

OPEN BUDGET INDEX SCORE
— OUT OF 100 —

81-100 Extensive

61-80 Substantial

41-60 Some

21-40 Minimal

0-20 Scant or None

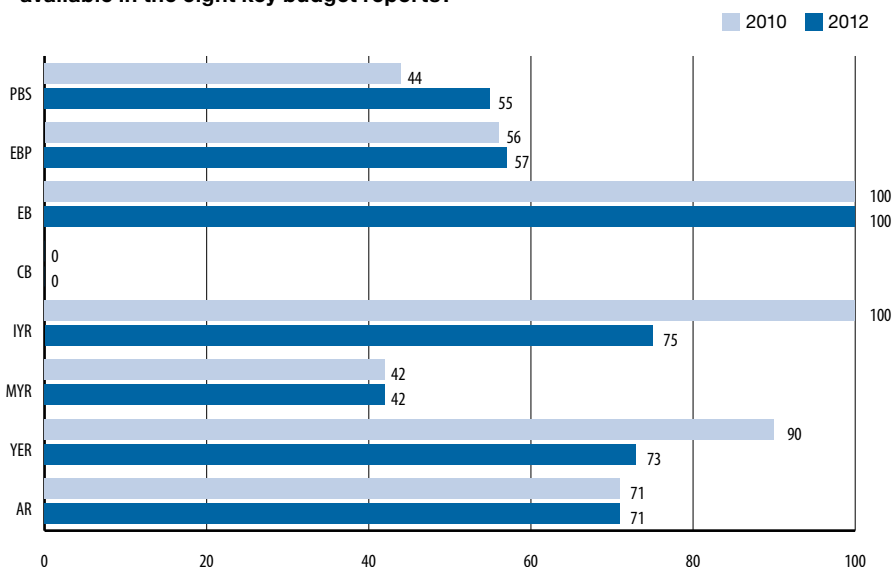
How does Poland compare to its neighbors in Central & Eastern Europe?



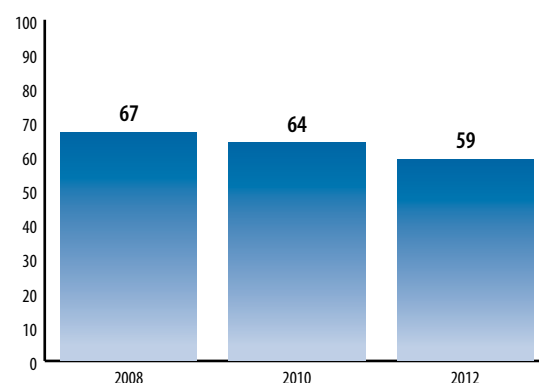
What are each of the eight key budget documents, and does the public have access to them?

Document	Description of Document	Publication Status
PBS	Pre-Budget Statement: 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
EBP	Executive's Budget Proposal: 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
EB	Enacted Budget: The legal instrument authorizing the executive to raise revenues, make expenditures, and incur debt.	Published
CB	Citizens Budget: 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
IYR	In-Year Reports: 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
MYR	Mid-Year Review: 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
YER	Year-End Report: Information comparing the actual budget execution relative to the Enacted Budget.	Published
AR	Audit Report: 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 Poland 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.

Poland's score is 59 out of 100, which is significantly higher than the average score of 43 for all the 100 countries surveyed but is lower than the scores of its neighbors, Bulgaria, the Czech Republic, Russia, and Slovakia. Poland'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.

Poland's OBI 2012 score of 59 has decreased five points from its score of 64 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

Poland's score on the Open Budget Index has consistently decreased since the first round of the Open Budget Survey, which is quite alarming. With a score of 59 out of 100 on the Open Budget Index 2012, the government of Poland 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 Poland 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>. As per the Open Budget Survey 2012, 26 countries publish a Citizens Budget, including Poland's neighbor Slovakia. 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 Pre-Budget Statement by including a discussion of the macroeconomic assumptions and fiscal framework of the upcoming fiscal year and by improving the narrative of policies of the upcoming budget (see questions 61-62 of the Open Budget Questionnaire).
- Increase the comprehensiveness of the Executive's Budget Proposal, specifically by focusing on providing information on the following areas:
 - expenditures for the budget year and prior budget years, using economic classification of data, greater detail of anticipated expenditures for at least two years beyond the budget year, previous year's expenditures, and actual expenditures two years prior to the budget year (see questions 3, 5-6, 18-21, and 23-26 of the Open Budget Questionnaire);
 - greater detail of anticipated revenues for at least two years beyond the budget year (see questions 9-10 of the Open Budget Questionnaire);
 - different macroeconomic assumptions used in developing the budget (see question 15 of the Open Budget Questionnaire);
 - linking the budget to the government's stated policy goals for the budget year and future years; improving the quality of nonfinancial information and information on policies intended to benefit directly the country's most impoverished populations (see questions 17, 48-49, 51, and 55 of the Open Budget Questionnaire); and
 - transfers to public corporations, quasi-fiscal activities, financial and non-financial assets, future liabilities, tax expenditures and percentage of the budget devoted to secret items (see questions 37-40, 43, 45, and 47 of the Open Budget Questionnaire).
- Increase the comprehensiveness of In-Year Reports by comparing actual year-to-date expenditures and revenues with either the original estimates for that period based on the enacted budget or actual expenditures for the same period in the preceding year (see questions 66 and 69 of the Open Budget Questionnaire).
- Increase the comprehensiveness of the Mid-Year Review by improving the discussion of the updated macroeconomic forecast and including more detailed updated expenditure and revenue estimates for the remaining six months of the fiscal year (see questions 73-74 and 76 of the Open Budget Questionnaire).
- Increase the comprehensiveness of the Year-End Report by audit-

ing outcomes; explaining differences between original non-financial and performance information and their actual outcomes (see questions 78 and 83-84 of the Open Budget Questionnaire).

- Improve the quality of the Audit Report by listing actions taken by the executive to address audit recommendations and providing legislators with detailed audit reports related to the security sector and other secret programs (see questions 95-96 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 Poland undertake the following actions to improve budget oversight:

- The legislature should have the internal capacity to conduct budget analyses and have a formal pre-budget policy debate prior to the tabling of the Executive's Budget Proposal; the executive should consult members of the legislature as part of its process of determining budget priorities and should be required to seek approval from the legislature prior to shifting funds between line items and prior to spending excess revenue and contingency funds (see questions 59, 97-98, 103-104, and 106 of the Open Budget Questionnaire).

Poland is not a leader in Central & Eastern Europe on budget oversight and engagement

Country	Legislative Strength	SAI Strength	Public Engagement
Bulgaria	Weak	Strong	Weak
Czech Republic	Strong	Strong	Weak
Poland	Moderate	Strong	Moderate
Romania	Moderate	Strong	Weak
Russia	Strong	Strong	Weak
Slovakia	Moderate	Strong	Weak
Turkey	Weak	Moderate	Weak
Ukraine	Strong	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 there are moderate opportunities for public participation in the budget process in Poland.

Poland has room to improve public participation

Requirement	Finding
Process Followed Before Consultation	
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)	Exists and is strong
Process of Consultation	
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 could be improved
Public hearings in the legislature on individual agency budgets (Q120)	Exists and is strong
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 could be improved
Process Followed After Consultation	
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)	Exists and is strong
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 Poland expand public engagement in budgeting after considering the Open Budget Survey indicators on which the country performs poorly (see table below and questions 114-118 and 121 of 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.

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