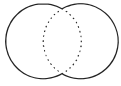


Ethiopia

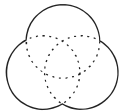
Overview



Transparency:

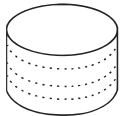
8 /100

(Open Budget Index score)



Public Participation:

7 /100



Budget Oversight:

57 /100

About the survey

Government budget decisions – what taxes to levy, what services to provide, and how much debt to take on – have important consequences for all people in society. When governments provide information and meaningful channels for the public to engage in these decisions, we can better ensure public money is spent on public interests.

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 legislatures and national audit offices, in the budget process.

The survey helps local civil society assess and confer with their government on the reporting and use of public funds. This 8th edition of the OBS covers 120 countries.

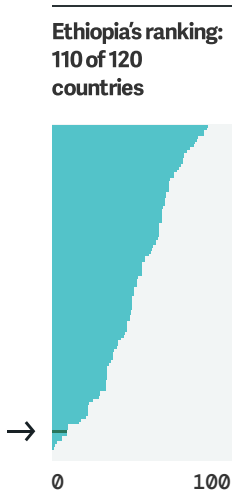
Visit www.internationalbudget.org/open-budget-survey for more information, including the full OBS methodology, the 2021 Global and Regional Reports, findings for all surveyed countries, and the Data Explorer.

Transparency

This part of the OBS measures public access to information on how the central government raises and spends public resources. It assesses the **online availability, timeliness, and comprehensiveness** of eight key budget documents using 109 equally weighted indicators and scores each country on a scale of 0 to 100. **A transparency score of 61 or above indicates a country is likely publishing enough material to support informed public debate on the budget.**

Ethiopia has a transparency score of **8** (out of 100).

Transparency in Ethiopia compared to others





| | |
|----------------|----|
| Global Average | 45 |
| Uganda | 58 |
| Rwanda | 45 |
| Madagascar | 27 |
| Tanzania | 21 |
| Somalia | 20 |
| South Sudan | 15 |
| Burundi | 9 |
| Ethiopia | 8 |
| Comoros | 0 |

0 Insufficient 61 Sufficient 100

Public availability of budget documents in Ethiopia

KEY

 Available to the Public

 Published Late, or Not Published Online, or Produced for Internal Use Only

 Not Produced

| Document | 2021 |
|-----------------------------|-------------------------------------------------------------------------------------|
| Pre-Budget Statement |  |
| Executive's Budget Proposal |  |
| Enacted Budget |  |
| Citizens Budget |  |
| In-Year Reports |  |
| Mid-Year Review |  |
| Year-End Report |  |
| Audit Report |  |

How comprehensive is the content of the key budget documents that Ethiopia makes available to the public?

| KEY | |
|----------------------------------------|--------------|
| ● | 61-100 / 100 |
| ● | 41-60 / 100 |
| ● | 1-40 / 100 |

| Key budget document | Document purpose and contents | Fiscal year assessed | Document content score |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------------------------------------------------------------------------------------------------|
| Pre-Budget Statement | Discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt. | 2020-21 | Not Produced |
| Executive's Budget Proposal | Submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation. | 2020-21 | Internal Use |
| Enacted Budget | The budget that has been approved by the legislature. | 2020-21 | 83 |
| Citizens Budget | A simpler and less technical version of the government's Executive's Budget Proposal or the Enacted Budget, designed to convey key information to the public. | 2020-21 | Not Produced |
| In-Year Reports | Include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly. | 2020-21 | Internal Use |
| Mid-Year Review | A comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes. | 2019-20 | Internal Use |
| Year-End Report | Describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals. | 2018-19 | Internal Use |
| Audit Report | Issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts. | 2017-18 | 57 |

Recommendations

Ethiopia should prioritize the following actions to improve budget transparency:

- Publish the Executive's Budget Proposal online before it is enacted into law.

- Publish the In-Year Reports, Mid-Year Review, and Year-End Report online in a timely manner. The In-Year Reports should be published online within three months of the period that they cover, while the Mid-Year Review should be published online within three months of the mid-point of the budget year. The Year-End Report should be published within 12 months of the end of the budget year.
- Produce and publish the Pre-Budget Statement and Citizens Budget online in a timely manner. The Pre-Budget Statement should be published at least one month prior to when the Executive's Budget Proposal is presented to the legislature. The Citizens Budget is a simplified version of the Executive's Budget Proposal or Enacted Budget designed to present key public finance information to the general public.
- Improve the comprehensiveness of the Audit Report by ensuring that all expenditures within the audit office's mandate are audited, including all extra-budgetary funds. Additionally, the executive should report publicly on what steps it has taken to address audit findings.

Public Participation

The OBS assesses the formal opportunities offered to the public for meaningful participation in the different stages of the budget process. It examines the practices of the central government’s executive, the legislature, and the supreme audit institution (SAI) using 18 equally weighted indicators, aligned with the Global Initiative for Fiscal Transparency’s [Principles of Public Participation in Fiscal Policies](#), and scores each country on a scale from 0 to 100.

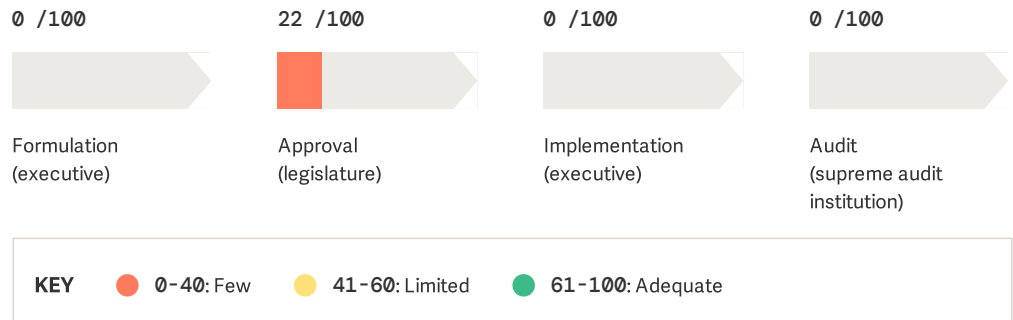
Ethiopia has a public participation score of **7** (out of 100).

Public participation in Ethiopia compared to others

| | |
|-----------------|----------|
| Global Average | 14 |
| Uganda | 19 |
| Madagascar | 15 |
| Rwanda | 15 |
| South Sudan | 11 |
| Tanzania | 9 |
| Ethiopia | 7 |
| Burundi | 0 |
| Comoros | 0 |
| Somalia | 0 |

For more information, see [here](#) for innovative public participation practices around the world.

Extent of opportunities for public participation in the budget process



Recommendations

To further strengthen public participation in the budget process, Ethiopia's Ministry of Finance should prioritize the following actions:

- Pilot mechanisms to engage the public during budget formulation and to monitor budget implementation.
- Actively engage with vulnerable and underrepresented communities, directly or through civil society organizations representing them.

Ethiopia's Federal Parliamentary Assembly has established public hearings related to the approval of the annual budget and public hearings related to the review of the Audit Report, but should also prioritize the following actions:

- Allow any member of the public or any civil society organization to testify during its hearings on the budget proposal prior to its approval.

Ethiopia's Office of the Federal Auditor General should prioritize the following actions to improve public participation in the budget process:

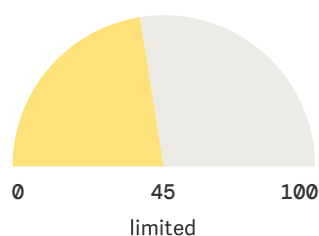
- Establish formal mechanisms for the public to assist in developing its audit program and to contribute to relevant audit investigations.

Budget Oversight

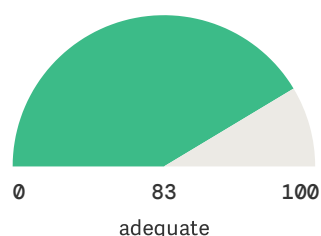
The OBS examines the role that legislatures and supreme audit institutions (SAIs) play in the budget process and the extent to which they provide oversight; each country is scored on a scale from 0 to 100 based on 18 equally weighted indicators. In addition, the survey collects supplementary information on independent fiscal institutions (see Box).

The legislature and supreme audit institution in Ethiopia, together, provide limited oversight during the budget process, with a composite oversight score of **57** (out of 100). Taken individually, the extent of each institution's oversight is shown below:

Legislative oversight



Audit oversight



KEY ● 0-40: Few ● 41-60: Limited ● 61-100: Adequate

Recommendations

Ethiopia's Federal Parliamentary Assembly provides limited oversight during the planning stage of the budget cycle and weak oversight during the implementation stage. To improve oversight, the following actions should be prioritized:

- The legislature should debate budget policy before the Executive's Budget Proposal is tabled and approve recommendations for the upcoming budget.
- The Executive's Budget Proposal should be submitted to legislators at least two months before the start of the budget year.

- In practice, ensure the legislature is consulted before the executive shifts funds specified in the Enacted Budget between administrative units or spends any unanticipated revenue during the budget year.
- A legislative committee should examine the Audit Report and publish a report with their findings online.

To strengthen independence and improve audit oversight by the Ethiopia Office of the Federal Auditor General, the following actions are recommended:

- Ensure audit processes are reviewed by an independent agency.

The emerging practice of establishing independent fiscal institutions

Ethiopia does not have an independent fiscal institution (IFI). IFIs are increasingly recognized as valuable independent and nonpartisan information providers to the Executive and/or Parliament during the budget process.

**These indicators are *not* scored in the Open Budget Survey.*

Methodology

- Only documents published and events, activities, or developments that took place through 31 December 2020 were assessed in the OBS 2021.
- The survey is based on a questionnaire completed in each country by an independent budget expert:
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The Horn Economic and Social Policy Institute
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Ethiopia
contacthespi@hespi.org
- To further strengthen the research, each country's draft questionnaire is also reviewed by an anonymous independent expert, and in Ethiopia by a representative of the Ministry of Finance.