

Annex A. Open Budget Survey 2019 Methodology

The Open Budget Survey (OBS) assesses the three components of a budget accountability system: public availability of budget information; opportunities for the public to participate in the budget process; and the role of formal oversight institutions, including the legislature and the national audit office (referred to here as the “supreme audit institution”). The majority of the survey questions assess what occurs in practice, rather than what is required by law.

The questions included in the OBS are based on generally accepted good practice for public financial management. For example, the survey assesses the public availability of budget information by considering the timely release and contents of eight key budget documents that all countries should issue at different points in the budget process. Many of these criteria are drawn from those developed by multilateral organizations, such as the International Monetary Fund’s (IMF) *Code of Good Practices on Fiscal Transparency*, the Public Expenditure and Finance Accountability initiative (whose secretariat is hosted by the World Bank), the Organisation for Economic Co-operation and Development’s (OECD) *Best Practices for Fiscal Transparency*, and the International Organisation of Supreme Audit Institutions’ *Lima Declaration of Guidelines on Auditing Precepts*. Similarly, the criteria used to assess opportunities for the public to participate in the budget process are based on the Global Initiative for Fiscal Transparency’s *Principles of Public Participation in Fiscal Policies*. The strength of such guidelines lies in their universal applicability to different budget systems around the world, including those of countries at different income levels.

OBS 2019 is the culmination of a collaborative research process in which the International Budget Partnership (IBP) worked with civil society researchers in 117 countries – encompassing all regions of the world and all income levels – over the past 16 months. This is the seventh round of the OBS, which is typically conducted biennially. Earlier rounds were completed in 2006, 2008, 2010, 2012, 2015, and 2017.

OBS Questions and Response Options

The results for each country in OBS 2019 are based on a questionnaire, comprising 145 scored questions, that is completed by researchers typically based in the surveyed country. Almost all the researchers responsible for completing the questionnaire come from civil society organizations or academic institutions. Although the mandates and areas of interest of the research groups vary widely, all have a common interest in promoting

transparent and responsive budgeting practices in their countries. Most of the researchers belong to organizations with a significant focus on budget issues.

The 145 scored questions included in the questionnaire include 109 questions that assess the public availability of budget information, 18 questions that assess opportunities for the public to participate in the budget process, and 18 questions that assess the role of the legislature and the supreme audit institution. The questionnaire also includes an additional 83 questions that are not used to calculate individual scores but help to complete the OBS research by collecting background information on key budget documents and exploring different characteristics of a country’s public finance management.

Most of the survey questions require researchers to choose from five responses. Responses “a” or “b” describe best or good practice; with “a” indicating that the standard is fully met or exceeded, and “b” indicating the basic elements of the standard have been met or largely met. Response “c” corresponds to minimal efforts to attain the relevant standard, while “d” indicates that the standard is not met at all. An “e” response indicates that the standard is not applicable, for example, when an OECD country is asked about the foreign aid it receives. Certain questions, however, have only three possible responses: “a” (standard met), “b” (standard not met), or “c” (not applicable).

Once completed, the questionnaire responses are quantified. For the questions with five response options: an “a” receives a numeric score of 100, a “b” receives 67, “c” receives 33, and “d” receives 0. Questions receiving an “e” are not included in the country’s aggregated scores. For the questions with three response options: “a” receives 100, “b” receives 0, and “c” responses are not included in the aggregated score.

The OBS Research Process

OBS 2019 assesses only documents published and events, activities, or developments that took place through 31 December 2018; any actions occurring after this date are not accounted for in the 2019 survey results. OBS researchers began collecting evidence in January 2019, including budget documents released prior to the research cut-off date, participation mechanisms conducted, and oversight practices.

All responses to the OBS questions are supported by evidence. This includes citations from budget documents; the country's laws; or interviews with government officials, legislators, or experts on the country's budget process. Throughout the research process, IBP staff assisted the researchers in following the survey methodology, particularly the guidelines for answering survey questions. For more details, see the *Guide to the Open Budget Questionnaire: An Explanation of the Questions and the Response Options* at www.internationalbudget.org/open-budget-survey.

Upon completion, IBP staff analyzed and discussed each questionnaire with the individual researchers over a three- to six-month period. IBP sought to ensure that all questions were answered in a manner that was internally consistent within each country, and consistent across all survey countries. The answers were also cross-checked against published budget documents and reports on fiscal transparency issued by international institutions, such

as the IMF, the World Bank, and the OECD.

Each questionnaire was then reviewed by an anonymous peer reviewer who has substantial working knowledge of the budget systems in the relevant country. The peer reviewers were identified through professional contacts and various other channels and were not associated with the government of the country they reviewed.

IBP also invited the governments of nearly all survey countries to comment on the draft OBS results. The decision to invite a government to comment on the draft results was made after consulting with the relevant research organization responsible for the survey. IBP made a significant effort to encourage governments to comment on the draft results; many governments that did not initially respond to IBP letters were contacted on multiple occasions. IBP invited governments from all 117 countries assessed in OBS 2019 to review the draft results, and 94 governments submitted comments.

Measuring the Timely Release of Information to the Public Throughout the Budget Process			
Budget document	Release deadlines for "Publicly Available" documents*	OBS 2019 question numbers	Number of questions per document
Pre-Budget Statement	Must be released at least one month before the Executive's Budget Proposal is submitted to the legislature for consideration.	54–58, PBS–2	6
Executive's Budget Proposal (including supporting documents)	Must be publicly released while the legislature is still considering it and before it is approved. In no case would a proposal, released after the legislature has approved it, be considered "publicly available."	1–53, EBP–2	54
Enacted Budget	Must be released no later than three months after the budget is approved by the legislature.	59–63, EB–2	6
Citizens Budget	Must be released within the same timeframe as the underlying Executive's Budget Proposal or Enacted Budget. For example, a Citizens Budget for the Executive's Budget Proposal must be released while the legislature is still considering the Executive's Budget Proposal and before it is approved.	64–67	4
In-Year Reports	Must be released no later than three months after the reporting period ends.	68–75, IYR–2	9
Mid-Year Review	Must be released no later than three months after the reporting period ends.	76–83, MYR–2	9
Year-End Report	Must be released no later than 12 months after the end of the fiscal year (the reporting period).	84–96, YER–2	14
Audit Report	Must be released no later than 18 months after the end of the fiscal year (the reporting period).	97–102, AR–2	7

* The Open Budget Survey considers a document to be "publicly available" if it is published on the relevant government website within the given timeframe and is available free of charge.

These comments can be seen in their entirety in the relevant questionnaires at www.internationalbudget.org/open-budget-survey. IBP reviewed peer reviewer comments to ensure that they were consistent with the survey's methodology. Any peer reviewer comments that were inconsistent were removed, and the remaining comments were then shared with researchers. Researchers responded to comments from peer reviewers and their government, if applicable, and IBP refereed the final responses in order to ensure the consistency across countries in selecting answers.

Assessing Budget Transparency

The OBS 2019 uses 109 questions to measure the extent to which each country makes eight key budget documents available to the public on the relevant government website in a timely manner as well as the comprehensiveness of the budget information provided in these publicly available documents. Based on the simple average of the numerical value of the responses to these 109 questions, each country receives a budget transparency score from 0 to 100.

Weighting the Relative Importance of Key Budget Documents and Implications on Scores

As mentioned above, each country's 2019 budget transparency score is calculated from a subset of 109 survey questions. Though each of the eight key budget documents assessed may have a different number of questions related to it, the score is a simple average of the responses to all 109 questions. In calculating the scores, no method of explicit weighting is used.

Though using a simple average is clear, it implicitly gives more weight to certain budget documents than others. In particular, 54 of the 109 budget transparency questions assess the public availability and comprehensiveness of the Executive's Budget Proposal, and thus are key determinants of a country's overall budget transparency score. In contrast, the Citizens Budget

and the Enacted Budget are the focus of only four and six questions, respectively.

This implicit weighting is justified. From a civil society perspective, the Executive's Budget Proposal is the most important (and usually the most visible) budget document, as it lays out the government's budget policy objectives and plans for the upcoming year. It typically provides details on government fiscal policies not available in any other document. Access to this information is critical for civil society to understand and influence the budget prior its approval and is an important resource throughout the year.

Assessing Public Participation and Oversight Institutions

The OBS 2019 uses the remaining 36 questions to measure the extent to which governments include the public in budget decision-making and monitoring, as well as the role of the legislature and supreme audit institution in the budget process. The responses to the questions pertaining to each area are averaged, and each area is given a separate score. IBP also collects information on the role of independent fiscal institutions (IFIs) – independent, nonpartisan institutions, normally attached to the executive or legislature that make fiscal forecasts and estimate the cost of policies. However, IBP does not calculate a score for the role of IFIs.

For More Information

This annex presents a basic description of the methodology used in producing the Open Budget Survey 2019. For further details on any aspect of the methodology, please contact IBP at info@internationalbudget.org.

Evaluating Public Engagement Opportunities and Oversight Actors and Practices		
Indicator measured	OBS 2019 question numbers	Number of questions per indicator
Public engagement in the budget process	125–142	18
Role of the legislature	107–118	12
Role of the supreme audit institution	119–124	6
Role of independent fiscal institutions	103–106	4*

* These questions related to IFIs are not scored.

Open Budget Survey is online at
www.internationalbudget.org/open-budget-survey

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