

METHODOLOGY

The Open Budget Survey is based on a detailed questionnaire that is intended to collect a comparative dataset on the public availability of budget information and other accountable budgeting practices in 94 countries. (The full questionnaire is available at www.openbudgetindex.org.) The questionnaire guides civil society researchers from each country through each of the four stages of the budget process, assisting them in evaluating the information that should be made available to the public at each stage. It also identifies and evaluates accountable budgeting practices during each stage of the budget year.

The questionnaire contains a total of 123 questions. The responses to 92 of the questions that evaluate public access to budget information were averaged to form the Open Budget Index. The remaining 31 questions cover topics related to opportunities for public participation in the budget process and the ability of key oversight institutions of government to hold the executive accountable.

The questionnaire consists of multiple-choice and open-ended questions on how and when budget documents are disseminated. It groups questions into three sections:

- the dissemination of budget information;
- the executive's annual budget proposal to the legislature (Questions 1-55) and the availability of other information that would contribute to analysis of budget policies and practices (Questions 56-65); and
- the four phases of the budget process (Questions 66-123).

The Open Budget Questionnaire

Section One: The Availability of Budget Documents

- Table 1. Budget Year of Documents Used in Completing the Questionnaire
- Table 2. Key Budget Documents Used: Full Titles and Internet Links
- Table 3. Distribution of Documents Related to the Executive's Budget Proposal
- Table 4. Distribution of Enacted Budget and Other Reports

Section Two: The Executive's Budget Proposal

- Estimates for the Budget Year and Beyond
- Estimates for Years Prior to the Budget Year
- Comprehensiveness
- The Budget Narrative and Performance Monitoring
- Additional Key Information for Budget Analysis and Monitoring

Section Three: The Budget Process

- Executive's Formulation of the Budget
- Legislative Approval of the Budget
- Executive's Implementation of the Budget
- Assessment in the Year-end Report and by the Supreme Audit Institution

The questions evaluate publicly available information issued by the central government but do not address the availability of information at the subnational level. The majority of the questions ask about what occurs in practice, rather than about the requirements that may exist in law.

All of the questions were constructed so as to capture easily observable phenomena. Researchers completing the questionnaires and peer reviewers commenting on them were asked to provide evidence for their responses. The evidence took the form of a reference to a budget document, a law, or other public document; a public statement by a government official; or a face-to-face interview with a government official or other knowledgeable party.

The questions were not intended to evaluate the quality or credibility of information that a government might provide. For example, the questions do not evaluate whether information on government expenditures, revenues, or debt may have been illicitly omitted or withheld. The questions also do not evaluate the credibility of macroeconomic forecasting or economic assumptions used in a country's budget estimates.

Many of the questions focus on the contents and timeliness of eight key budget documents that all countries should issue, according to generally accepted good practice criteria for public sector financial management. Many of these criteria are similar to those developed by multilateral organizations, such as the IMF's *Code of Good Practices on Fiscal Transparency*, the OECD's *Best Practices for Fiscal Transparency*, and the International Organization of Supreme Auditing Institutions' (INTOSAI) *Lima Declaration of Guidelines on Auditing Precepts*.

The strength of such guidelines as the IMF Fiscal Transparency Code and the Lima Declaration lies in their universal applicability to differing budget systems around the world and to countries with differing income levels.

The Open Budget Questionnaire also covers additional topics of importance to civil society, including factors related to legislative oversight, such as whether or not the legislature holds public hearings on the budget, and on the role of the country's independent national audit office, also known as the supreme audit institution.

The Open Budget Index

The Open Budget Index (OBI) assigns each country a score based on the average of the responses to 92 questions related to public availability of information on the Open Budget Questionnaire. This score reflects the quantity of publicly available budget information in the eight key budget documents. In particular, the public availability and comprehensiveness of the Executive's Budget Proposal is a key determinant of a country's OBI score, as evidenced by the fact that 58 out of the 92 questions used to determine a country's OBI score concern the Executive's Budget Proposal.

Most of the questions in the Open Budget Questionnaire require the researcher to choose among five responses. Responses “a” or “b” describe a situation or condition that represents good practice regarding the subject matter of the question. The responses “c” or “d” correspond to practices that are considered poor. An “a” response indicates that a standard is fully met, while a “d” response indicates a standard is not met at all. The fifth response is “e,” or not applicable. Researchers were asked to provide evidence for their responses and to enrich their questionnaires with comments, as appropriate.

For the purposes of aggregating the responses, the numeric score of 100 percent was awarded for an “a” response, 67 percent for a “b”, 33 percent for a “c”, and zero for a “d.” The response of “e” caused the question not to be counted as part of the aggregated category. Some questions have three possible responses: “a,” “b,” or “c” (not applicable). For these questions, a score of 100 percent was awarded for the “a” response, and zero for the “b” response. The “c” response caused the question not to be included in the aggregated category.

Assessing Legislatures and Supreme Audit Institutions

In order to assess how the legislature and the SAI can contribute to budget transparency and accountability in a country, we focused on 22 questions that reflect the ability of these institutions to provide effective oversight. To gain an overall sense of the strength of these institutions, we averaged the responses to the relevant questions to calculate a “strength” score for each institution. These measures of institutional strength should be used as indicative data only, as the dataset of questions on the legislature and the SAI is not as comprehensive as is the data on issues of public access to information.

The Research Process

IBP worked with civil society partners in 94 countries over the past two years to use the Open Budget Questionnaire to collect the data for the Survey 2010. The 94 countries in the study were chosen with the intention of building a sample that is balanced across global geographic regions and across country income levels.

The survey instrument has now been implemented in three separate rounds of research, each of two years duration. The 2010 round of research was preceded by a round in 2006 and one in 2008 with partners in 59 and 85 countries respectively. The IBP and its partner organizations gathered, compiled, and analyzed data to publish these versions of the Open Budget Survey in October 2006 and February 2009. The IBP intends to undertake further rounds of research, with published results next expected in 2012, to allow for comparisons of performance over time.

Questions Included in the Open Budget Index

- Executive’s Budget Proposal: Questions 1-55, 66-68;
- Citizens Budget: Question 61;
- Pre-Budget Statement: Questions 71, 72, 73;
- Enacted Budget: Question 81;
- In-Year Reports: Questions 82, 83, 85-90;
- Mid-Year Review: Questions 92-95;
- Year-End Report: Questions 101-110;
- Audit Report: Questions 111-113, 115, 121-123

Questions Used to Evaluate Legislatures & SAIs

- Legislatures: Questions 69, 74-81, 96, 98, 100;
- SAIs: Questions 111, 114, 116-123

Almost all of the researchers who have been responsible for completing the Open Budget Questionnaire during the 2006, 2008, and 2010 rounds of research were employed by either academic institutions or civil society organizations at the time of the surveys. The mandates and areas of interest of the research groups vary widely, but all have a common interest in promoting access to information during each of the four phases of the budget process, in strengthening the role and powers of the legislature, and in the performance of the supreme audit institution. Most are groups with a significant focus on budget issues; many employ researchers who are experts involved in budget matters on a daily basis.

One researcher or group of researchers within an organization from each of the countries was responsible for submitting one completed questionnaire for that country. Thus the results presented for each country are based on a single completed questionnaire. For the 2010 round of research, the researchers began collecting data in June 2009 and completed the questionnaire by September 2009. No events or developments that occurred after 15 September 2009 are taken into account in completing the questionnaires.

Researchers were asked to provide evidence for their responses, such as citations from budget documents; the country's laws; or interviews with government officials, legislators, or others expert on the budget process.

Once the questionnaires were completed, IBP staff undertook an analysis of each questionnaire and in most cases spent three to six months in discussions with researchers to review the questionnaires. The IBP analysis focused on ensuring that the questions were answered in a manner that was internally consistent, as well as consistent across countries. The answers were also cross-checked against publicly available information. This included those budget documents that countries made available on the Internet, data collected by the Bank Information Center (a Washington, DC-based nonprofit that monitors the activities of international financial institutions); the International Monetary Fund (IMF) *Reports on the Observance of Standards and Codes* (ROSCs), covering fiscal transparency; IMF Article IV reports; World Bank documents and publications, including Public Expenditure Reviews; and the Organization for Economic Co-operation and Development-World Bank budgeting practices database.

The IBP provided researchers with a *Guide to the Open Budget Questionnaire*, available at www.openbudgetindex.org. The guide outlined the research method to be used in completing the questionnaire and introduced researchers to internationally recognized good practices and concepts related to budget transparency and public expenditure management. The guide also provided detailed explanations on how to choose between possible responses and the assumptions to use in answering each question.

Once IBP staff reviewed the draft questionnaires, they were submitted to two peer reviewers, whose identities were not revealed to the researchers. The peer reviewers were required to be independent of both the government and the research organization of the researcher. The peer reviewers were all individuals with substantial working knowledge of the country being reviewed and its budget system. They were identified by searching bibliographies, professional contacts, the Internet, and past IBP conference records. Peer reviewer comments can be seen in their entirety in the published version of the questionnaires, available at www.openbudgetindex.org.

Governments of the countries surveyed were also invited to provide their comments in the published version of the questionnaire. The decision to invite a government to participate was made after consulting with the research organization responsible for completing the questionnaire. The IBP contacted and invited government officials in 88 countries to provide comments on the draft questionnaires. IBP staff contacted each government with repeated written invitations, in most cases on five or six occasions, to ensure that each government was aware of the opportunity to comment. Of those 88 governments invited, 45 provided comments in the questionnaires. These comments can be seen in their entirety in the questionnaires for these countries at www.openbudgetindex.org.

IBP staff reviewed peer reviewer comments to ensure that the comments were consistent with the study's methodology as outlined in the *Guide to the Open Budget Questionnaire*. Any peer reviewer comments that were inconsistent with the guide were removed, and the remaining comments were then shared with researchers. Researchers responded to comments from peer reviewers and the government, if applicable, and IBP editors refereed any conflicting answers to ensure the consistency of assumptions across countries in selecting answers.

Definition of “Publicly Available” Information

The Open Budget Index assesses the scope and comprehensiveness of budget information made available to the public. We defined “publicly available” information as that which any and all members of the public might be able to obtain through a request to the public authority issuing the document. This definition, therefore, includes information that is available through well-defined procedures that ensure simultaneous release of public documents to all interested parties, as well as information or documents that are available only on request.

Some countries in the study had clearly defined procedures for ensuring the simultaneous release of public documents to all interested parties. The adoption of clear procedures in law for disseminating budget documents, along with respect for those procedures in practice, are viewed by some countries as important to maintaining an international reputation for sound financial management. Many developing countries interested in gaining access to or maintaining favorable treatment in international capital markets adopt such procedures on their own, or as participants in such initiatives as the IMF's General Data Dissemination System initiative.

Many of the countries in the study, however, did not have legal provisions in place for the release of budget information or, if they had them, did not abide by them in practice. In these countries, information was available only on request. The researchers in these countries answered questions based only on publicly available information. In some cases, groups conducted unannounced site visits themselves or asked members of other civil society groups, journalists, or others to request budget documents to test their availability to the general public. In other cases, researchers conducted surveys of civil society and other users of budget information to determine the availability of a document. This was necessary because in some countries substantial budget information is produced but is not shared with the public at all, or government officials make arbitrary decisions regarding which individuals they are willing to share information with. In those cases in which information was available only on request, if there were instances in which an individual requested the document but it was denied to him or her, the document was considered as not available to the public for the purposes of the study.

The definition of “publicly available” information used in the study implies that the method a government chooses to disseminate documents does not affect its performance on the Open Budget Index. Specifically, whether or not a government chooses to use the Internet to disseminate documents does not affect its score on the Open Budget Index, nor are countries that disseminate documents exclusively by making printed copies available penalized. However, the questionnaire does collect data in the tables that appear in Section One of the study (which are not used to calculate the Open Budget Index) to explore the growing trend of Internet availability.

Further resources and materials on the Open budget Survey can be accessed at www.openbudgetindex.org.