



Key Findings and Recommendations

The **Open Budget Survey 2008**, a comprehensive evaluation of budget transparency in 85 countries, finds that the state of budget transparency around the world is deplorable. This encourages inappropriate, wasteful, and corrupt spending and—because it shuts the public out of decision making—reduces the legitimacy and impact of anti-poverty initiatives.

At the same time, the Survey shows that a number of countries have significantly improved their performance over the past two years. It also shows that many more governments could quickly improve budget transparency at low cost by making publicly available the budget information that they already produce for their donors or internal use.

Open Budget Survey 2008 shows worldwide transparency gaps

- Only five countries of the 85 surveyed—France, New Zealand, South Africa, the United Kingdom, and the United States—make extensive information publicly available as required by generally accepted good public financial management practices.
- These countries all score above 80 out of a possible 100 points on the **Open Budget Index 2008 (OBI)**, a comparative measure of the accessibility and comprehensiveness of the eight key budget documents that international good practice says all governments should publish. The OBI is based on responses to a subset of Survey questions.
- The average score for the OBI 2008 is 39 out of a possible 100. This indicates that, on average, countries surveyed provide minimal information on their central government's budget and financial activities.
- Twenty-five countries surveyed provide scant or no budget information. These include low-income countries like Cambodia, the Democratic Republic of Congo, Nicaragua, and the Kyrgyz Republic, as well as several middle- and high-income countries, such as China, Nigeria, and Saudi Arabia. (See OBI Rankings, p. 3.)

Less transparent countries share similar characteristics

- The least transparent countries are mostly located in the Middle East and North Africa (with an average OBI score of 24 out of 100), and in sub-Saharan Africa (average OBI score of 25).
- The worst performers tend to be low-income countries and often depend heavily on revenues from foreign aid or oil and gas exports.
- Many poor performers have weak democratic institutions or are governed by autocratic regimes.

Lack of transparency undermines accountability and prevents participation

- Almost all countries publish the annual budget after it is approved by the legislature. However, in China, Equatorial Guinea, Saudi Arabia, and Sudan, the approved budget is not published, completely preventing the public from monitoring its implementation.
- Most countries provide much less information during the drafting, execution, and auditing stages

of the budget process. This prevents the public from having input on overarching policies and priorities, improving value for money and curbing corruption.

Weak formal oversight institutions exacerbate the situation

- In the majority of countries surveyed, legislatures have very limited powers, time, and capacity to review the Executive's Budget Proposal and monitor its implementation.
- Likewise, in many countries the supreme audit institutions do not have sufficient independence or funding to fulfill their mandate, and often there are no mechanisms in place to track whether the executive follows up on audit recommendations.

Immediate improvements are possible

- Comparisons between the OBI results for 2006 and those for 2008 show that some countries have started to improve their budget transparency over the past two years.
- In Croatia, Kenya, Nepal, and Sri Lanka, significant improvements either were influenced by the activities of civil society groups or have created opportunities for greater civil society interventions. Important improvements in budget transparency were also documented in Bulgaria, Egypt, Georgia, and Papua New Guinea.
- There is also evidence that good performance can occur in challenging contexts: Jordan and South Africa stand out among their regional counterparts. Among lower-income countries, Peru and Sri Lanka both provide their citizens with a significant amount of budget information.
- Finally, the Survey finds that progress could be made elsewhere quickly and at relatively low cost, given sufficient political will. Many countries that perform poorly are already producing much of the budget information required for good practice. By making this information available to the public, these countries would increase their OBI scores and consequently, would encourage effective oversight and improve accountability.

IBP calls for urgent action to improve budget transparency and accountability

To achieve immediate improvements in budget transparency, IBP urges:

- *Governments* to make publicly available the budget information that they already produce. In all those countries where information is produced but withheld from the public, governments should immediately release it.
- *International financial institutions and donors* to encourage aid-recipient governments to make publicly available the budget information they produce for their donors or internal purposes.
- *Civil society* to publicize and demand explanations for instances in which governments do not make publicly available the budget information they produce for their donors or internal purposes.

For the complete Open Budget Survey 2008 report, visit www.openbudgetindex.org.

Open Budget Index 2008

At a glance



What Countries Open Their Books to Citizens?

The Open Budget Index evaluates the quantity and type of information available to the public in a country's budget documents. A country's placement within a performance category was determined by averaging the response to 91 questions on the Open Budget Questionnaire related to information contained in the eight key budget documents that all countries should make available to the public.

Key

- Provides **Extensive** Information
- Provides **Significant** Information
- Provides **Some** Information
- Provides **Minimal** Information
- Provides **Scant or No** Information

The countries that scored between 81-100 percent were placed in the performance category *Provides Extensive Information*, those with scores 61-80 percent in *Provides Significant Information*, those with scores 41-60 percent in *Provides Some Information*, those with scores 21-40 percent in *Provides Minimal Information*, and those with scores 0-20 percent in *Provides Scant or No Information*. All Open Budget Questionnaires used to calculate these scores may be seen at www.openbudgetindex.org.

