



**INTERNATIONAL BUDGET PARTNERSHIP**  
 Open Budgets. Transform Lives.

## Open Budget Initiative Report to UK Department for International Development November 2013

### Annex 5. Most Significant Results Analyses

The following are the IBP's six *Most Significant Results Analyses*.

#### Most Significant Result Analysis 1 - Honduras

GTF Number	334
Grant Holder	International Budget Partnership (IBP)
<b>1. Result statement</b>	The Honduran government significantly improved its budget transparency practices as evidenced by an increase in the country's Open Budget Index score from 12 in the 2008 Survey to 53 in the 2012 Survey. The increase occurred because the government began publishing six of the eight key budget reports it had not previously published.
<b>2. Context and Theory of Change</b>	<p>The IBP focuses on budgets because evidence shows that they are the most powerful tool a government has to meet the needs and priorities of its people, particularly those from poor and disadvantaged communities. We work to make government budget systems more transparent and accountable to the public based on our belief that transparency and accountability can make budgets more responsive to the needs of poor and low-income people. Our belief is supported by a growing body of evidence showing that when ordinary people have access to budget information and the opportunity to participate in the budget process, they can contribute to substantive improvements in governance and service delivery. Case studies are available at <a href="http://internationalbudget.org/what-we-do/major-ibp-initiatives/partnership-initiative/learning-program/case-studies/">http://internationalbudget.org/what-we-do/major-ibp-initiatives/partnership-initiative/learning-program/case-studies/</a>.</p> <p>We developed the Open Budget Survey in response to feedback we received from our civil society partners regarding the challenges they face in accessing budget information from their governments. Without such information, it is very difficult for anyone to monitor a government's progress toward the achievement of their development and service delivery goals.</p> <p>The Survey is the only independent and comparative measure of budget transparency and accountability in the world and is based on international good practices developed by the</p>

International Monetary Fund, the Organization for Economic Cooperation and Development, and the International Organization of Supreme Audit Institutions.

We publish results from the Survey based on a belief that these results will empower civil society organizations to draw attention to the factual state of budget transparency in their countries as measured against widely accepted international good practices. We provide research support to civil society groups to carry out the Open Budget Survey. We also provide civil society groups with financial support so that they can publicize Survey results and implement advocacy projects intended to expand budget transparency in their countries.

In some countries, our efforts are hampered by the weakness of civil society organizations, or by the unique difficulties they face in undertaking advocacy around budget issues. For example, the existence of weak media, and indifferent or unresponsive governments can limit the potential impact of civil society advocating for improvements in budget transparency. For that reason, the IBP also publicizes Survey results through international and regional dissemination events to help ensure that governments are informed about Survey results and the steps they can take to improve their scores.

The Survey is published in the form of an Index that provides an overall score and rank to every country in the Survey. It is published on a biennial basis and covers the same set of countries examined in each previous round as well as new countries added in each successive round. This enables governments, donors, and civil society organizations to measure the performance of one country against another and to see trends over time.

IBP provides technical assistance to help government officials understand the findings and recommendations of the Open Budget Survey. IBP influences the lending, grant-making and transparency policies of multilateral and bilateral donors. IBP also forms partnerships with international bodies (such as INTOSAI, the audit professional network) to promote greater collaboration between national audit institutions and local civil society groups working to increase pressure on government to improve the effectiveness of spending.

The success of the programme depends upon willingness in governments to actually publish budget reports. We believe that governments seek international legitimacy and credibility and a poor performance on a high profile Survey shows them in poor light and incentivizes improvements in budget transparency. IBP expects that a limited number of governments covered by the Survey will not demonstrate such willingness to publish budget reports assessed in the Survey. In countries that are autocracies or that are flush with oil-revenues or that are going through conflict, the incentives to improve budget transparency are limited and complex. These governments are unlikely to respond favourably to the publication of the Survey even if their results on the Survey show them in poor light.

### **3. Approaches, methods and tools**

As explained in the previous section, the IBP developed the Open Budget Survey to document the state of budget transparency, participation, and accountability in national government budgets. Unlike other assessments of budget transparency, the Survey is conducted by citizens rather than governments. In every country, one survey questionnaire is completed by one or more budget experts (generally drawn from a civil society organization or academia), and it is subsequently reviewed by two other independent budget experts. IBP also invites national governments in each country to comment on draft results. Questionnaires are then checked for consistency and finalized by the IBP, based on the information provided by the researchers, peer reviewers, and government reviewers.

This rigorous attention to quality control has enabled the Survey to gain credibility with governments, donors, civil society, and professional public financial management bodies. The Survey has been conducted biennially since 2006. The 2012 Open Budget Survey covers 100 countries. Previous rounds conducted for 2006, 2008, and 2010 covered 59, 85, and 94 countries respectively.

The Survey is based on a questionnaire containing 125 multiple-choice questions. Ninety five of these questions cover the timeliness and comprehensiveness of the contents of the eight key budget reports that governments should publish over the budget cycle under international good practice guidelines. The remaining questions cover the strength of oversight provided by legislatures and supreme audit institutions and opportunities for public engagement in budgeting. The average scores received on these 95 questions are used to construct the Open Budget Index, which assigns each country an overall score that can range from 0 to 100. These scores are then used to rank each country surveyed.

In addition to being a reliable source of data on budget transparency, the Survey serves two other objectives. First, it is a capacity-building tool that IBP uses to train civil society on issues related to transparency and accountability in government budget systems. In each round of its biennial Open Budget Survey, IBP provides intensive technical assistance to Survey researchers who are drawn primarily from local civil society organizations in the countries covered. The researchers are also given opportunities to attend training workshops on the Survey methodology and on techniques they can use to disseminate Survey results in their countries.

Second, the Survey is an advocacy tool that IBP and its partners use to discuss budget transparency issues with governments. IBP's research partners disseminate Survey results through their national media and during other dissemination events attended by governments, donors, and civil society organizations. IBP also organizes regional conferences that governments and IBP's civil society partners are invited to attend. These events give governments an opportunity to hear about the Survey results of their own countries and of their neighbors. Further, IBP organizes international meetings to disseminate Survey results to multilateral and bilateral donors, public financial management bodies, and international civil society groups. These meetings provide IBP an opportunity to educate relevant stakeholders about the state of budget transparency and public participation in a wide range of countries and to make recommendations regarding the steps that can be taken to improve Survey results.

#### **4. The experience of implementation**

In the Open Budget Survey 2008, Honduras scored 12 out of 100 on the Open Budget Index (OBI). In 2010, the IBP's local partner, El Centro de Investigación y Promoción de los Derechos Humanos (CIPRODEH), publicized the results of the Survey through press conferences, television presentations, and events with government and civil society representatives. One of the newspapers ran the headline "Honduras Has Lowest Budget Transparency in Central America." CIPRODEH met with government officials, including the Minister and Deputy Minister of Finance.

The United States' Millennium Challenge Corporation (MCC) reached its first compact with Honduras in 2005. That agreement provided US\$205 million for infrastructure projects and rural development. In December 2010, the MCC board met to consider a second compact but required the Honduran government to improve governance, public resource management, and fiscal transparency before the compact would be signed. The MCC specifically stated it would use the country's Open Budget Survey score as one measure of the country's performance on these issues. MCC officials met with IBP officials to discuss the Survey, and also arranged a conference

call between the Honduran Ministry of the Presidency and the IBP. Because the next OBI was scheduled to be issued in 2012, the MCC asked IBP and its Honduran partner, the Fundación Democracia sin Fronteras(FDsF), to do a special assessment of budget transparency in Honduras in 2011. The MCC also provided funding to the National Opinion Research Center at the University of Chicago to support the production of a Public Expenditure and Financial Accountability report on Honduras.

IBP/FDsF's assessment report found that the Honduran government had taken several important steps to improve budget transparency; however, the report also identified continued shortcomings in the country's budget transparency and budget participation practices. The government used the findings of the IBP/FDsF report and the University of Chicago's report to create the Plan to Improve Fiscal Transparency and Management 2012. The plan explicitly stated that the Honduran government would work to publish the eight key budget documents assessed in the Open Budget Survey. Honduras subsequently implemented its plan and its score on the 2012 Open Budget Index increased more than four-fold from the previous Index.

The Honduran experience highlights the important role of the Open Budget Survey in providing reliable and credible data on budget transparency practices in countries. As described earlier, our theory of change anticipates that the publication of the Open Budget Survey and Index will spur governments to change their budget practices. In Honduras, IBP's local civil society partner organizations (CIPRODEH during the 2010 Survey and FDsF during the 2012 Survey) were successful in publicizing the Survey results in the local media. They were less successful in directly engaging with the government. To a large extent, an influential donor was instrumental in drawing the Honduran government's attention to the Open Budget Survey and the issue of budget transparency. The same Survey results provided practical guidance to the government on the steps it could take to improve its practices and the Survey then documented the changes implemented by the government.

### 5. Long-term Impact on people's lives

The improvements Honduras has made in budget transparency will provide citizens with critical information to which they have not previously had access regarding the government's budget plans and priorities as well as on the results achieved from the implementation of the national budget. The publication of these documents significantly enhances the opportunities citizens and civil society organizations have to monitor and influence government decisions on the use of public funds. Honduran citizens now have an opportunity to monitor government budgets and to identify whether or not budget plans reflect their priorities and whether the budgets have been implemented efficiently.

Going forward, if the Honduran government enhances the formal mechanisms through which citizens can participate in budget decision-making, the public would be significantly empowered to use the available information and participation mechanisms to provide the government with specific feedback on problems in budget plans and implementation. This feedback could in turn be used by the government to make additional improvements in governance and service delivery.

### 6. Strength of evidence that result was achieved

Principle	Criteria	1	2	3	4	N/A	Comments / evidence	Score
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<p><b>1) Voice and Inclusion</b></p> <p>We present beneficiaries' views on the effects of the intervention, and identify who has been affected and how</p>	<p><b>1a.</b> Are the perspectives of the most excluded and marginalised groups included in the evidence?</p>					x		<p>The Open Budget Survey is completed by a local civil society organization called Fundación Democracia sin Fronteras(FDsF) that works to strengthen democracy in Central America by promoting greater transparency, accountability, environmental justice, and the protection of and respect for human rights.</p>	4/4
	<p><b>1b.</b> Are findings disaggregated according to sex, disability and other relevant social differences?</p>						x	<p>The Open Budget Survey does not assess budget transparency for specific demographics. However, the Survey is built on the assumption that transparent and responsive budget practices can have a profound effect on the well-being of poor and marginalized communities.</p>	N/A
	<p><b>Total score for voice and inclusion:</b></p>								
<p><b>2) Appropriateness</b></p> <p>We use methods that are justifiable given the nature of the intervention and purpose of the assessment</p>	<p><b>2a.</b> Are the data collection methods relevant to the purpose of the enquiry and do they generate reliable data?</p>					x		<p>The IBP dedicates considerable amount of resources in providing training and technical assistance to its Honduran partner organization in completing the Open Budget Survey in a manner that is consistent with the overall Survey methodology.</p>	4/4
	<p><b>2b.</b> Are the data analysed in a systematic way that leads to convincing conclusions?</p>					x		<p>The Open Budget Survey results are presented in a number of different ways to assist different audiences in clearly understanding the results. Survey results for Honduras are presented through country summary reports and press releases. Further, the Survey does not assess perceptions of transparency and instead documents what happens in practice.</p>	4/4
	<p><b>Total score for appropriateness:</b></p>								

3) <b>Triangulation</b>					x		IBP ensures that the Survey data are of the highest quality through a five-step process. First, the Survey is conducted through the completion of a questionnaire by one budget expert drawn from civil society or academia in every country that is part of the Survey. IBP staff members then check that the questionnaires have been completed in a manner that is consistent with the Survey methodology and with publicly available data on budgets. Each country's completed questionnaire is then independently reviewed by two anonymous and independent budget experts. In addition, the IBP invites the national government of countries covered in the Survey to comment on the questionnaire completed for that country. Finally, IBP staff referee differences in answers provided by researchers, peer reviewers, and governments.	4/4
	We make conclusions about the intervention's effects by using a mix of methods, data sources, and perspectives				x			4/4
	<b>Total score for triangulation:</b>							8/8
4) <b>Contribution</b>					x		The Open Budget Survey is conducted biennially. Honduras has been included in all four rounds of the Open Budget Survey, which enables IBP to present changes in budget transparency practices in the country against a baseline	4/4
	We can show how change happened and explain how we contributed to it			x			The IBP commissioned a study by an independent researcher to assess the causes of improvements in budget transparency in Honduras. The study can be accessed at <a href="http://internationalbudget.org/wp-content/uploads/OBI-case-study-Honduras.pdf">http://internationalbudget.org/wp-content/uploads/OBI-case-study-Honduras.pdf</a>	3/4
	<b>Total score for contribution:</b>							7/8

<b>5) Transparency</b>  We are open about the data sources and methods used, the results achieved, and the strengths and limitations of the evidence	<b>5a.</b> Is it clear who has collected and analysed the data, and is any potential bias they may have explained and justified?				x			4/4
	<b>5b.</b> Is there a clear logical link between the conclusions presented and the data collected?				x			4/4
	<b>Total score for transparency:</b>							8/8
<b>Total Score for Result :</b>								<b>35/36</b>

## 7. Value for money

### Economy:

Expenditures on three rounds of the Open Budget Survey in Honduras totalled approximately GBP 47,000. GTF funded just over half of these expenditures (approximately GBP 25,500). The additional funding came from IBP's general support through grants made by the Open Society Institute, Hewlett Foundation, and the Ford Foundation. The Survey costs which the GTF helped to finance in part included consultancy fees to various Survey researchers and peer reviewers, training costs on the Survey methodology and on dissemination and advocacy techniques, design and printing of Survey reports and related materials, and events organized to publicize the Survey results at regional and international levels etc. The GTF also supported the costs of one full-time administrative assistant hired by the IBP to work on the Survey but it did not cover all the other staff costs incurred by the IBP.

One example of the ways in which costs have been carefully controlled include the payment of flat rate of US\$5,000 to consultants undertaking Survey work which can include 160 hours of work over a period of 12 months (the OBI mid-term and final evaluations specifically commented on the value of this rate). IBP also has developed a number of policies and procedures that are driven by VfM considerations. These include policies of flight bookings and hotel reservations. For example, flight costs for an individual traveller for a recent meeting in Africa that were more than US\$1,000 required special permission to be obtained from IBP's senior management. IBP also maintains an electronic grants and consultants management system that has streamlined the time and costs associated with managing grant and consultancy agreements (this issue is discussed in the final evaluation report).

### Efficiency:

Through three rounds of the Open Budget Survey that have been supported in part by the GTF, the IBP has published 279 surveys covering 100 countries. In the vast majority of these countries, IBP works with local civil society organizations, many of whom are provided training and technical assistance to build their skills in research and advocacy on issues related to budget transparency and accountability. Several of these organizations have leveraged the skills and reputation gained through their participation in the Open Budget Survey to conduct further budget research and advocacy in their countries.

**Effectiveness:**

The Open Budget Survey is underpinned by the assumption that greater budget transparency can improve accountability and expenditure choices made by governments. The potential benefits of improvements in budget transparency in Honduras can be seen even with the assumption of a 1% improvement in the efficiency of expenditures in the national budget. The 2012 budget for Honduras was USD 7.2 billion. An improvement of 1% in expenditure efficiency will thus provide annual benefits of USD 72 million to the country.

Furthermore, the final evaluation report states that the OBI is a “highly innovative programme, embedded in a highly innovative organization.” It goes on to say that “the particular way the Open Budget Survey and Open Budget Index are constructed and used is innovative in the transparency field – no other organization has managed to combine measurement and advocacy to produce time series data that provides a peer pressure mechanism through comparison across so many countries.

The final evaluation report also discusses the results from interviews conducted with staff members from International Financial Institutions who were asked to give an open-ended opinion on whether OBI offers good value for money. One argued that the OBI has done more to get budget transparency on the international policy agenda in a relatively small period of time than an institution like the World Bank that has public financial management as a central concern had managed to do over decades. Another described OBI’s achievement in terms of creating a ‘global public good’ – a time-series data that cover a large number of countries – which is of great utility to researchers – something that the World Bank and IMF have not been able to achieve. It was also noted by the people interviewed that the Open Budget Survey costs of \$25,000 per country is considerably better VfM than the IMF’s transparency assessment exercises (his estimation is that it is lesser by at least 50 percent) but also because the Open Budget Survey helps build capacity in local organizations and thus creates sustainability.

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**Most Significant Result Analysis 2 - Afghanistan**

GTF Number	334
Grant Holder	International Budget Partnership (IBP)
<b>2. Result statement</b>	The Afghan government significantly improved its budget transparency practices as evidenced by an increase in the country's Open Budget Index scores from 8 in the 2008 Survey to 59 in the 2012 Open Budget Survey. The increase occurred because the government began publishing three key budget reports it had not previously published.

**2.Context and Theory of Change**

The IBP focuses on budgets because evidence shows that they are the most powerful tool a government has to meet the needs and priorities of its people, particularly those from poor and disadvantaged communities. We work to make government budget systems more transparent and accountable to the public based on our belief that transparency and accountability can make budgets more responsive to the needs of poor and low-income people. Our belief is supported by a growing body of evidence showing that when ordinary people have access to budget information and the opportunity to participate in the budget process, they can contribute to substantive improvements in governance and service delivery. Case studies are available at <http://internationalbudget.org/what-we-do/major-ibp-initiatives/partnership-initiative/learning-program/case-studies/>.



We developed the Open Budget Survey in response to feedback we received from our civil society partners regarding the challenges they face in accessing budget information from their governments. Without such information, it is very difficult for anyone to monitor a government's progress toward the achievement of their development and service delivery goals.

The Survey is the only independent and comparative measure of budget transparency and accountability in the world and is based on international good practices developed by the International Monetary Fund, the Organization for Economic Cooperation and Development, and the International Organization of Supreme Audit Institutions.

We publish results from the Survey based on a belief that these results will empower civil society organizations to draw attention to the factual state of budget transparency in their countries as measured against widely accepted international good practices. We provide research support to civil society groups to carry out the Open Budget Survey. We also provide civil society groups with financial support so that they can publicize Survey results and implement advocacy projects intended to expand budget transparency in their countries.

In some countries, our efforts are hampered by the weakness of civil society organizations, or by the unique difficulties they face in undertaking advocacy around budget issues. For example, the existence of weak media, and indifferent or unresponsive governments can limit the potential impact of civil society advocating for improvements in budget transparency. For that reason, the IBP also publicizes Survey results through international and regional dissemination events to help ensure that governments are informed about Survey results and the steps they can take to improve their scores.

The Survey is published in the form of an Index that provides an overall score and rank to every country in the Survey. It is published on a biennial basis and covers the same set of countries examined in each previous round as well as new countries added in each successive round. This enables governments, donors, and civil society organizations to measure the performance of one country against another and to see trends over time.

IBP provides technical assistance to help government officials understand the findings and recommendations of the Open Budget Survey. IBP influences the lending, grant-making and transparency policies of multilateral and bilateral donors. IBP also forms partnerships with international bodies (such as INTOSAI, the audit professional network) to promote greater collaboration between national audit institutions and local civil society groups working to increase pressure on government to improve the effectiveness of spending.

The success of the programme depends upon willingness in governments to actually publish budget reports. We believe that governments seek international legitimacy and credibility and a poor performance on a high profile Survey shows them in poor light and incentivizes improvements in budget transparency. IBP expects that a limited number of governments covered by the Survey will not demonstrate such willingness to publish budget reports assessed in the Survey. In countries that are autocracies or that are flush with oil-revenues or that are going through conflict, the incentives to improve budget transparency are limited and complex. These governments are unlikely to respond favourably to the publication of the Survey even if their results on the Survey show them in poor light.

### **3. Approaches, methods and tools**

As explained in the previous section, the IBP developed the Open Budget Survey to document the state of budget transparency, participation, and accountability in national government budgets.

Unlike other assessments of budget transparency, the Survey is conducted by citizens rather than governments. In every country, one survey questionnaire is completed by one or more budget experts (generally drawn from a civil society organization or academia), and it is subsequently reviewed by two other independent budget experts. IBP also invites national governments in each country to comment on draft results. Questionnaires are then checked for consistency and finalized by the IBP, based on the information provided by the researchers, peer reviewers, and government reviewers.

This rigorous attention to quality control has enabled the Survey to gain credibility with governments, donors, civil society, and professional public financial management bodies. The Survey has been conducted biennially since 2006. The 2012 Open Budget Survey covers 100 countries. Previous rounds conducted for 2006, 2008, and 2010 covered 59, 85, and 94 countries respectively.

The Survey is based on a questionnaire containing 125 multiple-choice questions. Ninety five of these questions cover the timeliness and comprehensiveness of the contents of the eight key budget reports that governments should publish over the budget cycle under international good practice guidelines. The remaining questions cover the strength of oversight provided by legislatures and supreme audit institutions and opportunities for public engagement in budgeting. The average scores received on these 95 questions are used to construct the Open Budget Index, which assigns each country an overall score that can range from 0 to 100. These scores are then used to rank each country surveyed.

In addition to being a reliable source of data on budget transparency, the Survey serves two other objectives. First, it is a capacity-building tool that IBP uses to train civil society on issues related to transparency and accountability in government budget systems. In each round of its biennial Open Budget Survey, IBP provides intensive technical assistance to Survey researchers who are drawn primarily from local civil society organizations in the countries covered. The researchers are also given opportunities to attend training workshops on the Survey methodology and on techniques they can use to disseminate Survey results in their countries.

Second, the Survey is an advocacy tool that IBP and its partners use to discuss budget transparency issues with governments. IBP's research partners disseminate Survey results through their national media and during other dissemination events attended by governments, donors, and civil society organizations. IBP also organizes regional conferences that governments and IBP's civil society partners are invited to attend. These events give governments an opportunity to hear about the Survey results of their own countries and of their neighbours. Further, IBP organizes international meetings to disseminate Survey results to multilateral and bilateral donors, public financial management bodies, and international civil society groups. These meetings provide IBP an opportunity to educate relevant stakeholders about the state of budget transparency and public participation in a wide range of countries and to make recommendations regarding the steps that can be taken to improve Survey results.

#### **4. The experience of implementation**

Afghanistan made its first appearance in the Open Budget Survey in 2008 and has made steady and impressive progress toward greater budget transparency since — more than doubling its OBI scores in each subsequent round for a total increase of 51 points. The remarkable leap in budget transparency in the country is due to a series of steps that the government has taken since 2010. In particular, the government published the Pre-Budget Statement, the Executive's Budget Proposal, and a Citizens Budget for the first time. The first two budget documents were previously produced

for internal use but withheld from the public, so making them publicly available was a quick and easy step toward substantial improvement.

In exploring the factors that led the Afghan government to shift its focus toward budget transparency and achieve such impressive results, the political will of the leadership of the Ministry of Finance, as well as the government's desire to improve its international image, again emerge as key factors. Donor organizations and international financial institutions also increasingly focused their attention on fiscal transparency as a means to reduce corruption in the country. Their pressure, coupled with technical assistance provided to the Ministry of Finance, facilitated quick improvements.

As part and parcel of these developments, civil society organizations and researchers began engaging with the government, primarily through the Ministry of Finance, on budget-related issues, publishing budget analyses and organizing public awareness campaigns through the media, and conducting meetings and workshops to highlight the importance of budget transparency for citizen monitoring and government accountability. In 2010, the IBP invited the Afghan Deputy Minister of Finance to participate in a regional event in Sri Lanka during which the results of countries in South Asia were presented. At the meeting, the Deputy Minister had an opportunity to understand the methodology used in the Survey and hear about good practices being followed in other countries in the region.

Since 2010 the Open Budget Index has been used by both the government and international donors as a tool to assess Afghanistan's progress and the impact of budget transparency reforms in the country. In 2010 donors committed to channelling up to 50 percent of their aid through the budget on the condition that the government make its budget more transparent and increase its spending capacity. In turn, the government drafted a Public Financial Management Roadmap focused on "strengthening the budget in driving effective delivery of key priority [development] outcomes; improving budget execution; and increasing accountability and transparency." Subsequently, the Afghan government made a specific commitment to reach a target OBI score of at least 40, which its 2012 score of 59 far surpassed.

The Afghanistan experience highlights the important role of the Open Budget Survey in providing reliable and credible data on budget transparency practices in countries, highlighting shortcomings in relation to international good practices and to other countries in the same region and beyond. As described earlier, our theory of change anticipates that governments will respond to the Open Budget Survey and Index when the results are publicized in the national media and through dissemination efforts undertaken by our local civil society partner and by the IBP. Further, the Survey results were used by influential donors to point the government towards an issue that required to be reformed. Finally, the Survey results provided practical guidance to the government on areas for reform during a period when the government was looking to improve governance in the country.

#### **5. Long-term Impact on people's lives**

The improvements Afghanistan has made in budget transparency will provide citizens with critical information to which they have not previously had access regarding the government's budget plans and priorities as well as on the results achieved from the implementation of the national budget. The publication of these documents significantly enhances the opportunities citizens and civil society organizations have to monitor and influence government decisions on the use of public funds. Afghan citizens now have an opportunity to monitor government budgets and to identify whether or not budget plans reflect their priorities and whether the budgets have been implemented efficiently.

Going forward, if the Afghan government enhances the formal mechanisms through which citizens can participate in budget decision-making, the public would be significantly empowered to use the available information and participation mechanisms to provide the government with specific feedback on problems in budget plans and implementation. This feedback could in turn be used by the government to make additional improvements in governance and service delivery.

## 6. Strength of evidence that result was achieved

Principle	Criteria	1	2	3	4	N/A	Comments / evidence	Score
<b>1) Voice and Inclusion</b>  We present beneficiaries' views on the effects of the intervention, and identify who has been affected and how	<b>1a.</b> Are the perspectives of the most excluded and marginalised groups included in the evidence?				x		The Open Budget Survey is completed by a local civil society organization called Integrity Watch Afghanistan that works to increase transparency, integrity and accountability in Afghanistan through the provision of policy-oriented research and facilitation of policy dialogue.	4/4
	<b>1b.</b> Are findings disaggregated according to sex, disability and other relevant social differences?					x	The Open Budget Survey does not assess budget transparency for specific demographics. However, the Survey is built on the assumption that transparent and responsive budget practices can have a profound effect on the well-being of poor and marginalized communities.	N/A
	<b>Total score for voice and inclusion:</b>							
<b>2) Appropriateness</b>  We use methods that are justifiable given the nature of the intervention and purpose of the assessment	<b>2a.</b> Are the data collection methods relevant to the purpose of the enquiry and do they generate reliable data?				x		The IBP dedicates considerable amount of resources in providing training and technical assistance to its Afghan partner organization in completing the Open Budget Survey in a manner that is consistent with the overall Survey methodology.	4/4
	<b>2b.</b> Are the data analysed in a systematic way that leads to convincing conclusions?				x		The Open Budget Survey results are presented in a number of different ways to assist different audiences in clearly understanding the results. Survey results for Afghanistan are presented through country summary reports and press releases. Further, the Survey does not assess perceptions of transparency and instead documents what happens in practice.	4/4
	<b>Total score for appropriateness:</b>							

3) <b>Triangulation</b>					x		IBP ensures that the Survey data are of the highest quality through a five-step process. First, the Survey is conducted through the completion of a questionnaire by one budget expert drawn from civil society or academia in every country that is part of the Survey. IBP staff members then check that the questionnaires have been completed in a manner that is consistent with the Survey methodology and with publicly available data on budgets. Each country's completed questionnaire is then independently reviewed by two anonymous and independent budget experts. In addition, the IBP invites the national government of countries covered in the Survey to comment on the questionnaire completed for that country. Finally, IBP staff referee differences in answers provided by researchers, peer reviewers, and governments.	4/4
	We make conclusions about the intervention's effects by using a mix of methods, data sources, and perspectives				x			4/4
	<b>Total score for triangulation:</b>							8/8
4) <b>Contribution</b>					x		The Open Budget Survey is conducted biennially. Afghanistan has been included in the previous three rounds of the Open Budget Survey, which enables IBP to present changes in budget transparency practices in the country against a baseline	4/4
	We can show how change happened and explain how we contributed to it			x			The IBP commissioned a study by an independent researcher to assess the causes of improvements in budget transparency in Afghanistan. The study can be accessed at <a href="http://internationalbudget.org/wp-content/uploads/OBI-case-study-Afghanistan.pdf">http://internationalbudget.org/wp-content/uploads/OBI-case-study-Afghanistan.pdf</a>	3/4
	<b>Total score for contribution:</b>							7/8

<b>5) Transparency</b>  We are open about the data sources and methods used, the results achieved, and the strengths and limitations of the evidence	<b>5a.</b> Is it clear who has collected and analysed the data, and is any potential bias they may have explained and justified?				x			4/4
	<b>5b.</b> Is there a clear logical link between the conclusions presented and the data collected?				x			4/4
	<b>Total score for transparency:</b>							8/8
<b>Total Score for Result :</b>								<b>35/36</b>

## 7. Value for money

### Economy:

Expenditures on three rounds of the Open Budget Survey in Afghanistan totalled approximately GBP 47,000. GTF funded just over half of these expenditures (approximately GBP 25,500). The additional funding came from IBP's general support through grants made by the Open Society Institute, Hewlett Foundation, and the Ford Foundation. The Survey costs which the GTF helped to finance in part included consultancy fees to various Survey researchers and peer reviewers, training costs on the Survey methodology and on dissemination and advocacy techniques, design and printing of Survey reports and related materials, and events organized to publicize the Survey results at regional and international levels etc. The GTF also supported the costs of one full-time administrative assistant hired by the IBP to work on the Survey but it did not cover all the other staff costs incurred by the IBP.

One example of the ways in which costs have been carefully controlled include the payment of flat rate of US\$5,000 to consultants undertaking Survey work which can include 160 hours of work over a period of 12 months (the OBI mid-term and final evaluations specifically commented on the value of this rate). IBP also has developed a number of policies and procedures that are driven by VFM considerations. These include policies of flight bookings and hotel reservations. For example, flight costs for an individual traveller for a recent meeting in Africa that were more than US\$1,000 required special permission to be obtained from IBP's senior management. IBP also maintains an electronic grants and consultants management system that has streamlined the time and costs associated with managing grant and consultancy agreements (this issue is discussed in the final evaluation report).

### Efficiency:

Through three rounds of the Open Budget Survey that have been supported in part by the GTF, the IBP has published 279 surveys covering 100 countries. In the vast majority of these countries, IBP works with local civil society organizations, many of whom are provided training and technical assistance to build their skills in research and advocacy on issues related to budget transparency and accountability. Several of these organizations have leveraged the skills and reputation gained through their participation in the Open Budget Survey to conduct further budget research and advocacy in their countries.

**Effectiveness:**

The Open Budget Survey is underpinned by the assumption that greater budget transparency can improve accountability and expenditure choices made by governments. The potential benefits of improvements in budget transparency in Afghanistan can be seen even with the assumption of a 1% improvement in the efficiency of expenditures in the national budget. The 2012 budget for Afghanistan was USD 4.9 billion. An improvement of 1% in expenditure efficiency will thus provide annual benefits of USD 49 million to the country.

Furthermore, the final evaluation report states that the OBI is a “highly innovative programme, embedded in a highly innovative organization.” It goes on to say that “the particular way the Open Budget Survey and Open Budget Index are constructed and used is innovative in the transparency field – no other organization has managed to combine measurement and advocacy to produce time series data that provides a peer pressure mechanism through comparison across so many countries.

The final evaluation report also discusses the results from interviews conducted with staff members from International Financial Institutions who were asked to give an open-ended opinion on whether OBI offers good value for money. One argued that the OBI has done more to get budget transparency on the international policy agenda in a relatively small period of time than an institution like the World Bank that has public financial management as a central concern had managed to do over decades. Another described OBI’s achievement in terms of creating a ‘global public good’ – a time-series data that cover a large number of countries – which is of great utility to researchers – something that the World Bank and IMF have not been able to achieve. It was also noted by the people interviewed that the Open Budget Survey costs of \$25,000 per country is considerably better VfM than the IMF’s transparency assessment exercises (his estimation is that it is lesser by at least 50 percent) but also because the Open Budget Survey helps build capacity in local organizations and thus creates sustainability.

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### Most Significant Result Analysis 3 – São Tomé e Príncipe

GTF Number	334
Grant Holder	International Budget Partnership (IBP)
<b>3. Result statement</b>	The Government of São Tomé e Príncipe significantly improved its budget transparency practices as evidenced by an increase in the country's Open Budget Index score from 0 in the 2008 Survey to 29 in the 2012 Survey. In the latest round of the Survey, the government has started publishing the Executive’s Budget Proposal and In-Year Reports, greatly enhancing the opportunities that citizens and other actors have to scrutinize government plans and monitor its actions.
<b>2.Context and Theory of Change</b>	
The IBP focuses on budgets because evidence shows that they are the most powerful tool a government has to meet the needs and priorities of its people, particularly those from poor and disadvantaged communities. We work to make government budget systems more transparent and accountable to the public, based on our belief that transparency and accountability can	

make budgets more responsive to the needs of poor and low-income people. Our belief is supported by a growing body of evidence showing that when ordinary people have access to budget information and the opportunity to participate in the budget process, they can contribute to substantive improvements in governance and service delivery. Case studies are available at <http://internationalbudget.org/what-we-do/major-ibp-initiatives/partnership-initiative/learning-program/case-studies/>.

We developed the Open Budget Survey in response to feedback we received from our civil society partners regarding the challenges they face in accessing budget information from their governments. Without such information, it is very difficult for anyone to monitor a government's progress toward the achievement of development and service delivery goals.

The Survey is the only independent and comparative measure of budget transparency and accountability in the world and is based on international good practices developed by the International Monetary Fund, the Organization for Economic Cooperation and Development, and the International Organization of Supreme Audit Institutions.

We publish results from the Survey based on a belief that these results will empower civil society organizations to draw attention to the factual state of budget transparency in their countries as measured against widely accepted international good practices. We provide research support to civil society groups to carry out the Open Budget Survey. We also provide civil society groups with financial support so that they can publicize Survey results and implement advocacy projects intended to expand budget transparency in their countries.

In some countries, our efforts are hampered by the weakness of civil society organizations, or by the unique difficulties they face in undertaking advocacy around budget issues. For example, the existence of weak media, and indifferent or unresponsive governments can limit the potential impact of civil society advocating for improvements in budget transparency. For that reason, the IBP also publicizes Survey results through international and regional dissemination events, to help ensure that governments are informed about Survey results and the steps they can take to improve their scores.

The Survey is published in the form of an Index that provides an overall score and rank to every country in the Survey. It is published on a biennial basis and covers the same set of countries examined in each previous round as well as new countries added in each successive round. This enables governments, donors, and civil society organizations to measure the performance of one country against another and to see trends over time.

IBP provides technical assistance to help government officials understand the findings and recommendations of the Open Budget Survey. IBP influences the lending, grant-making and transparency policies of multilateral and bilateral donors. IBP also forms partnerships with international bodies (such as INTOSAI, the audit professional network) to promote greater collaboration between national audit institutions and local civil society groups working to increase pressure on government to improve the effectiveness of spending.

The success of the programme depends upon willingness in governments to actually publish budget reports. We believe that governments seek international legitimacy and credibility and a poor performance on a high profile Survey shows them in poor light and incentivizes improvements in budget transparency. IBP expects that a limited number of governments covered by the Survey will not demonstrate such willingness to publish budget reports assessed in the Survey. In countries that are autocracies or that are flush with oil-revenues or that are going through conflict, the



incentives to improve budget transparency are limited and complex. These governments are unlikely to respond favourably to the publication of the Survey even if their results on the Survey show them in poor light.

### **3. Approaches, methods and tools**

As explained in the previous section, the IBP developed the Open Budget Survey to document the state of budget transparency, participation, and accountability in national government budgets. Unlike other assessments of budget transparency, the Survey is conducted by citizens rather than governments. In every country, one survey questionnaire is completed by one or more budget experts (generally drawn from a civil society organization or academia), and it is subsequently reviewed by two other independent budget experts. IBP also invites national governments in each country to comment on draft results. Questionnaires are then checked for consistency and finalized by the IBP, based on the information provided by the researchers, peer reviewers, and government reviewers.

This rigorous attention to quality control has enabled the Survey to gain credibility with governments, donors, civil society, and professional public financial management bodies. The Survey has been conducted biennially since 2006. The 2012 Open Budget Survey covers 100 countries. Previous rounds conducted for 2006, 2008, and 2010 covered 59, 85, and 94 countries respectively.

The Survey is based on a questionnaire containing 125 multiple-choice questions. Ninety five of these questions cover the timeliness and comprehensiveness of the contents of the eight key budget reports that governments should publish over the budget cycle under international good practice guidelines. The remaining questions cover the strength of oversight provided by legislatures and supreme audit institutions and opportunities for public engagement in budgeting. The average scores received on these 95 questions are used to construct the Open Budget Index, which assigns each country an overall score that can range from 0 to 100. These scores are then used to rank each country surveyed.

In addition to being a reliable source of data on budget transparency, the Survey serves two other objectives. First, it is a capacity-building tool that IBP uses to train civil society on issues related to transparency and accountability in government budget systems. In each round of its biennial Open Budget Survey, IBP provides intensive technical assistance to Survey researchers who are drawn primarily from local civil society organizations in the countries covered. The researchers are also given opportunities to attend training workshops on the Survey methodology and on techniques they can use to disseminate Survey results in their countries.

Second, the Survey is an advocacy tool that IBP and its partners use to discuss budget transparency issues with governments. IBP's research partners disseminate Survey results through their national media and during other dissemination events attended by governments, donors, and civil society organizations. IBP also organizes regional conferences that governments and IBP's civil society partners are invited to attend. These events give governments an opportunity to hear about the Survey results of their own countries and of their neighbours. Further, IBP organizes international meetings to disseminate Survey results to multilateral and bilateral donors, public financial management bodies, and international civil society groups. These meetings provide IBP an opportunity to educate relevant stakeholders about the state of budget transparency and public participation in a wide range of countries and to make recommendations regarding the steps that can be taken to improve Survey results.

### **4. The experience of implementation**

After a long period where hardly any budget information was made publicly available, São Tomé and Príncipe improved its OBI score dramatically in the last two years and has now established a foundation for future improvements. In both the 2008 and 2010 Surveys, only the Enacted Budget was made available to the public through the publication in the official gazette, while other existing budget documents were not published. In the latest round of the Survey, in addition to the Enacted Budget, the government of São Tomé (through a new Ministry of Finance website) has published the Executive's Budget Proposal and In-Year Reports, greatly enhancing the opportunities that citizens and other actors have to scrutinize government plans and monitor its actions, thus contributing to the overall accountability of the budget system.

Such improvements are the result of a number of factors. Since 2006 the government has embarked on a reform program of its public financial management system, with the support of international donors. The legal framework for managing public resources has been overhauled, and a computerized financial management system has been put in place. These actions created the conditions for the government to start producing more and better budget information. The 2010 elections saw a new government come into office on a platform of change, and an increasing focus on more transparent management of public resources, including revenues generated from resources. This led São Tomé to apply for membership in the Extractive Industries Transparency Initiative (EITI), and to put more emphasis on the timely publication of budget documents.

According to government sources, both the Open Budget Index 2010 and a PEFA assessment carried out in the same year were used to determine what steps to take to improve existing systems and practices. A decree was approved in 2011 that provided detailed instructions about the budget calendar, budget documents and their publication. As a result, the 2012 Executive's Budget Proposal was not only published but also made more comprehensive than its previous unpublished versions, with the inclusion of more data on past expenditures and on fiscal aggregates. There are also plans to start publishing the Year-End Report and a Citizens Budget in 2013.

Donor pressure, in particular that from the World Bank, in conjunction with the incipient engagement of some civil society organizations, were key in ensuring that budget transparency got the attention it deserved within the context of the government's wider reform program and that political will remained strong. IBP assisted the World Bank in drawing the organization in charge of filling in the OBI questionnaire into identifying key budget transparency priorities to be included in the World Bank-supported PFM reform program. Furthermore, at a recent event on budget transparency held in Brasilia in May 2013, co-hosted by IBP and the Government of Brazil, São Tomé's budget director held extensive talks with Webeto, IBP's partner in the country, to discuss next steps in the budget transparency reform agenda. A lot remains to be done, especially in the areas of reporting on budget execution and the transparency of foreign aid flows. However, the first steps have been taken, all within an environment that previous rounds of the Survey would certainly have defined as inhospitable for budget transparency improvements.

##### **5. Long-term Impact on people's lives**

The improvements São Tomé and Príncipe has made in budget transparency will provide citizens with critical information to which they have not previously had access regarding the government's budget plans and priorities as well as on the implementation of the national budget. The publication of these documents significantly enhances the opportunities citizens and civil society organizations have to monitor and influence government decisions on the use of public funds. Citizens now have an opportunity to monitor government budgets and to identify whether or not budget plans reflect their priorities and whether the budgets have been implemented as planned.

Going forward, if the Government continues to improve its levels of budget transparency, and sets up formal mechanisms through which citizens can participate in budget decision-making, the public would be significantly empowered to use the available information and participation mechanisms to provide the government with specific feedback on problems in budget plans and implementation. This feedback could in turn be used by the government to make additional improvements in governance and service delivery.

## 6. Strength of evidence that result was achieved

Principle	Criteria	1	2	3	4	N/A	Comments / evidence	Score
<b>1) Voice and Inclusion</b>  We present beneficiaries' views on the effects of the intervention, and identify who has been affected and how	<b>1a.</b> Are the perspectives of the most excluded and marginalised groups included in the evidence?			x			The Open Budget Survey is completed by a local civil society organization called Webeto that works to strengthen transparency and good governance in São Tomé and Príncipe.	3/4
	<b>1b.</b> Are findings disaggregated according to sex, disability and other relevant social differences?					x	The Open Budget Survey does not assess budget transparency for specific demographics. However, the Survey is built on the assumption that transparent and responsive budget practices can have a profound effect on the well-being of poor and marginalized communities.	N/A
	<b>Total score for voice and inclusion:</b>							
<b>2) Appropriateness</b>  We use methods that are justifiable given the nature of the intervention and purpose of the assessment	<b>2a.</b> Are the data collection methods relevant to the purpose of the enquiry and do they generate reliable data?				x		The IBP dedicates considerable amount of resources in providing training and technical assistance to its partner organization in São Tomé in completing the Open Budget Survey in a manner that is consistent with the overall Survey methodology.	4/4
	<b>2b.</b> Are the data analysed in a systematic way that leads to convincing conclusions?				x		The Open Budget Survey results are presented in a number of different ways to assist different audiences in clearly understanding the results. Survey results for São Tomé are presented through country summary reports and press releases. Further, the Survey does not assess perceptions of transparency and instead documents what happens in practice.	4/4
	<b>Total score for appropriateness:</b>							

3) <b>Triangulation</b>					x		IBP ensures that the Survey data are of the highest quality through a five-step process. First, the Survey is conducted through the completion of a questionnaire by one budget expert drawn from civil society or academia in every country that is part of the Survey. IBP staff members then check that the questionnaires have been completed in a manner that is consistent with the Survey methodology and with publicly available data on budgets. Each country's completed questionnaire is then independently reviewed by two anonymous and independent budget experts. In addition, the IBP invites the national government of countries covered in the Survey to comment on the questionnaire completed for that country. Finally, IBP staff referee differences in answers provided by researchers, peer reviewers, and governments.	4/4
	We make conclusions about the intervention's effects by using a mix of methods, data sources, and perspectives				x		See answer above.	4/4
	<b>Total score for triangulation:</b>							8/8
4) <b>Contribution</b>					x		The Open Budget Survey is conducted biennially. São Tomé has been included in three rounds of the Open Budget Survey since 2008, which enables IBP to present changes in budget transparency practices in the country against a baseline.	4/4
	We can show how change happened and explain how we contributed to it			x			The IBP prepared a short internal case study based on interviews with our partner organization in the country (Webeto) and with the World Bank economist for São Tomé. This evidence was then verified with the budget director at the Ministry of Finance.	3/4
	<b>Total score for contribution:</b>							7/8

<b>5) Transparency</b>  We are open about the data sources and methods used, the results achieved, and the strengths and limitations of the evidence	<b>5a.</b> Is it clear who has collected and analysed the data, and is any potential bias they may have explained and justified?				x			4/4
	<b>5b.</b> Is there a clear logical link between the conclusions presented and the data collected?				x			4/4
	<b>Total score for transparency:</b>							8/8
<b>Total Score for Result :</b>								<b>34/36</b>

## 7. Value for money

### Economy:

Expenditures on three rounds of the Open Budget Survey in São Tomé e Príncipe totalled approximately GBP 47,000. GTF funded just over half of these expenditures (approximately GBP 25,500). The additional funding came from IBP's general support through grants made by the Open Society Institute, Hewlett Foundation, and the Ford Foundation. The Survey costs which the GTF helped to finance in part included consultancy fees to various Survey researchers and peer reviewers, training costs on the Survey methodology and on dissemination and advocacy techniques, design and printing of Survey reports and related materials, and events organized to publicize the Survey results at regional and international levels etc. The GTF also supported the costs of one full-time administrative assistant hired by the IBP to work on the Survey but it did not cover all the other staff costs incurred by the IBP.

One example of the ways in which costs have been carefully controlled include the payment of flat rate of US\$5,000 to consultants undertaking Survey work which can include 160 hours of work over a period of 12 months (the OBI mid-term and final evaluations specifically commented on the value of this rate). IBP also has developed a number of policies and procedures that are driven by VfM considerations. These include policies of flight bookings and hotel reservations. For example, flight costs for an individual traveller for a recent meeting in Africa that were more than US\$1,000 required special permission to be obtained from IBP's senior management. IBP also maintains an electronic grants and consultants management system that has streamlined the time and costs associated with managing grant and consultancy agreements (this issue is discussed in the final evaluation report).

### Efficiency:

Through three rounds of the Open Budget Survey that have been supported in part by the GTF, the IBP has published 279 surveys covering 100 countries. In the vast majority of these countries, IBP works with local civil society organizations, many of whom are provided training and technical assistance to build their skills in research and advocacy on issues related to budget transparency and accountability. Several of these organizations have leveraged the skills and reputation gained through their participation in the Open Budget Survey to conduct further budget research and advocacy in their countries.

**Effectiveness:**

The Open Budget Survey is underpinned by the assumption that greater budget transparency can improve accountability and expenditure choices made by governments. The potential benefits of improvements in budget transparency in São Tomé e Príncipe can be seen even with the assumption of a 1% improvement in the efficiency of expenditures in the national budget. The 2012 budget for São Tomé e Príncipe was USD 153 million. An improvement of 1% in expenditure efficiency will thus provide annual benefits of USD 1.53 million to the country.

Furthermore, the final evaluation report states that the OBI is a “highly innovative programme, embedded in a highly innovative organization.” It goes on to say that “the particular way the Open Budget Survey and Open Budget Index are constructed and used is innovative in the transparency field – no other organization has managed to combine measurement and advocacy to produce time series data that provides a peer pressure mechanism through comparison across so many countries.

The final evaluation report also discusses the results from interviews conducted with staff members from International Financial Institutions who were asked to give an open-ended opinion on whether OBI offers good value for money. One argued that the OBI has done more to get budget transparency on the international policy agenda in a relatively small period of time than an institution like the World Bank that has public financial management as a central concern had managed to do over decades. Another described OBI’s achievement in terms of creating a ‘global public good’ – a time-series data that cover a large number of countries – which is of great utility to researchers – something that the World Bank and IMF have not been able to achieve. It was also noted by the people interviewed that the Open Budget Survey costs of \$25,000 per country is considerably better VfM than the IMF’s transparency assessment exercises (his estimation is that it is lesser by at least 50 percent) but also because the Open Budget Survey helps build capacity in local organizations and thus creates sustainability.

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### Most Significant Result Analysis 4 – U.N. resolution on Fiscal Transparency

GTF Number	334
Grant Holder	International Budget Partnership (IBP)
4.Result statement	The United Nations passed a resolution on the need for Member States to intensify efforts to enhance transparency, participation, and accountability in fiscal policies after considering the High Level Principles developed by the Global Initiative for Fiscal Transparency, an initiative that is being spearheaded by various public financial management stakeholders, including the IBP. The resolution also encouraged Member States to promote discussions on advancing the common goal of transparent, participatory, and accountable management of fiscal policies and invited Member States to assist each other by building capacity and exchanging experiences with regard to transparency, participation, and accountability in fiscal policies.

#### 2.Context and Theory of Change

Government can best promote development and reduce poverty when public resources are raised, allocated, and spent equitably and effectively. This is far more likely to happen when government budgets are transparent, and when the public can provide input into the budget process, from the formulation to the implementation phase. This hypothesis is supported by a growing body of evidence

that shows that when ordinary people have access to budget information, coupled with opportunities to participate in the budget process, they can contribute to substantive improvements in governance and service delivery. Some of this evidence is documented in case studies available at <http://internationalbudget.org/library/publications/ibp-impact-case-studies/>.

While improvements in transparency must occur at the country level, the IBP understands that a global consensus about the value of transparency and public participation, as well as agreement about a set of good practices, can both serve as crucial forms of leverage for encouraging governments to increase the openness of their budgets. This is what we mean by international norms: a consensus about principles of transparency and participation and specific, universal expectations related to the budget process.

Various international institutions concerned with promoting open budgeting, such as the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD), the International Organization of Supreme Audit Institutions (INTOSAI), the International Federation of Accountants (IFAC), the World Bank, and civil society groups like the IBP, have issued guidelines on fiscal transparency over the past ten years. However, although there is already considerable consensus across these institutions about the importance of budget transparency, this consensus is vague and incomplete. In particular, existing guidelines are not specific enough about what qualifies as transparency, focusing only on access to information. These guidelines do not recognize that transparency alone will not lead to effective and accountable government spending. Without mechanisms that allow parliaments, media, civil society, and individual citizens to discuss, debate, and influence the budget process, information alone is unlikely to be used to hold governments accountable.

In this context, the IBP identified the need for greater international consensus on fiscal transparency. The IBP believes that there are a number of benefits that can be gained from widely accepted norms on fiscal transparency. First, norms that are widely accepted provide a crucial form of leverage for encouraging governments to change practices in line with the norms. Because most countries seek international legitimacy and credibility they can be persuaded that adhering to global norms is in their national interests. Second, fiscal transparency norms can support the achievement of a wide range of development goals by providing data that can enable monitoring and tracking of these goals. Third, fiscal transparency norms can help advance the aid effectiveness agenda by helping donors to coordinate their expectations on budget transparency from aid-recipient governments in a clear and consistent voice. Fourth, norms can enhance the standing of civil society in their negotiations with governments on fiscal transparency issues. Civil society experience is that governments often take civil society more seriously if their demands are anchored around widely accepted international norms.

However, the IBP also recognizes risks associated with the development of norms on fiscal transparency. Unless the norms are widely accepted by standard-setting bodies, governments, and other public financial management stakeholders, it will fail to achieve its stated goal of providing clarity and consensus on the content of the “global normative architecture.” Second, an agreement on norms does not automatically result in changes in country practices. Norms are only part of the solution to incentivize governments to improve fiscal transparency. More work will need to be done to identify and subsequently offer incentives to governments to change practices. Third, there is a minor risk that a proposal for norms on fiscal transparency could face a backlash from some governments that wish to remain closed and could jeopardize other efforts being exerted by civil society organizations and other stakeholders to promote fiscal transparency.

### **3. Approaches, methods and tools**

The IBP's strategy for creating international norms on fiscal transparency was influenced by a number of factors. First, the strategy draws lessons from other experiences in international norm-building. The IBP identified multistakeholder initiatives as being the most relevant mechanism to establish broad global recognition, adoption, and implementation of budget transparency norms. This is based on the experiences of other multistakeholder initiatives like the World Commission on Dams, the Extractive Industry Transparency Initiative, the Forest Stewardship Council, and the Global Water Partnership in effectively globalizing norms.

Second, the strategy considered the life cycle of norm-building. Norms typically go through the following five stages: initiation, formulation, adoption, implementation, and adaptation. When the IBP began its work global norms on budget accountability lay somewhere in between the initiation and formulation phases of norm-building. This meant that some parts of the norms were already available (such as those related to disclosure of key budget reports), while others needed to be initiated from the start (such as those on public participation in budget decision-making).

Third, governments were identified as the main targets for the adoption of budget norms since it is governments whose budget policies, institutions, and practices must primarily shift. The strategy also recognized roles for multiple other actors and mechanisms for getting governments to adopt the norms.

Fourth, the strategy considered the available political opportunities for norm-building. The short-term strategy focused on developing consensus between existing standard setting bodies on a set of high level principles on fiscal transparency. The on-going long-term strategy focuses on the adoption of an international convention at the U.N. by governments because this mechanism remains the most recognized form of legal agreement among governments. To this end, a small number of governments have been identified that are willing to champion this issue at the U.N.

#### **4. The experience of implementation**

As a first step in establishing a multistakeholder initiative on fiscal transparency, the IBP met with a number of international institutions, such as the World Bank, the IMF, INTOSAI, and the Inter-Parliamentary Union (IPU), to discuss their interest in joining such an effort to promote fiscal transparency. Simultaneously, the IBP held discussions with some of the governments it met through the Open Government Partnership (OGP) – a government and civil society initiative that aims to secure concrete commitments from governments to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance. The governments of Brazil and the Philippines expressed an immediate interest in being part of a multistakeholder effort on fiscal transparency. International civil society organizations like the ONE campaign, Greenpeace International, and national budget advocacy groups from India, Mexico, Mozambique, and Croatia also responded favourably to the IBP's outreach.

Encouraged by the enthusiasm for a fiscal transparency initiative, in July 2011 the IBP hosted a meeting that culminated with the launch of the Global Initiative for Fiscal Transparency (GIFT). The meeting included the Minister of State and Head of the Office of the Comptroller General of Brazil, the Secretary of the Department of Budget and Management from the Philippines, the Managing Director from the World Bank, the Deputy Managing Director from the IMF, and IBP's Director. These countries and institutions were designated as the lead stewards of GIFT and agreed to formulate and implement a strategy to "advance and institutionalize significant and continuous improvements in fiscal transparency, participation, and accountability in countries around the world." The meeting also included an observer from INTOSAI.



GIFT established four working groups composed of GIFT members and consultants to undertake the work of the initiative. The Design and Incentives Working Group focuses on how GIFT will work to achieve its objectives. The Advancing Global Norms Working Group is focused on developing the contents of the norms. The Technical Assistance and Capacity Building Working Group focuses on determining an appropriate role for GIFT in supporting technical assistance and capacity-building efforts to governments. And, the “Harnessing New Technologies” Working Group focuses on assessing opportunities for deploying new information and communication technologies to advance open budgets and improved public financial management.

One of the first activities implemented by GIFT was to map guidelines and standards on public financial management issued by various international bodies. The results from the mapping exercise were used to formulate 10 High Level Principles on fiscal transparency (see <http://fiscaltransparency.net/wp-content/uploads/2012/09/GIFT-High-Level-Principles-2012-08-ENG.pdf>). These Principles included the areas of overlap in the current guidelines (such as disclosure of key fiscal and budget reports), as well as areas that are not covered by existing guidelines (such as public participation in budget decision making and the impact of fiscal decisions on environmental outcomes). Over the course of 18 months, GIFT organized several meetings to discuss drafts of the Principles, which were finally adopted in 2012. A draft of the Principles was also presented by the GIFT members at a meeting of the Anti-Corruption Working Group in Mexico to gauge the interest of governments in the Principles. Subsequently, the Brazilian government offered to take the High Level Principles to the United Nations. After several months of concerted efforts by the Brazilian government in advocating for the Principles, on 21 December 2012 the United Nations passed a resolution titled “Promoting transparency, participation, and accountability in fiscal policies” endorsing the GIFT High Level Principles and encouraging Member States to intensify efforts to enhance transparency, participation, and accountability in fiscal policies (see [http://www.un.org/ga/search/view\\_doc.asp?symbol=A/RES/67/218](http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/67/218)).

The UN resolution on GIFT’s fiscal transparency Principles or agenda is a major milestone achieved by advocates for greater fiscal transparency. The resolution was passed in large measure because of the leadership provided by the governments of Brazil and the Philippines. Having southern countries champion this issue within the U.N. helped allay concerns that fiscal transparency was a western imposition.

While largely smooth, the implementation of activities that culminated in the passage of the UN resolution was not without some setbacks since GIFT was not successful in getting all the stakeholders it invited to participate in the initiative. For example, the IPU cited human resource constraints as a barrier to joining GIFT, while INTOSAI requested a more limited role as an observer rather than as a full-fledged member of GIFT. This meant that GIFT does not currently include two important public financial management constituents: legislators and auditors. Even without strong participation from legislators and auditors, GIFT remains a robust platform that continues to attract new members – for e.g., in 2012, the International Federation of Accountants joined GIFT – and this has enabled GIFT to retain its legitimacy as a multistakeholder initiative. GIFT was also unsuccessful in gaining much traction with the G20. The G20 working group on anti-corruption is largely composed of officials from national legal offices who are not experts on public financial management. These officials did not feel comfortable making recommendations to the G20 on an issue on which they did not have expertise.

##### **5. Long-term Impact on people’s lives**

Going forward, the High Level Principles will be expanded to include additional explanations under each Principle so that national governments have clarity on how they can apply the Principles to their budget processes. Further, some of the High Level Principles identify issues that are relatively new

to public financial management and are not adequately covered in existing standards. GIFT will develop these guidelines, starting with those on public participation in budget decision-making.

Recently, GIFT's leading government members – Brazil and the Philippines – have begun to explore the potential for the development of a UN Convention on fiscal transparency that builds on the High Level Principles. This will be the next logical step in GIFT's stated aim to institutionalize fiscal transparency norms.

GIFT has also begun working more closely with the OGP. In July 2013 GIFT organized a webinar for OGP members to develop an OGP-GIFT Fiscal Openness Working Group. The Working Group will offer OGP members efficient and coordinated access to good practices, tools, assessments, and technical expertise on fiscal transparency, and it will support OGP governments to develop and implement more ambitious fiscal transparency goals and good practices.

Over the long term these activities are expected to usher in greater transparency and opportunities for public engagement in budget decision-making around the world. This will create enabling environments in which citizens and civil society groups are empowered to work with oversight actors and governments on how public resources can be raised, allocated, and spent equitably and effectively and thereby promote development and reduce poverty.

#### 6. Strength of evidence that result was achieved

Principle	Criteria	1	2	3	4	N/A	Comments / evidence	Score
1) Voice and Inclusion	1a. Are the perspectives of the most excluded and marginalised groups included in the evidence?					X	Our most compelling evidence on the achievement of the result discussed in this case study is the UN resolution (see <a href="http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/67/218">http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/67/218</a> )	N/A
	We present beneficiaries' views on the effects of the intervention, and identify who has been affected and how					X		N/A
	<b>Total score for voice and inclusion:</b>							
2) Appropriateness	2a. Are the data collection methods relevant to the purpose of the enquiry and do they generate reliable data?				X			4/4

<p>We use methods that are justifiable given the nature of the intervention and purpose of the assessment</p>	<p><b>2b.</b> Are the data analysed in a systematic way that leads to convincing conclusions?</p>				x			4/4	
<p><b>Total score for appropriateness:</b></p>								8/8	
<p><b>3) Triangulation</b></p>	<p><b>3a.</b> Are different data collection methodologies used and different types of data collected?</p>					x		N/A	
<p>We make conclusions about the intervention's effects by using a mix of methods, data sources, and perspectives</p>	<p><b>3b.</b> Are the perspectives of different stakeholders compared and analysed in establishing if and how change has occurred?</p>	x						1/4	
<p><b>Total score for triangulation:</b></p>								1/4	
<p><b>4) Contribution</b></p>	<p><b>4a.</b> Is a point of comparison used to show that change has happened (eg. a baseline, a counterfactual, comparison with a similar group)?</p>				x		<p>Yes. Though several international institutions had established their own, but complementary, sets of standards or guidelines, no norm existed previously</p>	4/4	

<p>We can show how change happened and explain how we contributed to it</p>	<p><b>4b.</b> Is the explanation of how the intervention contributes to change explored?</p>		x			<p>See information in sections 2 and 4.</p>	2/4	
<p><b>Total score for contribution:</b></p>								6/8
<p><b>5) Transparency</b></p> <p>We are open about the data sources and methods used, the results achieved, and the strengths and limitations of the evidence</p>	<p><b>5a.</b> Is it clear who has who collected and analysed the data, and is any potential bias they may have explained and justified?</p>	x					1/4	
<p><b>5b.</b> Is there a clear logical link between the conclusions presented and the data collected?</p>				x			4/4	
<p><b>Total score for transparency:</b></p>								5/8
<p><b>Total Score for Result :</b></p>							20/28	

## 7. Value for money

It is difficult to calculate the benefits of the UN Resolution on fiscal transparency from a value for money perspective in a meaningful way since it has been in place only seven months and because our work aims to have an impact on national budgets, which in turn impact all citizens in the country. Within these constraints, we offer a couple of examples of how our work on the UN resolution achieves value for money.

First, the total cost of our interventions on GIFT over the GTF period has been minimal and includes expenditures on one meeting hosted at the IBP, travel costs for a small number of civil society groups from southern countries to attend various GIFT meetings, and a consultancy fee paid to a couple of consultants who have developed research briefs for GIFT. A much larger cost has been incurred on three to four key IBP staff members devoting their time to GIFT activities. The salaries for the IBP staff members are not charged to the GTF.

Second, a key reason why GIFT has been successful in implementing its activities is due to contributions received from several GIFT members in cash and in kind. For example, in addition to the IBP hosting GIFT meetings, other GIFT members, such as the IMF, World Bank, and the Brazilian government, have also hosted these meetings. Barring some CSO participants, GIFT members cover their own travel costs. And costs of commissioning work from consultants have been shared by the IBP, World Bank, IMF, and through funds raised from private foundations, like the Hewlett Foundation.

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### Most Significant Result Analysis 5 – OBI Network

GTF Number	334
Grant Holder	International Budget Partnership (IBP)
<b>5.Result statement</b>	Through its involvement and interaction with almost 100 civil society groups in the countries included in the Open Budget Survey – many of them involved in multiple survey rounds – IBP has contributed to the creation of a vibrant international network that promotes the budget transparency, participation and accountability agenda worldwide. In addition, surveys produced high-quality, independent data on budget transparency in each of the surveyed countries, and the publication and dissemination of this data has led to significant changes in government transparency and practices.
<b>2.Context and Theory of Change</b> When the International Budget Partnership first started in 1997, civil society groups doing budget work across the world were few and sparse. At the first international meetings convened by the IBP in late 1990s, only a handful of groups participated. As interest in this work spread, and as IBP and others started training, supporting and linking up civil society organizations in a growing number of countries who used budget analysis and advocacy as part of their activities, approaches and tools, their number multiplied. Nowadays, so-called 'budget groups', or CSOs doing budget work, exist in most countries around the world, and have also grown in capacity, skills and influence. In October 2011, 118 IBP partners from 56 countries signed the Dar Declaration of Principles, a statement on the need to improve budget transparency, participation and accountability across the world, under the banner 'Make Budgets Public Now!'. The Open Budget Survey has worked with civil society groups in approximately 75 countries to complete the 2008 Open Budget Survey, in approximately 85 countries to complete the 2010 Open Budget Survey, and in approximately 90 countries to complete the 2012 Open Budget Survey. The majority of these groups were involved in multiple rounds of the Survey. These numbers show how the budget movement has grown steadily, and how IBP has had an important role as leader, convener, and supporter.  The IBP focuses on budgets because evidence shows that they are the most powerful tool a government has to meet the needs and priorities of its people, particularly those from poor and disadvantaged communities. We work to make government budget systems more transparent and accountable to the public based on our belief that transparency and accountability can make budgets more responsive to the needs of poor and low-income people. Our belief is supported by a growing body of evidence showing that when ordinary people have access to budget information and the opportunity to participate in the budget process, they can contribute to substantive improvements in governance and service delivery. Case studies are available at <a href="http://internationalbudget.org/what-we-do/major-ibp-initiatives/partnership-initiative/learning-program/case-studies/">http://internationalbudget.org/what-we-do/major-ibp-initiatives/partnership-initiative/learning-program/case-studies/</a> .  We developed the Open Budget Survey in response to feedback we received from our civil society partners regarding the challenges they face in accessing budget information from their governments. Without such information, it is very difficult for anyone to monitor a government's progress toward the achievement of their development and service delivery goals. The Survey is the only independent and comparative measure of budget transparency and accountability in the world and is based on international good practices developed by the International Monetary Fund, the Organization for Economic Cooperation and Development, and the International Organization of Supreme Audit Institutions.	

We publish results from the Survey based on the hypothesis that these results will empower civil society organizations to hold governments accountable for the use of public resources based on strong evidence on the state of budget transparency in their countries, as measured against widely accepted international good practices. We provide training and research support to civil society groups to carry out the Open Budget Survey. We also provide civil society groups with financial support so that they can publicize Survey results and implement advocacy projects intended to expand budget transparency in their countries. We also bring them together in regional launch events after each Survey is released, so that they can network with each other and put joint pressure on their governments – who are also invited to regional launches – to open up their budgets to public scrutiny and citizen engagement. Finally, we involve them in global campaigns to promote budget transparency, participation and accountability, as we believe that a strong civil society voice, coming from citizen groups in a large number of countries, lends more legitimacy to our joint demands, and can more effectively influence policy-makers at both national and international levels.

Since 2006, when the first Open Budget Survey was carried out, we have sought to create a strong network and coalition of organizations who share some of the same objectives, tools and language, and to make it grow through constant nurturing, training courses, networking opportunities, joint campaigns and regular interaction and exchanges. We believe that a network of capacitated and empowered civil society group, sharing a vision of more transparent, participatory and accountable budgets is a positive force for reform and change, both at country level and globally, both demanding more and better budget information from governments, and using it to hold them accountable.

In some countries, our efforts are hampered by the weakness of civil society organizations, or by the unique difficulties that they face in undertaking advocacy around budget issues. For example, the existence of weak media, and indifferent or unresponsive governments can limit the potential impact of civil society advocating for improvements in budget transparency. This further strengthens the need for a network to provide cross-country peer support for organizations in difficult situations.

### **3. Approaches, methods and tools**

As highlighted above, IBP works with its OBS partner organizations in a number of ways. Of the 100 countries included in the 2012 Survey, in approximately 90 our local research partner was a civil society organization, usually already working in areas linked to governance and public policy monitoring. In the remaining countries, we relied on individual consultants or academics, for lack of better options. At the beginning of the research cycle, we bring together many of the researchers for regional trainings, where we explain in detail the OBS methodology and how it works in practice, in order to ensure that the research is carried out according to consistent and high-quality standards. This also allows researchers to get to know each other and each other's work. A selected group of organizations is also provided with additional support to set up targeted advocacy initiatives. Groups are selected on the basis of their capacity and commitment, and on existing openings and opportunities related to governments' willingness to introduce transparency reforms. Training courses have also been provided on advocacy techniques that partners can use to disseminate Survey results in their countries.

While the release and dissemination of the Survey results in each of the 100 countries is the responsibility of the country-based partner/researcher, IBP organizes a number of regional and international launch events that partners take part in. In particular, regional launches are organized across the world, bringing together civil society researchers and government representatives from each of the region's countries, to discuss the Survey findings and to promote dialogue on possible future reforms and improvements in budget transparency. These regional events have proven very fruitful not only to promote direct interaction between CSOs and governments, but also to identify common challenges, share innovative practices and stimulate mutual learning.

The fact that most of IBP's local partners in the Survey have continued to collaborate with the OBS over the years, at a level of remuneration that is well below its real cost in terms of researchers' time, speaks to the fact that the groups involved perceive a clear benefit, legitimacy and recognition from being part of the Survey. It is also clear that these groups share its mission and objectives, and recognize the value of being part of a global network promoting the budget transparency, participation and accountability agenda. This aspect was also highlighted in the OBI Mid-Term Evaluation Report.

Finally, in recent years IBP has stepped up its involvement of local partners in global activities. The creation of the Global BTAP (Budget Transparency, Accountability and Participation) Movement was spearheaded by IBP to give better shape and more prominence to the growing civil society budget movement, and to clearly set out the common vision and principles that this movement stands for. The movement first came together in Dar es Salaam, Tanzania in October 2011, and approved a Declaration of Principles stating its common values and a series of shared objectives, calling on governments, parliaments, audit institutions, the media, donor agencies and other CSOs to play their part in promoting "accountable, participatory and transparent public budgeting practices to ensure the full realization of human rights worldwide" (see: <http://www.globalbtap.org/declaration/>). Many of the partners involved have since worked with each other and with IBP on a number of joint campaigns, such as those linked to the Open Government Partnership and to the post-2015 development framework.

#### **4. The experience of implementation**

IBP's efforts at creating a vibrant international network that promotes the budget transparency, participation and accountability agenda worldwide have seen some important results. For example, the overall average score for the 40 countries for which comparable information is available increased by more than 20 percent (from 47 to 57 out of 100 between the 2006 and 2012 Surveys). Although we know many factors contributed to these improvements, we can certainly list the role of the OBS and its network as being one contributing factor that resulted in these overall improvements. This can be seen in some of the country-specific case studies that are also described in IBP's Most Significant Results papers (Honduras, Afghanistan, São Tomé and Príncipe). The number of countries publishing a Citizens Budget, often one of the main asks of CSOs across a variety of countries, went up from 17 in 2008 to 26 in 2012.

The efforts by IBP partners to publicize Survey results are a key component of their advocacy strategies. After the release of the 2012 Survey, the results were reported by more than 550 media outlets worldwide – an increase of more than 33 percent compared to coverage of the 2010 Survey. In the months following the release of the Survey, a number of events were conducted to share the Survey results with governments, donors, and civil society organizations. In India, IBP's civil society partners from South Asia discussed their Survey results with legislators, finance ministry officials, and audit officials from their countries. IBP and its local partner FITRA joined the Indonesian government in co-hosting an event to discuss the Survey results for the South East Asia region that was attended by civil society and government officials from six regional countries. IBP and its local partner Precedent joined the Kyrgyz government and UNDP in co-hosting an event in the Kyrgyz Republic to discuss the Survey results for the Eurasian region; the event was attended by governments and civil society representatives from seven countries. In Tunisia, IBP organized an event for the Middle East and North African countries in the Survey. The Tunisian Minister of Finance was the featured speaker and the event was attended by civil society, executive and legislative officials from six countries. The Brazilian government co-hosted an event with the IBP to discuss the findings of the Survey with governments from five total Lusophone countries (Angola, Mozambique, Portugal, and Sao Tome Principe in addition to Brazil). A Latin America event was organized by the IBP in collaboration with the Inter-American Development Bank and the government of the Dominican Republic that brought together eight governments and civil society groups from the region.

These events provide an opportunity for IBP's civil society partners to dialogue on budget transparency issues with relevant government officials and to cultivate relationships with them that can help them as they advocate for expanded transparency in national budgets. The events also provide governments with an opportunity to hear from their peers about budget reforms and cutting-edge practices in the field. During these events, several governments have made commitments to improve budget transparency practices and IBP and its partners will follow-up with relevant governments to encourage them to fulfill these promises.

At the global level, IBP support to BTAP has enabled the global movement to develop and adopt the "Make Budgets Public Now!" campaign as the cornerstone of its plan of action. The campaign encourages the lowest performing countries, as measured by the IBP's Open Budget Index 2012, to meet clearly defined minimum transparency standards. Sixty-four participants from 57 organizations in 28 countries attended the second assembly of BTAP in Bangkok, Thailand, to discuss organizational issues and campaign plans for the movement. BTAP's Steering Committee, which is composed of regional representatives selected by BTAP members, is meeting regularly. IBP also organized a number of other events at which the BTAP agenda was discussed.

### 5. Long-term Impact on people's lives

The past decade has seen an impressive increase in civil society activity and interest in engaging with government budgets, demanding access to budget information and using it to hold governments accountable for how they use public resources. IBP has been instrumental in supporting this increase, and in forming a network and movement of citizen groups from all over the world pushing the budget transparency, participation and accountability agenda. Alongside a series of other factors, this is leading to improvements in budget transparency levels across the world, and in some cases this has led to an increased exposure of corruption and wastage, and to more efficient public spending and improved service delivery, as shown by evidence now becoming available.

The continued growth in numbers and strength of this global movement can keep pushing for improvements in opening up government budgets, creating further opportunities for citizens to monitor government action, direct it towards the needs and priorities of poorer groups and enhance its effectiveness in tackling poverty.

### 6. Strength of evidence that result was achieved

Principle	Criteria	1	2	3	4	N/A	Comments / evidence	Score
1) Voice and Inclusion	1a. Are the perspectives of the most excluded and marginalised groups included in the evidence?				x		Most of the IBP partners are civil society groups which work directly with excluded and marginalised groups, trying to respond to their needs and priorities.	4/4



<p>We present beneficiaries' views on the effects of the intervention, and identify who has been affected and how</p>	<p><b>1b.</b> Are findings disaggregated according to sex, disability and other relevant social differences?</p>					x	<p>The Open Budget Survey does not assess budget transparency for specific demographics. However, the Survey is built on the assumption that transparent and responsive budget practices can have a profound effect on the well-being of poor and marginalized communities.</p>	N/A	
<p><b>Total score for voice and inclusion:</b></p>								4/4	
<p><b>2) Appropriateness</b></p>	<p><b>2a.</b> Are the data collection methods relevant to the purpose of the enquiry and do they generate reliable data?</p>					x	<p>The IBP dedicates considerable amount of resources in providing training and technical assistance to its partner organizations in completing the Open Budget Survey in a manner that is consistent with the overall Survey methodology.</p>	4/4	
<p>We use methods that are justifiable given the nature of the intervention and purpose of the assessment</p>	<p><b>2b.</b> Are the data analysed in a systematic way that leads to convincing conclusions?</p>					x	<p>The Open Budget Survey results are based on objective and observable information, and are presented in a number of different ways to assist different audiences in clearly understanding the results.</p>	4/4	
<p><b>Total score for appropriateness:</b></p>								8/8	
<p><b>3) Triangulation</b></p>	<p><b>3a.</b> Are different data collection methodologies used and different types of data collected?</p>					x	<p>IBP ensures that the Survey data are of the highest quality through a five-step process. First, the Survey is conducted through the completion of a questionnaire by one budget expert drawn from civil society or academia in every country that is part of the Survey. IBP staff members then check that the questionnaires have been completed in a manner that is consistent with the Survey methodology and with publicly available data on budgets. Each country's completed questionnaire is then independently reviewed by two anonymous and independent budget experts. In addition, the IBP invites the national government of countries covered in the Survey to comment on the questionnaire completed for that country. Finally, IBP staff referee differences in answers provided by researchers, peer reviewers, and governments.</p>	4/4	

We make conclusions about the intervention's effects by using a mix of methods, data sources, and perspectives	3b. Are the perspectives of different stakeholders compared and analysed in establishing if and how change has occurred?				x			4/4	
	<b>Total score for triangulation:</b>							8/8	
4) Contribution	4a. Is a point of comparison used to show that change has happened (eg. a baseline, a counterfactual, comparison with a similar group)?				x			The Open Budget Survey is conducted biennially, which enables IBP to present changes in budget transparency practices in the countries included against a baseline.	4/4
	We can show how change happened and explain how we contributed to it			x				The IBP has commissioned a limited number of case studies by independent researchers to assess the causes of improvements in budget transparency in different countries. We also regularly document specific country cases where there have been clear improvements or decreases in budget transparency, through partner interviews and reports.	3/4
	<b>Total score for contribution:</b>							7/8	
5) Transparency	5a. Is it clear who has who collected and analysed the data, and is any potential bias they may have explained and justified?				x				4/4
	We are open about the data sources and methods used, the results achieved, and the strengths and limitations of the evidence				x				4/4
	<b>Total score for transparency:</b>							8/8	
<b>Total Score for Result :</b>								<b>35/36</b>	

## 7. Value for money

It is challenging to assess the benefits that a strong network of civil society groups working to promote budget transparency, participation and accountability can bring from a value for money perspective. The costs of the Open Budget Survey, including its training courses, the research itself, the launch and dissemination events and other related activities is certainly significant. And bringing together partners from all over the world for different meetings and events where the network is built and

solidified is definitely a costly enterprise. At the same time, the potential benefits stemming from their successful advocacy are huge. As a mere example, a campaign by the National Campaign for Dalit Human Rights (NCDHR) in India led to the government returning \$98 million that had been diverted from their original purpose in favour of programs and services benefitting approximately 2.4 million Dalits. Other research supported by IBP has shown that increases in budget transparency are associated with improved government credit ratings, which can save developing country governments large amounts of money in interest payments, which can then be invested in poverty-reducing programs.

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### Most Significant Result Analysis 6 – EU budget support guidelines

GTF Number	334
Grant Holder	The International Budget Partnership (IBP)
<b>6.Result statement</b>	In September 2012, following extensive interaction with the IBP, the European Union (EU) issued revised guidelines for its budget support operations in countries that receive EU development assistance. The revised guidelines include budget transparency and oversight as one of its four eligibility criteria.

#### 2.Context and Theory of Change

The IBP works to make government budget systems more transparent and accountable to citizens. This work is based on the belief that transparency and accountability, apart from being a key aspect of good governance, can make budgets more responsive to the needs of poor and marginalised sectors of the population. Ultimately this can contribute to poverty reduction. While we know that many different factors influence governments' willingness to make budgets more transparent and accountable, over the years we have identified international donor agencies as one of the actors that need to be convinced of the importance of opening up government budgets to public scrutiny.

In low-income countries that depend heavily on foreign aid to finance public spending, international donor agencies play an important role in shaping public policies, including recipient government budgets. They do so through direct dialogue with recipient governments, through financing of targeted projects and programmes, and through the promotion and support of specific policy reforms. In recent years, donor agencies have increasingly focused on strengthening the quality of recipient country budget systems. This has been the case especially when donor agencies channel foreign aid through these budget systems, as in the case of sector-specific or general budgetary support. These types of support are meant to improve fiscal management, support the recipient governments' own policy priorities, and promote domestic accountability mechanisms. As a consequence, over the past few years, the need for more transparency and effective oversight in budget systems has received more attention in donor policies and programming. For example, the IMF first published its *Code of Good Practices on Fiscal Transparency* in 1998, and since then it has promoted fiscal transparency assessments and reforms throughout the world. More recently, the UK's DFID decided to place more emphasis on budget transparency as a key precondition for receiving budget support, and to commit five percent of budget support resources to interventions aimed at improving domestic accountability.

The success of these efforts ultimately depends upon the willingness of governments to actually publish budget reports and involve citizens in decision-making around budgets. We believe that

governments seek international legitimacy and credibility, and a poor performance on a high profile survey like the Open Budget Survey shows them in a poor light. A low performance on the Survey also incentivizes improvements in budget transparency. This is also true of low-income countries that need to comply with donor requirements, and that want to be seen by their international partners to be improving the quality of their budget systems. Making these improvements can give these countries increased access to more flexible aid modalities such as general budget support.

The influence that international actors have on governments varies from country to country, but evidence collected by the IBP shows that in low-income, aid-dependent countries like Afghanistan, DRC, and Honduras, donor agencies play an important role in promoting budget transparency (see [http://internationalbudget.org/ibp\\_publication\\_categories/impact-of-civil-society-on-budgets/](http://internationalbudget.org/ibp_publication_categories/impact-of-civil-society-on-budgets/)). Given the influence that donors have on encouraging governments to open up their budget books, the IBP has put an increasing emphasis on presenting the results of the Open Budget Survey to donor agencies. This has been done in the hope that donor agencies will incorporate them in their operational work, and encourage governments in aid-dependent countries, which are often among the least transparent, to become more transparent and accountable.

In recent years, we have seen a number of encouraging signs of the role of international actors in promoting budget transparency, including:

- donors recognizing the importance of budget transparency as a key aspect of good governance and domestic accountability;
- explicit benchmarking of budget transparency practices in budget support operations – as shown in the case of DFID above, but also with the World Bank and the European Union; and
- increased support to domestic accountability actors, including parliaments, audit institutions, civil society, and the media.

In all these areas, the IBP has been at the forefront of international efforts to push donors to engage more and in better ways in support of budget transparency, participation, and accountability. Given that the European Union is one of the largest providers of budget support, working with them became an obvious priority for the IBP when it heard of the budget support guidelines revision.

Inevitably, there is no guarantee that governments will respond positively to donor pressure. There is also a risk that they might implement limited reforms that are enough to satisfy donor requirements but fall far short of real improvements in budget accountability. In some cases, we have seen governments publish Citizens Budgets without any consultations with civil society actors, nor any proactive dissemination of these documents. Both actions had been recommended by external actors, including the IBP. Another potential risk is that donors will set budget transparency benchmarks that are too low in order to not suspend ongoing operations, or will not adopt a coherent approach in pushing for increased budget transparency. This can limit the incentive for governments to introduce transparency reforms. This is clearly true in countries that receive increasing amounts of aid from emerging donors like China, who is not interested in pushing for transparency improvements.

### **3. Approaches, methods, and tools**

As interest in budget transparency, participation, and accountability has increased in the international policy community, the IBP has devoted increasing efforts to disseminating its Open Budget Survey results among donor agencies and international organisations. Additionally, the IBP

advocates for the inclusion of budget transparency, participation, and accountability considerations in foreign aid programs (see, for example, this brief: <http://internationalbudget.org/budget-briefs/brief7/>). After the release of the 2010 and 2012 Surveys, presentations were held at the World Bank, the IMF, DFID, the European Commission, the African Development Bank, and the German and Swedish development cooperation agencies. In addition to this, there were a number of international seminars and events that saw the participation of numerous other donor agencies. As a result, several bilateral and multilateral donor agencies, and in particular their country offices, have contacted us over the years to better understand the Open Budget Index (OBI) results, and to ask for advice on how to promote budget transparency reforms at country level.

We have also targeted a series of more specific international processes including:

- joining other international civil society organizations to push for the inclusion of budget transparency in the Declaration coming out of the 4<sup>th</sup> High Level Forum on Aid Effectiveness held in Busan South Korea in late 2011;
- engaging with the World Bank after its former president Robert Zoellick declared – based on evidence provided by the IBP and its partners – that the Bank “will not lend directly to finance budgets in countries that do not publish their budgets” (speech at the Peterson Institute, April 2011). The IBP also provided advice to the Bank on how to put that principle into practice;
- spearheading the formation of the Global Initiative for Fiscal Transparency (GIFT) in 2011-2012, to mobilize an international multi-stakeholder network in favor of global norms promoting budget transparency, participation, and accountability; and
- engaging with the High-Level Panel formed by the UN Secretary General on the post-2015 development framework, to push for the inclusion of budget transparency targets and indicators in the ‘new MDGs.’ This includes working on developing an approach that donors interested in promoting transparency should adopt, combining benchmarks, incentives, and capacity building.

This combination of wide dissemination and targeted advocacy has proven fruitful, as it has brought increased recognition for our Open Budget Survey, and established the IBP as one of the intellectual and practice leaders in this field.

#### **4. The experience of implementation**

As indicated above, the European Union is one of the main providers of budget support to low-income countries, therefore playing an important role in influencing government policies throughout the developing world. In 2010, the IBP made a joint submission with Global Witness to the EU commenting on the initial draft of their new policy on budget support operations. Following that, in early 2011 the EU contacted the IBP to seek advice and inputs on the new policy and its related guidelines. We provided extensive ideas and material, and took part in an expert workshop where various options were discussed. The Communication that the European Commission sent to the European Parliament in October 2011, titled “The future approach to EU budget support to third countries” (available here: [http://ec.europa.eu/europeaid/how/delivering-aid/budget-support/documents/future\\_eu\\_budget\\_support\\_en.pdf](http://ec.europa.eu/europeaid/how/delivering-aid/budget-support/documents/future_eu_budget_support_en.pdf)), included an additional eligibility criterion on ‘transparency and oversight of the budget’ that recipient countries need to comply with in order to receive EU budget support. This criterion recognized that “the public availability of budgetary information is essential for promoting greater scrutiny of the budget.” In a number of email exchanges, the important role that the IBP and the Open Budget Survey played in shaping the European Commission’s views was repeatedly recognized.

During 2012, the Commission continued to seek IBP's inputs into the operational guidelines that were meant to specify how the new eligibility criterion was to be applied in practice. These detailed guidelines were finally published in September 2012, and included many of the recommendations provided by the IBP, as well as language that was directly taken from IBP documents and reports. They also cited the Open Budget Index as one of the key "International assessments [that] should be used as guideposts for the independent assessments of the EU Delegations, in particular for the identification of key weaknesses and the definition of a country specific baselines [for budget transparency] during the formulation phase" (see: [http://ec.europa.eu/europeaid/how/delivering-aid/budget-support/documents/budget\\_support\\_guidelines\\_part-2\\_en.pdf](http://ec.europa.eu/europeaid/how/delivering-aid/budget-support/documents/budget_support_guidelines_part-2_en.pdf), page 41).

One of the key constraining factors for the EU was the fact that it already had budget support operations in place in a large number of countries. Therefore, the EU ended up choosing a minimum eligibility benchmark that was low enough to allow many countries to continue qualifying for continued budget support. While the IBP had suggested including the publication of both the Executive Budget Proposal and the Audit Report as key benchmarks for all receiving governments, the EU settled for a much lower standard. Their benchmark simply required the publication of either the Executive Budget Proposal or the Enacted Budget. While this is an important benchmark, to be followed by agreed gradual improvement plans, it limits the potential impact of budget transparency improvements on the capacity of citizens to hold their governments accountable for the use of public resources. The agreement on gradual improvement plans, and their subsequent monitoring, will be a key aspect of the implementation of the new EU policy, one that the IBP intends to follow closely. The EU has already expressed an interest in collaborating with the IBP and country-based civil society groups on starting a dialogue with African governments falling below the minimum benchmark for budget support. The objective of this dialogue will be to apply more pressure to open up their budgets.

### 5. Long-term impact on people's lives

The long-term impact of this result will crucially depend on three things: 1) the way in which the EU will apply its revised budget support guidelines in practice, 2) how much the EU will apply its revised budget support guidelines in practice, and 3) how recipient governments will respond. Improvements in budget transparency will provide citizens with critical information to which they have not previously had access. This information can include the government's budget plans and priorities as well as the implementation of the national budget. The publication of these documents can significantly enhance the opportunities citizens and civil society organizations have to monitor and influence government decisions on the use of public funds. Citizens will have more opportunities to monitor government budgets and to identify whether or not budget plans reflect their priorities and whether the budgets have been implemented as planned.

### 6. Strength of evidence that result was achieved

Principle	Criteria	1	2	3	4	N/A	Comments / evidence	Score
1) Voice and Inclusion	1a. Are the perspectives of the most excluded and marginalised groups included in the evidence?					X	The IBP's international advocacy activities are targeted at influencing the policies and interventions of powerful global players and processes. Its arguments are based on poor people's perspectives, but the inclusion of beneficiaries' perspectives is not directly relevant in this context.	N/A

<p>We present beneficiaries' views on the effects of the intervention, and identify who has been affected and how</p>	<p><b>1b.</b> Are findings disaggregated according to sex, disability and other relevant social differences?</p>					x	<p>The Open Budget Survey does not assess budget transparency for specific demographics. However, the Survey is built on the assumption that transparent and responsive budget practices can have a profound effect on the well-being of poor and marginalized communities.</p>	N/A
<p><b>Total score for voice and inclusion:</b></p>								N/A
<p><b>2) Appropriateness</b></p>	<p><b>2a.</b> Are the data collection methods relevant to the purpose of the enquiry and do they generate reliable data?</p>					x	<p>The data on which our assessment of the results achieved through advocacy with the EU consist of direct statements by EU officials recognizing the importance of our work and the influence it has had on EU policies and guidelines. You can also cite the EU policy document.</p>	4/4
<p>We use methods that are justifiable given the nature of the intervention and purpose of the assessment</p>	<p><b>2b.</b> Are the data analysed in a systematic way that leads to convincing conclusions?</p>					x	<p>The data on which our assessment of the results achieved through advocacy with the EU consist of direct statements by EU officials recognizing the importance of our work and the influence it has had on EU policies and guidelines.</p>	4/4
<p><b>Total score for appropriateness:</b></p>								8/8
<p><b>3) Triangulation</b></p>	<p><b>3a.</b> Are different data collection methodologies used and different types of data collected?</p>					X	<p>Given the direct contact with EU officials responsible for drafting the policies and guidelines that incorporated our work and recommendations, there is no need to use different data collection methodologies.</p>	N/A
<p>We make conclusions about the intervention's effects by using a mix of methods, data sources, and perspectives</p>	<p><b>3b.</b> Are the perspectives of different stakeholders compared and analysed in establishing if and how change has occurred?</p>					x	<p>The IBP has spoken to a number of different EU officials to confirm the finding that our work had a direct influence on EU policies and guidelines regarding budget support.</p>	4/4
<p><b>Total score for triangulation:</b></p>								4/4

<p><b>4) Contribution</b></p> <p>We can show how change happened and explain how we contributed to it</p>	<p><b>4a.</b> Is a point of comparison used to show that change has happened (eg. a baseline, a counterfactual, comparison with a similar group)?</p>				x		<p>There is a clear before/after situation, consisting of the drafting, approval, and release of revised policies and guidelines on EU budget support operations. Previous guidelines did not explicitly include budget transparency and oversight as one of the eligibility criteria.</p>	4/4
	<p><b>4b.</b> Is the explanation of how the intervention contributes to change explored?</p>				X		<p>There is a very clear and direct link between the IBP's intervention and the policy change seen at the EU.</p>	4/4
	<p><b>Total score for contribution:</b></p>							
<p><b>5) Transparency</b></p> <p>We are open about the data sources and methods used, the results achieved, and the strengths and limitations of the evidence</p>	<p><b>5a.</b> Is it clear who has collected and analysed the data, and is any potential bias they may have explained and justified?</p>				x		<p>No data collection as such has been undertaken for this result. Email trails and EU officials' statements are the main proof of the impact of IBP advocacy.</p>	N/A
	<p><b>5b.</b> Is there a clear logical link between the conclusions presented and the data collected?</p>				x		<p>No data collection as such has been undertaken for this result. Email trails and EU officials' statements are the main proof of the impact of IBP advocacy.</p>	N/A
	<p><b>Total score for transparency:</b></p>							
<b>Total Score for Result :</b>								<b>20/20</b>

## 7. Value for money

The IBP has spent very limited resources on achieving this result. A few person-days for three staff members over 2011 and 2012 were devoted to providing the European Commission with specific inputs and recommendations. These recommendations contributed to the changes seen in EU policies and guidelines on budget support operations. This may be difficult to quantify in monetary terms, but it could be considered to be very valuable should the EU manage to effectively promote increases in budget transparency and oversight in budget support countries. These increases could bring about lower corruption levels and increased efficiency and effectiveness of public spending.