

OPEN BUDGET INDEX SCORE  
— OUT OF 100 —

81-100 Extensive

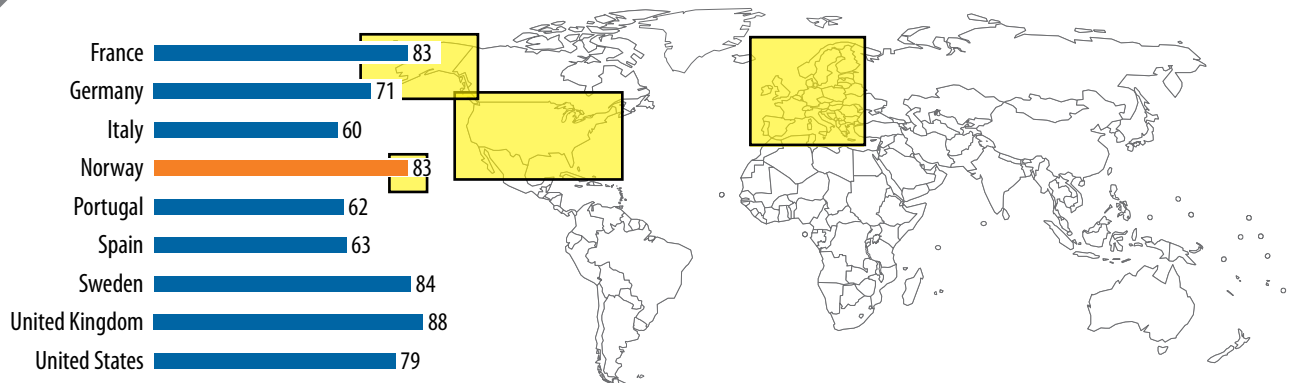
61-80 Substantial

41-60 Some

21-40 Minimal

0-20 Scant or None

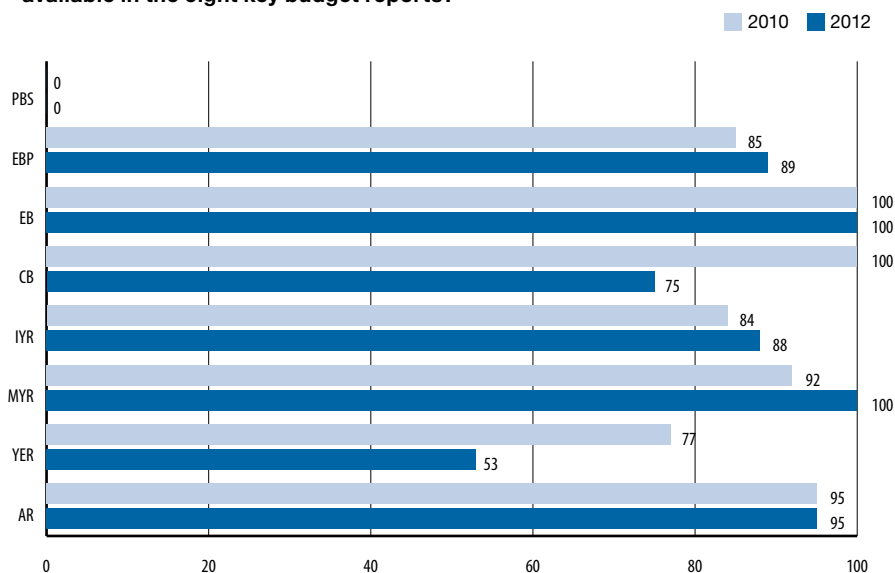
### How Norway compares to its neighbors in Western Europe & the U.S.?



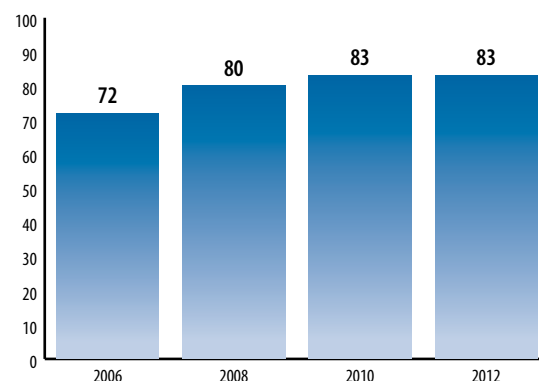
### What are each of the eight key budget documents, and does the public have access to them?

| 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.   | Produced for Internal Use |
| <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.   | Published                 |
| <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. | Published                 |

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



### OBI scores over four 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.

Norway ranks fifth on the Open Budget Index with a score of 83 out of 100, which is significantly higher than the average score of 43 for all the 100 countries surveyed. Norway's score indicates that the government provides the public with extensive information on the national government's budget and financial activities during the course of the budget year. This makes it possible for citizens to hold the government accountable for its management of the public's money.

**Norway's OBI 2012 score of 83 has not changed from its score 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

Norway's score on the Open Budget Index has remained stable during the last two rounds of the Open Budget Survey. With a score of 83 out of 100, Norway maintains a very high degree of budget transparency. Although Norway is a leader in open budgeting, the International Budget Partnership recommends that it undertake the following steps to further expand budget transparency:

- Publish the Pre-Budget Statement, which it currently produces for internal use (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, 47 countries publish a Pre-Budget Statement, including Norway's neighbors France, Germany, Italy, Portugal, Sweden, and the United Kingdom. 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:
  - presenting all expenditures by functional and economic classification that is compatible with international standards for the budget year and the year prior to the budget year and adjust prior-year data to be comparable to the current budget year's data (see questions 2-3, 19-20, and 26);
  - presenting extensive information on the impact of macro-economic assumptions on the budget, including both a narrative discussion and quantitative estimates (see question 15 of the Open Budget Questionnaire);
  - provide multi-year revenue estimates for individual sources of revenue, and by revenue classification, such as tax and non-tax (see question 10 of the Open Budget Questionnaire);
  - linking the budget to the government's stated policy goals for future years, nonfinancial information and performance indicators, used in conjunction with performance targets in all expenditure programs (see questions 49-51 and 53-54 of the Open Budget Questionnaire); and
  - quasi-fiscal activities, non-financial assets, and future liabilities (see questions 38, 40, and 43 of the Open Budget Questionnaire).
- Improve the quality of the Citizens Budget by producing Citizens Budgets at each of the four stages of the budget process and ensure that data reflects the outstanding debt for both at the start of the budget year as well as for the end of the budget year (see questions 111-112 of the Open Budget Questionnaire).
- Improve the comprehensiveness of In-Year Reports by providing comparisons on all expenditures and information on debt composition, such as interest rates on the debt, maturity profile of the debt, currency denomination of the debt, or whether it is domestic or external debt (see questions 66 and 70-71 of the Open Budget Questionnaire).
- Increase the comprehensiveness of Year-End Reports by providing audited data on actual outcomes as well as for actual expenditures; by explaining differences between actual outcomes of expenditures or revenue with the following: original estimates of

nonfinancial data, original macroeconomic forecast, original performance indicators, and enacted levels of funds intended to benefit the poor in the country and their actual outcome (see questions 78-80 and 82-85 of the Open Budget Questionnaire).

- Increase the comprehensiveness of Audit Reports by releasing to the public the final audited accounts within six months or less after the end of the fiscal year (see question 87 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 Norway undertake the following actions to improve budget oversight:

- Although the overall legislative oversight in Norway is strong, the Open Budget Survey 2012 finds that this can be further strengthened, specifically holding a formal pre-budget policy debate in the legislature prior to the tabling of the Executive’s Budget Proposal and by ensuring that there is a specialized budget research office/unit attached to the legislature that has sufficient staffing, resources, and analytical capacity to carry out its tasks (see questions 97-98 of the Open Budget Questionnaire).

### Norway is among the top performers in Western Europe and the U.S. on budget oversight and engagement

| Country        | Legislative Strength | SAI Strength | Public Engagement |
|----------------|----------------------|--------------|-------------------|
| France         | Strong               | Strong       | Moderate          |
| Germany        | Strong               | Strong       | Weak              |
| Italy          | Strong               | Strong       | Weak              |
| Norway         | Strong               | Strong       | Moderate          |
| Portugal       | Moderate             | Strong       | Weak              |
| Spain          | Moderate             | Strong       | Weak              |
| Sweden         | Strong               | Strong       | Moderate          |
| United Kingdom | Moderate             | Strong       | Moderate          |
| United States  | Strong               | Strong       | Moderate          |

**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 there are moderate opportunities for public participation in the budget process in Norway.

### Norway has room to improve public participation

| Requirement   | Finding                      |
|---|------------------------------|
| <b>Process Followed Before Consultation</b>   |                              |
| Formal requirement for public participation (Q114)  | Exists but is weak           |
| Articulation of purposes for public participation (Q115)                                      | Exists but is weak           |
| Communication by the SAI of audit findings beyond publication of audit reports (Q124)         | Exists but is strong         |
| <b>Process of Consultation</b>  |                              |
| Mechanisms developed by the executive for participation during budget planning (Q116)         | Exists but is strong         |
| Public hearings in the legislature on macroeconomic budget framework (Q119)                   | Exists but could be improved |
| 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 could be improved |
| Mechanisms developed by the executive for participation during budget execution (Q117)        | Exists but could be improved |
| Mechanisms developed by the SAI for participation in audit agenda (Q123)                      | Exists but could be improved |
| <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)                            | Exists but could be improved |

## Recommendations

The International Budget Partnership recommends that Norway expand public engagement in budgeting after considering the Open Budget Survey indicators on which the country performs poorly (see below and questions 114-115, 117-123, and 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 Torun Reite, Scanteam, Tollbugt. 32, Oslo, Norway, [torun.reite@gmail.com](mailto:torun.reite@gmail.com).

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