

Changes in the Open Budget Survey Methodology and Revisions of the Open Budget Index and Survey Databases

Based on inputs received from researchers and extensive in-house reviews, the International Budget Partnership (IBP) has made three changes in the methodology applied to its Open Budget Survey, which is the basis for the Open Budget Index (OBI). The first change concerns the timing of the release of the eight key budget documents assessed by the Survey. The second change is the inclusion of the enacted budget in calculating country scores for the OBI. The third change is based on comments received from experts from Brazil and Nigeria that resulted in revisions to the answers of a few questions used to assess these countries. Each of these changes is described in greater detail below.

1. Definition of Publicly Available Documents

In order to qualify as a publicly available document, the Open Budget Survey requires a budget document to be available to any and every member of the public who requests it from the source; it also requires the documents to be published by a date certain. This latter requirement is crucial as it involves an assessment of whether the public obtains access to budget documents in sufficient time prior to the conduct of the relevant budget decision making process to inform their involvement in that process.

Given the importance of the timely release of budget information, IBP decided to define clearer time limits within which each of the eight key budget documents is considered to be available in a timely fashion to the public. In doing so, IBP answered one question posed to it by researchers: “how late can a budget document assessed by the Open Budget Survey be made public and still allow sufficient time for meaningful participation by the public in decisions that are taking place pertaining to that document?” If a document is released after the revised time limits defined in the modified Open Budget Survey methodology, that document is considered to be ‘Produced but Not Available to the Public.’

IBP is currently applying these criteria to the Open Budget Survey 2010, the results of which will be released in October 2010. In order to maintain consistency in the assessments made in each of the previous rounds of the Open Budget Survey, IBP has applied its revised methodology to reassess the Survey results released in 2006 and 2008.

A list containing new time limits within which the key budget documents assessed in the Open Budget Survey should be published is provided below. The list contains six budget documents since there has been no change in the methodology used to assess the Pre-Budget Statement and the Executive’s Budget Proposal.

- Enacted Budget: The document must be made public no later than three months after its approval.
- Citizens Budget: Since this document can be based on either the Executive’s Budget Proposal or the Enacted Budget, to be considered publicly available, it has to be released alongside (or around the same time as) those documents – provided of course that those documents are released within the time limits set by the Open Budget Survey.

- In-Year Reports: These documents must be made public no later than three months after the end of the reporting period they cover.
- Mid-Year Review: This document must be made public no later than three months after the end of the reporting period.
- Year-End Reports: These documents must be made public no later than two years after the end of the reporting period.
- Audit Report: This document must be made public no later than two years after the end of the reporting period.

As mentioned above, in order to maintain consistency among iterations of the Open Budget Survey, IBP has applied these revised criteria to the Open Budget Surveys for 2006 and 2008. This has affected the Open Budget Index scores for some countries, which will be reflected in revised databases published by the IBP. All changes in the previous Open Budget Surveys are described below.

Open Budget Survey Database 2006

- *Czech Republic*: The Mid-Year Review was not released within three months of the end of the reporting period and therefore this document is now considered as “produced but not available.” As a consequence, the sub-score for this document changed from 83 to 0 and the overall Open Budget Index score for the Czech Republic changed from 64 to 61 points.
- *Namibia*: The Audit Report used to complete the Open Budget Survey 2006 was made public more than two years after the end of the reporting period. Therefore, this document is not considered as publicly available. The sub-score for this document changed from 25 to 0, while the overall Open Budget Index score for Namibia changed from 51 to 50 points.

Open Budget Survey Database 2008

- *Czech Republic*: The Mid-Year Review was not released within three months of the end of the reporting period and therefore this document is now considered as not publicly available. As a consequence, the sub-score for this document changed from 92 to 0 and the overall Open Budget Index score changed from 66 to 62 points.
- *Malawi*: The Audit Report used to complete the Open Budget Survey 2008 was released to the public more than two years after then end of the reporting period. Therefore, the sub-score for this document changed from 58 to 0 and the overall Open Budget Index score for Malawi changed from 29 to 27 points.

2. Inclusion of the Enacted Budget in the Open Budget Index Scores

In the Open Budget Survey 2006, the Enacted Budget was available for all 59 countries included in the Survey. Since all countries obtained the same score for this document, IBP did not use country scores for this document in the calculation of the Open Budget Index 2006.

In the subsequent round of the Survey, the Open Budget Survey 2008, IBP found that some countries did not release the budget even after it was approved by the legislature. To maintain consistency in the assumptions used to calculate the 2006 and 2008 Open Budget Indices, IBP decided to exclude the scores from the Enacted Budget in the Open Budget Index 2008. However, IBP recognizes that there are differences in the performance of countries on the Open Budget

Survey if scores from the Enacted Budget are included in calculating the Open Budget Index. Therefore, IBP has decided to include in calculations of a country's total Index score the score for the only question on Enacted Budgets that is part of the Open Budget Questionnaire (Question 81 in 2008, Question 83 in 2006). The inclusion of scores from these questions has resulted in revisions in the Open Budget Indices for 2006 and 2008.

Based on these revisions, scores for all but one country included in the Open Budget Survey 2006 have slightly improved; the only country whose score decreased (by one point) is Bangladesh. The improvements are more visible for those countries at the bottom of the rankings, as the marginal value of a positive answer is greater for them. Given that the increase due to the availability of the Enacted Budget is extremely small (since there are 92 questions included in calculating the Open Budget Index and the maximum score that any country can achieve is 100 points in total), for many countries, the overall Index score remains unchanged (scores for only 20 countries changed).

For countries included in the Open Budget Survey 2008, this change reduced Index scores of a few countries that do not release the Enacted Budget, namely China, Equatorial Guinea, Saudi Arabia, and Sudan. Scores for all but one (Namibia) of the remaining countries that were included in the Open Budget Survey 2008 remained the same (50 countries) or increased (30 countries).

3. Additional Revisions to the Scores of Brazil and Nigeria

The databases of the Open Budget Survey 2006 and 2008 were changed based on comments IBP received from public finance management experts from Brazil (for the 2006 Survey) and Nigeria (for the 2008 Survey). These changes are detailed below.

Open Budget Survey Database 2006

Brazil's score in the Open Budget Index 2006 changed because of revisions in the answers to the following questions in the Open Budget Questionnaire 2006 used to assess Brazil: Questions 54, 62, 99, and 118. A description of the changes made in each of these questions is available in the revised questionnaire for Brazil that is posted on IBP's website at www.openbudgetindex.org. Changes in the assessments of these questions resulted in the Open Budget Index score for Brazil increasing from 73 to 74 points, and the sub-score for the Executive's Budget Proposal for Brazil increasing from 79 to 80 points.

Open Budget Survey Database 2008

The score for question 114 of Nigeria's questionnaire was changed from "b" to "a." However, this did not affect its Open Budget Index score because scores from this question are not included in calculating the Open Budget Index. A description of this change is available in the revised questionnaire for Nigeria that is posted on IBP's website at www.openbudgetindex.org.