

TRANSPARENCY
(OPEN BUDGET INDEX)

46

OUT OF 100

The Government of Ukraine provides the public with **limited** budget information.

PUBLIC PARTICIPATION

23

OUT OF 100

The Government of Ukraine is **weak** in providing the public with opportunities to engage in the budget process.

BUDGET OVERSIGHT

79

OUT OF 100

BY LEGISLATURE
Budget oversight by the legislature in Ukraine is **adequate**.

83

OUT OF 100

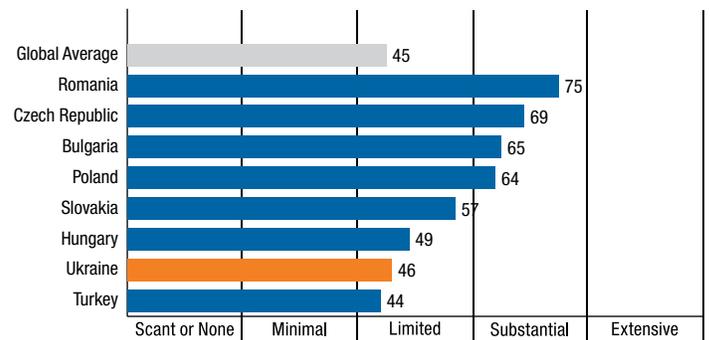
BY AUDIT
Budget oversight by the supreme audit institution in Ukraine is **adequate**.

TRANSPARENCY (OPEN BUDGET INDEX)

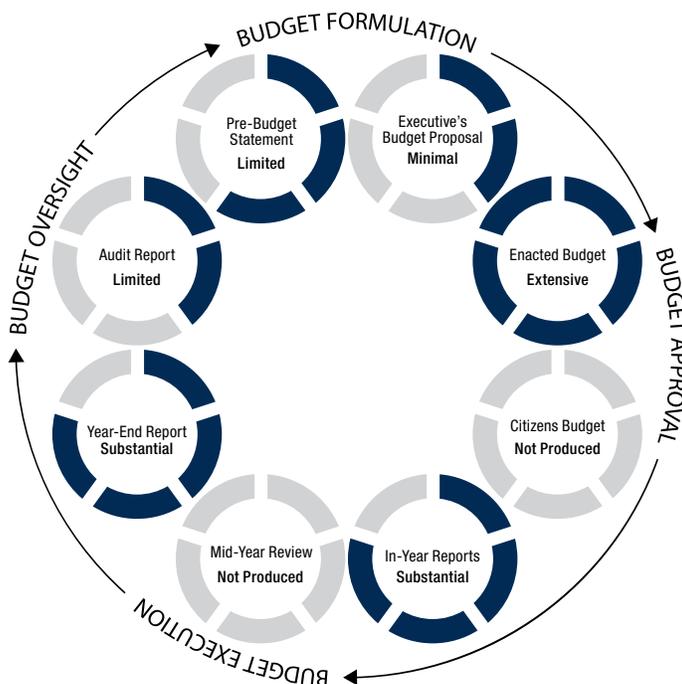
Drawing on internationally accepted criteria developed by multilateral organizations, the Open Budget Survey uses 109 indicators to measure budget transparency. These indicators are used to assess whether the central government makes eight key budget documents available to the public in a timely manner and whether the data contained in these documents are comprehensive and useful.

Each country is given a score out of 100 which determines its ranking on the Open Budget Index – the world’s only independent and comparative measure of budget transparency.

Regional Comparison

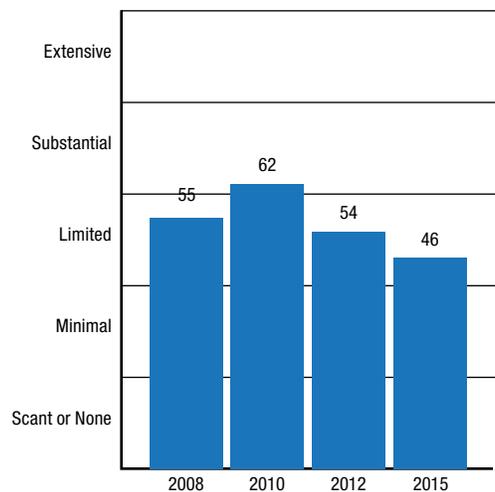


Usefulness of Budget Information Throughout the Budget Cycle



Ukraine's score of 46 out of 100 is a little higher than the global average score of 45.

Change in Transparency Over Time



Note: The following categories are used to report the usefulness of each document:

Not produced, Published Late, Internal Use, Scant, Minimal, Limited, Substantial, or Extensive.

TRANSPARENCY (OPEN BUDGET INDEX)

The Availability of Budget Documents Over Time

Document	2008	2010	2012	2015
Pre-Budget Statement	●	●	●	●
Executive's Budget Proposal	●	●	●	●
Enacted Budget	●	●	●	●
Citizens Budget	●	●	●	●
In-Year Reports	●	●	●	●
Mid-Year Review	●	●	●	●
Year-End Report	●	●	●	●
Audit Report	●	●	●	●

● Not produced/published late ● Produced for internal use ● Published

Ukraine's score of 46 on the 2015 Open Budget Index is lower than its score in 2012.

Moreover, the Government of Ukraine has been inconsistent in which documents are made publicly available in a given year.

Since 2012, the Government of Ukraine has increased the availability of budget information by:

- Improving the comprehensiveness of the Enacted Budget and Year-End Report.

However, the Government of Ukraine has decreased the availability of budget information by:

- Reducing the comprehensiveness of the Executive's Budget Proposal.

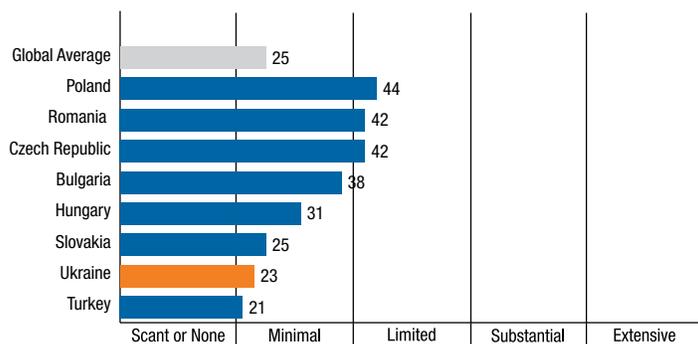
Moreover, the Government of Ukraine has failed to make progress in the following ways:

- Not producing a Citizens Budget and Mid-Year Review.
- Publishing an Executive's Budget Proposal that only contains minimal budget information.

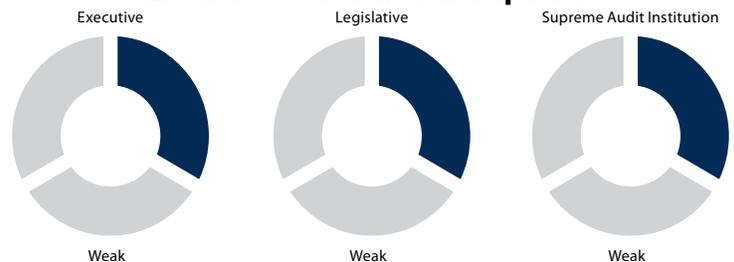
PUBLIC PARTICIPATION

Evidence suggests that transparency alone is insufficient for improving governance, and that public participation in budgeting can maximize the positive outcomes associated with greater budget transparency.

To measure public participation, the Open Budget Survey assesses the degree to which the government provides opportunities for the public to engage in budget processes. Such opportunities should be provided throughout the budget cycle by the executive, the legislature, and the supreme audit institution.



Regional Comparison Elements of Public Participation

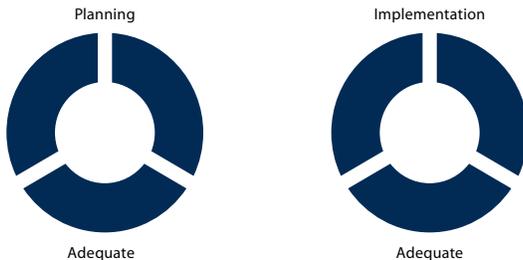


Ukraine's score of 23 out of 100 indicates that the provision of opportunities for the public to engage in the budget process is **weak**. This is lower than the global average score of 25.

BUDGET OVERSIGHT

The Open Budget Survey examines the extent to which legislatures and supreme audit institutions are able to provide effective oversight of the budget. These institutions play a critical role — often enshrined in national constitutions — in planning budgets and overseeing their implementation.

Oversight by the Legislature



The legislature provides **adequate** oversight during both the planning stage and the implementation stage of the budget cycle.

However, the Executive's Budget Proposal is not approved by legislators at least one month before the start of the budget year. Regular consultations on budget matters between the executive and the legislature do not take

place. Finally, in both law and practice, the legislature is not consulted prior to spending contingency funds that were not identified in the Enacted Budget.

Oversight by the Supreme Audit Institution



The supreme audit institution provides **adequate** budget oversight.

Under the law, it has significant discretion to undertake audits as it sees fit. The supreme audit institution is provided with sufficient resources to fulfill its mandate. However, the head of the institution can be removed without legislative or judicial approval, which undermines its independence. Finally, it has no quality assurance system in place.

RECOMMENDATIONS

Improving Transparency

Ukraine should prioritize the following actions to improve budget transparency:

- Produce and publish a Citizens Budget and Mid-Year Review.
- Increase the comprehensiveness of the Executive's Budget Proposal by presenting information on the classification of expenditures for future years and the classification of expenditures for prior years.
- Increase the comprehensiveness of the Year-End Report by presenting more information on planned versus actual debt and interest and information on planned versus actual performance.

Improving Participation

Ukraine should prioritize the following actions to improve budget participation:

- Ensure the public is informed of the purpose of public budget engagements and provided with sufficient information to participate effectively.
- Hold legislative hearings on the budgets of specific ministries, departments, and agencies at which testimony from the public is heard.
- Establish formal mechanisms for the public to assist the supreme audit institution to formulate its audit program and participate in audit investigations.

Improving Oversight

Ukraine should prioritize the following actions to strengthen budget oversight:

- Ensure the Executive's Budget Proposal is approved by legislators at least one month before the start of the budget year.
- In both law and practice, ensure the legislature is consulted prior to the spending of contingency funds that were not identified in the Enacted Budget.

METHODOLOGY

The Open Budget Survey uses internationally accepted criteria developed by multilateral organizations such as the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), and the International Organisation of Supreme Audit Institutions (INTOSAI). It is a fact-based research instrument that assesses what occurs in practice through readily observable phenomena. The entire research process took approximately 18 months between March 2014 and September 2015 and involved about 300 experts in 102 countries. The Survey was revised somewhat from the 2012 version to reflect emerging developments in accepted good practice and to strengthen individual questions. A full discussion of these changes can be found in a technical note on the comparability of the Open Budget Index over time (see below).

Survey responses are typically supported by citations and comments. This may include a reference to a public document, an official statement by the government, 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 an anonymous expert who also has no association to government. In addition, IBP invites national governments to comment on the draft results from the Survey and considers these comments before finalizing the Survey results.

Despite repeated efforts, IBP was unable to get comments on the draft Open Budget Questionnaire results from the Government of Ukraine.

Research to complete this country's Open Budget Survey was undertaken by:

Volodymyr Tarnay

Center for Political Studies and Analysis

24-V Mykhajlivs'ka str

Kyiv 0001

Ukraine

vtarnay@gmail.com

Further Information

Visit www.openbudgetsurvey.org for more information, including:

- The Open Budget Survey 2015: Global Report
- Individual datasets for each of the 102 countries surveyed.
- A technical note on the comparability of the Open Budget Index over time.