

**KATARINA OTT<sup>1</sup>**  
**OPEN BUDGET SURVEY MEASUREMENTS**  
**OF PUBLIC PARTICIPATION – PEMPAL COUNTRIES’ STANCE**

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BRIEF FOR THE  
REPUBLIC OF SLOVENIA COURT OF AUDIT AND GLOBAL INITIATIVE FOR FISCAL TRANSPARENCY REGIONAL  
CONFERENCE ON PUBLIC PARTICIPATION IN THE BUDGET PROCESS  
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The goal of this brief is to present the basics of the Open Budget Survey ([OBS](#)) of the International Budget Partnership ([IBP](#)) and its recent changes; the OBS approach to public participation and citizens budgets; public participation scores of the PEMPAL network countries, and the availability of citizens budgets in this network.

### **OBS GENERALLY AND NOVELTIES**

The OBS is an independent and comparable measure based on the premises that “efficient, effective and accountable budget systems rest on budget transparency, public participation and strong formal oversight”. It is an important tool as weak budget accountability threatens national development and the success of global initiatives like the UNDP’s Substantial Development Goals and climate change-related agreements.

These facts are all recognized by the [IMF](#), [PEFA](#) and [OECD](#) and particularly emphasized by Open Government Partnership ([OGP](#)), Global Civil Society Movement for Budget Transparency, Accountability and Participation ([BTAP](#)) and the Global Initiative for Fiscal Transparency ([GIFT](#)).

OBS uses internationally accepted criteria and its important feature is that it is fact-based research, not relying on perception. Each OBS cycle lasts around 18 months; it engages around three hundred experts and covers over a hundred countries. Results are compiled from questionnaires, which are completed for each country by independent experts not associated with the government. Anonymous, and independent, experts then review the questionnaires and after that, the governments of surveyed countries are invited to comment on the draft results, and their comments are considered before the finalization of the survey.

The [OBS 2015](#) examined the three pillars of budget accountability: “the state of budget transparency and its changes over time; the degree to which opportunities for public participation in the budget process were present; and the strength of the two formal oversight institutions (the legislature and the supreme audit institution (SAI))”. It used 109 indicators looking at whether central governments make eight key budget documents<sup>2</sup> available to the public in a timely, comprehensive and useful way and then made an index scoring from zero to one hundred. Countries were then ranged in groups: with *scant or none* (indices 0-20), *minimal* (21-40), *limited* (41-60), *substantial* (61-80) and *extensive* (81-100) information.

The OBS 2015 showed that a large majority of countries provided insufficient information as the average score for 102 surveyed countries was 46, meaning that the public could obtain only 46% of budgetary information. The best scoring countries were New Zealand, Sweden, South Africa, Norway and the US (all over 81) and the worst were Saudi Arabia, Qatar, Myanmar, Lebanon, Iraq

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<sup>2</sup> Key budget documents being: pre-budget statement, executive's budget proposal, enacted budget, in-year reports, mid-year review, end-year report, audit report and citizens budget.

(all below 4, the former two scoring zero). However, between OBS 2012 and OBS 2015, “governments did increase the amount of budget information available to the public and the average OBI score increased from 43 to 46 among the hundred countries for which there are comparable data. This average improvement in OBI scores would have been slightly larger if the OBS had not been modified.”

IBP is currently running the [OBS 2017](#) and in line with constant advances in acquired knowledge and best practices, it has introduced some modifications in relation the OBS 2015. It has modified the definition of public availability of budget documents to reflect evolving methods for disseminating budget information; it has revised and strengthened its indicators on public participation and budget oversight to underscore the importance of all three pillars of a well-functioning budget accountability ecosystem. Finally, it has extended the coverage from 102 to 115 countries.

Another new departure is the [OBS Document Availability Tracker](#) with fresh data on 115 countries included in the OBS 2017, currently reflecting the publication status of eight key budget document up to 31 December 2016.

## **OBS AND PUBLIC PARTICIPATION**

Although public participation has been captured since [OBS 2012](#), Section 5 of the [OBS 2017](#) – Public Engagement in the Budget Processes – was aligned with GIFT’s new principles that now serve as widely accepted norms for public participation in national budget processes.

Seventeen public participation related questions are designed to find out how national governments enable public participation in national budget processes, i.e.:

- Are all three branches – the executive, the legislature, the SAI –providing opportunities for the public to engage during various phases of the budget process?
- Are they using participation mechanisms through which the public can provide inputs during the various budget stages?
- Which key topics is engagement with the public covering?
- Do they take steps to receive inputs from vulnerable and under-represented parts of the population?
- Do they provide comprehensive prior information on the process of the engagement, so that the public can participate in an informed manner?
- Do they provide the public with feedback on how inputs have been used?
- Are participation mechanisms incorporated into the budget timetable?
- Do some line ministries use participation mechanisms?
- Does the legislature or its relevant committee(s) use some participation mechanisms like public hearings?
- Does the SAI maintain formal mechanisms through which the public can suggest issues/topics to include in SAI’s audit program, and to contribute to audit investigation?

Each public participation-related question could be answered from *a* to *c/d/e*, with *a* being the best and *c/d/e* being the worst. Let us see one example:

**Question 127. During the budget formulation stage, which of the following key topics does the executive’s engagement with citizens cover?**

For the purpose of this question, key topics are considered to be:

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

Possible responses:

- a. The executive's engagement with citizens covers all six topics
- b. The executive's engagement with citizens covers at least three (but less than six) of the above-mentioned topics
- c. The executive's engagement with citizens covers at least one (but less than three) of the above-mentioned topics
- d. The requirements for a "c" response or above are not met.
- e. Not applicable (please comment).

So measured, public participation opportunities could be *weak* (0-40), *limited* (41-60) or *adequate* (61-100). Unfortunately, although public participation is a necessary complement to budget transparency to bring about greater government accountability, the [OBS 2015](#) indicated that "greater disclosure of budget information was typically not accompanied by meaningful opportunities to participate in the budget process. Of the 24 countries who provided sufficient budget information (OBI scores above 60), only seven scored adequately on providing opportunities for public participation. For example, Sweden and Germany scored 87 and 71 on the OBI, respectively, but scored just 48 and 23 for public participation". Overall, about 80% of surveyed countries provide only weak public participation opportunities (score 0-40).

### **OBS QUESTIONS ON CITIZENS BUDGETS**

As budget documents are by definition huge and hardly comprehensive, more and more countries are publishing citizens budgets in order to facilitate public participation. A citizens budget is "a simplified summary of the budget designed to facilitate discussion and government production of it serves to institutionalize the government's commitment to presenting its policies in a manner that is understandable and accessible to the public". Governments usually publish citizens budgets for budget proposals or enacted budgets, although the best practice would be to publish them with each budget document (proposal, enacted, in-year, mid-year, end-year and audit reports). It is very important to release a citizens budget at the same time as a publicly available relevant budget document (e.g. a citizens budget accompanying the budget proposal at the moment when the executive is sending it to the legislature).

Having in mind the importance of citizens budgets, [OBS 2017](#) has a part on a citizens budget with questions looking at:

- What information does it provide?
- How is it disseminated to the public?
- Has the executive established mechanisms to identify the public's requirements for budget information prior to publishing it?
- Are citizens budgets published throughout the budget process?

To see what this looks like, let us see for example:

**Question 67. Are "citizens" versions of budget documents published throughout the budget process?**

Possible responses:

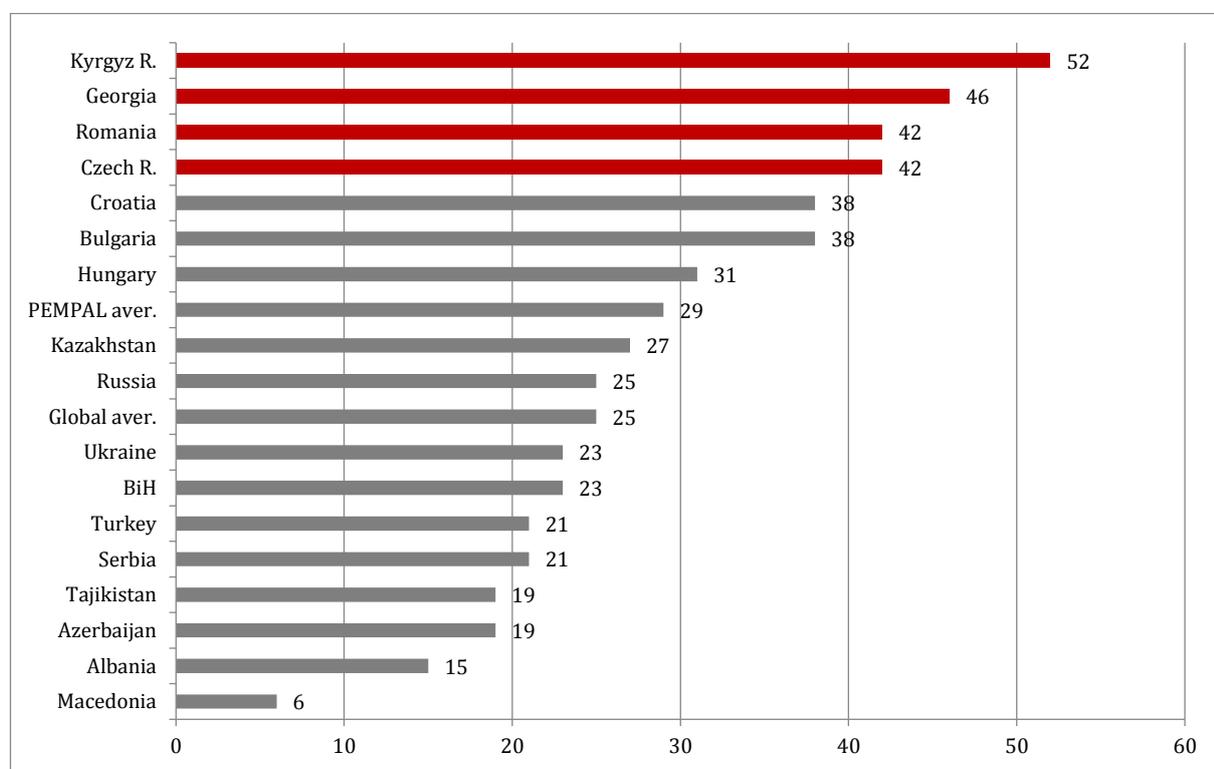
- a. A citizens version of budget documents is published for each of the four stages of the budget process (budget formulation, enactment, execution, and audit).
- b. A citizens version of budget documents is published for at least two of the four stages of the budget process.
- c. A citizens version of budget documents is published for at least one stage of the budget process.
- d. No citizens version of budget documents is published.
- e. Not applicable/other (please comment).

The number of governments publishing a citizens budget, although not yet satisfactory, has been growing – from only 26 in 2012 to 54 in 2015. Three of those countries (Sweden, South Korea and Mexico) published citizens budgets during each of the four stages of the budget cycle.

## PUBLIC PARTICIPATION IN PEMPAL COUNTRIES

The Public Expenditure Management Peer-Assisted Learning network (PEMPAL), which “represents a multilateral effort to develop capacity and share reform experiences among countries in Central Asia and Central and Eastern Europe”, has been more and more active in promoting budget transparency and public participation. It has been particularly active through its Working Group on Budget Literacy and Transparency, which recently released the draft of an excellent knowledge product “Breaking Challenges in Constructing Citizens Budgets for PEMPAL Countries”. Graph 1 shows public participation scores for PEMPAL countries that were covered by the OBS 2015.<sup>3</sup>

Graph 1: OBS 2015 Public participation scores for PEMPAL countries\*



\*weak (0-40), limited (41-60), adequate (61-100)

Source: [OBS Results by Country](#)

Unfortunately, in all the seventeen PEMPAL countries, only four, the Kyrgyz Republic, Georgia, Romania and the Czech Republic, were even in the group providing *only limited* opportunities for the public to engage in the budget process (scores 41-60), all the others being found to provide *only weak* opportunities (scores 0-41).

<sup>3</sup> Some PEMPAL countries – Armenia, Belarus, Kosovo, Moldova, Montenegro and Uzbekistan – were not covered by the OBS 2015.

Graph 2: Availability of citizens budgets in PEMPAL countries

Country	2015	2016
Albania	●	●
Azerbaijan	●	●
Bosnia and Herzegovina	●	●
Bulgaria	●	●
Croatia	●	●
Czech Republic	●	●
Georgia	●	●
Hungary	●	●
Kazakhstan	●	●
Kyrgyz Republic	●	●
Macedonia	●	●
Moldova*	N/A	●
Romania	●	●
Russia	●	●
Serbia	●	●
Tajikistan	●	●
Turkey	●	●
Ukraine	●	●

● Available to the public online

● Published late, or not published online, or produced for internal use only

● Not produced

\*Moldova was not covered by the OBS 2015.

Source: [OBS Document Availability Tracker: December 2016 Update](#)

Graph 2 shows that although still unsatisfactory, the situation with online citizens budgets has been improving. While in 2015 only half of the PEMPAL countries enabled their citizens to find the citizens budget online, 70% of them enabled this in 2016. Unfortunately, some countries worsened their position by publishing late, not publishing online, or producing it for the internal use only.

Although all governments are invited to comment on the draft results of the OBS, and their comments are considered before the finalization of the survey, despite repeated efforts, IBP was unable to get comments on the draft OBS 2015 questionnaire results from more than one third of PEMPAL governments, that is, from Bosnia and Herzegovina, Kyrgyz Republic, Macedonia, Tajikistan, Turkey and Ukraine.

Based on the low public participation scoring of PEMPAL countries and the observed common deficiencies, IBP provided recommendations for improving public participation by:

- Establishing credible and effective mechanisms (i.e. public hearings, surveys, focus groups) for capturing a range of public perspectives on budget matters;
- Holding legislative hearings on the state of the economy that are attended by the executive and open to the public / holding legislative hearings on the budgets of specific ministries, departments, and agencies at which testimony from the public is heard / publishing reports on public budget hearings;

- Establishing formal mechanisms for the public to assist the SAI to formulate its audit program and participate in audit investigations /providing detailed feedback on how public assistance and participation has been used by the SAI;
- Ensuring the public is informed of the purpose of public engagement with the budget and provided with sufficient information to participate effectively.

## **CONCLUSION**

Based on the OBS, this brief shows that the large majority of surveyed countries are still providing insufficient budget information to their citizens and giving them weak opportunities for public participation. Thanks to the growing interest and activities of various multinational organizations and initiatives, there have been modest improvements both in budget transparency and participation opportunities, but huge efforts are still necessary to obtain some better results.

This is why IBP has (1) introduced modification in the currently running OBS 2017 to better capture the ways in which countries have been disseminating budget information, providing opportunities for public participation and budget oversight, (2) enlarged the number of countries covered and (3) devised the budget document availability tracker.

Improvements in opportunities for public participation have unfortunately been slower than the improvements in the availability of budget documents and even the countries that provided sufficient budget information usually have not scored adequately on providing opportunities for public participation. Although more and more countries have been publishing citizens budgets the number of them is still not satisfactory.

Luckily, for its network, PEMPAL has been more and more active in promoting budget transparency and public participation. However, although they are improving, the majority of the countries from the network have been providing only weak opportunities for the public to engage in the budget process and given little assistance to their citizens to find the citizens budget online.

Because of the low public participation scoring of PEMPAL countries and observed, common deficiencies, IBP provided them with recommendations for public participation mostly related to establishing credible and effective mechanisms related to the executive, the legislative and the SAI.

Having in mind the importance of OBS, GIFT and PEMPAL in promoting budget transparency and public participation, one could only hope that all PEMPAL countries – not yet included – will join the OBS, the GIFT and the PEMPAL's Working Group on Budget Literacy and Transparency. One could also only hope that governments of all countries surveyed will understand the importance of commenting on the draft results of OBS as this will enable them to see the deficiencies in their practices and the best ways for them to be remedied.