The enduring case for open budgets

- Budgets are key to the actual implementation of a government’s stated policies, particularly for underserved communities.
- During crises as well as in periods of stability, open budgets are crucial: they support more efficient resource allocation, improve service delivery, and contribute to better governance.
- Especially during a crisis, transparency, public engagement, and strong oversight are critical for earning public trust.
The Open Budget Survey

Measures three aspects of open budgets:

• **transparency** of how public resources are raised and spent,
• opportunities for **participation** in budget policy decisions, and
• **oversight** by independent legislatures and audit institutions.
OBS methodology and usage

- 18-month research process
- Questionnaire based on international standards
- Strong review framework
- Consistency checks

- Donors
- Governments
- Private sector
- Civil society actors
Encouraging advances on budget transparency

OBS 2019 finds a modest global improvement in budget transparency.
Trends on budget transparency improvements have been mostly positive since OBS 2008

<table>
<thead>
<tr>
<th>OBS assessments</th>
<th>Number of countries in both rounds</th>
<th>Global average score change</th>
</tr>
</thead>
<tbody>
<tr>
<td>OBS 2008 → OBS 2010</td>
<td>77</td>
<td>+3</td>
</tr>
<tr>
<td>OBS 2010 → OBS 2012</td>
<td>93</td>
<td>+2</td>
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<td>OBS 2012 → OBS 2015</td>
<td>100</td>
<td>+3</td>
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<tr>
<td>OBS 2015 → OBS 2017</td>
<td>102</td>
<td>-2</td>
</tr>
<tr>
<td>OBS 2017 → OBS 2019</td>
<td>115</td>
<td>+3</td>
</tr>
</tbody>
</table>
Global Average Budget Transparency Score (117 countries)
45 out of 100
Faster progress is possible

Rapid improvements seen in some countries demonstrate that meaningful change is possible in a short timeframe when countries are committed to open budgeting reforms.
Three regions stand out for making progress
Practices that led to sustained improvements

**Indonesia:**
- Launch of State Budget Portal
- More detail in budget documents on programs

**Kyrgyz Republic:**
- Action plan on fiscal transparency launched in 2017
- Better reporting on borrowing and debt
Room for innovation on public participation

Few countries currently provide meaningful opportunities for the public to participate in the budget process.

However, emerging and innovative practices in some countries demonstrate how governments can initiate and strengthen public engagement mechanisms.
Public participation in the budget process takes many different forms

In the **Kyrgyz Republic**, the Ministry of Finance publishes materials in advance of open public hearings.

In **Mexico**, the government established a mechanism called Social Comptrollers: social programs are monitored by committees of beneficiaries.

In the **Philippines**, the Commission on Audits directly involves program beneficiaries in audit investigations.
Stronger oversight needed to ensure budgets are fully implemented

Legislators play an important role throughout the budget cycle, including monitoring budget implementation.
Legislative oversight tends to be weaker during budget execution and audit.
Rapid **progress** in **opening budgets** is **possible** but requires all stakeholders to unite around a common agenda.

We **call** on governments to work with all stakeholders and jointly achieve **four ambitious, but attainable, targets within the next five years**.
Call to Action on Open Budgets

- Provide sufficient levels of budget information
- Increase public participation in the budget
- Strengthen monitoring and oversight of budget execution
- Sustain improvements on open budgeting
Q&A

What questions do you have?

For more information:

https://www.internationalbudget.org/open-budget-survey