

OPEN BUDGET INDEX SCORE  
— OUT OF 100 —

81-100 Extensive

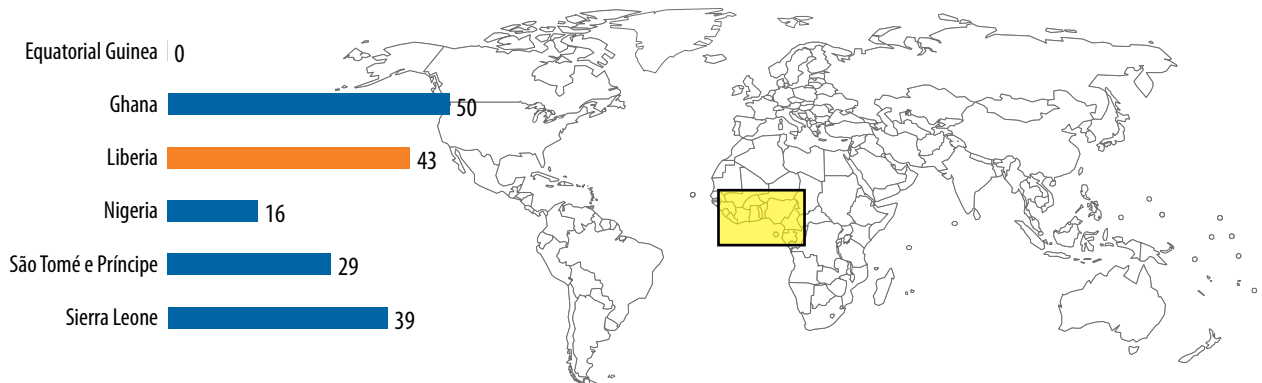
61-80 Substantial

41-60 Some

21-40 Minimal

0-20 Scant or None

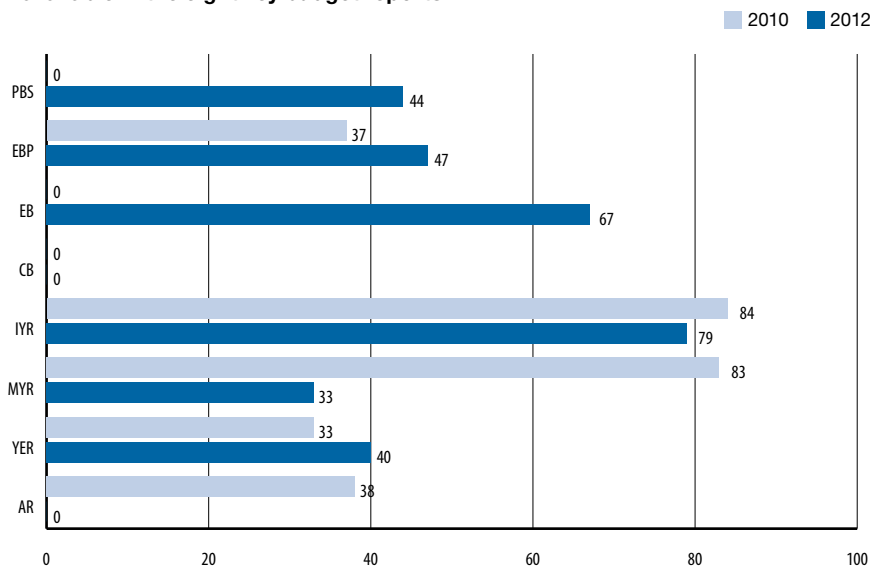
### How does Liberia compare to its neighbors in West Africa?



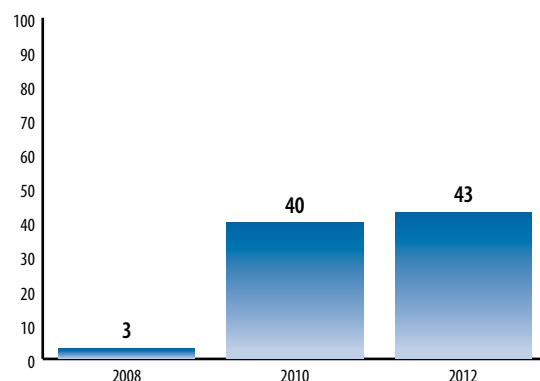
### What are each of the eight key budget documents, and does the public have access to them?

Document	Description of Document	Publication Status
<b>PBS</b>	<b>Pre-Budget Statement:</b> Provides information that links government policies and budgets and typically sets forth the broad parameters that will define the budget proposal that is presented to the legislature.	Published
<b>EBP</b>	<b>Executive's Budget Proposal:</b> Presents the government plans to raise revenues through taxes and other sources and spend these monies to support its priorities, thus transforming policy goals into action.	Published
<b>EB</b>	<b>Enacted Budget:</b> The legal instrument authorizing the executive to raise revenues, make expenditures, and incur debt.	Published
<b>CB</b>	<b>Citizens Budget:</b> A nontechnical presentation to enable broad public understanding of a government's plans for raising revenues and spending public funds in order to achieve policy goals.	Not Produced
<b>IYR</b>	<b>In-Year Reports:</b> Periodic (monthly or quarterly) measures of the trends in actual revenues, expenditures, and debt, which allow for comparisons with the budget figures and adjustments.	Published
<b>MYR</b>	<b>Mid-Year Review:</b> An overview of the budget's effects at the midpoint of a budget year and discusses any changes in economic assumptions that affect approved budget policies.	Published
<b>YER</b>	<b>Year-End Report:</b> Information comparing the actual budget execution relative to the Enacted Budget.	Published
<b>AR</b>	<b>Audit Report:</b> Independent evaluation of the government's accounts by the country's supreme audit institution. It typically assesses whether the executive has raised revenues and spent monies in line with the authorized budget, and whether the government's accounts of its revenues and expenses are accurate and provide a reliable picture of the fiscal situation.	Not Produced

### From Zero to 100: Has Liberia increased the amount of information it makes available in the eight key budget reports?



### OBI scores over three Surveys



## Open Budget Index

The **Open Budget Survey** assesses whether the central government in each country surveyed makes eight key budget documents available to the public, as well as whether the data contained in these documents is comprehensive, timely, and useful. The Survey uses internationally accepted criteria to assess each country's budget transparency developed by multilateral organizations, such as the International Monetary Fund (IMF), the Organization for Economic

Co-operation and Development (OECD), and the International Organization of Supreme Audit Institutions (INTOSAI).

The scores on 95 of the 125 Open Budget Survey questions are used to calculate objective scores and rankings of each surveyed country's relative transparency. These composite scores constitute the Open Budget Index (OBI), the world's only independent and comparative measure of budget transparency.

Liberia's score is 43 out of 100, which is the same as the average score of 43 for all the 100 countries surveyed, but is below the score of its neighbor Ghana. Liberia's score indicates that the government provides the public with only some information on the national government's budget and financial activities during the course of the budget year. This makes it challenging for citizens to hold the government accountable for its management of the public's money.

**Liberia's OBI 2012 score of 43 has increased by 3 points from its score of 40 on the OBI 2010.**

The Open Budget Index is composed of subscores for each of the eight key budget documents assessed in the Survey. These subscores represent the average of the scores received on a set of questions in the Survey that measure the public availability of and amount of information in the documents. The subscores are comparable across all of the countries included in the Survey.

### Recommendations

Liberia's score on the Open Budget Index has largely remained constant in each round of the Open Budget Survey. However, with a score of 43 out of 100 on the Open Budget Index 2012, the government of Liberia has the potential to greatly expand budget transparency by introducing a number of short-term and medium-term measures, some of which can be achieved at almost no cost to the government.

The International Budget Partnership recommends that Liberia undertake the following steps to improve budget transparency:

- Produce and publish a Citizens Budget. Detailed guidance on the contents of this document can be found in this guidebook: <http://bit.ly/QGzFmJ>. According to the Open Budget Survey 2012, 26 countries publish a Citizens Budget, although no country in the West African region currently produces the document.
- Produce and publish an Audit Report. Detailed guidance on the contents of this document can be found in this guidebook:

<http://bit.ly/QGzHv8>). As per the Open Budget Survey 2012, 68 countries publish an Audit Report, including Liberia's neighbors Ghana and Sierra Leone. Links to the budget documents published by these countries can be accessed from the IBP's website: <http://bit.ly/P8NPOV>.

- Increase the comprehensiveness of the Executive's Budget Proposal, specifically by focusing on providing information on the following areas:
  - estimates of the aggregate level of expenditure for a multi-year period (see questions 5-6 of the Open Budget Questionnaire);
  - anticipated revenues for at least two years beyond the budget year and the year prior to the budget year (see questions 9-10 of the Open Budget Questionnaire);
  - composition of government debt and information related to the government debt for two years prior to the budget year (see questions 13 and 34 of the Open Budget Questionnaire);
  - estimates of the aggregate level of revenues for more than one year prior to the budget year (see questions 30-32 of the Open Budget Questionnaire)
  - macroeconomic forecasts and assumptions used in developing the budget (see questions 14-15 of the Open Budget Questionnaire);
  - linking the budget to the government's stated policy goals for the budget year and future year, performance targets and information on policies that are intended to benefit directly the country's most impoverished populations (see questions 16-17, 49, 51, and 53-55 of the Open Budget Questionnaire); and
  - extra-budgetary funds, intergovernmental transfers, transfers to public corporations, quasi-fiscal activities, financial and non-financial assets, expenditure arrears, contingent and future liabilities, tax expenditures, and earmarked revenues (see questions 35-43 and 45-46 of the Open Budget Questionnaire).
- Increase the comprehensiveness of the Pre-Budget Statement by describing the government's macroeconomic and fiscal framework in it and by describing the government's policies and priorities that will guide the development of detailed estimates for the upcoming budget (see questions 61 and 62 of the Open Budget Questionnaire).
- Increase the comprehensiveness of the Mid-Year Review by providing an extensive discussion of the economy that includes a

revised forecast for the full fiscal year and its effects on the budget; by updating expenditure estimates for the full fiscal year and providing extensive information on why estimates have changed from the original enacted levels; by providing program-level detail for expenditures; and by providing updated revenue estimates for the full fiscal year, with extensive information on why estimates have changed from the original enacted levels (see questions 73-76 of the Open Budget Questionnaire).

- Increase the comprehensiveness of the Year-End Reports by providing audited data on the actual outcomes; by explaining differences between the original macroeconomic forecast, original estimates of nonfinancial data, original performance indicators, and enacted levels of funds intended to benefit the poor in the country and their actual outcomes, along with actual outcomes for extra-budgetary funds (see questions 78, 80, and 82-86 of the Open Budget Questionnaire).

## Strength of Legislatures and Supreme Audit Institutions in Budget Oversight

The Open Budget Survey examines the extent of effective oversight provided by legislatures and supreme audit institutions (SAIs). These institutions play a critical role — often enshrined in national constitutions — in planning and overseeing the implementation of national budgets.

The Open Budget Survey assesses whether legislatures provide effective budget oversight by measuring performance on 11 indicators, including: consultations with the executive prior to the tabling in the legislature of the draft budget, research capacity, formal debate on overall budget policy, time available to discuss and approve the budget, legal authority to amend the budget proposal, approval of shifts in expenditure budget and excess revenues collected, supplemental budget powers, authority to approve use of contingency funds, and scrutiny of audit reports.

The Open Budget Survey assesses whether supreme audit institutions are empowered to provide effective budget oversight by using the following four indicators: authority to remove the head of the supreme audit institution, legal power to audit public finances, financial resources available, and availability of skilled audit personnel.

## Recommendations

The International Budget Partnership recommends that Liberia undertake the following actions to improve budget oversight:

- The executive should consult with members of the legislature as part of its process of determining budget priorities; the legislature should formally debate the overall budget policy prior to the tabling of the Executive’s Budget Proposal; the executive should be required to seek input and approval from the legislature when it shifts funds between line items, prior to using excess revenues that may become available during budget execution, and prior to using contingency funds (see questions 59, 98, 103-104, and 106-107 of the Open Budget Questionnaire).
- Empower the supreme audit institution by the following actions: require the final consent of the legislature or judiciary to remove the head of the SAI (see question 90 of the Open Budget Questionnaire).

### Liberia has average budget oversight and engagement among countries in West Africa

Country	Legislative Strength	SAI Strength	Public Engagement
Equatorial Guinea	Weak	Weak	Weak
Ghana	Strong	Strong	Moderate
Liberia	Moderate	Strong	Weak
Nigeria	Strong	Strong	Weak
São Tomé e Príncipe	Moderate	Moderate	Weak
Sierra Leone	Weak	Strong	Weak

**Strong:** average score above 66 of 100; **Moderate:** average score between 34 and 66; **Weak:** average score below 34

## Opportunities for Public Participation

Research and advocacy experience of civil society over the past 15 years has demonstrated that transparency by itself is insufficient for improving governance. Transparency along with opportunities for public participation in budgeting can maximize the positive outcomes associated with open budgeting. Therefore, the Open Budget Survey assesses opportunities available to the public to participate in national budget decision-making processes. Such opportunities can be provided throughout the budget cycle by the executive, legislature, and supreme audit institution.

Based on these indicators, the Open Budget Survey 2012 finds that opportunities for public participation in the budget process in Liberia are limited.

### Liberia has much room to improve public participation

Requirement	Finding
<b>Process Followed Before Consultation</b>	
Formal requirement for public participation (Q114)	Does not exist
Articulation of purposes for public participation (Q115)	Does not exist
Communication by the SAI of audit findings beyond publication of audit reports (Q124)	Does not exist
<b>Process of Consultation</b>	
Mechanisms developed by the executive for participation during budget planning (Q116)	Does not exist
Public hearings in the legislature on macroeconomic budget framework (Q119)	Exists but is weak
Public hearings in the legislature on individual agency budgets (Q120)	Exists but is weak
Opportunities in the legislature for testimonials by the public during budget hearings (Q121)	Exists but is weak
Mechanisms developed by the executive for participation during budget execution (Q117)	Does not exist
Mechanisms developed by the SAI for participation in audit agenda (Q123)	Exists but is weak
<b>Process Followed After Consultation</b>	
Feedback by the executive on use of inputs provided by the public (Q118)	Does not exist
Release by the legislature of reports on budget hearings (Q122)	Does not exist
Feedback by the SAI on use of inputs provided by the public (Q125)	Does not exist

## Recommendations

The International Budget Partnership recommends that Liberia expand public engagement in budgeting after considering the Open Budget Survey indicators on which the country performs poorly (see table below and questions 114-125 in the Open Budget Questionnaire).

## Description of Survey, Methodology, Reliability, and Researcher Contact Information

The Open Budget Survey is a fact-based research instrument that uses easily observable phenomena to assess what occurs in practice. The research conclusions are typically supported by citations and comments, including reference to a budget document, a law, or other public document; a public statement by a government official; or comments from a face-to-face interview with a government official or other knowledgeable party. The Survey is compiled from a questionnaire completed for each country by independent budget experts who are not associated with the national government. Each country's questionnaire is then independently reviewed by two anonymous experts who also have no association with government. In addition, the IBP invites national governments to comment on the draft results from the Survey and considers these comments before finalizing the Survey results. The entire research process for 2012 took over 18 months between July 2011 and December 2012 and involved approximately 400 experts.

The Open Budget Survey provides a reliable source of data on national budget transparency practices for governments, development practitioners, the media, and citizens. Current users of the Survey results include the Open Government Partnership, Collaborative Africa Budget Reform Initiative, INTOSAI, the World Bank in its Worldwide Governance Indicators, and a number of bilateral aid agencies and international and regional multilateral bodies. The publication of the Open Budget Survey 2012 has reinforced the Survey's preeminent position as a global data repository on budget transparency, participation, and accountability.

Research to complete this country's Open Budget Survey was undertaken by G. Jasper Cummeh III Carolyn Myers Zoduah, Programme Manager, Actions for Genuine Democracy Alternatives (AGENDA), Top Floor West, Fofana Building, 26 Benson Street, Monrovia, Liberia, [jascum2001@yahoo.com](mailto:jascum2001@yahoo.com).

The Liberian government has provided its comments on the draft Open Budget Questionnaire results for the country.