

## Open Budget Survey (OBS) 2019

### Frequently Asked Questions

#### 1. Why open budgets? What are the benefits?

- Government budget decisions – what taxes to levy, what services to provide, and how much debt to take on – affect how equal a society is and the well-being of its people, including whether the most disadvantaged will have real opportunities for a better life. It is critical that government inform and engage the public on these vital decisions that impact their lives.
- Transparent and democratic financial systems can deliver government policies that improve quality of life for people living in poverty and other marginalized communities.
- Open budgets can build inclusive democracies and stable economies that are ripe for investment.
- Countries with open budget practices are associated with smaller deficits, lower borrowing costs, more credible budgets, stronger democratic institutions, more reliable revenue collection and higher development outcomes.

#### 2. What is the Open Budget Survey 2019?

- The Open Budget Survey (OBS) is the world's only independent, comparative and fact-based research instrument that uses internationally accepted criteria to assess public access to central government budget information, formal opportunities for the public to participate in the national budget process, and the role of budget oversight institutions such as the legislature and auditor in the budget process.
- Beginning in 2006, the Survey is conducted biennially by the International Budget Partnership in collaboration with independent civil society researchers within each country.
- The survey helps civil society actors assess and confer with their government on the use and reporting of public funds. This 7th edition of the OBS covers 117 countries.
- **Open budgets** are transparent, offer opportunities for inclusive public participation, and include well-functioning oversight by independent institutions.
- **Transparency** refers to the provision of timely and comprehensive information on the government's budget. Transparent budgets are the starting point for public engagement in fiscal policy.

- **Budget participation** involves formal mechanisms for the public to participate in the budget process. These mechanisms can be public consultations, pre-budget submissions, e-consultations, advisory councils, social audits, and participatory budgeting, among others.
- **Oversight** refers to the role of formal oversight bodies, such as the legislature and supreme audit institutions (SAIs), in holding the executive to account throughout the budget process.

### **3. Why care about open budgets/the Open Budget Survey in this time of crisis?**

- Governments are mobilizing and spending huge sums of money, a lot of which is channeled through its budgets. They are doing this quickly, and sometimes bypassing the normal procedures.
- While it is really important for governments to channel resources towards supporting its populations as soon as possible, transparency and oversight continue to be critical.
- Disclosing information and an opportunity for public participation in the budget process help dispel confusion, build public trust and generate a spirit of unity.
- Previous research by IBP found that, throughout a given year, many governments don't fully spend their allocated budgets. For example, the underspending of vaccine budgets has been especially notable, even in countries with recurring vaccine shortages – and this is worrisome, in consideration of the rapid shifts and pouring of additional resources towards to address this exceptional crisis
- Civil society organizations already are using budget information to help governments serve publics that are neglected, in this epidemic:
  - In South Africa, IBP and its partners are providing data to residents of informal settlements in the major metropolitan centers so they can provide real time feedback about government services during the pandemic, such as whether public toilets were cleaned.
  - IBP's partner in Argentina, ACIJ and its allies are working with homeless people in Buenos Aires to better communicate their needs to the government and assure they have what they need to stay safe.
  - We stand ready to work with partners across the country and around the world to build budget systems that help address this and future challenges.

### **4. There have been signs that autocratic leaders in a number of countries, such as Brazil and Hungary, are using this time of crisis to ratchet back on civil rights and give themselves more executive power. Do you expect that open budgeting will regress during this period? What can citizens do to insist on transparency even as decisions must be made rapidly?**

- We are worried about regression in open budgeting and this would be very unfortunate. This is why we think our call to open government budgets is even more critical at this time. Civil society and citizens should take up the call and be as engaged as possible with elected representatives.
- We can help build public trust if everyone works together.

#### **5. Is greater budget transparency associated with less corruption?**

- A lack of transparency is only one of the reasons that corruption can exist. Without budget information it would be almost impossible for people outside government to spot and denounce cases of mismanagement and corruption.
- What's important is that transparency can be demonstrably achieved, often at minimal cost. However, additional measures are often needed to truly tackle the problems of structural inequalities and a culture or norm of accepting corruption. Factors such as an active civil society, independent media, and effective oversight institutions can contribute to greater accountability.

#### **6. The Open Budget Survey found that \_\_\_\_ [country] provided scant or no information. What does that mean?**

- The Open Budget Survey assesses how many of eight core budget documents it publishes online, in a timely manner, for public access. It also takes into account how *much* of the desired information is included in those documents.
- Of the 117 countries, 20 were found to provide scant or not information, with an OBI score between 0 and 20.
- Note that this does not mean the required information is not produced or available somewhere. The survey found that many of these countries produced some of the necessary budget documents for internal use, released them in hard-copy format or posted them online too late in the budget process for the information to be useful to members of the public who want to provide input. They could improve their transparency immediately and at little cost by posting these them online in a timely manner.

#### **7. The score for \_\_\_\_\_ [country] dropped significantly because it was \_\_\_\_ weeks/months late in publishing \_\_\_\_\_ [number of documents]. Why is a delay of a month or two so important?**

- Timely and regular reporting on each of the four phases of the budget process is essential for budget information to be useful and for public engagement in the budget process to be effective. The executive should adhere to regular deadlines in an annual calendar for drafting the budget, presenting it to the legislature for debate and enactment, executing

the budget, and presenting its final accounts to the public and the Supreme Audit Institution (SAI).

## 8. Is it costly for governments to meet the requirements for transparency?

- The first steps towards improving transparency can sometimes be achieved at little or no cost. Governments can substantially increase their budget transparency at little or no cost by uploading budget documents that they already produce onto the relevant official government websites.
- Governments do need to strengthen public finance management systems and set up infrastructure to collect, manage and disclose budget data in a timely, comprehensive and accurate manner.

## 9. Why do governments choose to become transparent? Is it pressure? Or is there an actual benefit to countries?

- This is the seventh release of the OBS, so we are able to look at comparative data and identify four drivers of improvements in transparency and accountability:
  - **Political transitions** that replace authoritarian administrations with governments that allow more political engagement by constituents—for example, through more democratic elections and creating greater space for opposition parties. Such transitions are more likely to result in more budget transparency when complemented by the presence of capable CSOs interested in engaging the government on the budget, spending and taxation.
  - The presence of **reform champions within government**, at either the political or technical level, who believe in the importance of transparency — for political/ideological or professional reasons — and are able to push for change and overcome resistance. Strong and effective oversight bodies, such as active legislatures, amplify such champions' impact.
  - **Fiscal and economic crises** that push governments to implement reforms, including independent scrutiny, to restore fiscal discipline and credibility.
  - Widely publicized **cases of corruption** that lead reform-oriented actors to react strongly and pressure governments to allow access to fiscal information.
- Other dynamics that pave the way for greater transparency are external players that push governments to implement new practices, such as donor agencies, civil society organizations, other bodies that promote international/regional norms and multi-stakeholder initiatives such as the Open Government Partnership. Improving the level of transparency and accountability in its budget systems is a good way for a government to show its development partners and creditors that it is serious about fighting corruption and enhancing efficiency.

## **10. Is it mainly certain types of countries that are transparent?**

- Many of the countries that are transparent are high-income countries with well-established democracies, but any country irrespective of its characteristics can achieve good levels of transparency. Good practices of transparency exist in countries such as Georgia, Indonesia, Jordan, Mexico, and South Africa.
- Even reliance on certain streams, like extractives or oil, is not a precondition for secrecy. Countries such as Mexico, Colombia and Norway perform well on budget transparency.
- Countries that are highly dependent on overseas development assistance, such as Uganda, can also do well on transparency.
- The OBS 2019 finds that countries at any level of development can perform well on budget transparency: South Africa and Brazil are upper-middle-income countries and provide extensive budget information to the public. The Kyrgyz Republic and Ukraine are both lower-middle-income countries that made substantial gains in budget transparency in recent years.

## **11. How reliable are the OBS results?**

- The Open Budget Survey (OBS) is the world's only independent, comparative assessment of the three pillars of public budget accountability: transparency, oversight and public participation.
- The Open Budget Survey is the most extensive database on government budget transparency and accountability across countries and over time.
- The data collected pass through a five-step process: research in each country is conducted by a local, independent, expert; IBP then cross-checks the data with other published sources; the completed questionnaires also are checked by anonymous, independent reviewers; government officials are offered an opportunity to comment on the results for their countries; and finally, IBP staff referee any disagreements between reviewers and researchers.
- The survey is not just a questionnaire filled out at someone's desk. It is completed by committed, independent researchers who have observed budget transparency in practice; met with ministry representatives, parliamentarians and authorities from supreme audit institutions; engaged with other civil society organizations to assess budget practices; and monitored official websites to track the availability of documents. Each researcher provided documented evidence — citation of a law, transcript of an interview, a copy of a document — to back up his or her answer.

## 12. What is a Citizens Budget?

- Most budget information is produced in formats that are technical and difficult to understand by members of the public.
- A Citizens Budget is a simplified version of the executive's budget proposal or enacted budget that is easier for an ordinary citizen to understand the policy decisions reflected in the government's budget. It should explain, in easy-to-understand language and graphics, how government revenues are generated and how the government intends to spend it.
- As per the OBS 2019, 72 countries publish a Citizens Budget, a less technical and more understandable version of the Executive's Budget Proposal or Enacted Budget.

## 13. Can I talk with your researcher in \_\_\_\_\_ [country]?

- Yes, we encourage you to do this. Contact information for each researcher is [publicly available online](#).
- However, researchers in eight countries asked to remain anonymous due to difficult political environments (Brazil, China, Equatorial Guinea, Myanmar, Qatar, Saudi Arabia, Somalia and Yemen). We will be happy to pass questions to these researchers.

## 14. How is the OBS making a difference?

- The Survey has become a standard for measuring and understanding budget openness. It is widely used by various constituencies and institutions, such as the World Bank and International Monetary Fund.
- Development partners use the Survey to inform foreign assistance strategies. For example, the European Union uses the data in its strategies and operations in more than 70 countries.
- Governments use the Survey to benchmark progress and guide their reforms.
- Credit ratings agencies and foreign investors use the survey for risk assessments. The World Economic Forum uses it in its Economic Competitiveness Index.
- The Open Government Partnership, a global multi-stakeholder initiative, uses it to determine eligibility to join the partnership.
- Civil society uses it as a measure to inform their campaigns and engage with governments on the use and reporting of public funds.
- In Senegal, the Survey's grounding in evidence and influence at the global and regional level has strengthened the relationship between the government and civil society, and guided the publication of information, analysis and dialogue to ensure teachers at all levels of education received their salary. <https://story.internationalbudget.org/the-open-budget-survey-data-powered-advocacy>

- Increasingly, national governments included in the Survey are contacting IBP or the OBS country research partners to identify ways they can improve.

#### **15. What connection does budget transparency have to the lives of people living in poverty and other marginalized communities?**

- Around the world, people are seeking services, medicines for the sick, support for the unemployed.
- The answers to these questions often lie in government budgets.
- The budget is the government's most important policy tool, as well as a reflection of its values. It affects the lives of all people, particularly people living in poverty and other marginalized communities. This is because those who are poor rely on essential public services such as health care and education.
- A lack of transparency can open the door to corruption and wasteful spending, which reduces the impact of anti-poverty programs.
- The role of the Open Budget Survey is to ensure that local and international pressure is galvanized to improve budget transparency and accountability.
- In South Africa, civil society actors such as the Social Audit Network, IBP South Africa and Planact, accessed budget information to conduct social audits of sanitation services in informal settlements. They interacted with residents, elected officials and administrators to analyze information and present recommendations for sanitation contracts, which resulted in faulty portable toilets being replaced, and improved relationships between government and residents in these communities. <https://story.internationalbudget.org/budgets-to-toilets>

#### **16. When will you conduct the next OBS?**

- The Survey is conducted every two years. We can provide more information on the next Survey in the coming months.

#### **17. How much does it cost to do the study and how is it funded?**

- The total cost of conducting the survey in 117 countries was \$4 million, which is modest for research of this scale, including other fiscal governance tools.
- The International Budget Partnership engages over 300 experts to produce high-quality data.
- The Open Budget Survey is part of the International Budget Partnership's Open Budget Initiative, a global research and advocacy program to promote public access to budget information and the adoption of accountable budget systems. The Open Budget Initiative is funded by: UKAid, Open Society Foundations, Ford Foundation, The William and Flora

Hewlett Foundation, UNICEF Eastern and Southern Africa Regional Office, French Ministry of Foreign Affairs and the United States Agency for International Development.

**18. On what basis were the countries for the 2019 study chosen, and why 117?**

- Our goal is a representative sample that allows us to generalize with confidence about most countries in the world.
- To do this, we need a sample that includes a diversity of countries from every major region in the world.
- Countries are selected based on access to independent experts and organizations that can produce rock-solid data, available resources and demand from stakeholders.
- Our goal is to continue expanding the reach of the survey.

**19. The top five performers are relatively developed countries; is it fair to compare their scores with those for developing countries?**

- The survey finds that countries in a wide range of circumstances can do well on transparency. Guatemala, for example, is a lower-income country, but scored well on the Survey's transparency measure.
- No particular set of circumstances inevitably prevents good performance. We should expect governments to do well on transparency regardless of income levels, aid or natural resource dependency, etc. Whether a government makes available to the public the information it does produce is primarily a question of political will, not cost.

**20. What can development partners do to help improve open budget practices?**

- To move the open budgeting agenda forward, a new collaborative approach is urgently needed – one that unites governments, civil society, the private sector, and international development partners. The International Budget Partnership and organizations around the world call on governments over the next five years to:
  - Publish information on how public resources are generated, allocated and spent in a timely manner that is accessible to all, as specified in the Open Budget Survey.
  - Create opportunities for all people, particularly those from marginalized communities, to provide input into the budget process.
  - Strengthen monitoring and oversight of budget execution through independent institutions.
  - Sustain improvements achieved on open budgeting, protecting them from political shifts.

Development partners can:

- Support governments that ask for help by providing technical assistance and resources for open budgeting reforms;
- Join advocacy efforts to promote more budget transparency, to expand opportunities for public participation, and to improve budget allocation and execution;
- Hold governments to account for making commitments and achieving these targets on open budgeting practices.