

The Road to Budget Transparency

Learning from Country Experience

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EXECUTIVE SUMMARY

Budget transparency — the public availability of comprehensive and timely information about public finances — is a key precondition for promoting an informed public dialogue around policy priorities, and for ensuring government accountability. Providing public access to sufficient budget information enables citizens and civil society groups to understand how governments collect and spend revenues and to engage in monitoring and advocacy that can affect decision making regarding public budget policies. Yet, according to the International Budget Partnership's (IBP) Open Budget Survey, only a limited number of countries provide access to budget information that is sufficient for these purposes. Many countries have improved their levels of budget transparency, but then seem to get stuck in the middle ranks of the Open Budget Index (a global comparative measure of government budget transparency that is drawn from the Open Budget Survey) with scores that do not surpass 60/100 — the point at which governments are considered to be publishing sufficient information to enable public accountability. Why is that? And what have those governments that managed to break through that barrier done to guarantee that their citizens have access to adequate amounts of budget information?

This paper examines the budget transparency practices of six countries (Argentina, Ghana, Indonesia, Mexico, the Philippines, and Uganda), some of which successfully moved over the 60-point threshold, while others remained stuck in the middle of the Open Budget Index. All countries showed overall improvement between their 2006 and 2015 OBI scores, despite experiencing declines in some years. However, by 2015 only three had moved out of the middle band to scores of 61 and above (the Philippines, Mexico, and Uganda). The aim of the study is to identify not only catalytic factors that may have prompted governments to take steps to improve budget transparency but also some of the more specific steps they took (or did not take) in order to do so. It also examines the barriers that they faced in achieving and sustaining those improvements.

Across the six countries, broad contextual factors helped shape reform opportunities and trajectories. These included: a) political transitions, following both shifts toward democracy and changes in government; b) economic crises and the fiscal reforms that these generated; c) corruption scandals followed by public outcry; and d) external influence through international norms or more direct donor support. Across countries, these factors worked in conjunction to shape commitment to reforms and help either foster or prevent significant transparency improvements. Mexico and the Philippines best exemplify how a combination of domestic political shifts and participation in international initiatives led to significant improvements. In other countries, like Argentina and Ghana, the conjunction of factors was not as positive, and, as a consequence, incentives were not strong enough for reforms to take place or to take hold.

The country case studies also highlight how reform trajectories resulted in a number of more or less successful specific initiatives that governments undertook in order to try and improve their budget transparency levels. These initiatives include:

1. **Improvements in legal frameworks.** All countries introduced changes in their legal frameworks that helped increase the amount of budget information that governments are required to publish. In practice, however, outcomes varied: strong legal frameworks like those introduced in Uganda and Mexico resulted in substantive improvements in budget transparency, while weaker ones like those established in Argentina and Ghana did not. More generally, the link between the strength of legal provisions and actual transparency practices seemed to depend on the political will to implement the legal provisions, as well as on administrative cultures — like those in Westminster-type systems — that make it easier for governments to go beyond legal requirements and publish additional budget information.
2. **Broader public financial management (PFM) reforms.** Ongoing PFM reforms were also important in facilitating transparency improvements in some countries. These included the development of medium-term budgetary frameworks; the introduction of systems that produce program and performance data that link spending with results; the introduction of budget classification systems that allowed for a more detailed breakdown of revenues and expenditures; and the adoption of IT (information technology)-based financial management systems that made tracking public resources at different stages of the budget process quicker and more effective. PFM reforms do not automatically translate into more transparency, however, as governments need to purposefully pursue the “transparency dividends” that reforms generate.
3. **The creation of online budget transparency portals.** Countries that were successful in achieving greater levels of budget transparency — Mexico, the Philippines, and Uganda — all went beyond the publication of budget documents and set up open budget portals, which provide the public with online access to budget information, in open formats and in real time. While these portals depend on an effective FMIS (financial management information system) and consistent budget classification, they are important PFM reforms in their own right and are directly aimed at improving transparency.
4. **Organizational/institutional changes.** For better laws and ongoing reforms to result in higher levels of budget transparency — and higher OBI scores — governments need to ensure that legal provisions and reform commitments are implemented. This requires institutional measures that signal the importance of transparency and focus the attention of officials on making it happen. In

Mexico, the Philippines, and Uganda, finance ministries introduced a number of institutional changes and new practices, including: a) setting up dedicated units tasked with coordinating efforts to improve the timely publication of budget information; b) formulating ad hoc strategies to clarify objectives and facilitate monitoring and implementation; and c) introducing mechanisms for dialogue with civil society on transparency issues.

All six governments faced important challenges in their reform trajectories — from weak commitment and strong resistance to reform, to insufficient technical capacities in both central and line agencies, to institutional fragmentation and lack of coordination. But the more successful governments proved better able to tackle and overcome such challenges by building the capabilities of finance ministries to deliver transparency improvements — and thanks to some of the specific institutional reforms that they adopted.

While the evidence from the case studies cannot automatically translate to other contexts, those interested in promoting budget transparency reforms could do worse than taking a look at what happened in Mexico, the Philippines, and Uganda (and to a lesser extent Indonesia) in order to better understand what the governments of these countries did to achieve a score of 60 or above on the OBI. Building political commitment; managing and overcoming resistance to reforms; focusing not just on changes in law but also on their implementation; ensuring that PFM reforms have specific transparency components; and putting in place adequate institutional measures to foster cross-institutional collaboration, identify clear and “monitorable” objectives, and promote dialogue with relevant nongovernmental stakeholders are all actions that governments seeking improved transparency can consider.

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1. INTRODUCTION

Budget transparency is a fundamental precondition for promoting public dialogue around how public resources are raised and utilized. Providing public access to sufficient budget information enables citizens and civil society groups to understand how governments collect and spend revenues and to engage in monitoring and advocacy that can affect decision making regarding public budget policies. A threshold score of roughly 60 out of a possible 100 on the International Budget Partnership’s Open Budget Index (OBI) — IBP’s independent, comparative measure of the amount and timeliness of budget information that governments make publicly available throughout the budget cycle — is considered to represent the level at which countries are publishing sufficient information to allow public discussions on the budget to occur.¹ Yet, in the 2015 round of the Open Budget Survey (OBS), the instrument on which the OBI is based, only 24 of the 102 surveyed countries scored above 60. Furthermore, while successive rounds of the survey over the last decade have shown that the average level of budget transparency around the world has modestly increased, a significant number of countries persist in providing only limited amounts of budget information to the public, scoring between 41 and 60 on the OBI. The number of countries falling into the middle, or “limited,” category of the OBI has grown over the last four rounds of the survey and now includes almost half of the countries in the survey. While the majority of these countries have remained in the “limited” category over two or more rounds of the OBS, some countries moved into the top end of the index, while others did so initially but have since fallen back. This paper examines the budget transparency practices of six countries, some of which successfully moved over the 60-point threshold, while others remained stuck in the middle band. The aim of the study is to identify not only catalytic factors that may have prompted governments to take steps to improve budget transparency but also some of the more specific steps they took (or did not take) in order to do so, as well as the barriers that they faced in achieving and sustaining those improvements.

1.1 BACKGROUND TO THE STUDY

The OBI assesses the public availability and comprehensiveness of eight key budget documents that all governments should publish over the different stages of the budget cycle. The content of these documents is assessed through 109 objective questions that are part of the Open Budget Survey. These questions are based on international standards for the availability of budget information, such as the International Monetary Fund’s (IMF) Code on Fiscal Transparency and the Organisation for Economic Co-

¹ See Babacar Sarr and Joel Friedman, “The Road to 61: Achieving Sufficient Levels of Budget Transparency,” (Washington, D.C.: International Budget Partnership, 2016). Available at: <https://www.internationalbudget.org/publications/achieving-sufficient-levels-budget-transparency/>

operation and Development's (OECD) Best Practices for Budget Transparency. The resulting assessment of each country leads to a score on a scale from 0 to 100.²

A country can achieve an OBI score of at least 61 if it publishes all eight documents and if each document published presents core budget information in a way that is consistent with international standards for good transparency practices (i.e., a score of "B" or higher on most OBI questions). This includes information on expenditures, revenues, debt, macroeconomic forecasts, and nonfinancial performance. For information beyond these core budget data, countries only need to publish a minimal amount of data (i.e., a "C" score on the relevant questions) to reach the benchmark of 61. Calculated in this way, a score of 61 is a rough indicator that a country is making a range of budget information (including, though not limited to, the essential basic information) available to the public. For this reason, a score of 61 is a benchmark indicating that a country's budget is sufficiently transparent.

The study presented in this paper looked at six countries: Argentina, Ghana, Indonesia, Mexico, the Philippines, and Uganda. This group includes two upper-middle, three lower-middle, and one low-income country, as of the OBS 2015. While Ghana and Uganda can be considered to have been aid-dependent countries for some if not all of the 2006 to 2015 period, Argentina, Indonesia, Mexico, and the Philippines were far less so. All countries except Ghana experienced significant regime change in the years prior to the first survey in 2006, which led to an emphasis on transparency and accountability from governments eager to signal a change in political economy. All countries except for Uganda experienced at least one electoral change of executive government over the period considered and found themselves with a different party in control of at least one house of the legislature at some point. All six countries also had to contend with economic and fiscal crises creating pressure on public finances at some time during the period.

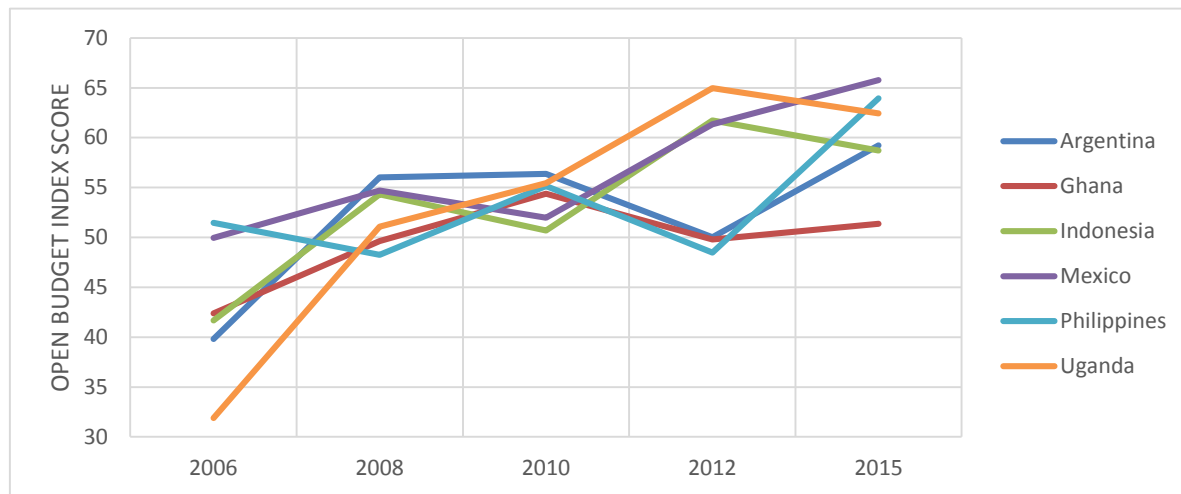
All countries showed overall improvement between their 2006 and 2015 OBI scores, despite experiencing declines in some years.³ However, by 2015 only three moved out of the 40 to 60 band to scores of 61 and above (the Philippines, Mexico, and Uganda). Of these, Mexico and Uganda successfully sustained a score of 61 or above the last two surveys, while the Philippines reached this level in 2015 after setbacks both in 2008 and 2012. Uganda is also the only country of the six that moved from providing minimal to

² For a more detailed discussion of the OBS methodology, see Annex A of the Open Budget Survey 2015 report, available at: <https://www.internationalbudget.org/opening-budgets/open-budget-initiative/open-budget-survey/publications-2/full-report/>

³ Some changes were introduced to the OBS methodology between the 2012 and 2015 rounds. Although this affected some of the country scores, the overall comparability of survey results was maintained. For more details, see Annex B of the Global Report for the 2015 Open Budget Survey, available at: <https://www.internationalbudget.org/opening-budgets/open-budget-initiative/open-budget-survey/publications-2/full-report/>.

significant information over this period.⁴ The remaining three countries, Ghana, Argentina, and Indonesia remained below 60 in 2015. Indonesia did achieve a score of 62 in 2012, but fell to 59 in 2015.

FIGURE 1. OBI SCORES FOR SIX CASE STUDY COUNTRIES 2006 TO 2015



The aggregate OBI scores shown in Figure 1 inevitably hide significant movement in their respective component scores by budget document, with each country following different trajectories over the period. These can be summarized as follows:

Argentina: After a significant increase from 2006 to 2008, transparency remained stable in aggregate terms through 2010, but declined in 2012. In 2015 another significant jump was reported. Improvements were the result of enhancing the comprehensiveness of existing reports in the first case, and, in 2015, both continuing to improve existing documents and publishing a Pre-Budget Statement for the first time.

Ghana: While the aggregate score remained relatively stable over the whole period, practices relating to individual budget documents showed significant volatility, both in terms of whether reports were published and of their coverage.⁵ For example, the Citizens Budgets, In-Year Reports, and Mid-Year Reviews were published on and off over the entire period. The Audit Report was the only document that maintained steady improvement.

Indonesia: While Indonesia’s score has improved over the study period (with slight declines between cycles), the steady improvement in the Executive’s Budget Proposal and the first publication of a Pre-

⁴ Minimal budget information publicly available defined here as an OBI score of less than 40.

⁵ “Volatility” in the publication of budget documents describes a condition in which the publication status of documents containing key budget information changes repeatedly over time. For more information, see <https://www.internationalbudget.org/publications/the-volatility-of-budget-transparency/>

Budget Statement and In-Year Reports was offset in later years by some unpublished reports or by variance in the coverage of reports. In-Year Reports were published on and off, and the Pre-Budget Statement and Year-End Report were published only in some years.

Mexico: With the exception of a decline in 2012 (driven by declining comprehensiveness of some documents rather than a failure to publish), Mexico's score has improved steadily over the period. Key features of this improvement include an expansion of the content of the Executive's Budget Proposal and publication of a Pre-Budget Statement and Citizens Budget, which were not published in the first survey.

Philippines: The Philippines' progress toward the "significant" information category has been unsteady, with improvements made in 2010 reversed in 2012, followed by further significant improvement in 2015. While the 2012 decline was largely on account of not publishing the Year-End Report, the big jump in 2015 was caused by publishing a Citizens Budget and a Pre-Budget Statement for the first time, republishing the Mid-Year Review and the Year-End Report, and improving the comprehensiveness of the Executive's Budget Proposal and Audit Report. The Philippines is the only country in the group that published all eight key documents by 2015.

Uganda: With the exception of a small decline in the last round, Uganda's OBI score has improved steadily over the period. Interestingly, it is the one country that used to publish all the *ex ante* documents (i.e., Pre-Budget Statement, Executive's Budget Proposal, Enacted Budget and Citizens Budget), but none of the *ex post* documents (i.e., In-Year Reports, Mid-Year Review, Year-End Report) besides the Audit Report. All of these were published by the 2010 survey, and their comprehensiveness improved significantly in subsequent years.⁶

While country trajectories varied significantly, there are also some cross-country trends that are of interest. These include the following:

- Big jumps were often achieved by publishing reports for the first time, particularly the Citizens Budget and Pre-Budget Statement. In the first OBS, only Uganda had already published both documents. By the last survey four of the six countries had published them.
- Four of the six countries published each of the reports for at least one survey year (Indonesia, Mexico, the Philippines, and Uganda), but only two published all reports in any one year (Uganda

⁶ Annex Table 1 provides a much more detailed account of country-by-country trajectories in OBI performance.

in 2012 and Philippines in 2015), and none of the countries sustained publication. Argentina did not publish the Citizens Budget and Ghana the Pre-Budget Statement in any of the surveys.

- The survey results showed high volatility in the publication of budget execution reports, including the Mid-Year Review and the In-Year and Year-End Reports.
- All countries improved the comprehensiveness of their Year-End Reports between the first and last survey, the only report for which this occurred. Over the same period, the Executive's Budget Proposal, the most heavily weighted document, improved in comprehensiveness for all countries except Ghana.

1.2 OBJECTIVES AND ORGANIZATION OF THE PAPER

Documenting and explaining these trends, both within and across countries, is one of the main objectives of this paper. More specifically, it aims to understand why and how these trends occur. Despite the improvements that all countries made, some were able to break through the “60-point barrier” and achieve sufficient levels of budget transparency, while others were not, or struggled to sustain improvements.

Another objective is to identify specific successful initiatives governments adopted in order to achieve sufficient levels of budget transparency. While this paper looks both at the broader factors that spurred or stopped countries in their budget transparency reform trajectories, and at the more detailed technical and institutional measures governments adopted as part of the reforms, the emphasis is mostly on the latter.

To this end, the paper is structured as follows:

- Section 2 looks at broad factors that helped trigger transparency reforms, encouraging or discouraging improvements in budget transparency.
- Section 3 looks at more specific actions and initiatives governments undertook to ensure that transparency improvements actually materialized. This section prioritizes three specific areas: the revision of legal frameworks; technical public financial management (PFM) reforms; and institutional measures aimed at ensuring proper management, coordination, and monitoring of reform processes.

- Section 4 focuses on common barriers countries faced in implementing transparency reforms and on some of the actions taken to overcome them.
- Section 5 synthesizes the findings and attempts to understand how different factors, actions, and barriers came together to determine how some countries were more successful than others in achieving sufficient levels of budget transparency.

The analysis, findings, and conclusions in the paper are supported by a series of analytical tables in Annex 1 that illustrate the detailed comparative evidence from the six cases. The discussion and tables are based on country-level case studies conducted by local researchers in late 2016/early 2017 (see Annex 2). All information provided is from these case studies, occasionally supplemented from primary and other secondary sources. Additional secondary sources are referenced.

2. TRANSPARENCY TRIGGERS: BROAD FACTORS BEHIND TRANSPARENCY REFORMS

In a recent book looking at the political economy of budget transparency reforms, four main "causal triggers" for advances in fiscal openness were identified: a) political transitions, b) fiscal and economic crises, c) political and corruption scandals, and d) external influences. According to the authors, "These factors often interact in complex combinations to shape the trajectories in different countries by fostering or impeding advances in fiscal transparency and participation."⁷ They create opportunities and shape incentives for key players — political leaders, civil servants, and civil society actors — to take action in designing, implementing, and sustaining reforms designed to promote fiscal openness. In all six cases covered in this study, government actors took steps to improve transparency motivated by one or more of these triggers.

While a number of countries had undergone deeper **political transitions** earlier than the period under consideration (think of Indonesia's transition after the deposition of Suharto or Uganda's after Idi Amin), government changes after elections were a significant trigger for reforms in Mexico and the Philippines, while they provided more contradictory incentives in Argentina (see Box 1). In both Mexico and the Philippines significant reforms were introduced after new governments took power with a clear mandate

⁷Sanjeev Khagram, Paolo de Renzio, Archon Fung, "Overview and Synthesis: The Political Economy of Fiscal Transparency, Participation, and Accountability Around the World," in Khagram, Fung, and de Renzio, eds., *Open Budgets: The Political Economy of Transparency, Participation, and Accountability* (Washington, D.C.: Brookings Institution Press, 2013), 3-4.

to improve governance and fight corruption, initiating a shift in the political economy toward more openness in government action, including fiscal and budget issues.

Fiscal and economic crises also helped trigger transparency improvements, as part of reforms to address the causes of such crises or because of the pressure put on the executive branch to demonstrate clearly how limited resources are spent in times of scarcity. In Argentina early transparency improvements were introduced after 1998 to prevent a repeat of the negative growth rates, fiscal crises, and hyperinflation experienced in prior years. A similar situation took place in Indonesia after the 1997 Asian financial crisis. In Mexico, between 2014 and 2016, economic crises created the tough fiscal conditions that spurred greater openness on the part of government, in order to demonstrate why cuts had to be made and how those cuts were distributed, and to legitimize those decisions.

Corruption scandals were important in opening windows of opportunity for reform in two of the three countries that achieved sufficient levels of budget transparency. The Philippines case study, for example, argues that the emphasis placed on transparency improvements by the incoming Aquino Administration was a reflection of the election promise to fight corruption and improve governance, as well as an exercise in trust building. Further corruption scandals that broke out halfway through its term gave the reforms further impetus. In Uganda the discovery of leakages in the funds destined for schools was key in triggering the quarterly publication in newspapers of information on disbursements to the local level and in the government's adoption of a specific strategy to promote budget transparency. In 2012 a corruption scandal involving the prime minister's office provided impetus for a further transparency improvement, the creation of an online budget portal.

Finally, **external actors and initiatives** also played an important role in incentivizing transparency improvements across most of the case study countries. In the Philippines and Indonesia, for example, governments benchmarked reforms and practices against international assessments of good practice and designed reforms based on advice from such institutions as the World Bank, the Asian Development Bank, and the IMF. This included an emphasis on fiscal transparency. In addition, membership in the Open Government Partnership (OGP) and in the Global Initiative for Fiscal Transparency (GIFT) was important in both Mexico and the Philippines (and to some extent in Indonesia) in ensuring that transparency commitments were put into practice and that decisive action was taken by the government of the Philippines to push its OBI score above 60 in 2015, after falling back to 48 in 2012. External actors were also important in providing direct support to some of the reforms adopted in Uganda, including the formulation and implementation of the early budget transparency strategy and the more recent creation of the online budget portal. In Argentina, on the other hand, external influence had less of an impact, as the

country distanced itself from the IMF after President Nestor Kirchner came to power in 2003, following years of political and economic turmoil.

BOX 1. POLITICAL FACTORS AS INCENTIVES AND DISINCENTIVES FOR TRANSPARENCY IN ARGENTINA

Between 1991 and 2000 Argentina experienced a period of transparency improvements, from putting its accounts in order and making budget information readily available, to allowing access to online data and expanding transparency at provincial level. This process was made possible by the stabilization of the economy and encouraged by engagement with international financial institutions (IFIs) and pressure from Argentinian civil society. Legal reform, public financial management (PFM) reform, and developing the capability to provide information online were key mechanisms toward greater openness in this period. After the 2001 crisis, Nestor Kirchner was elected president in 2003 and served for one term. Within a year of his election, Argentina halted new agreements with the IMF, and in 2006 canceled all its debts with the institution. In 2007 President Kirchner was succeeded by his wife, Cristina Fernández de Kirchner, who served for two terms. Both the Kirchners' terms were characterized by a highly fractious relationship with the media as the economic performance of the country worsened.

By 2014 the country was again in debt default. During this period the government introduced legal changes to increase the discretion of the executive with regard to expenditure (resulting in ever more overspending above approved appropriations), and there was a gradual deterioration in the transparency practices established over the previous decade. Many of the changes in transparency practices affected not only the availability of information (as measured by OBS) but also the reliability of such information. For example:

1. In 2007 the leadership of the statistics authority was replaced, and the inflation index altered to hide rising inflation in an election year. Other economic indicators, such as GDP, also became unreliable.
2. In 2009 the fiscal responsibility laws, key mechanisms in improving the availability of information, were altered after provincial governments were not able to fulfill the objectives set out in the 2004 law.
3. For the 2010 budget proposal, the government utilized a number of accounting tricks to hide the true fiscal situation.
4. Over the three presidential terms, extra-budgetary funds, for which far less information was available than for main budget expenditures, grew from two funds to 15.

5. Finally, budget information that was previously available, including but not limited to information assessed through the OBS, started to disappear or got published late. This included a website that provided monitoring and evaluation information on social programs; long-standing series of government expenditure data (possibly on account of incorrect GDP series affecting the internal consistency of the data); and a citizens' website, which presented detailed information on budget execution at a critical political moment. Even when some of these were republished, vital aspects were missing.

While some improvements in transparency were made from 2012 onward, a clear break came only in 2016 with the most recent change in government. Key changes in recent times have included new legal reforms to strengthen congressional authority over the budget and to specify budget information that must be publicly available.

It is interesting to see how, across countries, these factors worked in conjunction to shape commitment to reforms and help either foster or prevent significant transparency improvements. Among countries whose OBI score improved above 60, Mexico and the Philippines might best exemplify how a combination of domestic political shifts and participation in international initiatives led to significant improvements. In Mexico political opportunities were enhanced by the need to respond to an economic crisis, and civil society also mobilized, adding pressure to existing incentives for government to become more open. The case study describes how pressure from an increasingly professional community of groups supporting budget transparency and open public finance contributed not only to more information becoming publicly available but also to what information was made available and how. In the Philippines high-profile corruption scandals provided further incentive for improvement as they galvanized public opinion and focused government efforts. In Uganda, on the other hand, the influence of donors helped the government recognize the need to strengthen fiscal and budget governance in the country, as well as the value of openness in the management of public resources in supporting key policy objectives like poverty reduction.

In other countries, the conjunction of factors was not as positive, and, as a consequence, incentives were not strong enough for reforms to take place or to take hold. As previously mentioned, Argentina saw political changes that led to transparency setbacks rather than improvements. In Ghana the case study suggests that the government commitment to promoting transparency was hollow and lacked sufficient domestic support. Various national strategic planning and policy documents established transparency as

a key pillar of development and as a government priority, but these commitments did not translate into more concrete initiatives and sustained improvements, and seemed driven more by the need for the government to be seen as responsive to external influence, rather than on a perceived domestic need backed by political buy-in. The case of Indonesia also points to limited political commitment to transparency.

3. GOVERNMENT ACTION TO IMPROVE BUDGET TRANSPARENCY

Broad factors such as those mentioned in the previous section shaped transparency trajectories across the various countries studied. These trajectories resulted in a number of specific more or less successful initiatives that governments undertook in order to try and improve their budget transparency levels. In order to better understand how certain governments were able to achieve sufficient levels of openness, it is useful to focus on these more detailed efforts, evaluate their impact, and analyze factors behind such impact, including the challenges faced. These initiatives include:

1. Improvements in legal frameworks regulating budget processes and their openness;
2. Broader reforms of the PFM system;
3. Making budget information available through online portals; and
4. Organizational/institutional changes, including proactive engagement with civil society actors.

This section discusses each of these factors in turn to understand how they might help explain the progress made (or lack thereof) by countries in moving beyond a score of 60 on the OBI.

3.1 STRENGTHENING THE LEGAL FRAMEWORK FOR BUDGET TRANSPARENCY

While there is a clear *prima facie* link between stronger legal frameworks (i.e., those that include specific provisions for fiscal openness) and levels of fiscal transparency, the case studies show that a legal basis for the publication of budget information may not be sufficient to ensure the publication of budget documents and data.⁸ They record several instances in which documents were made available routinely even without a legal basis, as well as one case in which documents were not published consistently, despite being required by law. In five of the six cases, however, specification in law was associated with a

⁸ This is in line with results from previous research carried out by IBP. See Paolo de Renzio and Verena Kroth, “Transparency and Participation in Public Financial Management: What Do Budget Laws Say?” International Budget Partnership, Washington, D.C., 2011.

higher likelihood of information being made public consistently all of the time, while the absence of such laws was linked to irregular publication or no publication at all.

The strength of the relationship may depend, at least partly, on the country's administrative law culture. In their 2004 comparative analysis of legal frameworks for budget systems, Ian Lienert and Moo-Kyung Jung discuss how the degree to which countries' budget processes are based on law varies across countries, depending on how important it is deemed in the country's administrative law culture to have a legal basis for reforms and practice.⁹ In "Westminster" countries, those with governments based on the British parliamentary system, it is generally not considered necessary to adopt a law before changing budget procedures. Laws are adopted to frame systems, roles and responsibilities, and powers, but officials can change processes through executive orders or lower-level legal instruments (such as regulations or circulars) without needing to change the law in its entirety. Procedures would therefore be anchored in law only when it is expedient to do so. Conversely, in countries with a continental European administrative law tradition, it is often considered necessary to change the law before procedural changes can be made.

These differences play out across the six countries, as shown in Table 1. below. Three of the countries, Argentina, Indonesia, and Mexico, have administrative law cultures in which a legal change is deemed necessary before changing budget processes, while Ghana, the Philippines, and Uganda are operating in a culture in which reforms do not need to be preceded by legal changes. The strongest relationships between legal stipulation and ultimate publication occur in the former group. In these countries the case study narratives also place a high emphasis on how incoming governments focused on legal changes before implementing transparency reforms.

In Ghana and the Philippines, the study found a medium-to-weak link between stipulation in law and publication. The link in Ghana is the weakest among the six countries: it is the only country in which a document stipulated to be published by law is not published consistently, while on the other hand documents are often published without any underlying legal requirement. Uganda is an exception in the "Westminster" group: although reforms can occur without foundation in legislation, the 2001 Budget Act (a private member bill in the legislature) and the 2003 Public Finance Act chose to specify documents for submission to the legislature and publication. The latter can be seen as a reflection of the interest of the finance ministry in promoting transparency and accountability at the time.

⁹ Ian Lienert and Moo-Kyung Jung, "Comparison of OECD Countries' Frameworks for Budget Systems," in "The Legal Framework for Budget Systems: Special Issue," *OECD Journal on Budgeting*, vol. 4, no. 3, 2004.

TABLE 1. SUMMARY ANALYSIS OF LEGAL FRAMEWORKS AS AN ENABLING FACTOR FOR BUDGET TRANSPARENCY

Country and strength of law	Status and timing of laws	Strength of existing framework	Link from framework to transparency improvements
<p>ARGENTINA <i>Strong</i> Framework strong with very strong links to publication of information, even if scope not always followed.</p>	<p>Continental European culture of administrative law</p> <p>Applicable laws were in place prior to the OBS 2006 and include both budget system laws and a FOI decree.</p>	<p>The framework for transparency is strong with requirements for five of the eight OBI documents to be prepared for submission to congress, of which four are also required to be published.</p>	<p>There is a very strong relationship between the law and transparency. All the documents that have always or consistently been published were stipulated in the law, for publication or for submission to congress. The documents that were published occasionally or never are not explicitly required. The case study however discusses various ways in which aspects of the law have been ignored or altered in response to political and economic pressures. This affected particularly the scope and quality of information available (e.g., reliability of the budget proposal; reliability of the economic and financial information published).</p>
<p>GHANA <i>Medium to weak</i> Legal framework medium to weak and links between legal stipulation of documents and publication also medium to weak.</p>	<p>Westminster culture of administrative law</p> <p>Applicable laws are the constitution and 2003 budget system law. New law enacted in 2016.</p>	<p>A medium-to-weak framework for fiscal transparency applied in each of the periods, with only two of the OBI documents specified in law for publishing and a third for submission to the legislature. New law in 2016 requires more documents to be submitted to parliament.</p>	<p>In practice the legal framework does not consistently result in the publication of required documents. Out of the eight documents, five were not published consistently as per the OBI, designating a medium-to-weak direct relationship. A newly introduced law may enable transparency by forcing the executive branch to prepare two additional documents, which can then be made publicly available.</p>
<p>INDONESIA <i>Strong</i> The legal framework for transparency is strong, and there is a strong relationship between legal stipulation and publication of documents.</p>	<p>Continental European culture of administrative law</p> <p>Set of laws regulating PFM enacted in 2003 and 2004.</p>	<p>A relatively strong framework for transparency with six of the eight reports required by law to be submitted to the legislature, even if only one is required to be published. A seventh report must be prepared.</p>	<p>The direct relationship between the laws and transparency is strong, with all eight documents being aligned in terms of whether they are stipulated in law and published. Besides enabling transparency by bringing order to the PFM system, while the laws do not require the publication as such of documents, they do require submission to the legislature of all the documents that were published frequently or all of the time. The two that are not required or required only internally were published only once. Finance laws were found to have enabled transparency beyond the publication of reports, by recognizing the principle and bringing off-budget items into law; by bringing a unified classification; and by providing for the generation of performance information.</p>
<p>MEXICO <i>Strong</i> The legal framework for transparency is strong, and there is a strong relationship between legal stipulation and publication of documents.</p>	<p>Continental European culture of administrative law</p> <p>Constitution modified in 2007 with transparency strengthening clauses and laws enacted between the OBS 2006 and 2010.</p>	<p>The legal strength for fiscal transparency is considered to be strong, with six of the eight documents specified in law.</p>	<p>The direct relationship is strong, with six of the eight documents aligning in terms of whether they are stipulated in law and published. For the others, documents were published consistently even though not stipulated in law. The 2002 law established the principle of transparency and established requirements for proactively publishing four of the eight OBI documents, including specifying how they should be published. Various laws brought order to the public finances and established good budgeting principles that aid transparency, such as comprehensiveness of the budget, consistent classification of the budget across units and functions of government, and requiring more than the publication of expenditure and revenue information. These laws enabled a</p>

			change of culture in government and directly led to the publication of key documents. All the required documents are published all of the time, while those that are not required have been published only some of the time or once.
PHILIPPINES <i>Medium</i> The legal framework is of medium strength and the relationship between stipulation and publication of documents is medium.	Westminster culture of administrative law Relevant law predates the OBS 2006. A new law is drafted but not enacted.	A medium-strength framework for transparency with the current law requiring publication of only three of the eight OBI documents. The law, however, also specifies the content of the Executive's Budget Proposal, allowing for disaggregated information to be available, and for it to be linked to plans.	There is a medium-direct relationship between the law and transparency in the Philippines with only four of the eight documents aligning in terms of whether they are stipulated in law and published. However, the inverted relationship is in a positive direction for transparency. While all of the required documents were published all of the time, a further two documents that were not required were also available all of the time, and one, some of the time. A further two were published once. A new PFM bill was drafted in 2014, filed in 2015, but has not yet been enacted. This bill not only requires all the documents to be published but also specifies content.
UGANDA <i>Medium to strong</i> The legal framework is medium-to-strong, and the relationship between the stipulation in law and publication of documents is medium-to-strong.	Westminster culture of administrative law The main laws preceded the five rounds of the OBS.	From a transparency perspective, the legal framework is strong, as five documents are required to be published or submitted to the legislature (even if only one document is required to be published).	There appears to be a strong relationship between the law and transparency, as five of the eight documents align in terms of their stipulation in law and publication. All of the documents that are published all of the time are required by law to be prepared and submitted to parliament, even if not published. There is one OBS in which one of the documents required by law to be submitted to parliament was not published in time, but the specification in the law is general, rather than requiring aligning with the OBI specification for specific reports. Furthermore, the law provides content specifications that support the quality of documents published. The 2003 act sets out parameters beyond the main budget and requires detail on past expenditure and revenue that must be presented to parliament for the budget, as well as detail on expenditure and revenue information that must be included in the budget; requires the submission of reports to parliament during the year; the preparation of an annual report; and the submission of the Audit Report to parliament. A new budget systems act was passed in 2015. One improvement in this law is to include specific provisions for in-year reporting.

Looking at the eight key budget documents across the six countries, there are 48 possible combinations of individual documents specified in law and their publication status. When instances of specification and publication are analyzed across countries (see Table 2), it becomes clearer that, while stipulation in law is not always necessary for publication, in almost all cases, mandating that a document be published results in its regular publication. Of the 18 times in which publication was specified for a document, it was published in 17 cases. Across countries and documents, the only instance where regular publication did not follow stipulation is in Ghana, where the required In-Year Reports were not published consistently. Further evidence beyond the eight key budget documents comes from Argentina, where the list of required information in Article 8 of the Fiscal Convertibility Law of 1999 is still not published in full by all

government entities. This list includes such items as information on the salaries of officials, retirement and pensions, and purchase and payment orders on all contracts.

TABLE 2. DISTRIBUTION OF COMBINATIONS OF LEVELS OF STIPULATION IN LAW AND FREQUENCY OF PUBLISHING

Stipulation in law	Frequency of publishing				
	<i>Always published*</i>	<i>Published some times</i>	<i>Published only once</i>	<i>Never published</i>	<i>Total</i>
Required to be published	16	1			17
Required to be submitted to legislature	8	3			11
Required to be produced	1	1	1		3
Not stipulated	3	6	5	3	17
Total	28	11	6	3	48

Source: Authors' calculations. See Annex Table 2 for a much more detailed analysis of the underlying information.

* This category includes cases in which documents were published in all the subsequent Open Budget Survey rounds after its introduction, if this occurred in 2008 or 2010.

Even the simple specification that a document needs to be submitted to the legislature resulted in publication most of the time. This suggests that, once a document is prepared, it is more likely to be published. This is further supported by the correlation between simple production and publication and by the fact that the only documents that were never published were those that were not stipulated at all in law.

However, stipulation in law appears not to be necessary for documents to be published. Where inverted relationships exist between stipulation and publication (either stipulated but not published, or published but not stipulated), the connection tends to favor of transparency. This is driven particularly by Mexico, the Philippines, and Uganda, all of which continually publish documents that are not stipulated in law. It is notable that these countries are also those that completed the “road to 61,” suggesting that producing documents beyond what is required by the law — in other words, not waiting for legal changes before publishing information — might be a key factor in reaching higher OBI scores.

The documents that are least often specified in law are the Pre-Budget Statement, the Citizens Budget, and the Mid-Year Review. Of these, the Mid-Year Review is more often published all or some of the time (four countries). The Citizens Budget is stipulated in law in only one of the six countries. In the three countries that provide sufficient information to citizens, according to their OBI scores, it is published all or some of the time.

The analysis so far has looked at how the legal stipulation of budget documents links to the frequency of their publication. The legal framework of the countries also plays a role in improving the coverage of documents. In the Philippines and Indonesia, for example, the finance laws determine high levels of detail for the budget. In Indonesia this includes classification by administrative, functional, economic, and programmatic classification. In the Philippines this is specified as line-item appropriations for programs, activities, and projects of government. The law can also enable more comprehensive budget documents. For example, in Indonesia the revised finance law required that off-budget funds and public enterprises are brought into the fiscal system.

Besides specification in law of the documents and what they should cover, changes to budget system legal frameworks enabled transparency in a number of other ways. These include:

- *Requiring the production of new information or changing the format of information to allow for aggregation and summarizing.* In Argentina and Mexico, the law changed to require consistent classification (or charts of accounts) across levels, functions, and units of government, allowing fiscal aggregation as well as aggregation by functions, types of services, etc. In Indonesia, besides this change, ministries are also required by law to undertake results-based planning and provide performance information.
- *Framing all of the budget system in principles of good governance and transparency and establishing the right of citizens to information.* Constitutional stipulations often emphasized these principles, but it was usually in the budget laws (Ghana and Indonesia) or in fiscal responsibility laws (Argentina). Freedom of information laws, beyond their proactive transparency provisions, had a similar function of establishing a culture that citizens have a right to information. In Mexico one of the early legal changes was the Federal Law of Transparency and Access to Information, which in 2002 opened up government information and established the Access to Information and Transparency Institute. In Indonesia the Freedom of Information Law contributed similarly and also designated the finance ministry as the key institution for budget transparency.
- *Clarifying roles and responsibilities for fiscal management.* This is discussed further in the section on institutional measures below. Here, the establishment of the supreme audit institutions as independent, professional bodies is key. In Argentina this is reflected in the OBI scores, with the audit report consistently being published and improving its score, despite fluctuation in other OBI elements.

In summary, the six case studies show that one mechanism countries can use to sustainably strengthen transparency is revising and improving legal frameworks to require the publication of budget documents. Even when publication is not specified, any specification that requires a document to be prepared (whether internally for the executive branch or for submission to the legislature) is likely to result in it being published at least some of the time. But just publishing what is prepared in any case because of specification in law may not be enough to reach sufficient levels of budget transparency. The three countries that have gone beyond an OBI score of 60 all regularly publish documents that are not specified in law, particularly either the Pre-Budget Statement or the Citizens Budget. On the other hand, even countries with strong legal frameworks, like Argentina and Indonesia, were not able to consistently keep their OBI score above 60.

3.2 THE ROLE OF TECHNICAL PFM REFORMS

Including transparency provisions in legal frameworks can help create the conditions necessary for the publication of information, but transparency improvements often require technical reforms to accompany legal ones, in order to ensure that governments have the systems and capacities in place to produce the necessary information in time for publication. All of the six case study countries had ongoing reforms in their PFM systems, both before and during the period under consideration. In fact, similar types of reforms across countries enabled transparency when successfully implemented, while reform efforts that stalled or were unsuccessful or missing ended up slowing down transparency improvements. This section provides an analysis of these trends.¹⁰

Across countries, reforms that seem to be linked to improvements in fiscal transparency include:

- *Medium-term budgeting, fiscal framework, and debt management reforms.* These reforms can translate into the publication of Pre-Budget Statements and, within various other documents, the provision of better information for the budget year and beyond on expenditure, revenue, debt, contingent liabilities, and other items outside the budget. In Indonesia, Mexico, the Philippines, and Uganda, medium-term budgeting frameworks did in fact lead to the publication of Pre-Budget Statements, even if sometimes only many years after their first use internally. They have also enabled the publication of forward-looking budget information, although not in all countries

¹⁰ Annex Table 3 presents a more comprehensive overview of these reforms; their common features; their potential impact on transparency; whether, when, and how they were implemented in the countries; and with what results.

consistently. Depending on their specific features, medium-term budgeting reforms can also help link policy changes to increases or decreases in budget allocations.

- *Program and performance budgeting reforms.* These reforms can affect the comprehensiveness of the documents that are published, including by strengthening OBI scores on classification by program and on the several survey questions that relate to the availability of performance information, both planned and actual. In the case study countries, program and performance budgeting reforms have enabled the presentation of information linking financing with expected results, at least in principle. The development and publication of such information, however, is a process that may take many years and usually goes through multiple iterations. In Indonesia, Mexico, the Philippines, and Uganda, current frameworks and systems to produce and publish performance information have evolved from early beginnings, in some cases going back 20 years. The evolution of the systems also shows up in the OBI scores: the score for these countries steadily improved over the survey rounds for the questions related to performance information.
- *Classification and accounting standards reforms.* These reforms can facilitate the aggregation of financial information across the government. For example, information provided for previous years in the Executive's Budget Proposal or information on budget execution in In-Year Reports, Mid-Year Reviews, and Year-End Reports can be made public. In the case study countries, effective classification, accounting standards, and financial management information system (FMIS) reforms appear to be particularly important, feeding timely information on actual use of appropriations into both budgeting and reporting processes. The importance of consistent classification between budgets and execution reports and across levels and units of government for fiscal management and transparency was highlighted in all the studies.
- *FMIS reforms.* These reforms can make information available in a more timely way, thereby helping governments to publish budget execution reports on time, reduce the delay in the production and publication of Audit Reports, and extend their coverage, as well as including past information in the budget proposal. In Uganda, which has experienced a progressive implementation of a FMIS, the average score for OBI questions on whether the Executive's Budget Proposal publishes information on the year prior to the budget year went from 20 in 2006 to just over 93 by 2012. In Ghana, on the other hand, where the system has gone through design iterations and institutional ownership changes over the years, the score on these items has moved (in tandem with the In-Year Report scores) up and down over the years, starting at 40 and ending at 20 in 2012.

Technical PFM reforms therefore can be significant enablers of transparency. In some circumstances and for some types of budget information, they can be deemed preconditions. For example, without a medium-term-budgeting framework, countries would not be able to score points on questions about forward-looking fiscal, expenditure, and revenue information. In some cases, such reforms enabled the publication of additional documents (most notably Pre-Budget Statements, as in Uganda), but they also contributed to the quality and coverage of existing reports or to their timeliness. The Audit Reports in Ghana, for example, started being published more consistently, and the country posted higher scores after the second FMIS reform was more successfully rolled out across the government than the first such effort. This enabled the timely production of financial statements to be audited. Another good example is set out in Box 2.

BOX 2. OUTPUT-BASED BUDGETING AND FMIS REFORMS BRING GREATER TRANSPARENCY IN UGANDA

PFM reform in Uganda has a long history, which has proceeded in three main phases. During the second half of the 1990s, the country undertook medium-term budgeting reforms to ensure that the budget is comprehensive, to strengthen fiscal discipline, and to link priorities — particularly poverty reduction — more effectively to budget allocations. Between this time and the 2010s, the focus shifted to improved financial management, accounting, and reporting, before returning to budget preparation and budget formats from about 2010 onward. This is not to say that during the intervening years budget preparation was neglected or that the FMIS rollout did not continue after 2010; it is just that the major effort of the reform program switched.

The continued building of the PFM system in order to produce more and better information that is more timely and in more useful formats, together with the finance ministry's focus on transparency as key to budget discipline and policy accountability, was an important contributing factor in Uganda's progress on the OBI.

The changes since 2010 are a good example of how reforms can interact and lead to better transparency. Although beginning in 2003 the government was already required to report expenditure against outputs, the demand, including pressure from civil society, parliament, and politicians, for better information on the effectiveness of expenditure grew in Uganda after 2007. This led to several reforms between 2008 and 2012 designed to link budget to performance and results, through performance contracting and stronger budget monitoring. In 2008 program- and output-based budgeting was introduced, including quarterly financial and nonfinancial performance reports. The budget performance reports are discussed half-yearly at the cabinet

level, and the information is fed into the Government Annual Performance Report, prepared by the Office of the Prime Minister.

The successful generation, use, and publication of integrated financial and nonfinancial reports, however, is dependent on the timely production of financial information through the FMIS, as well as the integration of this information with output-based budgeting information. In Uganda a FMIS first went live in 2004 and progressed from core financial management software to the integration and automation of other functions of government. By 2006 it was extended to 18 ministries, and by 2015 to the remaining four ministries and 25 central government agencies. Since 2015 the FMIS has also been rolled out to local governments. Before the introduction of the FMIS, the government faced a number of challenges in producing reports on time with systems that were predominantly manual and often fragmented, with variations in how information was processed and presented. With the FMIS in place, *ex post* reports, as well as budget documents, could be produced more coherently and consistently and in a more timely fashion than before.

The Oracle software-based FMIS, however, did not offer enough functionality for the output-based budget system. This system is run through an access-based IT system that manages budget preparation and performance information. However, the two systems do talk to each other: the output-based system uploads information into the FMIS and downloads expenditure information from the FMIS. This speeds up the process and standardizes the production of information, leading to timely production of budget preparation and *ex post* documents. The case study considers these as key factors in increasing Uganda's OBI scores to above 60. The availability of consistent, comprehensive information on budget outputs, as well as on financial allocations and use, also underlies the development of the budget portal, discussed below.

PFM reforms in and of themselves, however, do not automatically translate into transparency. The path from the intent of reforms, to action, and subsequently to transparency improvements requires a working result chain from technical reforms, to effective implementation, to the deliberate decision to publish the newly generated information. In some of the case study countries, the chain failed at both the second and the third steps. In Ghana, for example, while several waves of reform over the period targeted the introduction of MTEF, classification systems, program-based budgets, and FMIS, the implementation of these reforms often stalled or, even when successful, did not translate into consistent transparency improvements. In Indonesia the implementation of reforms was quite consistent, but less so the use of the new information for publication. International Financial Institutions (IFIs) exerted strong influence on the reforms, government ownership was limited, and budget transparency was not seen as a priority by the

finance ministry. In contrast, in the Philippines and Uganda, the reforms did translate into transparency improvements because governments — motivated both by pressure from donors, parliaments, and civil society and by a belief in the utility of transparency — took deliberate actions to push more budget information out to the public, even some time after the reform was first introduced.

In summary, technical PFM reforms are important enablers and sometimes necessary preconditions for improved budget transparency, not least because they help build the systems, processes, and capacities within government to produce and publish budget information in routine, consistent, and accurate ways. PFM reforms can enable governments to publish documents they previously did not, but more often they contribute to the comprehensiveness of existing documents. While successfully implemented PFM reforms usually enable transparency, to become effective in doing so, they often require a deliberate decision by government to publish the new or better information that becomes available internally, is required by law, or is built in as part of the reform plan from the start. In case study countries, governments that emphasized the potential “transparency dividend” of PFM reforms or that implemented reforms that were specifically targeting transparency improvements — such as setting up budget portals, as highlighted in the next section — were more successful in achieving sufficient levels of transparency.

3.3 MAKING REAL-TIME BUDGET INFORMATION AVAILABLE ONLINE

The discussion so far has looked at the links between technical PFM reforms and improvements in fiscal and budget information made available to citizens through a set of standardized documents. In the three countries that moved beyond an OBI score of 60 (Mexico, the Philippines, and Uganda), a significant reform since 2010 has been the introduction of open budget portals, which provide the public with online access to budget information, in more or less real time, and in open formats. While these portals depend on effective FMIS and consistent budget classification, they are important PFM reforms in their own right and are directly aimed at improving transparency.

In both Mexico and the Philippines, the portals are linked to the countries’ membership in the Open Government Partnership and arose from commitments made in OGP action plans. In Mexico the portal was the first significant online data initiative and developed as a single coherent budget-oriented portal; in the Philippines the effort has been more complex and diffuse. The 2013 government-wide data portal was built on 2011 efforts by the Aquino Administration to improve transparency and win back public trust. These earlier efforts included the online disclosure of funds allocated to legislators for local development projects, a reform undertaken after a scandal broke out on the misuse of these funds, and requirements for individual agencies to publish an array of information on their websites. The latter —a common

requirement in freedom of information legislation — only gained some traction after compliance was linked to performance bonuses.

In contrast, the open data portals run by the finance ministries in Uganda and Mexico are more focused on making available at a single source useful, coherent, and comprehensive information on government's finances beyond what is published in budget documents.¹¹ In Mexico the first edition of the budget transparency portal emerged in 2011, and since then it has continued adding queries, search engines, open datasets, and maps. A key aspect of making the portal more useful was negotiating the development of more detailed information systems that will make even more information available to the public.

In Uganda the development of the portal was spurred by a corruption scandal and evolved out of parliamentary demands for better information along with the limitations of the existing finance ministry website. The case study, however, highlights as a reason for the site's development the importance of the desire to make strategic use of the information made available by the new output-based budget system and documentation. With the performance-oriented local government reforms already in place, localized and specific information was being produced. This information could potentially drive better local accountability, but there was little incentive to ensure the quality of the information or to share it widely at the local level. This situation resulted in the development of a set of prototypes for disseminating this new trove of detailed budget information. The budget website went live in 2013, and it publishes disaggregated data from central and local government budgets, including funding releases from central to local governments and to public service facilities such as schools and hospitals. Taking into account the low level of Internet access in rural areas of Uganda, the website has been complemented by a "toll-free hotline" that allows the same information to be accessed through an intermediary telephone operator.

3.4 THE ROLE OF INSTITUTIONAL MEASURES

As seen above, having adequate legal frameworks in place does not guarantee that laws will be implemented. By the same token, PFM reforms, even when they facilitate the production of more timely and detailed budget information, do not necessarily translate into more transparency. For better laws and ongoing reforms to result in higher levels of budget transparency — and higher OBI scores — governments need to ensure that legal provisions and reform commitments are implemented. This

¹¹ A study on budget portals carried out by IBP and published in 2016 assesses budget portals from 80 countries. Both Mexico and Uganda score well on a range of indicators. See Jorge Romero Leon, with Diego de la Mora and Liliana Ruiz, "Digital Budgets: How Are Governments Disclosing Fiscal Information Online?" (Washington, D.C.: International Budget Partnership, 2016). Available at: <https://www.internationalbudget.org/publications/digital-budgets-how-are-governments-disclosing-fiscal-information-online/>

requires institutional measures that signal the importance of transparency and focus the attention of officials on making it happen. The case studies provide interesting evidence with regard to how this happened in the countries that achieved sufficient levels of budget transparency.

In Mexico, the Philippines, and Uganda, finance ministries introduced institutional changes and new practices that helped improve transparency, accountability, and reporting in a variety of ways. These consisted of:

1. Setting up dedicated units, tasked with coordinating efforts to improve the timely publication of budget information;
2. Formulating ad hoc strategies to clarify objectives and facilitate monitoring and implementation; and
3. Introducing mechanisms for dialogue with civil society on transparency issues.

BOX 3. THE INFORMATION TRANSPARENCY WORKING GROUP OF THE PHILIPPINES

Given high fragmentation of transparency functions across the different departments and units that make up the central budget authority in the Philippines, an informal working group within the Department of Budget Management (DBM) was instructed by the Secretary of Finance to ensure that the Philippines — a leading member of the OGP and GIFT — improved its OBI performance after the dip in the 2012 score. The working group included the heads of regular or permanent bureaus of the DBM that had key roles in fiscal transparency. The group used the services of a consultant in the finance ministry as its technical coordinator and secretariat. The expertise of other DBM offices was called on as needed. The working group drafted an action plan that included reviewing how ongoing PFM reform efforts could be leveraged to improve the availability of fiscal information. Then, through its members and the ministry's powerful Development Budget Coordinating Committee, the group worked to ensure that they were on track to be published. The result of the intervention was an increase in the OBI score for the Philippines to 64 in 2015.

The group did face several barriers, including some resistance because it had no formal standing or mandate. This was overcome by the direct support of the secretary, along with the support of key undersecretaries, including by the undersecretary in charge of PFM reforms who had been tasked with overseeing and advising the group. It was also aided by good working relationships among group members. On the other hand, being an informal committee did offer more flexibility and a greater ability to work through information networks

and the power of persuasion. This allowed the group to involve key officials by asking informally for advice on how to publish information and overcome obstacles.

The informal working committee was eventually replaced by a formal unit, the Knowledge Management and Fiscal Transparency Service. In the transition to the new administration in 2016, however, the unit changed its name and function, and the responsibility for fiscal transparency migrated elsewhere in the Department of Budget Management. The sustainability of the reforms it introduced therefore remains to be confirmed.

The Philippines is perhaps the clearest case of an institutional intervention overcoming critical barriers to transparency. After the country's relatively poor performance on the OBS 2012, a working group was created by the Department of Budget Management to formulate and implement an action plan for fiscal transparency. The history of the group's creation, membership, and working arrangements is recounted in Box 3.

In Mexico a key institution for the increase in quantity and quality of available budget information has been the Performance Evaluation Unit (*Unidad de Evaluación del Desempeño*, or UED) and its forerunner, an informal team in the budget office of the finance ministry. The unit was formed to manage the Performance Evaluation System (PES), the information system behind Mexico's results-based budgeting reforms. The PES was a response of the government to increasing demands of citizens to have a more transparent and effective system of public budgeting.

The head of the transparency unit in the President's Office moved to the finance ministry in 2010 to lead a working group on the development of a budget transparency portal and other transparency improvements against a background of strong support for transparency reforms both among politicians and senior officials. This working group began as an informal unit within the ministry, working with civil society organizations to see how OBI scores could be improved by publishing more and better information and to set up the transparency portal. The unit was finally formalized in October 2012 with the creation the Performance Evaluation Unit, which also continued as the home of the budget transparency portal and as the finance ministry's open window with civil society organizations.¹²

¹² See the portal at: <http://www.transparenciapresupuestaria.gob.mx/>. For a more detailed account of these reforms, see the interview with Benjamin Hill, one of its main protagonists, available at: <https://www.internationalbudget.org/2017/05/how-budget-transparency-reforms-took-hold-mexico/>

The experience of Uganda can be understood by examining two separate moments. Back in 2001, following the uproar from research showing the extent of leakage in funds intended to go to local schools, the government formulated and launched a “budget communication and transparency strategy.” Its three main objectives were: 1) to improve internal communications and processes for coherent messaging and decision making; 2) to improve external engagement with stakeholders (including the public, donors, ministries, and civil society); and 3) to improve budget processes and resource allocation for poverty reduction. As part of the strategy, the finance ministry introduced popular versions of the budget, which appeared as a pullout section in newspapers, and also prepared popular versions of the Poverty Eradication Action Plan and an explanation of the budget process in different languages.

More recently, Uganda’s experience is more akin to that of Mexico, in which units created within the budget offices of finance ministries to track implementation of the result-based budgeting system help foster a change in culture toward increased transparency. In Uganda this was the Budget Monitoring and Accountability Unit, established in 2008 to verify the information in quarterly reports provided by agencies and to monitor the implementation of projects. Its budget monitoring reports feed into semiannual and annual reports on government activity, and it is the institutional home of the Uganda Budget Information website.¹³

The case of Indonesia, which broke the 61 OBI score threshold in the 2012 survey but slipped back just below 60 in 2015, is also interesting in terms of the institutional changes made by the government in the attempt to overcome fragmentation and consolidate capacity for transparency. First, after the enactment of the freedom of information law in 2008, the Ministry of Finance — the lead agency for transparency in government — released standard operating procedures for information services and appointed officials in every directorate who were charged with information management and documentation. The ministry also set up a freedom of information website, a call center, and an information desk. From 2011 to 2015, the trajectory of requests fulfilled and time taken have shown an upward trend — with 80 percent of requests fulfilled within the time limit of 17 days.

Second, in 2008 the finance ministry set up a Sub-Directorate for Data and Technical Support for Budget Formulation. The main objective of this unit was to consolidate processes and activities related to budget formulation, including the dissemination of budget information. In 2012 this unit published a Citizens Budget for the first time, which pushed the OBI score above 60 and made Indonesia the only Southeast Asian country at the time to achieve this level of budget transparency. It has also collaborated with a civil society organization to set up an open data portal that provides all budget documents in machine-

¹³ See the portal at: <http://www.budget.go.ug/>

readable formats. Perhaps the key difference with the other three countries, however, is that the unit is understaffed and struggles to overcome institutional fragmentation. Thus, for example, key datasets are published by different units within the ministry and must be consolidated, and the budget portal contains only the information the unit produces itself.

In both Mexico and Uganda, the case studies highlight virtuous cycles of demand and supply of budget information due to engagement with civil society. In Mexico the political transition spurred civil society and media actors to use budget information to hold government accountable. As this group of people expanded, a positive feedback cycle was created: the demand for more and better information increased, and more and better information was made available. This story is told in Box 4.

BOX 4. ROLE OF CIVIL SOCIETY IN BUILDING FISCAL TRANSPARENCY IN MEXICO

The role of civil society in promoting and improving budget transparency in Mexico goes back to the creation and enactment of the Federal Law of Transparency and Access to Government Information, when the Grupo Oaxaca, a coalition of academics and journalists, developed a draft law, which was adopted by the opposition parties in congress and discussed together with the executive's proposal for the law. This triggered a race to the top in terms of transparency legislation, and a process of collaboration began that involved academics, the press, and the government.

In 2004 the finance ministry held a National Treasury Conference, with participation from all levels of government, academe, and civil society. The conference discussed public finances, including transparency, audits, and accountability. The outcome was the 2006 law on fiscal responsibility, which further expanded transparency.

The Citizens Budget and the improvements to the budget transparency portal can also be linked to the engagement of civil society. The first action was a series of meetings between finance ministry officials and Fundar, a leading budget-focused civil society organization, to discuss specific questions on the OBS and recommendations to publish more information with regard to various cross-country measures of fiscal openness. One of the specific responses was the publication in 2010 of the Citizens Budget, as required by its enactment in the General Law on Government Accounting.

A second set of actions started in 2009 when a network of organizations — known as the Spend Better Collective — started a set of meetings with the transparency team at the finance ministry to present its information needs. The budget transparency portal was partly the result of this process.

In Uganda a virtuous cycle of supply and demand for information occurred in both the first and second waves of transparency improvements. In the early 2000s, national civil society organizations, such as the Uganda Debt Network, were central to the process of improving citizen engagement with government budgets through the sector working groups and public expenditure review processes established by the finance ministry. They worked with the finance ministry by engaging the public and leaders at the subnational level to heighten understanding of their stake in government resources, including educating them on how their taxes were spent. In the second wave, the Budget Transparency Initiative worked with civil society organizations to build a website and train them and the media in the use of information.

An interesting aspect of the reform story in the more successful countries is related to the role played by so-called “reform champions.” In Mexico, Uganda, and the Philippines, the case studies highlight the role that the appointment of transparency champions — capable and dedicated individuals who led reform efforts — played in realizing transparency after the successful implementation of related reforms.¹⁴ Making progress in these countries depended on champions at the technical level who were able to establish capacity and negotiate cooperation on the part of information holders. These leaders — both as individuals and as members of working groups — used informal processes to overcome resistance to reforms elsewhere in the finance ministry or in other parts of government. In Mexico and Uganda, for example, champions informally approached the leaders of other units in government whose cooperation was required to set up the transparency portals. In Uganda this meant using demonstrations of the website tools to convince skeptics. In all three cases, champions enjoyed the support of the highest ranking officials in the finance ministries, as well as the support of the political leadership at crucial stages.

¹⁴ See the accounts provided by these champions themselves in a series of interviews carried out by the IBP, available at: <https://www.internationalbudget.org/tag/fiscal-transparency-reforms/>

4. COMMON BARRIERS TO REAPING THE BENEFITS OF TRANSPARENCY REFORMS

The previous section highlighted some of the government initiatives that have had a direct impact on budget transparency levels and enabled countries to improve their OBI scores above 60. Yet, even in countries that successfully implemented transparency reforms, governments faced a number of barriers and challenges that delayed or prevented faster and more consistent progress. These barriers were even more clearly linked to a lack of budget transparency in other countries, even those that had subscribed, at least nominally, to the principle that transparency in government should be promoted. This section provides a brief account of how these common barriers were experienced in the six case study countries, whether or not they succeeded in achieving sufficient levels of budget transparency.

4.1 WEAK COMMITMENT, STRONG RESISTANCE

Across countries, wavering or weak political commitment to transparency and related reforms was often found to underpin poor reform implementation and bureaucratic resistance to transparency. Lack of home-grown support for the nature of reforms, including transparency, was found to be a reason for volatility in the OBI scores of Indonesia. In Ghana the case study found that, while political support for reforms was often high when they started, it waned over time, resulting in incomplete implementation, which in turn led to a new reform program. Argentina faced similar problems, with strong laws but weak implementation due to a lack of political commitment to put the transparency provisions into practice.

Whether budget transparency is written into law, promoted by external actors, or pushed from within governments, most of the case studies showed that these forces had to overcome sometimes strong resistance, either within the ministry of finance itself or in line ministries.

In Uganda, in the years leading up to the launch of the first budget communication and transparency strategy in 2001, the proponents of transparency had to overcome resistance from those in the finance ministry who did not accept that they had to engage with external actors or who did not accept responsibility for tracking spending and its outcomes. The shift came when the first public expenditure tracking surveys revealed evidence of significant leakages in public funds, and support swung in favor of transparency. In 2011 and 2012, as the budget information website was developed, its proponents again encountered skepticism, which was overcome through demonstrations of the prototypes.

In Indonesia the resistance to transparency reforms came not so much from within the ministry of finance as from line ministries. In particular, those occupying the senior levels of the civil service had not shifted

their mindset or behavior toward higher fiscal transparency, despite the express commitment for the government as a whole to do so. A key driver of this reluctance was the fear that information would be misused and would generate unwanted scrutiny and complaints — something that happened in the Philippines, particularly during the Aroyo Administration.

It is notable that, while reform champions played a key role in overcoming resistance and building support for transparency in Mexico, the Philippines, and Uganda, such capable and committed individuals were absent in the case study countries that did not break or could not sustain an OBI score of 60 or above.

4.2 WEAK GOVERNMENT CAPACITIES TO MAKE TRANSPARENCY WORK

An obvious but important barrier to transparency improvements is that gaps in capacity in line ministries and in central finance ministries prevent or slow down implementation of laws and reforms. Such gaps can delay (and sometimes scupper) reform efforts from the outset. There are many examples from the case studies:

- The Comptroller and Accountant General's Office in Ghana is responsible for the In-Year Reports, required by law since 2003, but they were published on time only some of the time over subsequent surveys. A key reason was the challenges experienced in compiling data from different sources in the absence of a functioning FMIS, a condition made worse by the scarcity of skilled officials reporting spending from line ministries. This scarcity also affected the timely submission of annual statements, which in turn led to delayed publication of Audit Reports.
- In Indonesia the case study reported that even though clear responsibility for implementing transparency improvements was assigned following the legal and technical reforms from early 2000s, the unit in question did not have enough people qualified to perform all the functions required, which led to slippages in timely publication, one of which was key in Indonesia's score again dipping below 60 in 2015.
- PFM reforms in the Philippines have built adequate capacities within the Department of Budget Management over time, but this increased capacity was not matched in line ministries. In particular, accounting and reporting capacities remain weak in line ministries. Ironically, this was made worse by the introduction of a unitary accounts classification system and single treasury account, which were meant to improve transparency, but due to a lack of capacity slowed down accounting and reporting processes and had a negative impact on transparency, at least in the

short term. As a result, Mid-Year Reviews were not published twice, and the Year-End Report was missed once.

4.3 INSTITUTIONAL FRAGMENTATION AND TURF BATTLES

Reform implementation and transparency improvements were equally held back by the fragmentation of responsibilities for budgeting and transparency within governments. For example, in Indonesia different units of the finance ministry run their own websites on which they publish the documents for which they are responsible. Thus, when the unit with responsibility for budget data in the finance ministry established a budget data portal in collaboration with a civil society organization, it was able to publish only the information it was responsible for and not information produced by other units. This also meant that prior to 2015 there was no mechanism to ensure that all documents were published on time. As a consequence, in 2014 the Pre-Budget Statement was not published for the first time in years, causing a drop in Indonesia's OBI score.

Overlapping and conflicting mandates can also undermine transparency. In the Philippines case study, some respondents thought that further progress on PFM reforms would require a serious review of the institutions that govern PFM. As the rollout of the FMIS was interrupted, the Department of Budget Management and the Court of Accounts proceeded separately to implement their own systems for line agencies to submit monthly reports online, thus duplicating the reporting and compliance requirements of the implementing agencies and slowing down timely production of reports. Common reform interests, however, eventually allowed this fragmentation to be overcome. The Court of Accounts agreed to use the DBM reports, which also advanced its own interest in the unified account classification structure across the phases of the budget and across government units.

Finally, reform implementation in Ghana was hampered by institutional fragmentation and change. Box 5 shows how institutional issues, as well as design faults, affected the implementation of the first FMIS reform.

BOX 5. INSTITUTIONAL FRAGMENTATION AND FMIS IMPLEMENTATION IN GHANA

The first attempt to improve in-year reporting in Ghana was the Budget Preparation and Expenditure Monitoring System (BPEMS). BPEMS aimed to implement an integrated system covering strategic budget preparation, procurement, execution, accounting, reporting, recording, and human resource management — and was to be rolled out to all ministries and local governments.

Over more than a decade of its implementation, some weaknesses in the technical design and management arrangements for BPEMS were observed. BPEMS was conceived as primarily a technology-driven reform. As such, it paid insufficient attention to the changes in PFM processes and procedures that should have preceded the reform. Nor did it seek to change management or devote enough attention to consider capacity issues and training requirements. Furthermore, BPEMS was initially managed through the PFM reform program’s project implementation unit, which had no functional or operational responsibility for the reform. This arrangement distanced BPEMS from its two client departments, the Controller and Accountant General Department (CAGD) and the Budget Division, and contributed to a lack of ownership for the reform. The responsibility for BPEMS was transferred to CAGD only in 2002, when the reform program ended. However, coordination between the CAGD and the Budget Division remained weak, particularly as by then the Budget Division had developed its own software application for budget planning and managing budget releases.

The failure of BPEMS to improve information concerning in-year reporting led to the introduction of the Ghana Integrated Financial Management Information System (GIFMIS). The GIFMIS charter was adopted by the government in 2009. And in 2013, the annual accounts were prepared using the GIFMIS for the first time, and this development was reflected in a strong improvement in the Year-End Report score for the 2015 OBI.

5. CONCLUSIONS: TRANSPARENCY IMPROVEMENTS REQUIRE A CRITICAL MASS OF FACTORS

The research for this study grew out of an effort to solve the puzzle of why so many countries that improve their budget transparency levels “get stuck” in the middle ranks of the OBI and never achieve a score that surpasses 60, the level at which budget transparency is deemed sufficient for citizens and other stakeholders to access enough information to hold the government accountable for how it raises and spends public resources. To shed light on this puzzle, the budget transparency trajectories of six

countries in different regions — three that did achieve OBI scores of 61 and above and three that didn't (or that did temporarily but then fell back) were analyzed through in-depth country case studies. The case studies looked at broad economic and political factors behind the transparency reforms, but they focused more on some of the initiatives and measures that governments undertook specifically to improve the openness of their budget systems. The aim was to understand some of the steps governments may have to take if they want to achieve and sustain sufficient levels of budget transparency.

The study found that a number of broad contextual factors had created important opportunities for transparency advancements in most of the countries. Changes in government, fiscal crises, corruption scandals, and external influences provided triggers for transparency reforms. These played out differently across countries, depending on different initiatives that governments undertook in response to the triggers.

All the governments studied introduced changes in their legal frameworks that in most cases increased the amount of budget information that governments are required to publish, or at a minimum to produce or submit to the legislature. In practice, however, outcomes varied: strong legal frameworks like those introduced in Uganda and Mexico resulted in substantive improvements in budget transparency, while weaker ones as in Argentina and Ghana did not. More generally, the link between the strength of transparency provisions in legal frameworks and actual transparency in practice seemed to depend on the level of political commitment to implement the legal provisions and on administrative cultures — like those in Westminster-type systems — that make it easier for governments to go beyond legal requirements and publish additional budget information.

In addition, all the governments engaged in one or more areas of PFM reform that were aimed at strengthening systems and capacities for producing detailed budget information that could then be published. These reforms included, for example, medium-term revenue and expenditure projections that formed the basis for Pre-Budget Statements and for outer year estimates in budget proposals; production of program and performance data that built on efforts to link spending with results and could be included in budget proposals and execution reports; the introduction and use of different budget classification systems that allowed for a more detailed breakdown of revenues and expenditures; and the adoption of IT (information technology)-based financial management systems that made tracking public resources at different stages of the budget process quicker and more effective, leading to the faster production of more comprehensive In-Year and Year-End Reports.

These common steps, however, generated uneven results across countries. What characterizes governments that achieved OBI scores of 61 or above was what they did *beyond* introducing new legal

frameworks and implementing PFM reforms. The governments of Mexico, the Philippines, and Uganda complemented legal changes with a clear effort to ensure that the new legal provisions were implemented, and these countries often published documents and information not required by law. They also explicitly focused on the transparency benefits of PFM reforms and made sure that new budget information, whether medium-term projections, more timely in-year reporting, or audit results, was located in the public domain. They took advantage of new technologies and set up portals that provide citizens with access to regularly updated information in more flexible and open formats.

Perhaps most important, the governments that succeeded in achieving and sustaining transparency ensured that all of the above happened through the creation of ad hoc units that promoted and coordinated transparency reforms. These units were led by capable and committed individuals who formulated specific strategies that provided focus and allowed for accountability in reform efforts. They also sought dialogue with relevant civil society actors to ensure that transparency responded to real needs and that the information published would be used. On the other hand, governments that were less successful in improving budget transparency failed to undertake these steps, commonly because explicit political commitment to improve transparency did not exist during at least part of the period or because political sentiment with regard to transparency turned negative. In fact, what distinguished the successful transparency reformers from others is that the gains made in times of transition and crisis were not significantly eroded when attention shifted elsewhere in the nations that succeeded. This finding suggests the importance of locking in the quick progress made through technical reforms and institutional capacity building when the context is conducive by embedding these improvements in law, so that they stand a better chance of enduring when the context becomes less favorable.

All governments studied faced important challenges in their reform trajectories — from weak commitment and strong resistance to reform, to insufficient technical capacities in both central and line agencies, to institutional fragmentation and lack of coordination. But some governments proved themselves better able to tackle and overcome such challenges by building the capability of finance ministries to deliver sustained transparency — also thanks to the specific institutional reform measures that they adopted.

While the evidence emerging from these case studies does not directly apply to other contexts, governments — or individuals within governments — interested in promoting budget transparency reforms and in achieving sufficient levels of budget transparency could take a more specific look at what happened in Mexico, the Philippines, and Uganda (and to a lesser extent Indonesia) in order to better understand what they did to achieve a score above 60 on the OBI. They can also look at what happened in Argentina and Ghana to see what some of the factors are that may impede the success of reforms. Building political commitment; managing and overcoming resistance to reforms; focusing not just on

changes in law but on their implementation; ensuring that PFM reforms have specific transparency components; and putting in place adequate institutional measures to foster cross-institutional collaboration, identify clear and “monitorable” objectives, and promote dialogue with relevant nongovernmental stakeholders are all issues that governments seeking improved transparency will need to take into account.

Some areas that this study was not able to cover in any detail and that might deserve further investigation in the future include: 1) investigating the role of freedom of information legislation and initiatives in strengthening budget transparency; 2) understanding the role of reforms in supreme audit institutions and their impact on budget transparency; and 3) looking at the role and impact of international initiatives like OGP in facilitating and monitoring budget transparency improvements and providing incentives for undertaking them.

Like all reforms, budget transparency reforms depend on a number of factors for their success. Given their importance in creating the conditions for citizen engagement and for government accountability, it is important to understand how and when governments are able to successfully implement them. We hope this study has contributed useful evidence to that end

ANNEX 1. DETAILED ANALYTICAL TABLES

TABLE 1. ROUND-BY-ROUND CHANGES BY BUDGET DOCUMENT IN CASE STUDY COUNTRIES

	2006 to 2008	2008 to 2010	2010 to 2012	2012 to 2015
ARGENTINA	Improved from 40 to 56	Remained at 56	Declined to 50	Improved to 59
Summary	<u>Positive</u>	<u>Positive</u>	<u>Positive</u>	<u>Positive</u>
<p>After a significant jump in 2008 from 2006, transparency remained stable in aggregate through 2010, but declined in 2012. In 2015 another significant jump was reported.</p> <p>The jumps were on account of improving existing reports in the first case, and, in 2015, both improving existing documents and publishing a Pre-Budget Statement for the first time.</p>	<ul style="list-style-type: none"> The coverage of the Executive's Budget Proposal increased from some to significant information. The coverage of the In-Year Reports improved from significant to extensive information. The coverage of the Year-End Report improved from minimal to some information. The coverage of the Audit Report improved from scant to minimal. 	<p>No document scores improved</p> <p><u>Negative</u></p> <p>The coverage of the Executive's Budget Proposal declined back to some information, but in point terms the decline was marginal.</p>	<p>The Audit Report improved slightly by 3 points.</p> <p><u>Negative</u></p> <p>No significant change across categories, but the Executive's Budget Proposal declined by 6 points within the some information category. The Year -End Report declined slightly by three points.</p>	<p>The coverage of the Executive's Budget Proposal increased from some to significant information.</p> <p>A Pre-Budget Statement was released for the first time, but with minimal information. The coverage of the Year-End Reports improved from some information to extensive information.</p> <p>The Audit Report coverage improved from minimal to some information.</p>
Score by document at beginning and end of period				
	2006	2015		
Executive's Budget Proposal	45	64		
Enacted Budget	100	95		
Citizens Budget	0	0		
Pre-Budget Statement	0	28		
In-Year Reports	67	81		
Mid-Year Review	0	0		
Year-End Report	27	86		
Audit Report	0	48		

	2006 to 2008	2008 to 2010	2010 to 2012	2012 to 2015
GHANA	Improved from 42 to 50	Improved from 50 to 54	Declined from 54 to 50	Improved from 50 to 51
Summary	<u>Positive</u>	<u>Positive</u>	<u>Positive</u>	<u>Positive</u>
While the aggregate score remained relatively stable over the period, by document practices showed significant volatility, both in whether a report was published or published on time and in the coverage of the report. For example, the Citizens Budget, In-Year Reports and Mid-Year Reviews were published on and off over the period. A feature of Ghana's progress, however, is the steady improvement in the Audit Report.	Published a Citizens Budget and In-Year Reports for the first time, improving the score from 0 to 67 and 79 respectively. Published an Audit Report for the first time, but with scant information.	Did publish a Mid-Year Review , with extensive information. Published a Year-End Report for the first time, with minimal information. Improved the Audit Report from scant to significant information.	Published the In-Year Reports again with extensive information. Audit Reports improved by 4 points. <u>Negative</u> Executive's Budget Proposal and Enacted Budget declined from significant to some information. Mid-Year Report declined from extensive to some information. Did not publish the Year-End Report .	Improved the Enacted Budget from minimal to some information. Published a Citizens Budget for the first time since 2006 with some information. Published a Year-End Report again, with some information. Improved the Audit Report further to extensive information. <u>Negative</u> In-Year Reports declined from extensive to significant information. Did not publish the Mid-Year Review .
Scores by document at beginning and end of period				
	2006	2015		
Executive's Budget Proposal	64	58		
Enacted Budget	100	50		
Citizens Budget	0	50		
Pre-Budget Statement	0	0		
In-Year Reports	0	63		
Mid-Year review	42	0		
Year-End Report	0	57		
Audit Report	0	86		

INDONESIA

Summary

While the score of Indonesia has improved in aggregate (with slight declines in between), the steady improvement in the Executive's Budget Proposal and first publication of a Pre-Budget Statement and In-Year Reports, was offset in later years by not publishing some reports in some years and by volatility in the coverage of reports. In-Year Reports were published on and off, and the Pre-Budget Statement and Year End Reports only in some years.

Scores by document at beginning and end of period

	2006	2015
Executive's Budget Proposal	45	56
Enacted Budget	100	83
Citizens Budget	0	58
Pre-Budget Statement	0	0
In-Year Reports	0	70
Mid-Year Review	83	78
Year-End Report	53	60
Audit Report	58	71

	2006 to 2008	2008 to 2010	2010 to 2012	2012 to 2015
	Improved from 42 to 54	Declined from 54 to 51	Improved from 51 to 62	Declined from 62 to 59
	<u>Positive</u>	<u>Positive</u>	<u>Positive</u>	<u>Positive</u>
	Published a Pre-Budget Statement for the first time, with extensive information Published In-Year Reports for the first time, with significant information. Improved the Mid-Year Review within the extensive category from 83 to 100. Improved the Year End Report within the some information category. Improved the Audit Report from some to significant information.	Improved the coverage of the Executive's Budget Proposal by 12 points, although still in the some information category. <u>Negative</u> A slight decline in the coverage of the Pre-Budget Statement from extensive to significant information. Did not publish In-Year Reports . Did not publish a Year-End Report .	Improved the coverage of the Executive's Budget Proposal further to significant. Published a Citizens Budget for the first time, with some information. Improved the Pre-Budget Statement back to extensive information. Published a Year-End Report again with some information. <u>Negative</u> A slight decline in the Mid-Year Review score from 100 to 92 within the extensive category.	Coverage of the Citizens Budget improved by 16 points within the some information category. Published In-Year Reports again with significant information. <u>Negative</u> Coverage of the Executive's Budget Proposal declined back to some information. Coverage of the Enacted Budget declined from 100 to extensive. Did not publish a Pre-Budget Statement for first time since 2006. A further decline in the Mid-Year Review from extensive to significant information.

	2006 to 2008	2008 to 2010	2010 to 2012	2012 to 2015
MEXICO	Improved from 50 to 55	Declined from 55 to 52	Improved from 52 to 61	Improved from 61 to 66
Summary	<u>Positive</u>	<u>Positive</u>	<u>Positive</u>	<u>Positive</u>
With the exception of a decline in 2012 (driven by scores for documents declining rather than not publishing a document), Mexico's score has improved steadily over the period. Key features of this are the improvement of the Executive's Budget Proposal, the publication of a Pre-Budget Statement and Citizens Budget not in place in the first survey.	Improved the Executive's Budget Proposal slightly within the some information category. Improved the Enacted Budget to 100. A Pre-Budget Statement is published for the first time, with significant information. The In-Year Reports improve within the extensive information category to 100.	Improved the Executive's Budget Proposal further within the some information category. The In-Year Reports improved within the extensive information category to 100. <u>Negative</u> Enacted Budget declined from 100 to significant (67). The Pre-Budget Statement coverage declined from significant to some information. The In-Year Reports declined within the extensive information category to 96. The Year-End Report declined by 3 points in the some information category. The Audit Report declined further to minimal information.	Improved the Executive's Budget Proposal to significant information. A Citizens Budget is published for the first time, with some information. The Year-End Report improved by 10 points in the some information category. The Audit Report improves back to some information. <u>Negative</u> The Mid-Year Review is not published for the first time. The Year-End Report declines further to some information.	Improved the Executive Budget Proposal further. Enacted Budget improved from significant to extensive. The Citizens Budget coverage improved to significant information. The In-Year Reports improved to 100 within the extensive category. The Year-End Report improved for the first time to the significant category. The Audit Report improved to significant information.
Scores by Document at beginning and end of period				
	2006	2015		
Executive's Budget Proposal	41	67		
Enacted Budget	67	89		
Citizens Budget	0	75		
Pre-Budget Statement	0	56		
In-Year Reports	96	100		
Mid-Year Review	67	0		
Year-End Report	60	72		
Audit Report	67	67		

	2006 to 2008	2008 to 2010	2010 to 2012	2012 to 2015
PHILIPPINES	Declined from 51 to 48	Improved from 48 to 55	Declined from 55 to 48	Improved from 48 to 64
Summary	<u>Positive</u>	<u>Positive</u>	<u>Positive</u>	<u>Positive</u>
Progress toward the significant information category in the Philippines has been uneven, with the improvement made in 2010 and reversed in 2012. In 2015 its score improved by a big margin. While the 2012 decline was largely on account of the Year-End Report not being published, the big jump in 2015 was on account of publishing a Citizens Budget and a Pre-Budget Statement for the first time, republishing the Mid-Year Reviewed the Year-End Report, and improving the Executive's Budget Proposal and Audit Report. The Philippines is the only one in the group publishing all documents by 2015.	<p>The In-Year Reports improved from some to significant information.</p> <p>The Mid-Year Review improved slightly, but still in the minimal category.</p> <p><u>Negative</u></p> <p>The Executive's Budget Proposal declined slightly within the some information category.</p>	<p>The Executive's Budget Proposal improved from some to significant information.</p> <p>The In-Year Reports improved further to extensive information.</p> <p><u>Negative</u></p> <p>The Mid-Year Review is not published.</p> <p>The Audit Report declined by 7 points within the some information category.</p>	<p>The In-Year Reports improved further within the extensive category.</p> <p>The Audit Report improved slightly within the some information category.</p> <p><u>Negative</u></p> <p>The Executive's Budget Proposal declined slightly, but out of the significant category.</p> <p>The Year-End Report is not published, for the first time.</p>	<p>The Executive's Budget Proposal improved back to the significant category.</p> <p>The Citizens Budget is published for the first time with significant information.</p> <p>A Pre-Budget Statement is published for the first time.</p> <p>The Mid-Year Review is published for the first time since 2006 with significant information.</p> <p>The Year-End Report is published again, with significant information.</p> <p>The Audit Report improved to significant information.</p> <p><u>Negative</u></p> <p>Enacted Budget declined from 100 to 45, or to some information</p> <p>The In-Year Reports reverted to significant information.</p>
Scores by document at beginning and end of period				
	2006	2015		
Executive's Budget Proposal	57	64		
Enacted Budget	100	45		
Citizens Budget	0	67		
Pre-Budget Statement	0	61		
In-Year Reports	63	74		
Mid-Year Review	25	63		
Year-end Report	23	64		
Audit Report	100	67		

	2006 to 2008	2008 to 2010	2010 to 2012	2012 to 2015
UGANDA	Improved from 32 to 51	Improved from 51 to 55	Improved from 55 to 65	Declined from 65 to 62
Summary	<u>Positive</u>	<u>Positive</u>	<u>Positive</u>	<u>Positive</u>
With the exception of a small decline in the last year, Uganda's score improved steadily over the period. Interestingly, it is the one country that published all the ex ante documents, but none of the ex post documents except the Audit Report. All of these were published by the 2010 survey and then improved subsequently.	<p>The Executive's Budget Proposal improved from significant to extensive (100).</p> <p>The Enacted Budget improved from significant to extensive information (100). The coverage of the Pre-Budget Statement improves to significant information.</p> <p>In-Year Reports are published for the first time with minimal information.</p> <p>A Year-End Report is published for the first time.</p>	<p>The Pre-Budget Statement improved from significant to extensive information.</p> <p>The coverage of the In-Year Reports improved to some information.</p> <p>A Mid-Year Review is published for the first time with minimal information.</p>	<p>The Citizen's Budget improved back to significant information.</p> <p>Coverage in the Mid-Year Review improves to some information.</p> <p>Coverage of the Year-End Report improved to some information, up 24 points.</p> <p>Coverage of the Audit Report improved to significant information.</p>	<p>The coverage of the In-Year Reports improved to some information.</p> <p>Coverage in the Mid-Year Review improved to significant information.</p> <p>Coverage of the Year-End Report improved further to significant information and by 12 points.</p>
Scores by document at beginning and end of period		<u>Negative</u>	<u>Negative</u>	<u>Negative</u>
	2006	2015		
Executive's Budget Proposal	43	63		
Enacted Budget	67	83		
Citizens Budget	67	0		
Pre-Budget Statement	78	84		
In-Year Reports	0	59		
Mid-Year Review	0	67		
Year-End Report	0	69		
Audit Report	50	43		
			<p>The Citizens Budget declined from extensive to minimal information.</p> <p>Coverage of the Year-End Report declined from some information to minimal information.</p>	<p>The Executive's Budget Proposal declined by 9 points, but within the significant information category.</p> <p>The Enacted Budget declined from 100 to 83, but was still in the extensive category.</p> <p>The Citizens Budget was not published for the first time.</p> <p>The Pre-Budget Statement declined slightly by 5 points within in the extensive information category.</p> <p>Coverage of the Audit Report by over 20 points.</p>

TABLE 2. LEGAL FRAMEWORK ANALYSIS

The table below provides an analysis of the relationship between the legal framework for transparency and the availability of budget documents. It also provides a summary of the strength of the legal framework and the strength of the relationship, drawing on this analysis and information provided in the case studies. The color coding is as follows:

	Publication all of the time, or consistently once introduced	Law requires publication
	Publication some of the time	Law requires preparation for submission to legislature
	Publication once	Law requires internal preparation
	Never published	Not stipulated in law

A direct relationship between the law and transparency is signaled by the same color for both parameters, or in the same range. Weak relationships are signaled when blue or green is paired with yellow or orange.

Legal frameworks are considered very strong and relationships are designated as very strong if applicable in 7 or 8 of the documents, strong for 5 or 6, medium for 3 or 4, and weak for 1 or 2.

Country summaries <i>1. Timing of laws relative to OBI rounds; 2. Strength of the legal framework for transparency; 3. Summary of relationship between legal framework and transparency practices; 4. If applicable, new laws post 2015 OBS</i>	Relevant laws	Analysis by OBI Budget Document							
		Executive's Budget Proposal	Enacted Budget	Pre-Budget Statement	Citizens Budget	In-Year Reports	Mid-Year Review	Year-End Report	Audit Report
ARGENTINA									
1. Several laws approved prior to 2006. 2. The framework for transparency is strong with requirements for 5 of the 8 OBI documents to be prepared for submission to congress, of which four are also required to be published.	Law 24629 1996 Law 25152 (Fiscal Convertibility Regime) 1999	Availability of Documents							
		All of the time	All of the time	Once	Never	All of the time	Never	All of the time	Consistently from 2008
Specification in Law									

Country summaries		Analysis by OBI Budget Document								
		Executive's Budget Proposal	Enacted Budget	Pre-Budget Statement	Citizens Budget	In-Year Reports	Mid-Year Review	Year-End Report	Audit Report	
<p>Country summaries</p> <p>1. Timing of laws relative to OBI rounds; 2. Strength of the legal framework for transparency; 3. Summary of relationship between legal framework and transparency practices; 4. If applicable, new laws post 2015 OBS</p> <p>3. There is a very strong relationship between the law and transparency with all of the eight scores having an aligned color-coding. All the documents that have always or consistently been published were stipulated in the law for publication or for submission to congress. The documents that were published occasionally or never are not explicitly required. The case study, however, discusses various ways in which aspects of the law have been ignored or altered in response to political and economic pressures. This affected particularly the quality of information published (e.g., how reliable is the budget proposal; how reliable the economic and financial information published).</p> <p>4. Law 27257 (Right to Access Public Information) was approved in 2016 with more specification of information that must be available.</p>		<p>Relevant laws</p> <p>Law 254000 (Federal Commitment towards Fiscal Discipline) 2001 Law 25917 (Federal Regime of Fiscal Responsibility) 2004 Law 27257 (Right to Access Public Information),</p>	Required to be prepared for submission to Congress and publication	Required to be published	Not stipulated	Not stipulated	Required by law to be submitted to Congress and published on entities' websites	Not stipulated	Annual accounts is required to be published	Required to be submitted to Congress
GHANA										
<p>1. No changes in the legal framework during the period</p> <p>2. A medium-to-weak framework for fiscal transparency applied in each of the periods, with only two of the OBI documents specified in law for publication, with another for submission to the legislature.</p> <p>3. In practice the legal framework does not consistently result in the publication of required documents. Out of the eight documents, five don't score consistently, designating a medium-to-weak direct relationship.</p> <p>4. New law in 2016 does require the Enacted Budget, Mid-Year Review, In-Year Reports, and Year-End Reports to parliament (but not publishing).</p>		<p>Constitution 1992 The Financial Administration Act and Regulations (2003)</p>	Availability of Documents							
			All of the time	All of the time	Never	Some of the time	Some of the time	Some of the time	Some of the time	Some of the time
			Specification in Law							
			No specification	Required to be published	Not specified	Not specified	Specified	Not specified although an adjustment budget is required	Internal requirement for annual accounts, but no requirement to publish	Specified for submission to parliament, but no requirement to publish
INDONESIA										
1. Change in law just prior to the 2006 survey			Availability of Documents							

Country summaries		Analysis by OBI Budget Document								
		Executive's Budget Proposal	Enacted Budget	Pre-Budget Statement	Citizens Budget	In-Year Reports	Mid-Year Review	Year-End Report	Audit Report	
<p>Country summaries</p> <p>1. <i>Timing of laws relative to OBI rounds; 2. Strength of the legal framework for transparency; 3. Summary of relationship between legal framework and transparency practices; 4. If applicable, new laws post 2015 OBS</i></p> <p>2. A relatively strong framework for transparency with 6 of the 8 reports required by law to be submitted to the legislature, even if only one for publication. A 7th report must be prepared. FOI law enabled transparency on demand, as well as proactive transparency.</p> <p>3. The direct relationship between the laws and transparency is strong, with all 8 documents' scores aligned. Besides enabling transparency by bringing order to the PFM system, while the laws do not require the publication of documents, they do require submission to the legislature of all the documents that were published frequently or all of the time. The two that are not required or required only internally were published only once. Finance laws were found to have enabled transparency beyond the publication of reports, by recognizing the principle, bringing off-budget items into law, bringing a unified classification, and providing for the generation of performance information.</p>	<p>Relevant laws</p> <p>State Finances Law 2003 State Treasury Law 2004 State Audit Act 2004 State Planning law (2004) FOI law in 2010</p>	All of the time	All of the time	Missed once	Only once	Only once	All of the time	Missed once	All of the time	
		Specification in law								
		Required to be submitted to the legislature	Required to be published.	Required to be submitted to the legislature	Not specified	Required on a monthly basis, but internally	Required to be submitted to the legislature	Required to be submitted to the legislature	Required to be submitted to the legislature	
MEXICO										
<p>1. Constitution modified in 2007 with transparency strengthening clauses, and laws enacted between the 2006 and 2010 OBSs.</p>	<p>Constitution Federal law of transparency and access to</p>	Availability of documents								
		All of the time	All of the time	Once	Consistently from 2008	All of the time	Some of the time	All of the time	All of the time	
		Specification in Law								

Country summaries	Relevant laws	Analysis by OBI Budget Document								
		Executive's Budget Proposal	Enacted Budget	Pre-Budget Statement	Citizens Budget	In-Year Reports	Mid-Year Review	Year-End Report	Audit Report	
<p>1. Timing of laws relative to OBI rounds; 2. Strength of the legal framework for transparency; 3. Summary of relationship between legal framework and transparency practices; 4. If applicable, new laws post 2015 OBS</p> <p>2. The legal strength for fiscal transparency is considered to be strong, with 6 of the 8 documents specified in law.</p> <p>3. The direct relationship is strong, with 7 of the 8 documents having their scores aligned. The 2002 law established the principle of transparency and established requirements for proactively publishing 4 of the 8 OBI documents, including specifying how each should be published. Various laws brought order to the public finances and established good budgeting principles that aid transparency, such as comprehensiveness of the budget, consistent classification of the budget across units and functions of government, and requiring more information beyond the publication of expenditure and revenue information. These laws enabled a change of culture in government, and directly led to the publication of key documents. All the required documents are published all of the time, while those that are not required have been published only some of the time or once.</p>	<p>information (2002) Federal Law of Accountability and Fiscalisation (2006) Federal law on Budget and Treasury Responsibility (2007) General law on Government Accounting (2008) Federal law on Audit and Accounting (2009)</p>	Required to be published	Required to be published	Not stipulated	Required to be published	Required to be published	Not stipulated	Required to be published	Required to be published	
PHILIPPINES										
<p>1. Framework is established in constitution and the 1987 Administrative code.</p> <p>2. A medium-strength framework for transparency, with the current law requiring only 3 of the 8 OBI</p>	<p>Constitution The 1987 Administrative Code</p>	Availability of documents								
		All of the time	All of the time	Published only once	Published only once	All of the time	Some of the time	All of the time	All of the time	All of the time
Specification in law										

Country summaries	Relevant laws	Analysis by OBI Budget Document								
		Executive's Budget Proposal	Enacted Budget	Pre-Budget Statement	Citizens Budget	In-Year Reports	Mid-Year Review	Year-End Report	Audit Report	
<p>1. Timing of laws relative to OBI rounds; 2. Strength of the legal framework for transparency; 3. Summary of relationship between legal framework and transparency practices; 4. If applicable, new laws post 2015 OBS</p> <p>documents. The law, however, also specifies the content of the EBP, allowing for disaggregated information to be available, and for it to be linked to plans.</p> <p>3. There is a medium-direct relationship between the law and transparency in the Philippines with only 4 of the 8 documents' scores aligned. However, the inverted relationship is in a positive direction for transparency. While all of the required documents were published all of the time, a further two documents that were not required were also available all of the time, and one, some of the time. A further two were published once.</p> <p>4. A new PFM bill was drafted in 2014, filed in 2015, but has not been enacted. This bill not only requires all the documents to be published, but also specifies content.</p>	The Public Financial Accountability bill (filed in 2015 but not enacted)	Required to be published	Required to be published	Not specified	Not specified	Not specified	Not specified	Not specified	Required to be published	
UGANDA										
<p>1. The main laws preceded the 5 surveys.</p> <p>2. From a transparency perspective the legal framework is strong, as five documents are required to be published or submitted to the legislature (even if only one document is required to be published).</p> <p>3. There appears to be a strong relationship between the law and transparency, with 5 of the 8 documents scoring consistently. All of the documents that are published all of the time are required by law to be prepared and submitted to parliament, even if not published. There is one survey where one of the documents required by law to be submitted to parliament was not published in time, but the specification in the law is general, rather than requiring specific reports aligning with the OBI specification. Furthermore, the law provides content specifications that support the quality of documents published. The 2003 Act sets out parameters beyond the main budget and detail on past expenditure and</p>	<p>Constitution</p> <p>The Budget Act 2001</p> <p>Public Finance and Accountability Act of 2003</p> <p>The 2012 Public Finance Bill (not passed until 2015, but with impact on systems prior to its passing)</p>	Availability of Documents								
		All of the time	All of the time	All of the time	Missed once	Missed once (late)	Some of the time	Consistently from 2008	All of the time	
		Specification in Law								
		Required by law to be submitted to parliament	Required by law to be published	Required by law to be submitted to parliament	Not stipulated	Required by law to be submitted to parliament, but not how regularly	Not specified	Required to be prepared internally for the auditor general to audit	Required to be submitted to parliament	

Country summaries	Relevant laws	Analysis by OBI Budget Document							
		Executive's Budget Proposal	Enacted Budget	Pre-Budget Statement	Citizens Budget	In-Year Reports	Mid-Year Review	Year-End Report	Audit Report
<p>1. Timing of laws relative to OBI rounds; 2. Strength of the legal framework for transparency; 3. Summary of relationship between legal framework and transparency practices; 4. If applicable, new laws post 2015 OBS</p> <p>revenue that must presented to parliament for the budget, as well as detail on expenditure and revenue information that must be included in the budget; requires the submission of reports to parliament during the year; and requires the preparation of an annual report and submission of the Audit Report to parliament.</p> <p>4. A new budget systems act was passed in 2015. One improvement in this law is to include specific provisions for in-year reporting.</p>									

TABLE 3. COMMON TECHNICAL PFM REFORMS AND THEIR POTENTIAL TRANSPARENCY IMPACT (COUNTRY SUMMARIES)

Common features	Potential impact on fiscal transparency	Countries that implemented the reform and impact
Medium-term budgeting reforms (Ghana, Indonesia, Mexico, the Philippines, and Uganda)		
<p>MTEF reforms usually have a top-down and bottom-up component and are used by many countries to bring off-budget information into the budget process. They will also provide forecasts of revenue and expenditure over the medium term, at least at the aggregate but often at the detailed level. The top-down process also involves the development of medium-term fiscal frameworks, which includes building information collection and forecasting capacity. MTEF reforms also sought to strengthen the link</p>	<p>An MTEF process would help countries to publish a Pre-Budget Statement, insofar as it encourages first assessing the fiscal parameters for the budget and broad allocations, before preparing detailed budgets. Furthermore, the availability of systematic medium term expenditure forecasts at aggregate, entity, program or line-item level depending on reform design. Availability of revenue information, deriving</p>	<p>Ghana¹⁵: Ghana’s MTEF reforms predate the first OBS. The Public Financial Management Reform Programme (PUFMARP) ran from 1997 to 2003 and included the development of a detailed, bottom-up reform process with limited attention to the top-down elements. Neither the introduction of an MTEF reform in the PUFMARP, nor the continuation of reform under a country PFM reform strategy between 2006 and 2009 resulted in a Pre-Budget Statement, despite the MTEF reform being strengthened in the 2003 to 2006 period. It could, however, have contributed to a relatively high score in terms of the coverage of the Executive’s Budget Proposal, in providing medium-term projections. A look at Ghana’s scores, however, suggests that even if MTEF processes might have made information beyond the budget (on assumptions, risks, contingent liabilities, off-budget items) available internally, it was not published. For example, across the years Ghana has not performed well on questions about the macroeconomic assumptions, the impact of specific policies, debt, quasi fiscal expenditures, assets, and contingent liabilities.</p> <p>Indonesia¹⁶: After the changes to the PFM Law, Indonesia embarked on PFM reform process that started off by introducing unified budgeting (capital and expenditure) and an MTEF system. It started issuing a Pre-Budget Statement to parliament between the 2006 and 2008 survey, but did not publish it as such. Up to 2015, with some variability, Indonesia still performed poorly on information beyond the main budget, and inconsistently published forward estimates.</p> <p>Mexico¹⁷: implemented only a very high-level medium-term perspective after the Fiscal Responsibility Law of 2006. This was not expanded until after 2010. This perspective was developed to comply with the law’s requirement to have a pre-budget process in place, including a medium-term perspective on the fiscal aggregates, to support fiscal discipline. The statement was published from 2008 onward.</p>

¹⁵ The discussion on Ghana draws on the case study and Mary Betley, Andres Bird, and Adom Gartey, *An Evaluation of PFM Reforms in Ghana, 2001 to 2010* (Stockholm: Swedish International Development Cooperation Agency, Sida, Danida and AfDB Joint Evaluation, 2012), available at: http://www.sida.se/English/publications/Publication_database/publications-by-year1/2012/august/evaluation-of-public-financial-management-reform-in-ghana-2001-2010---final-country-case-study-report/.

¹⁶ Indonesia’s discussion draws both on the case study and on Agung Widiadi, “Indonesia’s PFM Reform: Session 3 at the Asian Regional Seminar on Public Financial Management,” Phnom Penh, Cambodia, IMF 2014, available at: <https://www.imf.org/external/np/seminars/eng/2014/asiapfm/pdf/widiadi.pdf>; and Jón R. Blöndal, Ian Hawkesworth, and Hyun-Deok Choi, “Budgeting in Indonesia,” *OECD Journal on Budgeting*, vol. 2009/2, 2009, available at: <https://www.oecd.org/indonesia/45362389.pdf>.

¹⁷ For Mexico, the discussion draws on the case study and on “Country Financial Accountability Assessment,” Washington, D.C., World Bank, 2003, available at: <https://openknowledge.worldbank.org/handle/10986/14350>; “Review of Budgeting in Mexico,” *OECD Journal on Budgeting Supplement*, 2009 Supplement 1, available at: <https://www.oecd.org/mexico/48168243.pdf>; and “Strengthening Public Revenue and Expenditure Management to Enhance Service Delivery,” Policy Note 76592, Washington, D.C., World Bank, 2013, available at: <https://openknowledge.worldbank.org/handle/10986/16950>.

<p>between policies and budgets. This is a feature it has in common with reforms that seek to classify the budget by programs and in some cases also execute and report by programs.</p>	<p>from improved debt forecasting practices. Availability of information beyond the main budget, such as on macro-economic forecasts. Availability of information on off-budget items and donors, in line with government budget structures. Availability of information on the marginal changes to the budget, i.e., the cost of new policies and programs.</p>	<p>The Philippines adopted a medium-term approach to budgeting through the MTEF reform from 1998. The reform had two components, the calculation of forward estimates and a budget strategy paper, which guided the prioritization of public funds. This was expanded and improved over subsequent reform programs and cited in the case study as a significant enabling factor for the improvements in the OBI score on the Executive’s Budget Proposal and the Pre-Budget Statement in 2015. Interestingly, the executive has elected not to publish forward estimates before 2015. All previous surveys for the Philippines did not provide forward expenditure information at the aggregate or detailed level. Generally, reforms made information available earlier than its publication. For example, the Pre-Budget Statement was published for the first time also in 2015. The case study notes that this was because the document had not yet fulfilled its purpose as a cabinet paper and was therefore largely an internal finance document and not published. In 2012 the internal budget strategy paper was itself not produced, but in 2013 a new, expanded paper was produced, the Budget Priorities Framework, which was then published in 2014. The case study also notes that, due to capacity constraints, the quality of cost estimates for the was also low, making them unreliable.</p> <p>Uganda¹⁸: Uganda introduced an MTEF in the mid-1990s in an effort to ensure comprehensive consideration of expenditures, improve fiscal discipline, and link spending priorities better to allocations and expenditures. The MTEF was not just a framework for numbers, but also a process with a strategic phase introduced into budgeting, including the development of a pre-budget paper (the Budget Framework Paper) for the cabinet. This paper only was published and submitted to parliament, however, after parliament enacted a law that required the finance ministry to submit it. Nonetheless, the MTEF reforms designated a distinct budgeting phase that allowed for the development of a Pre-Budget Statement.</p>
<p>Other fiscal and debt management reforms (Argentina, Ghana, Indonesia, Mexico and Philippines)</p>		
<p>Over the period many countries have implemented debt management reforms, often involving the development of debt information management databases and the building of capacity for debt forecasting and management. In addition to MTEF and debt management reforms, many countries have also created institutions to</p>	<p>These reforms should make available for publication better information on debt and debt service cost, on quasi fiscal activities, and on contingent liabilities and other sets of information beyond the main budget that is tested in the OBI.</p>	<p>Argentina: Prior to the 2006 OBS, fiscal reforms in Argentina, led by changes to the law, required multi-year projections of government information, along with the availability of information supporting the budget.</p> <p>Ghana: Before the 2015 OBS, in line with the agreement of an extended credit facility with the IMF, Ghana embarked on reforms of fiscal risk and debt management. However, by the 2015 survey, they had not translated into improved transparency on these issues.</p> <p>Indonesia: Prior to the first survey, Indonesia had introduced a new financial system; however, while some fiscal sensitivity analysis is done internally in government, it is not published.</p> <p>Mexico: The Fiscal Responsibility Law of 2007 and the implementation of a fiscal rule was followed by budget process reforms to allow the publication of a Pre-Budget Statement, that discusses the economic outlook, fiscal aggregates, and risk over a five-year forward period. Since the 2008 survey, therefore, Mexico has published a Pre-Budget Statement.</p>

¹⁸ The Uganda discussion draws on the case study and Carole Pretorius, “Uganda”, in CABRI. “Performance and Programme-Based Budgeting in Africa: A Report,” Collaborative Africa Budget Reform Initiative, 2013, available at: <http://www.cabri-sbo.org/en/publications/performance-and-programme-based-budgeting-in-africa-a-status-report>.

<p>manage fiscal risk, including setting up fiscal risk assessment processes as part of budget preparation and execution.</p>		<p>The Philippines started publishing Fiscal Risk Statements to manage contingent liabilities, debt sustainability, and overall fiscal risks, as a PFM reform from 2011. This includes disclosure on the macroeconomic, external, financial, and climate risks to the public finances, but the timing of the statement means it cannot be included as part of the Executive’s Budget Proposal in scoring for the OBI.</p>
<p>Program budget reforms (Ghana, Indonesia, Mexico, Philippines and Uganda)</p>		
<p>Program budget reforms are often implemented in addition to MTEF reforms to structure expenditure budgets in line with expenditure objectives, i.e., by program. In some cases this is a device for looking at specific program budgets through a different lens. In other cases, the whole budget system shifts to a program structure, including budget execution and reporting.</p>	<p>Program budget reforms add a systematic program classification to budgets and sometimes to reports. Depending on design, these reforms can help provide clear information on changes to budgets and how these relate to policies.</p>	<p>Ghana: Program budgeting was introduced in 2009 on a pilot basis. However, it was only rolled out fully to government in 2014, and the OBI scores do not reflect this change, with scores varying according to whether program-based information was published or not.</p> <p>Indonesia: Program budgeting was introduced in 2003. The budgets of all government entities are divided into programs, with program structures aligned by sector at the provincial and local levels. This change preceded the 2006 survey.</p> <p>Mexico: Program budget reforms were implemented beginning in 2007 through the adoption of new guidelines for program structures that were linked to the management by results reforms, which were in turn adopted in the 2006 fiscal responsibility law. Over the surveys since Mexico’s scores were judged against performance information, Mexico has shown steady progress, although its score is still just above 50.</p> <p>Philippines: Expenditure reviews in the Philippines linking policies to budgets were introduced in 1998. Since 2010, zero-based budgeting was used as an approach to strengthen this link. Program budgeting as such however, had not been introduced by the 2015 Survey: a reform to introduce a program classification started after the survey.</p> <p>Program budgeting reform in Uganda has a long history. An early forerunner was the Poverty Action Fund. This was not an appropriation as such, but a budget structuring/classification device that identified which expenditures within the budget were for poverty relief. These expenditures were targeted for additional monitoring and reporting. Structuring all of the budget by programs, however, occurred in 2008/2009 in tandem with the introduction of output-based budgeting (see below).</p>
<p>Performance information reforms (Argentina, Ghana, Indonesia, Mexico, Philippines, Uganda)</p>		
<p>Performance reforms come with several labels, including performance-based or performance-informed budgeting and results-based budgeting, planning, or management. These reforms require that</p>	<p>Performance information reforms generate the systematic nonfinancial information required to assess whether public funds are used well. In the 2015 OBI, more than 10 percent of the</p>	<p>Argentina: Beginning with results-based budget reforms just prior to the 2006 survey, scores on performance information improved from 18 in that year to 51 in 2015.</p> <p>Ghana: The introduction of information about results into budgeting did not lead to discernibly better scores, with the score fluctuating in the 40s throughout the surveys.</p> <p>Indonesia: The “grand design bureaucratic reform” introduced in 2010 included a performance component. In 2009, this was strengthened by structuring the budget into an overhead component and outputs. Virement could be done between</p>

<p>plans and budgets identify the objectives associated with spending and activities, plan to measure success, set targets for success, and report on the measures and targets. In some cases, countries shift their budget structures to appropriate by outputs or outcomes. While setting performance and measures and targets is challenging, countries often experience even greater problems with reporting about them.</p>	<p>questions assessed dealt with performance information.</p>	<p>outputs. A review in 2012, however, found that inputs were just called outputs, and so there was no real performance information. The finance ministry started a process in 2013 to improve performance information, which had not yet showed up significantly in the 2015 survey.</p> <p>Mexico: Results-based budgeting was a key part of Mexico’s public financial management reforms from 2006 and 2007. The reforms built on more than a decade of performance management practices, but were the first reforms to be anchored in the law. The Fiscal Responsibility Law in 2006 required that entities be responsible for management by results and establish measures and targets. These are reflected in public documents.</p> <p>Philippines: The organizational performance indicator framework (OPIF) was first introduced as part of the 1998 PFM reform package. Its implementation, however, stalled at first. It was revitalized for the 2006 budget, for which an OPIF “book of outputs” for pilot departments was published as a budget document. The has exercise expanded since 2009, and in 2011 the system had a major overhaul, with review of information provided, the introduction of a performance-based incentive system linked to achievement of targets, and all performance management systems in government being harmonized with the OPIF system. This resulted in the late publication of the book of outputs, and the OBI score slipped in 2012. In 2013 performance information was integrated into the main budget next to financial allocations, which made the indicators subject to scrutiny and approval by the legislature.</p> <p>Although the 2003 budget system act already required that government report expenditure against outputs, demand for better information on the effectiveness of expenditure grew after 2007. This was the result of pressure from civil society, parliament, and politicians. Several reforms were adopted between 2008 and 2012 to link budget to performance. In 2008, output-based budgeting was introduced, which led to quarterly financial and nonfinancial performance reports. The budget performance reports are discussed twice yearly at cabinet level, and the information is fed into the Government Annual Performance Report, prepared by the Office of the Prime Minister. The output-based budget is run through an access-based IT system that manages budget preparation and performance information. It uploads information into the FMIS and downloads expenditure financial information from the FMIS. This speeds up and standardizes the production of information leading to timely production of preparation and ex post budget documents.</p>
<p>Classification, chart of account, and accounting standards reforms (Argentina, Ghana, Mexico, Philippines)</p>		
<p>These reforms seek to modernize countries’ public account classification and accounting systems to align them with international standards. Commonly, they involve aligning government finance statistics, charts of accounts, and the International Public Sector Accounting Standards</p>	<p>These reforms assist by harmonizing information across the public sector, thereby enabling unified reporting. Without commonly applied standards, it is not possible to aggregate information for In-Year Reports, Mid-Year Reviews, and Year-End Reports. If countries use international standards as</p>	<p>Argentina: Prior to the first survey, during the reforms in the 1990, consistent classification systems were established in the government at the national and local levels. This underpins the consistent publication of In-Year Reports and Year-End Reports.</p> <p>Ghana: Ghana has undertaken systematic reforms between 1997 and 2015 to standardize classification and accounting standards. Budget and account classification was reformed during the PUFMARF and again after 2006. Fully compatible classification of government statistics was adopted in 2012, and IPSAS from 2014. The harmonization of classification could have contributed the publication of In-Year Reports, Mid-Year Reviews, and Year-End Reports, but publication has been variable over time. Again, this suggests that even the successful reforms that led to internal availability of aggregable information did not necessarily result in greater transparency.</p> <p>Mexico: A 2008 law harmonized budget and accounting classifications and accounting standards across government. The accompanying manual was completed in 2010 and then rolled out across government. While In-Year Reports were</p>

<p>(IPSAS) for financial reporting. Often countries also bring their budget and account classifications in line.</p>	<p>a benchmark, it also allows for easier interpretation of financial information.</p>	<p>published already by the 2006 survey, the reform may have affected what expenditure is covered in the reports over time.</p> <p>Philippines: The New Government Accounting System was introduced in 2002, with a unified chart of accounts and the introduction of international accounting standards. However, this did not address differences between budget classification and accounting classification. It was only after 2011, with the introduction of a FMIS, that this harmonization was started. In 2014 a Unified Accounts Code Structure was put in place to unify the separate coding structures for budgeting, cash management, accounting, and auditing. Its impact will still be limited until a unified IT system is established.</p>
<p>Financial information systems and reporting reforms Argentina, Ghana, Mexico, Philippines and Uganda</p>		
<p>FMIS reforms are a common in PFM systems. These seek to manage the budget execution process by automating regular requirements and providing and recording information in real time. More comprehensive FMIS reforms attempt to integrate budget, debt, revenue, disbursement, commitment, and payment information in one system. In some countries, human resource management information is added, as well as budgeting and planning modules.</p>	<p>In principle having a FMIS should enable quicker consolidation of information, reconciliations between records and therefore quicker reporting, more complete and timely In-Year Reports, Mid-Year Reviews, and Year End Reports, as well as more timely production of Audit Reports.</p>	<p>Argentina: A first FMIS system was put in place prior to 1995, to implement the 1992 financial management law. This system has been systematically expanded and modernized over time and underpins the availability of financial management information that drives the various open government transparency portals. While preceding the 2006 survey, this system must be a key factor in the consistent publication of key budget documents, such as the In-Year Report.</p> <p>Ghana: The reform of public financial management information systems has been an ongoing pillar of reform programs for the last two decades. A first system was the second key component of the 1997 PUFMARP, but it was abandoned in the 2009 to 2010 period and replaced by a second reform. This second reform, the GFMS, was less ambitious, though more successfully rolled out. However, it was updated again just before the 2015 survey. According to the case study, this reform supported the preparation of the 2015 budget and will assist in timely reporting across government in future. Ghana’s transparency performance does not consistently reflect the reform, however, and some ex post reports are not always published. The case study points out that In-Year Reports were published from time to time under pressure from the IMF, rather than as a result of reforms.</p> <p>Mexico: Integration of financial systems only started after the 2008 law that harmonized classifications and accounting standards across the government. The FMIS was approved in 2009, and implementation started in 2012. According to the case study, this reform, together with the harmonization of classification and accounting standards, contributed to the publication of timely ex post reports. This can perhaps best be seen in the Audit Report, which did not score well on timeliness questions until the more recent surveys.</p> <p>Philippines: A FMIS was introduced as of 2011. The original launch was planned over a five-year period and was ambitious in scope. However, it was scaled back, and in its current form – linking budgeting to budget execution and to treasury cash management functions at the oversight level – is expected to be completed by 2018. However, complementary reporting reforms did have an impact. The various departments making up the central budget authority – the budget, treasury and accountant general’s departments – agreed to use a harmonized set of reports rather than the different formats used previously. This resulted in the budget management department publishing reports on its website that counted as In-Year Reports. Timeliness was sometimes still a problem, and more so in 2015 as capacities for new formats in the absence of a FMIS were still low.</p>

		<p>Uganda: After the budget preparation reforms of the late 1990s, the attention turned to the establishment of comprehensive financial management and accounting reform, including strengthening the legal framework. This included the introduction of a FMIS, before the 2015 survey, underwent a steady evolution, first from core financial management software to the integration and automation of budget planning and reporting documentation. The FMIS first went live in 2004 and was extended to 18 ministries by 2006. The remaining four ministries and 25 central government agencies came on board by 2015. After 2015, the FMIS has also been rolled out to local governments. Before the introduction of the FMIS, the government faced a number of challenges in producing reports on time with systems that were predominantly manual and often fragmented. With the FMIS in place, ex post reports and budget documents can be produced more consistently and in a more timely manner than before. The case study considers this a key factor in raising Uganda's OBI scores above 60.</p>
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ANNEX 2. COUNTRY CASE STUDIES

Luciana Diaz Frers, “The Road to Budget Transparency in Argentina” <https://www.internationalbudget.org/publications/road-to-budget-transparency-in-argentina>

Nicholas Adamtey, “The Road to Budget Transparency in Ghana” <https://www.internationalbudget.org/publications/road-to-budget-transparency-in-ghana>

Yuna Farhan, “The Road to Budget Transparency in Indonesia” <https://www.internationalbudget.org/publications/road-to-budget-transparency-in-indonesia>

Diego de la Mora and Javier Garduño, “The Road to Budget Transparency in Mexico” <https://www.internationalbudget.org/publications/road-to-budget-transparency-in-mexico>

Francis Capistrano, “The Road to Budget Transparency in the Philippines” <https://www.internationalbudget.org/publications/road-to-budget-transparency-in-the-philippines>

Rosie Pinnington, “The Road to Budget Transparency in Uganda” <https://www.internationalbudget.org/publications/road-to-budget-transparency-in-uganda>