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 Portugal changed over time?

<table>
<thead>
<tr>
<th>Year</th>
<th>Extensive</th>
<th>Substantial</th>
<th>Limited</th>
<th>Minimal</th>
<th>Scant or None</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>58</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>62</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>64</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>66</td>
<td></td>
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<td></td>
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</tbody>
</table>

How does budget transparency in Portugal compare to others?

<table>
<thead>
<tr>
<th>Country</th>
<th>Scant</th>
<th>Minimal</th>
<th>Limited</th>
<th>Substantial</th>
<th>Extensive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global average</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Sweden</td>
<td>42</td>
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<tr>
<td>Norway</td>
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<tr>
<td>United States</td>
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<tr>
<td>United Kingdom</td>
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<tr>
<td>France</td>
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<tr>
<td>Italy</td>
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<tr>
<td>Canada</td>
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<td></td>
<td></td>
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<tr>
<td>Germany</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portugal</td>
<td>54</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Portugal’s score of 66 out of 100 is substantially higher than the global average score of 42.
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.

Portugal’s score of 66 on the 2017 Open Budget Index is largely the same as its score in 2015.

Since 2015, Portugal has decreased the availability of budget information by:
  ■ Failing to produce a Citizens Budget, despite some efforts to provide user-friendly budget information online.

Moreover, Portugal has failed to make progress in the following ways:
  ■ Not producing a Mid-Year Review.

How does public participation in Portugal compare to other countries?

Portugal’s score of 15 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 Portugal provide opportunities for public participation?

It is important to note that the government of Portugal has recently established a nationwide participatory budgeting program, called Orçamento Participativo de Portugal (OPP). This new initiative will be assessed in the next round of the Open Budget Survey.
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 Portugal 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.

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

The supreme audit institution provides adequate budget oversight.

Oversight by an Independent Fiscal Institution

Portugal has two independent fiscal institutions (IFIs), the Conselho de Finanças Públicas (CFP) and the Unidade Técnica de Apoio Orçamental (UTAO). The independence of the CFP is set in law, and it publishes its own macroeconomic and fiscal forecasts. The UTAO is a parliamentary budget office that provides technical support to the legislature, and to the budget committee in particular, in its oversight role. The UTAO usually releases its forecasts and analyses to the public.

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 Portugal, please see the Open Budget Survey Data Explorer at survey.internationalbudget.org.

How can Portugal improve transparency?

Portugal should prioritize the following actions to improve budget transparency:

- Produce and publish a Mid-Year Review and a Citizens Budget.
- Increase the information provided in the Executive’s Budget Proposal by providing additional detail on expenditures, providing more detail on budget performance measures, and linking the budget more closely to policy.
- Increase the information provided in the Year-End Report by providing comparisons between planned and actual nonfinancial outcomes, as well as comparisons between the original macroeconomic forecast and actual outcome.
Research to complete this country’s Open Budget Survey was undertaken by: Joana Vicente & Luís Teles Morais
Institute of Public Policy - Lisbon
Rua Miguel Lupi, 20 – 1249-078 Lisboa – Portugal
Email: joanav@ipp-jcs.org and luistm@ipp-jcs.org

Further Information
Visit openbudgetsurvey.org for more information, including:
- The Open Budget Survey 2017: Global report
- Data explorer
- Methodology report
- Full questionnaire

How can Portugal improve participation?
Portugal 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 both the formulation of the national budget and the monitoring of its implementation, above and beyond the government’s participatory budgeting initiative. These mechanisms could build on innovations such as social audits. For examples of such mechanisms, see www.fiscaltransparency.net/mechanisms/.
- Hold regular legislative hearings on the formulation of the annual budget, during which any members of the public or civil society organizations can testify.
- Establish formal mechanisms for the public to assist the supreme audit institution in formulating its audit program.

How can Portugal improve oversight?
Portugal 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 the supreme audit institution has adequate funding to perform its duties, as determined by an independent body (e.g., the legislature or judiciary).

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.