





77

OUT OF 100

TRANSPARENCY OPEN BUDGET INDEX

Brazil provides the public with **substantial** budget information.



35

OUT OF 100

PUBLIC PARTICIPATION

Brazil provides **few** opportunities for the public to engage in the budget process.



76

OUT OF 100

BUDGET OVERSIGHT

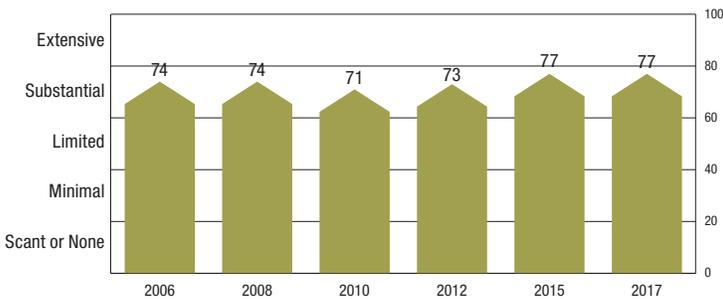
BY LEGISLATURE & AUDIT
The legislature and supreme audit institution in Brazil provide **adequate** oversight of the budget.

TRANSPARENCY (OPEN BUDGET INDEX)

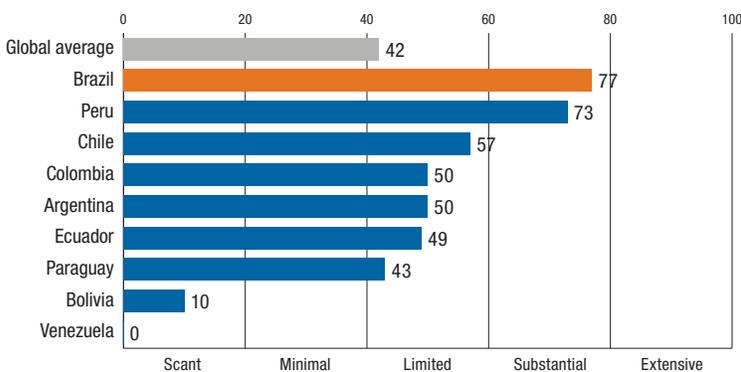
Drawing on internationally accepted criteria developed by multilateral organizations, the Open Budget Survey uses 109 equally weighted indicators to measure budget transparency. These indicators assess whether the central government makes eight key budget documents available to the public online in a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

Each country receives a composite score (out of 100) that determines its ranking on the Open Budget Index – the world’s only independent and comparative measure of budget transparency.

How has the OBI score for Brazil changed over time?



How does budget transparency in Brazil compare to others?



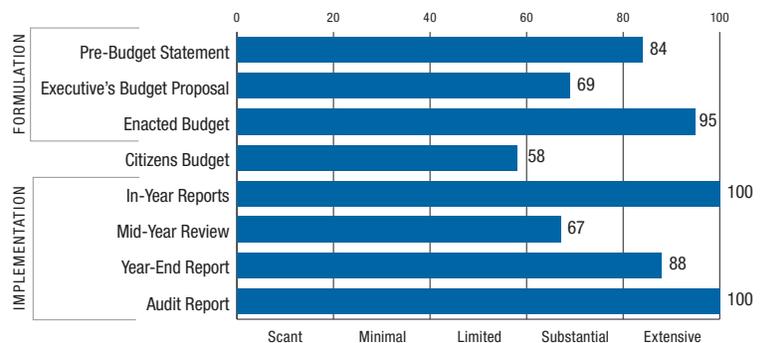
Brazil’s score of 77 out of 100 is substantially higher than the global average score of 42.

Public availability of budget documents from 2006 to 2017

Document	2006	2008	2010	2012	2015	2017
Pre-Budget Statement	●	●	●	●	●	●
Executive’s Budget Proposal	●	●	●	●	●	●
Enacted Budget	●	●	●	●	●	●
Citizens Budget	●	●	●	●	●	●
In-Year Reports	●	●	●	●	●	●
Mid-Year Review	●	●	●	●	●	●
Year-End Report	●	●	●	●	●	●
Audit Report	●	●	●	●	●	●

● Available to the Public ● Not Produced
● Published Late, or Not Published Online, or Produced for Internal Use Only

How comprehensive and useful is the information provided in the key budget documents that Brazil publishes?



Brazil's score of 77 on the 2017 Open Budget Index is the same as its score in 2015.

Key Budget Documents

Pre-Budget Statement: discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.

Executive's Budget Proposal: submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.

Enacted Budget: the budget that has been approved by the legislature.

Citizens Budget: a simpler and less technical version of the government's Executive's Budget Proposal or Enacted Budget, designed to convey key information to the public.

In-Year Reports: include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.

Mid-Year Review: contains a comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.

Year-End Report: describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.

Audit Report: issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.

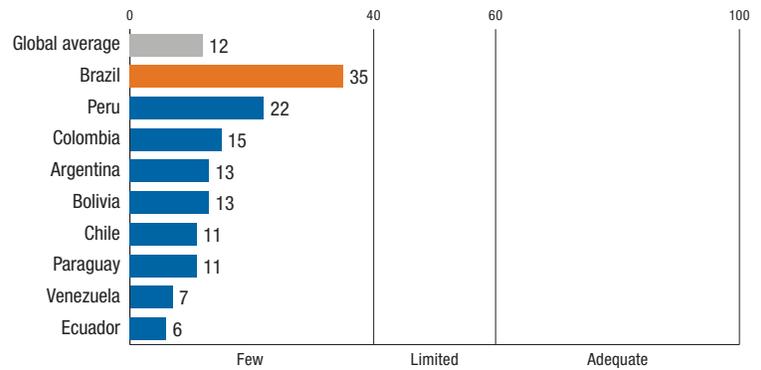
PUBLIC PARTICIPATION

Transparency alone is insufficient for improving governance. Public participation in budgeting is vital to realize 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.

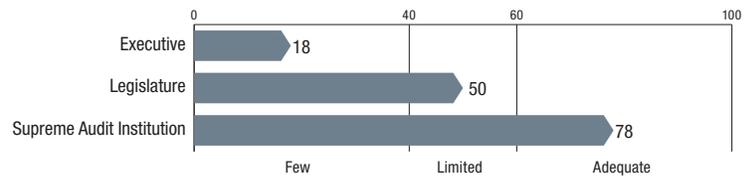
The questions assessing participation in the Open Budget Survey 2017 were revised to align them with the Global Initiative for Fiscal Transparency's new principles on public participation, which now serve as the basis for widely accepted norms on public participation in national budget processes. Therefore, data on the extent of public participation in budgeting in the Open Budget Survey 2017 cannot be compared directly to data from earlier editions.

How does public participation in Brazil compare to other countries in the region?



Brazil's score of 35 out of 100 indicates that it provides **few** opportunities for the public to engage in the budget process. This is higher than the global average score of 12.

To what extent do different institutions in Brazil provide opportunities for public participation?



In 2016, the executive did not organize a meeting of the Inter-Council Forum, the main mechanism for gathering civil society inputs during budget formulation.

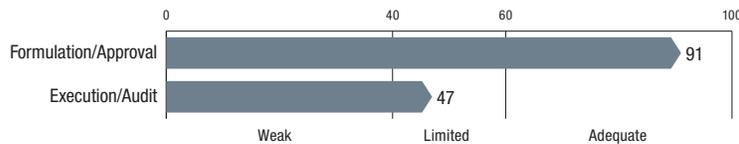


BUDGET OVERSIGHT

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

These indicators were revised to better assess the role of formal oversight institutions in ensuring integrity and accountability in the use of public resources. Therefore, data on the role and effectiveness of oversight institutions in the Open Budget Survey 2017 should not be compared directly to data from earlier editions.

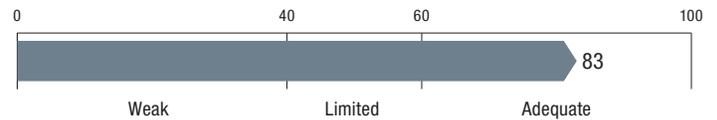
To what extent does the legislature in Brazil provide budget oversight?



The legislature provides **adequate** oversight during the budget cycle. This score reflects that the legislature provides adequate oversight during the planning stage of the budget cycle and limited oversight during the implementation stage of the budget cycle. The main barriers to effective legislative oversight are:

- A legislative committee does not publish reports on its examination of in-year budget implementation online.
- In practice, as the budget is implemented, the legislature is not consulted before the government reduces spending due to revenue shortfalls.
- A legislative committee does not examine the Audit Report.

To what extent does the Supreme Audit Institution in Brazil provide budget oversight?



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

- Under the law, it has full discretion to undertake audits as it sees fit.
- Moreover, the head of the institution is appointed by the legislature or judiciary and cannot be removed without legislative or judicial approval, which bolsters its independence.
- Finally, the supreme audit institution is provided with sufficient resources to fulfill its mandate, but its audit processes are not reviewed by an independent agency.

Oversight by an Independent Fiscal Institution

Brazil's independent fiscal institution (IFI), the *Conselho de Gestão Fiscal*, has only recently been established, and therefore its performance was not assessed in this round of the survey.

While IFIs are not yet widespread globally, they are increasingly recognized

as an important source of independent, nonpartisan information. IFIs take a variety of different institutional forms. Common examples include parliamentary budget offices and fiscal councils. For more information, see Lisa von Trapp, Ian Lienert, and Joachim Wehner, "Principles for Independent Fiscal Institutions and Case Studies," *OECD Journal on Budgeting*, March 2016 (special issue), pp. 9-24.

RECOMMENDATIONS

For more detailed information on the survey findings for Brazil, please see the Open Budget Survey Data Explorer at survey.internationalbudget.org.



How can Brazil improve transparency?

Brazil should prioritize the following actions to improve budget transparency:

- Increase the information provided in the Executive's Budget Proposal by providing more detail on the financial position of the government, quasi-fiscal activities, and extra-budgetary funds.

- Disseminate the Citizens Budget through several tools and media and produce a Citizens Budget for additional stages in the budget process.
- Increase the information provided in the Mid-Year Review by providing expenditure estimates by multiple classifications and by program.



How can Brazil improve participation?

Brazil should prioritize the following actions to improve public participation in its budget process:

- Pilot mechanisms for members of the public and executive branch officials to exchange views on national budget matters during the monitoring of the implementation of the budget. These mechanisms could build on innovations, such as social audits. For examples of such mechanisms, see www.fiscaltransparency.net/mechanisms/.
- Hold legislative hearings on the Audit Report, during which any members of the public or civil society organizations can testify.
- Provide the public with a written record which includes both inputs received by the supreme audit institution and a detailed report on how those inputs were used to determine the SAI's audit program.



How can Brazil improve oversight?

Brazil should prioritize the following actions to make budget oversight more effective:

- Ensure a legislative committee publishes reports on its examination of in-year budget implementation online.
- In practice, ensure the legislature is consulted before the executive reduces spending due to revenue shortfalls.
- Ensure a legislative committee examines the Audit Report.
- Ensure that the newly established independent fiscal institution works to further strengthen budget oversight.

METHODOLOGY

The Open Budget Survey uses internationally accepted criteria developed by multilateral organizations from sources such as the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), the International Organisation of Supreme Audit Institutions (INTOSAI) and the Global Initiative for Fiscal Transparency (GIFT).

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 August 2016 and January 2018 and involved about 300 experts in 115 countries. The Open Budget Survey 2017 assesses only events, activities, or developments that occurred up to 31 December 2016. The survey was revised somewhat from the 2015 version to reflect evolving methods for disseminating budget information and to strengthen individual questions on public participation and budget oversight. A discussion of these changes can be found in the Open Budget Survey Global Report (see link 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 parties.



The survey is based on a questionnaire that is completed for each country by **independent budget experts** who are not associated with the national government.



The draft responses to each country's questionnaire are then independently reviewed by an **anonymous expert** who also has no association with the national government.



In addition, IBP invites nearly all **national governments** to comment on the draft responses and considers these comments before finalizing the survey results.



Researchers respond to comments from peer reviewers and their government, if applicable, **and IBP** referees any conflicting answers in order to ensure consistency across countries in selecting answers.

The government of Brazil provided comments on the draft Open Budget Questionnaire results.

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

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Further Information

Visit openbudgetsurvey.org for more information, including:

- The Open Budget Survey 2017: Global report
- Data explorer
- Methodology report
- Full questionnaire