behind the budget. The Directives for the Formulation and Enactment of the Institutional Budgets for the Fiscal Year 2003 have the main objective of establishing methodological criteria for budget formulation and programming. The legislature also has two additional mechanisms at its disposal, in order to request this information from the executive branch. A member of Congress can send a “communication” to the Executive branch, requesting certain information. Another option is the convening of formal meetings in order to pose questions to the Executive.

There is also a legislative committee responsible for revising the executive’s budget. According to article 77 of the Congress Guidelines, once the budget proposal has been tabled, it is sent to the Budget Committee for examination. As such, the proposal has to clearly specify the priorities established for the budget in general, as well as in each sector.

The third best variable is regarding changes or modifications to the budget. According to article 81 of the Congress Guidelines, increases in allocation and transfers of resources within and between ministries have to follow the same process as the budget proposal itself. These modifications have to be approved by three fifths of the legal members of the Permanent Committee. Furthermore, for the last completed fiscal year, an explication of the differences between the approved budget and its final results, as well as between estimated and actual income, has to be available.

The variable with the lowest percentage of positive responses is the internal comptroller. The Organic Law of the National Control System and the General Comptroller of the Republic (number 27785) dictates that the central units of the government have to have systems of internal audits. Nevertheless, the extent to which recommendations of the internal comptroller are taken into consideration is difficult to evaluate—since those who recommend and those who have to integrate the recommendations are one and the same.

Another variable with a low percentage of positive responses is that of the capacities of the external comptroller. The Law of the National Control System (number 26162) and article 82 of the Constitution clearly establish that the General Comptroller of the Republic is the main organism within the National Control System. The General Comptroller has technical, functional, administrative and financial autonomy. However, his capacities and independence regarding control of the budget, and the halt of corruption, among others, are not clearly verifiable in practice. This affects the image of the General Comptroller and the confidence in this body, which is reflected by a scant 7.5 percent of positive responses.

It has to be mentioned that the weak positive perceptions regarding internal and external control are consistent with the fact that control stage of the budget cycle was perceived as the least transparent stage.
The scant positive responses regarding citizen’s participation (7 percent) comes as a surprise, since the government has been implementing a series of efforts towards a participatory planning stage. These participatory planning mechanisms feed into the formulation of the budget, incorporating the priorities of different groups of the Peruvian society. Furthermore, the mechanisms for participatory planning are established in the “Guidelines for a pilot program: participatory planning and programming of the investment budget for fiscal year 2003”, as well as in the general directive for the formulation of the budget 2003. The legal framework regulating municipalities, sub-national governments and decentralization also includes these participatory mechanisms.

In addition, citizens have diverse mechanisms for accessing information. First, citizen can access public information without any restriction through the websites of the government or by issuing a request for certain information. It has to be mentioned that this information has been made more accessible due to the consultation mechanisms of the websites themselves. If this proves insufficient, the webmasters of the different sites can be of help. In case of still not obtaining the information, citizens can initiate a judicial action of Habeas Data.

Despite these efforts, there are still many pending issues. For instance, the study reveals the lack of mechanisms known to the population for incorporating its opinion during the discussion and approval of the budget proposal. Similarly, there is no legal provision for public audiences, in order to have civil society rendering testimony to Congress. Last, but by no means least, a striking element is the lack of accountability on part of the Executive branch of government, regarding the impact of the budget.

Recommendations:

• It is urgent to develop a strategy to strengthen the internal and the external comptroller.
• Regarding citizen participation, it is necessary to implement and disseminate additional mechanisms for integrating the population’s opinion throughout the different stages of the budget process. Also, the already existing mechanisms for participation have to be disseminated in a more consistent way.
• The government has to develop impact assessment indicators, in order to measure the effects of the budget, as well as its consequences on different groups of the population.
• It is also urgent to strengthen the capacities of the Parliamentary Research Center, so that it can produce, in a systematic manner, better budget analysis. It is civil society’s role to monitor and evaluate activities related to transparency—specifically the application of the law in this regard, and the dissemination of diverse mechanisms for accessing information and taking part in established processes.

### Annexes

#### 1. Methodology

The methodology used to develop the Index of Budget Transparency was designed during the year 2000 and was applied in 2001 in five Latin American countries: Argentina, Brazil, Chile, Mexico, and Peru. For the second edition of the Index the same methodology was used but with some modifications, and it was applied to a total of ten countries. The five new countries are: Colombia, Costa Rica, Ecuador, El Salvador, and Nicaragua.

This methodology consists of three parts:

1. Perceptions Survey

The survey measures the perceptions on budget transparency, i.e. the perceptions of experts in the allocation of public resources including the decision making, participation and incidence.

Population:

Budget experts were defined as a target population familiar with the budget process and the usage of budget information. The criteria used to select the experts guarantees the capacity to reapply the sample with a homogenous criteria in all the participating countries.

Four expert categories were defined. These sub-populations are small in all countries and there is no unique list to identify them. Hence, the first stage of the project consisted in the elaboration of a list of experts in each country by using the same selection criteria. The groups and the criteria used are as follows:

• Legislators: the popular representatives that participate in the budget commission (members of Congress) were chosen.
• Journalists: Newspapers and magazines with national coverage were selected, and for each publication, the journalists that write about the budget were chosen.
• Academics or researchers: Experts that study the subject and/or have published on budget issues. They were chosen based on censuses of research and/or superior education institutions and bibliographical references.
• NGOs: The civil society organizations that work on budget issues, accountability, transparency, corruption, and the monitoring of government resources. In some countries, directories of NGOs exist and in others, they were constructed based upon their appearance in the press.

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These listings were elaborated by the organizations within each country. Procedures were established (elaboration criteria and sources of information) that allowed to achieve uniformity among countries. The elaboration of the listings was centrally supervised to assure the uniformity in the listings. The population was determined according to the listings and they appear in the following table. As we can see, the defined populations oscilate between 50 and 160 people per country. The total of experts for the ten countries almost reaches 1,000 people.

<table>
<thead>
<tr>
<th>Experts population</th>
<th>Argentina</th>
<th>Brazil</th>
<th>Colombia</th>
<th>Costa Rica</th>
<th>Chile</th>
<th>El Salvador</th>
<th>Mexico</th>
<th>Nicaragua</th>
<th>Peru</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislatures</td>
<td>60</td>
<td>94</td>
<td>44</td>
<td>18</td>
<td>18</td>
<td>7</td>
<td>13</td>
<td>29</td>
<td>9</td>
<td>17</td>
</tr>
<tr>
<td>NGOs</td>
<td>13</td>
<td>24</td>
<td>36</td>
<td>4</td>
<td>15</td>
<td>17</td>
<td>11</td>
<td>21</td>
<td>32</td>
<td>27</td>
</tr>
<tr>
<td>Media</td>
<td>21</td>
<td>19</td>
<td>23</td>
<td>14</td>
<td>19</td>
<td>30</td>
<td>5</td>
<td>45</td>
<td>25</td>
<td>15</td>
</tr>
<tr>
<td>Researchers</td>
<td>45</td>
<td>27</td>
<td>30</td>
<td>20</td>
<td>18</td>
<td>9</td>
<td>17</td>
<td>34</td>
<td>47</td>
<td>24</td>
</tr>
</tbody>
</table>

Note: For Costa Rica, the number of legislators includes the personnel of the General Comptroller of the Republic.

Table 1: Expert Population per Country

Methodology

Sample design: The size of the expert population is small. Therefore, an attempt was made to take a census of the entire population of experts and users of budget information.

<table>
<thead>
<tr>
<th>Response Total</th>
<th>Argentina</th>
<th>Brazil</th>
<th>Colombia</th>
<th>Costa Rica</th>
<th>Chile</th>
<th>El Salvador</th>
<th>Mexico</th>
<th>Nicaragua</th>
<th>Peru</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislature</td>
<td>34</td>
<td>43</td>
<td>20</td>
<td>11</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>18</td>
<td>3</td>
<td>154</td>
</tr>
<tr>
<td>NGOs</td>
<td>8</td>
<td>18</td>
<td>23</td>
<td>4</td>
<td>13</td>
<td>7</td>
<td>7</td>
<td>14</td>
<td>27</td>
<td>148</td>
</tr>
<tr>
<td>Media</td>
<td>17</td>
<td>9</td>
<td>7</td>
<td>7</td>
<td>17</td>
<td>22</td>
<td>4</td>
<td>29</td>
<td>17</td>
<td>121</td>
</tr>
<tr>
<td>Researchers</td>
<td>18</td>
<td>16</td>
<td>17</td>
<td>16</td>
<td>9</td>
<td>14</td>
<td>23</td>
<td>38</td>
<td>17</td>
<td>184</td>
</tr>
<tr>
<td>Coverage or Total Response Rate</td>
<td>55%</td>
<td>52%</td>
<td>50%</td>
<td>68%</td>
<td>73%</td>
<td>68%</td>
<td>65%</td>
<td>65%</td>
<td>75%</td>
<td>80%</td>
</tr>
</tbody>
</table>

Various data collection methods were used: self-administered surveys via the Internet, fax or mail, and face-to-face interviews by an interviewer. Most of the answers were obtained by the self-administered interview.

Originally one invited all the population to participate in the survey through electronic mails that included a link with automatic access to the survey of each country.

Later on, the population was contacted by telephone to obtain the answer according the each individual’s preference.

The field work was done between May 2nd and September 17, 2003. The field work had two components: a central one integrated by email invitations and the administration of the database - this was done in Mexico - and a local one composed by contacts with those interviewed including the effort to collect answers - done in each country -.

Usually the quality in the data of the census is measured with an indicator: the coverage of the population. However, the measurement of the coverage does not allow to draw comparisons on the quality of the data across countries where there are 10 participating countries as it is the case of the Index. Hence, we have included as data quality indicators the measuring of dispersion of the general score for each country in Table 3.

Table 3: Calificación general y Medidas de Dispensión por País

<table>
<thead>
<tr>
<th>General Transparency Score (1 a 100)</th>
<th>Argentina</th>
<th>Brazil</th>
<th>Colombia</th>
<th>Costa Rica</th>
<th>Chile</th>
<th>El Salvador</th>
<th>Mexico</th>
<th>Nicaragua</th>
<th>Peru</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score</td>
<td>44.1</td>
<td>50.3</td>
<td>44.3</td>
<td>48.6</td>
<td>61.8</td>
<td>30.6</td>
<td>40.3</td>
<td>50.4</td>
<td>46.4</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>20.3</td>
<td>22.9</td>
<td>19.4</td>
<td>23.8</td>
<td>20.3</td>
<td>16.3</td>
<td>29.6</td>
<td>23.1</td>
<td>22.7</td>
</tr>
<tr>
<td>Confidence Interval: Minimum</td>
<td>39.5</td>
<td>45.3</td>
<td>39.6</td>
<td>40.9</td>
<td>56.1</td>
<td>25.5</td>
<td>29.1</td>
<td>45.4</td>
<td>41.3</td>
</tr>
<tr>
<td>Confidence Interval: Maximum</td>
<td>48.7</td>
<td>55.3</td>
<td>49.0</td>
<td>56.8</td>
<td>47.5</td>
<td>35.6</td>
<td>31.6</td>
<td>55.4</td>
<td>51.4</td>
</tr>
</tbody>
</table>

Questionnaire: In order to apply the Index for Budget Transparency in Latin America 2003, the questionnaire used in 2001 was the main frame of reference although it incorporated some modifications. The questionnaire contains 70 questions applied in all countries and are grouped in three categories:

1. Scores on the level of budget transparency: an evaluation on the conditions of budget transparency in general and on the different stages of the budget process, i.e. formulation, approval, execution, control, citizen participation, and access to the information. These qualifications were measured in a scale from 1 to 100.
2. Scores on the importance of each one of the stages of the budget process, i.e. formulation, approval, execution, control, citizen participation, and of access to the information.
3. Specific questions on budget transparency. These questions were developed following the Likert scale in a rank from 1 to 5. These are very specific questions that demand budget process expertise.
Weighing: In 2001, the perceptions survey around transparency included greater populations of legislators for all the countries, because three parliamentary commissions were incorporated instead of one. The analysis of the results showed that the answers of the legislative tend to be more positive than the answers of the rest of the population of experts, particularly regarding certain stages of the budget. In addition, the size of the population of legislators varies largely by country and represents between 4 to 35 percent of the answers. In order to avoid a legislative slant of different proportions between countries the answers were weighed. This way the answers of the legislators were equivalent to the 10 percent of the total of the answers in all the countries.

Handling of the answer “Do not know”
Since answering the questionnaire demands specialized knowledge there is an option to state “do not know”, which in itself is informative as it indicates ignorance of a certain subject amongst the experts -. There are two ways of handling such category: one is in the instructions to the interviewed person, where constant emphasis is made in the alternative to answer “do not know”. In fact, in the design of the questionnaire the category “do not know” always appears like the first answer option. The other was the handling of the category in the reports of results. In this case, the “do not know” is taken as a valid answer, unlike the non answer.

Variable Construction: The variables are groups of questions that cover particular aspects of the transparency. 14 variables from 49 specific questions were constructed. The variables and the number of questions that integrate them are detailed below:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Total questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citizen participation in the budget</td>
<td>5</td>
</tr>
<tr>
<td>Authority and participation of the legislature in the budget</td>
<td>3</td>
</tr>
<tr>
<td>Information on macroeconomic criteria of the budget</td>
<td>2</td>
</tr>
<tr>
<td>Changes in the budget</td>
<td>1</td>
</tr>
<tr>
<td>Budget allocation</td>
<td>4</td>
</tr>
<tr>
<td>Budget oversight</td>
<td>5</td>
</tr>
<tr>
<td>Evaluation of the internal comptroller</td>
<td>1</td>
</tr>
<tr>
<td>Capacities of the institutions of external oversight</td>
<td>3</td>
</tr>
<tr>
<td>Accountability</td>
<td>7</td>
</tr>
<tr>
<td>Control over federal officials</td>
<td>5</td>
</tr>
<tr>
<td>Responsibilities among governmental levels</td>
<td>1</td>
</tr>
<tr>
<td>Information on federal debt</td>
<td>4</td>
</tr>
<tr>
<td>Quality of information and statistics in general</td>
<td>4</td>
</tr>
<tr>
<td>Timeliness of budget information</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>49</td>
</tr>
</tbody>
</table>

Reported Values: Scores (1 to 100)
The values are reported with two units or scales. The index and the qualifications by stage are the averages obtained in the survey of experts using a scale from 1 to 100.

Reported Values: Percentage of Positive Answers
The percentage of positive responses is reported for specific questions and variables. This percentage is the addition of boxes 4 and 5.

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do not agree at all</td>
<td>Neither agree nor disagree</td>
<td>Totally agree</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Positive Answers
The results or positive answers of variables are the sum of all the positive answers of the questions that correspond to a variable, divided between the total of the answers obtained for the questions that correspond to a variable. For example:

Variable Accountability = Sum of 5 questions (i=5):

Positive scores for the variable “Accountability” = Sum of all answers for the questions that make up the variable

2. Formal/Practical Analysis:
In order to put into context the results provided by the survey of perceptions and to recommend specific lines of action the legal or formal frame that regulates the budget process was analyzed on one hand, and, on the other, the practices in the different stages from the budget process. In addition, a detailed analysis on the prevailing conditions of access, utility and dissemination of budget information.

- Description of the Legal Frame. Here the relevant actors in each one of the stages of the budget process, their functions, attributions and responsibilities are identified, starting off from a questionnaire format of open questions.
- Practical Analysis. In this second stage, the objective was to identify the degree of fulfillment of the legal frame, from the enumeration of the real practices during the budget process. A questionnaire format of closed questions[40] was used.

Both parts of the formal/practical analysis were answered by a group of local experts, reviewed by local readers and, later, by experts of others country by means of a document exchange between the groups that participate in the initiative.

[40]The questionnaire to evaluate the practical ones was developed by the International Budget Project, with the objective to establish a common minimum frame between the efforts of evaluation of the budgetary transparency that are being made in different regions from the world. Like so, it is an addition to the Latin American Index of Budgetary Transparency.
3. Guide of Entailment:

The survey of perceptions answered by experts and users of the budget information and the formal/practical analysis tied through a guide. This guide followed the order of the variables of the survey and has the objective to explain these results within the framework, putting them in the legal context and the practice that prevail to the budget process. This guide also allows a comparison between the legal and practical provisions of the different countries, to be able to review normativities and their fulfillment for aspects of particular interest. This guide gives sustenance to the recommendations and concrete proposals that appear in this document.

Annex 2: questionnaire of the Survey on Budget Transparency 2003

Budget Transparency Index

Demographics

1. Which is your current country of residence? (one answer only)

<table>
<thead>
<tr>
<th>Country</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>01</td>
</tr>
<tr>
<td>Brazil</td>
<td>02</td>
</tr>
<tr>
<td>Colombia</td>
<td>03</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>04</td>
</tr>
<tr>
<td>Chile</td>
<td>05</td>
</tr>
<tr>
<td>Ecuador</td>
<td>06</td>
</tr>
<tr>
<td>El Salvador</td>
<td>07</td>
</tr>
<tr>
<td>Mexico</td>
<td>08</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>09</td>
</tr>
<tr>
<td>Peru</td>
<td>10</td>
</tr>
<tr>
<td>Others</td>
<td>11</td>
</tr>
</tbody>
</table>

Welcome to the questionnaire on budget transparency. Your answer is very important to us and we guarantee absolute confidentiality, since our information will only be presented in an aggregate manner of statistical analysis and therefore we never reveal individual responses.

The present survey is part of a project of civil and academic institutions in 10 Latin American countries: Argentina, Brazil, Colombia, Costa Rica, Chile, Ecuador, El Salvador, México, Nicaragua and Peru; Poder Ciudadano from Argentina, Instituto Brasileiro de Análises Sociais e Economicas (IBASE) from Brazil, Corporación del Fondo de Apoyo de Empresas Asociativas (CORFAS) from Colombia, Universidad de Costa Rica, Estado de la Nación and Fundación Arias from Costa Rica, Departamento de Economía de la Universidad de Chile, Centro de Derechos Económicos y Sociales from Ecuador, Probbid from El Salvador, Centro de Investigación y Docencia Económica (CIDE) and Fundar Centro de Análisis e Investigación from México, Centro de Información y Servicios de Asesoría en Salud (CISAS), Coordinadora Civil and Grupo Fundemos from Nicaragua, and Universidad del Pacífico from Perú.

We hope that this survey will help all public budget processes in our countries be more transparent. For this reason, we need the contribution from experts on the subject such as you. We would appreciate if you would carefully answer each and everyone of the following questions and in case of having doubts or suggestions attach them at the end of the questionnaire.

Some remarks about the questionnaire

- In every question we seek to know your own perception of reality without taking into account other peoples opinions or what reality should be.
- We are not interested in measuring knowledge (if there is any question for which you do not know the answer please choose the code “Don’t Know”)
- When you are responding the questionnaire please remember that we refer only to the Mexican Federal Budget, which means the Executive’s Power spending and it’s decentralized and deconcentrated organisms.
- Due to the fact that this effort will continue to exist in the future, please give your perceptions on present time events.

Some complete documents of the formal/practical analysis and the guide related to this analysis with the survey of perceptions are available in electronic version at http://www.internationalbudget.org/themes/budtrans/LA03.htm
2. What is your current professional activity or employment? (various answers)

| University or Higher Education Center | 01 |
| Newspaper or Magazine | 02 |
| Chamber of Deputies | 03 |
| Civil Society Organization | 05 |
| Other (specify) | 06 |

3. What is your main occupation? (only one answer)

| Popular Representative | 01 |
| Employee | 02 |
| House wife | 03 |
| Freelance | 04 |
| Currently unemployed | 05 |
| Student | 06 |
| Retired or Pensioned | 07 |
| Other (specify) | 08 |

4. Year when you were born

19___

5. Gender

| Female | 1 |
| Male | 2 |

6. Level of Education

| No studies/ none | 01 |
| Uncompleted Elementary | 02 |
| Complete Elementary | 03 |
| Uncompleted Secondary | 04 |
| Complete Secondary | 05 |
| Uncompleted High School | 06 |
| Complete High School | 07 |
| Uncompleted Bachelor’s Degree | 08 |
| Complete Bachelor’s Degree | 09 |
| Masters Degree | 10 |
| Doctorate | 11 |

7. Please mark the countries of which you have some knowledge about their budget practices. (various answers)

| Argentina | 01 |
| Brazil | 02 |
| Colombia | 03 |
| Costa Rica | 04 |
| Chile | 05 |
| Ecuador | 06 |
| El Salvador | 07 |
| Mexico | 08 |
| Nicaragua | 09 |
| Peru | 10 |
| Other | 11 |

8. Please indicate the level of knowledge you have about the budget process in your own country (during formulation, approval, execution and supervision and control) in a scale of 1 to 5, where 1 means nothing and 5 means a lot. (only one answer)

1 | 2 | 3 | 4 | 5

GENERAL

9. We will use the word transparency when we refer to the existence of a normative framework and of clear practices in the budget process, to the public access to information and to the formal mechanisms of participation along this process.

In a scale of 1 to 100 in which 1 means non transparent, 100 is completely transparent and 50 is the midpoint which where budgetary practices are neither opaque nor transparent. How do you score the budget transparency conditions in your country?

| 1 | 50 | 100 |

10. Please indicate how much you agree with each of the following sentences in a scale of 1 to 5 in which 1 means totally disagree and 5 is totally agree.

Please remember that we only refer to the Mexican Federal Budget (one answer only).

<table>
<thead>
<tr>
<th>Sentence</th>
<th>Don’t Totally Agree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Totally Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Any future obligation or liabilities of the Federal Government is made public</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2. All future obligation of the government as labor liabilities, financed investment, or economic sector rescues are accountable as public debt</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>3. In general, national statistics generating institutions produce true data</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>4. It is possible to detect inexplicable enrichment by way of declaration of goods that functionaries have made</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>5. Public official’s wages are public and can be known with exactitude</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>6. Information on public official’s benefits such as bonuses, medical insurance, automobiles, personal expenditures, etc is made public</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>
11. Please indicate which of the following information is made public when the government acquires public debt. (only one answer)

<table>
<thead>
<tr>
<th>Information</th>
<th>Don't know</th>
<th>Totally Disagree</th>
<th>Neither agree nor Disagree</th>
<th>Totally Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The destination of the contracted debt</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>The duration of the debt and the projection of payment of the debt</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

**ELABORATION**

We will now proceed to ask you a few questions regarding the budget’s formulation stage. As always, we only refer to FEDERAL Expenditure in Mexico.

12. Please indicate how much you agree with each of the following sentences in a scale of 1 to 5, where 1 means totally disagree and 5 means totally agree. (one answer only)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Don't know</th>
<th>Totally Disagree</th>
<th>Neither agree nor Disagree</th>
<th>Totally Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The executive publishes the macroeconomic assumptions that are used to elaborate the new budget</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>The projections of income in the budget are reliable</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>The allocation of the budget is essentially inertial, meaning it is based upon past allocation criteria</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Budget documents clearly present the main political initiatives politics that are financed through the budget</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>The majority of the resources assigned by the federal government to the states are based upon public criteria</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Annual budgets are elaborated according to long term policies established in the National Development Plan</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>The budget provides a complete view of the national government finances</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

13. Considering the previous questions, in a scale of 1 to 100 in which 1 means non transparent, 100 is completely transparent and 50 is the midpoint where budgetary practices are neither opaque nor transparent. How do you score the transparency conditions in the formulation stage of the budget process in your country? You can use any number in the scale. (only one answer) __1136|

14. Now, please tell us, in your opinion, how important is the budget’s formulation stage for the issue of budgetary transparency in a scale of 1 to 100 where 1 means not important at all and 100 means extremely important. __1137|

**APPROVAL**

We will now ask you some questions about the approval stage of the budget process, which is the moment when the budget is discussed and approved by the Legislative Power.

15. Indicate how much you agree with each of the following sentences in a scale of 1 to 5, where 1 means totally disagree and 5 means totally agree. (one answer only)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Don't know</th>
<th>Totally Disagree</th>
<th>Neither agree nor Disagree</th>
<th>Totally Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The legislature has sufficient powers to modify the budget proposed by the executive branch</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>The calendar for the approval of the budget (one month and a half) allows sufficient time for analysis and discussion</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>There is a substantial debate within the legislature about the Executive’s budget proposal</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

16. Considering the previous questions, in a scale of 1 to 100 in which 1 means non transparent, 100 is completely transparent and 50 is the midpoint where budgetary practices are neither opaque nor transparent. How do you score the transparency conditions in the approval stage of the budget process in your country? You can use any number in the scale. (only one answer) __1141|

17. Now, please tell us, in your opinion, how important is the budget’s approval stage for the issue of budgetary transparency in a scale of 1 to 100 where 1 means not important at all and 100 means extremely important. __1142|

**EXECUTION**

Now we will formulate some questions on the execution stage of budget, this is when the budget and the expenditure is executed.

18. Indicate how much you agree with each of the following sentences in a scale of 1 to 5, where 1 means totally disagree and 5 means totally agree. (one answer only)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Don't know</th>
<th>Totally Disagree</th>
<th>Neither agree nor Disagree</th>
<th>Totally Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The executed resources are attached to the levels of expenditure approved by the Legislative Power</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>There is a clear understanding of the division of budgetary responsibilities between the National and Sub national levels of government</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>
### Access to Information

We will now ask you some questions about the public information regarding the budget and how easy it is to have access to it.

#### Control and Oversight

The following questions refer to the stage of control and oversight in the budget process, this is the stage of internal control and auditing of the budget expenditure once it has been executed.

22. Indicate how much you agree with each of the following sentences in a scale of 1 to 5, where 1 means non-transparent and 5 means totally transparent.

<table>
<thead>
<tr>
<th>Sentence</th>
<th>Don't know</th>
<th>Totally Agree</th>
<th>Neither agree</th>
<th>Totally Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The government provides indicators that allow to adequately value the of the expenditure</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>We will now refer to the evaluation of the internal comptroller of the Executive branch, this is the Secretaría de la Contraloría (SECODAM). Please indicate how much you agree with each of the following sentences in a scale of 1 to 5, where 1 means totally disagree and 5 means totally agree. (one answer only)</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>The external comptroller is trustworthy. (SECODAM). Please indicate how much you agree with each of the following sentences in a scale of 1 to 5, where 1 means totally disagree and 5 means totally agree. (one answer only)</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

23. We will now refer to the evaluation of the internal comptroller of the Executive branch, this is the Secretaría de la Contraloría (SECODAM). Please indicate how much you agree with each of the following sentences in a scale of 1 to 5, where 1 means totally disagree and 5 means totally agree. (one answer only)

<table>
<thead>
<tr>
<th>Sentence</th>
<th>Don't know</th>
<th>Totally Agree</th>
<th>Neither agree</th>
<th>Totally Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The external comptroller is trustworthy. (SECODAM). Please indicate how much you agree with each of the following sentences in a scale of 1 to 5, where 1 means totally disagree and 5 means totally agree. (one answer only)</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>The external comptroller has the capacity to efficiently supervise federal spending.</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

24. We will now refer to the external comptroller of the Executive branch, this is the organism of the External Auditor. Please indicate how much you agree with each of the following sentences in a scale of 1 to 5, where 1 means totally disagree and 5 means totally agree. (one answer only)

<table>
<thead>
<tr>
<th>Sentence</th>
<th>Don't know</th>
<th>Totally Agree</th>
<th>Neither agree</th>
<th>Totally Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The external comptroller has the capacity to efficiently supervise federal spending.</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>The external comptroller has the capacity to efficiently supervise federal spending.</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

25. Considering the previous questions, in a scale of 1 to 100 in which 1 means non-transparent, 100 is completely transparent and 50 is the midpoint where budgetary practices are neither opaque nor transparent. How do you score the transparency conditions in the supervising stage of the budget process in your country? You can use any number in the scale. (only one answer)

<table>
<thead>
<tr>
<th>SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>151</td>
</tr>
</tbody>
</table>

26. Now, please tell us, in your opinion, how important is the budget’s supervising for the issue of budgetary transparency in a scale of 1 to 100 where 1 means not important at all and 100 means extremely important.

<table>
<thead>
<tr>
<th>SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>161</td>
</tr>
</tbody>
</table>
27. Please indicate how much you agree with each of the following sentences in a scale of 1 to 5, where 1 means totally disagree and 5 means totally agree. (one answer only)

<table>
<thead>
<tr>
<th>Sentence</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget information is disregardan adequate</td>
<td></td>
</tr>
<tr>
<td>Budget information is introduced with exhaustive information</td>
<td></td>
</tr>
<tr>
<td>At the final stage of the execution of the budget, the Executive turns in</td>
<td></td>
</tr>
<tr>
<td>The executive branch</td>
<td></td>
</tr>
<tr>
<td>The executive branch periodically publishes necessary information</td>
<td></td>
</tr>
<tr>
<td>Report regarding the impacts of its expenditure</td>
<td></td>
</tr>
<tr>
<td>The reports with results of the execution of the budget include summaries</td>
<td></td>
</tr>
<tr>
<td>Reports regarding the state of revenue and expenditures</td>
<td></td>
</tr>
<tr>
<td>Reports regarding the progress of the execution of programs and their financial objectives</td>
<td></td>
</tr>
</tbody>
</table>

28. Please indicate if the following reports including the partial results of the execution of the budget are comparable with the approved budget. (one answer only)

<table>
<thead>
<tr>
<th>Report Description</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reports regarding the state of revenue and expenditures of the government</td>
<td></td>
</tr>
<tr>
<td>Reports regarding the progress of the execution of programs and their financial objectives</td>
<td></td>
</tr>
</tbody>
</table>

29. During each of the phases of the budget process, how easy is it to gain access to budget information? (one answer only)

<table>
<thead>
<tr>
<th>Phase</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formulation</td>
<td></td>
</tr>
<tr>
<td>Discussion and Approval</td>
<td></td>
</tr>
<tr>
<td>Execution</td>
<td></td>
</tr>
<tr>
<td>Supervision</td>
<td></td>
</tr>
</tbody>
</table>

30. Considering the previous questions, in a scale of 1 to 100 in which 1 means non transparent, 100 is completely transparent and 50 is the midpoint where budgetary practices are neither opaque nor transparent. How do you score the transparency conditions in the access to information about the budget in your country? You can use any number in the scale. (only one answer)

<table>
<thead>
<tr>
<th>Transparency Conditions in Access to Information</th>
<th>Score</th>
</tr>
</thead>
</table>

31. Now, please tell us, in your opinion, how important is the access to information about the budget for the issue of budgetary transparency in a scale of 1 to 100 where 1 means not important at all and 100 means extremely important.

<table>
<thead>
<tr>
<th>Access to Information</th>
<th>Score</th>
</tr>
</thead>
</table>

32. Please indicate how much you agree with each of the following sentences in a scale of 1 to 5, where 1 means totally disagree and 5 means totally agree. (one answer only)

<table>
<thead>
<tr>
<th>Sentence</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mechanisms exist that allow the public to incorporate its opinion in the budget</td>
<td></td>
</tr>
<tr>
<td>Mechanisms exist that allow the incorporation of public opinion in the formulation of the budget in general</td>
<td></td>
</tr>
<tr>
<td>Mechanisms exist and are known by the public for its opinion during the approval of the budget</td>
<td></td>
</tr>
<tr>
<td>In the event that there are substantial changes in the approved budget during its execution, the executive branch sufficiently informs the public about these changes; particularly when they involve cuts or raises by area</td>
<td></td>
</tr>
</tbody>
</table>

33. Considering the previous questions, in a scale of 1 to 100 in which 1 means non transparent, 100 is completely transparent and 50 is the midpoint where budgetary practices are neither opaque nor transparent. How do you score the transparency conditions in for citizen participation in your country? You can use any number in the scale. (only one answer)

<table>
<thead>
<tr>
<th>Transparency Conditions in Citizen Participation</th>
<th>Score</th>
</tr>
</thead>
</table>

34. Now, please tell us, in your opinion, how important is the citizen’s participation in the budget for the issue of budgetary transparency in a scale of 1 to 100 where 1 means not important at all and 100 means extremely important.

<table>
<thead>
<tr>
<th>Citizen Participation</th>
<th>Score</th>
</tr>
</thead>
</table>

35. The word transparency refers to the existence of a normative framework and clear practices during the budget process, to the public access to information and to formal mechanisms of participation along this process. We will now repeat the following general question:

<table>
<thead>
<tr>
<th>Transparency Word</th>
<th>Score</th>
</tr>
</thead>
</table>
### Appendix 3: Positive Qualifications per Country

Percentages of Positive Responses (Sum of levels 4 and 5 or top two boxes)

<table>
<thead>
<tr>
<th>Variable - Attribute</th>
<th>Argentina</th>
<th>Brazil</th>
<th>Colombia</th>
<th>Costa Rica</th>
<th>Chile</th>
<th>Ecuador</th>
<th>El Salvador</th>
<th>Mexico</th>
<th>Nicaragua</th>
<th>Peru</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citizen Participation in the Budget Process</td>
<td>11</td>
<td>20</td>
<td>15</td>
<td>8</td>
<td>14</td>
<td>3</td>
<td>5</td>
<td>16</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>There are handy mechanisms that allow the incorporation of civil opinion during the approval phase of the budget process</td>
<td>9</td>
<td>11</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>0</td>
<td>5</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>There is a mechanism that promotes the incorporation of civil opinion into the federal budget</td>
<td>13</td>
<td>22</td>
<td>27</td>
<td>8</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>12</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>There is a mechanism that allows the incorporation of public opinion into the formulation process of the federal budget</td>
<td>8</td>
<td>17</td>
<td>22</td>
<td>4</td>
<td>2</td>
<td>5</td>
<td>0</td>
<td>7</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td>The executive power extensively reports on the changes done over the approval phase of the federal budget</td>
<td>16</td>
<td>26</td>
<td>11</td>
<td>9</td>
<td>37</td>
<td>5</td>
<td>10</td>
<td>34</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td>The executive power broadly reports on the impact of public expenditure at the end of the federal budget exercise</td>
<td>9</td>
<td>26</td>
<td>12</td>
<td>12</td>
<td>24</td>
<td>0</td>
<td>14</td>
<td>22</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Legislative Attributes and its Participation on the Budget Process</td>
<td>51</td>
<td>49</td>
<td>40</td>
<td>44</td>
<td>39</td>
<td>26</td>
<td>45</td>
<td>37</td>
<td>50</td>
<td>35</td>
</tr>
<tr>
<td>The month and a half given to the legislative branch for the analysis and discussion of the federal budget is enough</td>
<td>64</td>
<td>50</td>
<td>46</td>
<td>62</td>
<td>63</td>
<td>42</td>
<td>60</td>
<td>7</td>
<td>48</td>
<td>41</td>
</tr>
<tr>
<td>The legislative branch has adequate attributes to modify the budget proposal sent by the executive power</td>
<td>71</td>
<td>66</td>
<td>43</td>
<td>52</td>
<td>24</td>
<td>15</td>
<td>47</td>
<td>77</td>
<td>71</td>
<td>51</td>
</tr>
<tr>
<td>There is an extensive debate from the legislative branch over the executive proposal of the budget</td>
<td>18</td>
<td>31</td>
<td>29</td>
<td>18</td>
<td>31</td>
<td>22</td>
<td>27</td>
<td>28</td>
<td>31</td>
<td>15</td>
</tr>
<tr>
<td>Macroeconomic Criteria</td>
<td>49</td>
<td>53</td>
<td>43</td>
<td>47</td>
<td>76</td>
<td>36</td>
<td>33</td>
<td>64</td>
<td>24</td>
<td>58</td>
</tr>
<tr>
<td>The executive power publishes the macro-economic assumptions in which the budget proposal is planned</td>
<td>77</td>
<td>67</td>
<td>65</td>
<td>47</td>
<td>88</td>
<td>54</td>
<td>50</td>
<td>92</td>
<td>28</td>
<td>88</td>
</tr>
<tr>
<td>Income projections are reliable</td>
<td>21</td>
<td>40</td>
<td>21</td>
<td>47</td>
<td>65</td>
<td>18</td>
<td>17</td>
<td>35</td>
<td>20</td>
<td>27</td>
</tr>
<tr>
<td>Budget Allocation</td>
<td>Accountability</td>
<td></td>
<td></td>
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<tr>
<td><strong>Argentina</strong></td>
<td>17</td>
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<tr>
<td><strong>Brazil</strong></td>
<td>23</td>
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<tr>
<td><strong>Colombia</strong></td>
<td>24</td>
<td></td>
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<td></td>
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<tr>
<td><strong>Costa Rica</strong></td>
<td>22</td>
<td></td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Chile</strong></td>
<td>10</td>
<td></td>
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<td></td>
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<td></td>
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<tr>
<td><strong>Ecuador</strong></td>
<td>19</td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td><strong>El Salvador</strong></td>
<td>31</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Mexico</strong></td>
<td>16</td>
<td></td>
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<td></td>
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<tr>
<td><strong>Nicaragua</strong></td>
<td>16</td>
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<tr>
<td><strong>Peru</strong></td>
<td>14</td>
<td></td>
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</tr>
</tbody>
</table>

### Budget Allocation

- **Most of the capitals that the federal executive power allocates to the states are assigned under public criteria.**
- Budget allocation is basically inertial, this means, it is based on previous allocations.
- Annually budgets are elaborated on the basis of extended policies, previously established according to the National Development Plan.
- Executed capitals are attached to the principles approved by the legislative.

### Budget Adjustments

- Level of the legislative participation over budget amendment during its exercise.

### Budget Supervising

- The resources exercised by government-owned enterprises are properly supervised.
- The resources exercised by decentralized organizations, are properly supervised.
- Federal spending on defense is well supervised.
- External debt bonds are well supervised.
- The external comptroller verifies that the executive complies with the programmatic and non-financial objectives of the budget.
- The external comptroller is reliable.
- The recommendations of the external comptroller have helped combat corruption.
- The external comptroller has the capacity to efficiently supervise federal spending.

### Evaluation of the internal comptroller

- The internal comptroller is reliable.

### Supervision of Public Officials

- It is possible to know with certainty the salaries of federal officials.
- Information regarding the benefits incurred by federal officials, such as bonuses, medical insurance, use of autos, etc., is public.
- It is possible to detect inexplicable enrichment from the officials' statement of goods.
- In the event of an irregularity in the execution of the budget, it is possible to identify those that are responsible.
- An official misusing the budget for his or her own benefit or the benefit of others is penalized.

### Variable - Attribute

<table>
<thead>
<tr>
<th>Argentina</th>
<th>Brazil</th>
<th>Colombia</th>
<th>Costa Rica</th>
<th>Chile</th>
<th>Ecuador</th>
<th>El Salvador</th>
<th>Mexico</th>
<th>Nicaragua</th>
<th>Peru</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>4</td>
<td>5</td>
<td>3</td>
<td>1</td>
<td>9</td>
<td>16</td>
<td>32</td>
<td>0</td>
<td>18</td>
</tr>
</tbody>
</table>

### Accountability

- The purchase price for the minimum price for the purchase of goods and services above 500,000 pesos is made public.
- The federal government has indicators to evaluate spending impact.
- The federal executive branch periodically publishes information that allows evaluation of the progressive accomplishment from its programs goals.
- The partial reports regarding the government revenues and expenditures situation are comparable with the approved budget.
- Reports regarding the progress of the implementation of programs and their non-financial objectives are comparable with the approved budget.
- The reports of the execution of the budget have disaggregated information of all of the decentralized organizations and government-owned enterprises expenditures.
- Budget documents clearly show the main policy initiatives financed by the budget.

### Supervision of Public Officials

- It is possible to know with certainty the salaries of federal officials.
- Information regarding the benefits incurred by federal officials, such as bonuses, medical insurance, use of autos, etc., is public.
- It is possible to detect inexplicable enrichment from the officials' statement of goods.
- In the event of an irregularity in the execution of the budget, it is possible to identify those that are responsible.
- An official misusing the budget for his or her own benefit or the benefit of others is penalized.
Information Regarding Federal Debt

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Argentina</th>
<th>Brazil</th>
<th>Colombia</th>
<th>Costa Rica</th>
<th>Chile</th>
<th>Ecuador</th>
<th>El Salvador</th>
<th>Mexico</th>
<th>Nicaragua</th>
<th>Peru</th>
</tr>
</thead>
<tbody>
<tr>
<td>When federal debt is contracted its destination is made public</td>
<td>24</td>
<td>25</td>
<td>27</td>
<td>45</td>
<td>39</td>
<td>8</td>
<td>47</td>
<td>23</td>
<td>13</td>
<td>25</td>
</tr>
<tr>
<td>When federal debt is contracted its duration (time periods) is made public</td>
<td>56</td>
<td>29</td>
<td>39</td>
<td>62</td>
<td>71</td>
<td>21</td>
<td>47</td>
<td>50</td>
<td>19</td>
<td>42</td>
</tr>
<tr>
<td>Future or past obligations of the federal government are made public</td>
<td>43</td>
<td>40</td>
<td>26</td>
<td>28</td>
<td>57</td>
<td>13</td>
<td>30</td>
<td>41</td>
<td>43</td>
<td>28</td>
</tr>
<tr>
<td>All future obligations of the government labor liabilities, financial investment, or aid to economic sectors are recorded as public debt</td>
<td>25</td>
<td>29</td>
<td>26</td>
<td>36</td>
<td>27</td>
<td>18</td>
<td>20</td>
<td>34</td>
<td>43</td>
<td>24</td>
</tr>
</tbody>
</table>

Quality of the Information and Statistics

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Argentina</th>
<th>Brazil</th>
<th>Colombia</th>
<th>Costa Rica</th>
<th>Chile</th>
<th>Ecuador</th>
<th>El Salvador</th>
<th>Mexico</th>
<th>Nicaragua</th>
<th>Peru</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Regarding Federal Debt</td>
<td>44</td>
<td>42</td>
<td>35</td>
<td>33</td>
<td>61</td>
<td>24</td>
<td>32</td>
<td>41</td>
<td>19</td>
<td>25</td>
</tr>
<tr>
<td>In general, the institutions that generate national statistics produce accurate data</td>
<td>71</td>
<td>22</td>
<td>36</td>
<td>56</td>
<td>92</td>
<td>35</td>
<td>23</td>
<td>48</td>
<td>16</td>
<td>29</td>
</tr>
<tr>
<td>Quality of the Information and Statistics</td>
<td>31</td>
<td>40</td>
<td>31</td>
<td>27</td>
<td>41</td>
<td>16</td>
<td>38</td>
<td>37</td>
<td>17</td>
<td>19</td>
</tr>
<tr>
<td>Budget information includes aggregations that allow a general analysis</td>
<td>40</td>
<td>35</td>
<td>39</td>
<td>27</td>
<td>55</td>
<td>29</td>
<td>45</td>
<td>43</td>
<td>26</td>
<td>31</td>
</tr>
<tr>
<td>The budget provides a wide overview from the national government finances</td>
<td>32</td>
<td>39</td>
<td>33</td>
<td>23</td>
<td>57</td>
<td>16</td>
<td>27</td>
<td>37</td>
<td>16</td>
<td>19</td>
</tr>
</tbody>
</table>

Responsibilities from Different Levels of the Government

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Argentina</th>
<th>Brazil</th>
<th>Colombia</th>
<th>Costa Rica</th>
<th>Chile</th>
<th>Ecuador</th>
<th>El Salvador</th>
<th>Mexico</th>
<th>Nicaragua</th>
<th>Peru</th>
</tr>
</thead>
<tbody>
<tr>
<td>The division of budget responsibilities between national and subnational governments are clear</td>
<td>19</td>
<td>35</td>
<td>34</td>
<td>32</td>
<td>49</td>
<td>14</td>
<td>13</td>
<td>18</td>
<td>23</td>
<td>14</td>
</tr>
</tbody>
</table>

Timeliness of Budget Information

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Argentina</th>
<th>Brazil</th>
<th>Colombia</th>
<th>Costa Rica</th>
<th>Chile</th>
<th>Ecuador</th>
<th>El Salvador</th>
<th>Mexico</th>
<th>Nicaragua</th>
<th>Peru</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of timeliness when budget information is made public during the formulation phase</td>
<td>19</td>
<td>39</td>
<td>23</td>
<td>12</td>
<td>31</td>
<td>17</td>
<td>7</td>
<td>23</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Level of timeliness when budget information is made public during the discussion and approval phase</td>
<td>36</td>
<td>48</td>
<td>38</td>
<td>41</td>
<td>55</td>
<td>25</td>
<td>17</td>
<td>37</td>
<td>24</td>
<td>22</td>
</tr>
<tr>
<td>Level of timeliness when budget information is made public during the execution phase</td>
<td>11</td>
<td>26</td>
<td>15</td>
<td>15</td>
<td>39</td>
<td>0</td>
<td>7</td>
<td>22</td>
<td>1</td>
<td>26</td>
</tr>
<tr>
<td>Level of timeliness when budget information is made public during the oversight-supervision/auditing phase</td>
<td>13</td>
<td>24</td>
<td>18</td>
<td>21</td>
<td>16</td>
<td>0</td>
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