

Open Budget Survey 2023 Results for Eastern Europe and Central Asia (EECA)

Presentation by: Andrés Ponce, Senior Program Officer
Nermin Kujovic, Senior Program Officer



With Support from:



The Open Budget Survey (OBS)

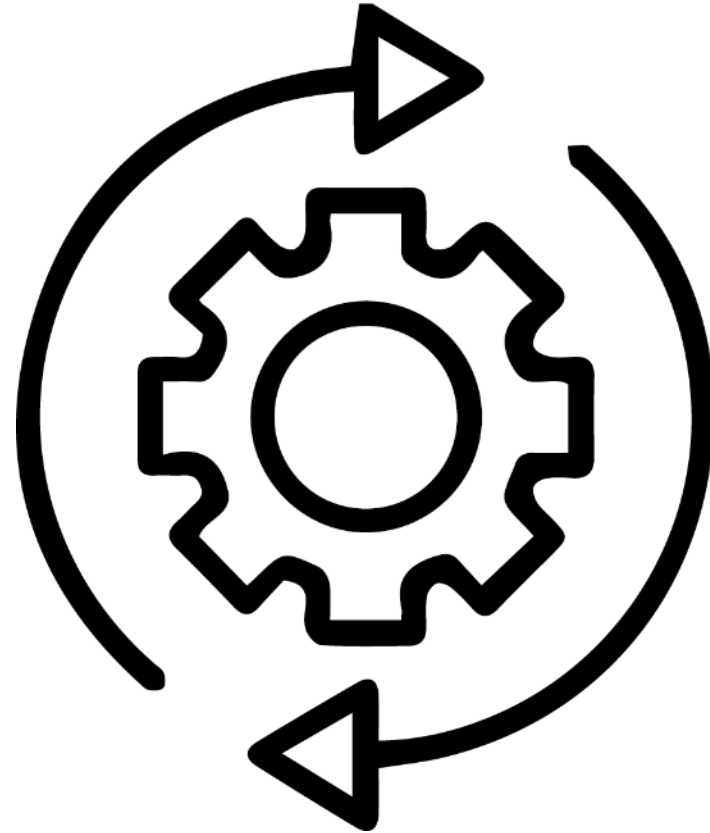
The OBS Measures Three Essential Pillars That Make Up The Public Budget Accountability Ecosystem:

- ☑ **Transparency** of how public resources are raised, allocated and spent
- ☑ Opportunities for **participation** in the budget cycle and public policies
- ☑ **Oversight** by independent oversight entities and the legislature



Overview of OBS Methodology

- The 2023 OBS is the **9th edition** of the Survey, and includes 127 countries worldwide (including two pilot) .
- Only documents that were published and practices that took place **before** the research “cut-off date” of **31 December 2022** are evaluated.
- Research for each survey country is conducted by an **independent** partner in civil society or academia with demonstrated knowledge of the central budget process. The draft questionnaire is reviewed by an independent peer-reviewer and government.



Evaluating the extent of budget transparency

- The Open Budget Index (OBI) reflects the assessment of **eight (8) key budget documents** that should be accessible to the public during the four phases of the budget cycle (formulation, approval, execution, and audit/oversight).
- The **OBI is scored from 0-100** via a simple average of all indicator responses, with 61 considered as minimum benchmark for “sufficient” transparency by IBP.

Public availability of budget documents in Bulgaria

Document	2012	2015	2017	2019	2021	2023
Pre-Budget Statement	●	●	●	●	⊘	●
Executive's Budget Proposal	●	●	●	●	●	●
Enacted Budget	●	●	●	●	●	●
Citizens Budget	⊘	●	●	●	●	●
In-Year Reports	●	●	●	●	●	●
Mid-Year Review	●	●	●	●	●	●
Year-End Report	●	●	●	●	●	●
Audit Report	●	●	●	●	●	●

Eastern Europe and Central Asia countries evaluated in OBS 2023

1. Albania
2. Armenia
3. Azerbaijan
4. Bosnia and Herzegovina
5. Bulgaria
6. Croatia
7. Georgia
8. Kazakhstan
9. Kyrgyz Republic
10. Moldova
11. North Macedonia
12. Romania
13. Russia
14. Serbia
15. Tajikistan
16. Turkey
17. Ukraine
18. Czech Republic
19. Hungary
20. Poland
21. Slovenia
22. Slovakia
-  23. Montenegro
-  24. Kosovo (Pilot)

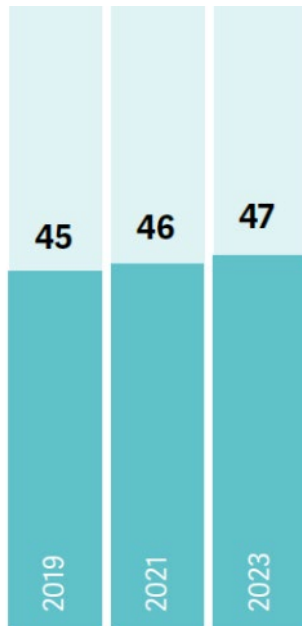
 **New** Western Balkans countries evaluated for the first time in OBS 2023

Global Trends

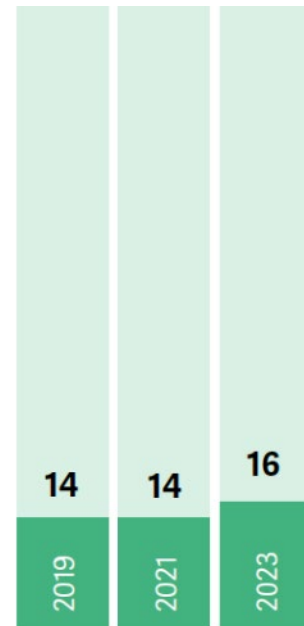


Global Average Scores, OBS 2019 – OBS 2023

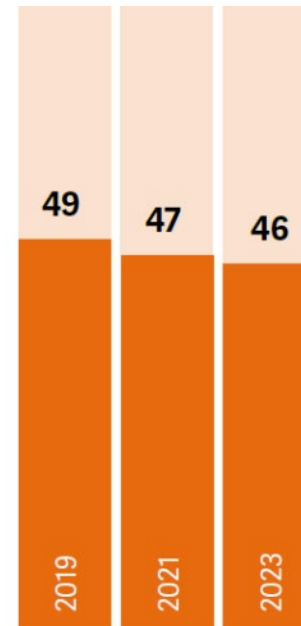
Transparency



Public Participation



Legislative Oversight

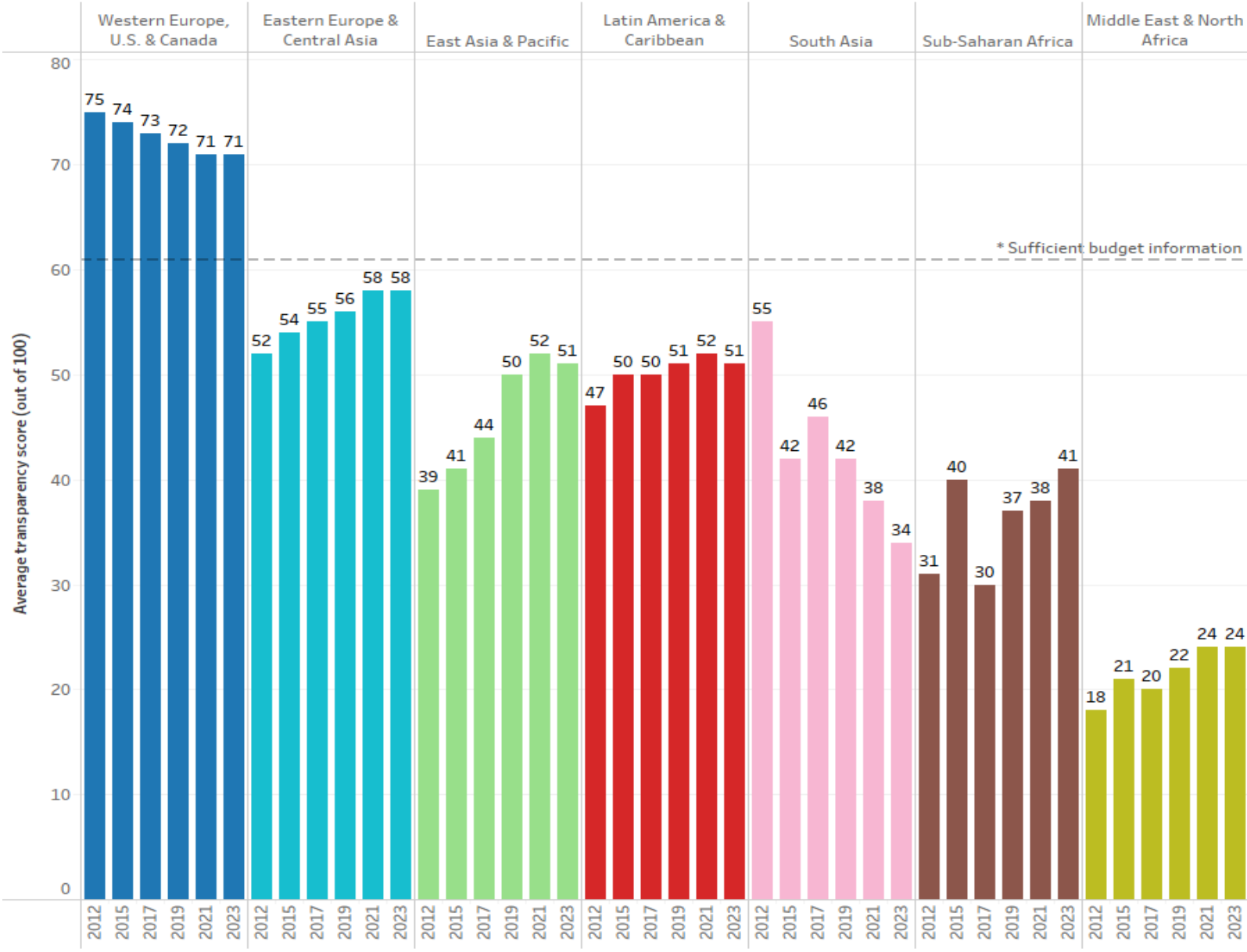


Audit Oversight



(For 117 comparable countries assessed in OBS 2019 – OBS 2023)

Regional trends in transparency, 2012-2023



(For 100 comparable countries assessed in OBS 2012 – OBS 2023)

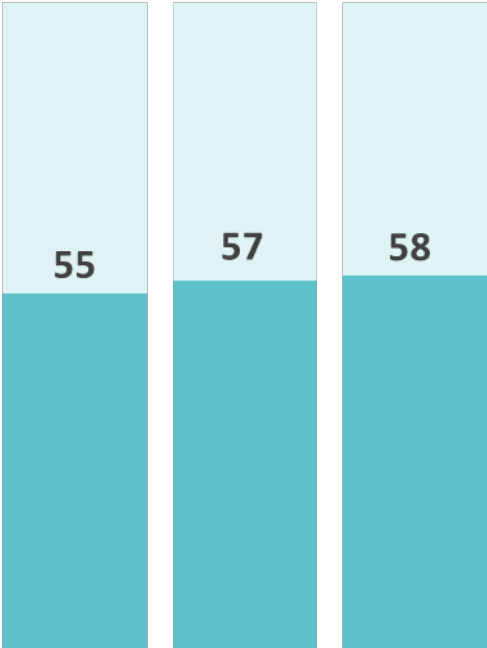
OBS EECA (24 countries in 2023) Findings



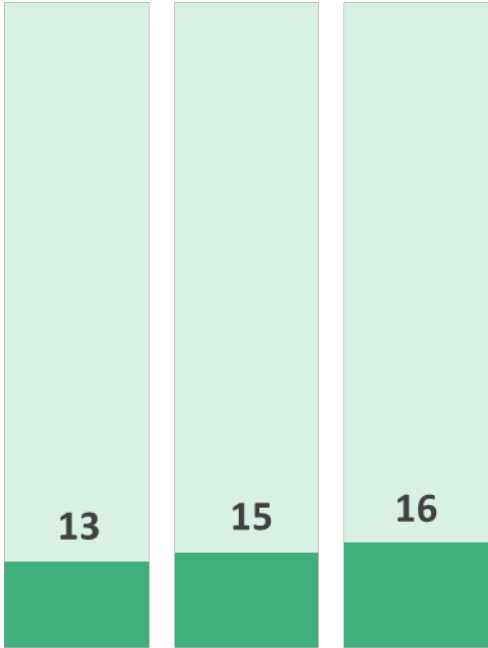
EECA Average Scores, OBS 2019 – OBS 2023

(For 21 comparable countries assessed in OBS 2019 – OBS 2023.)

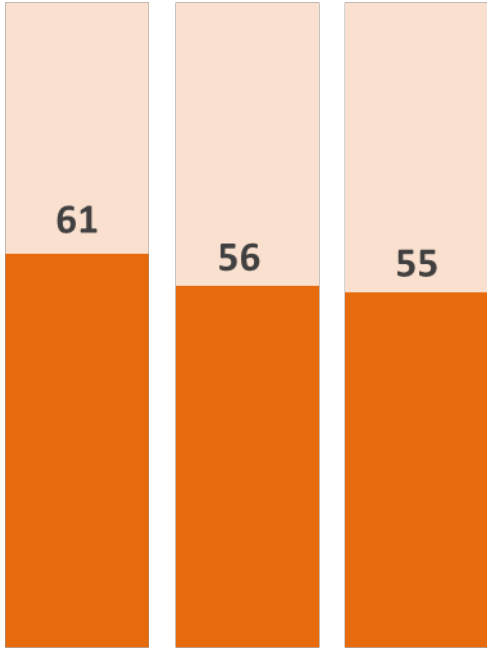
Transparency



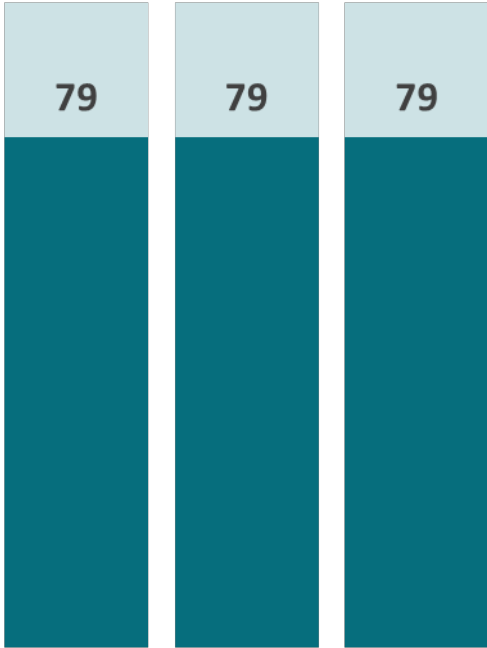
Public Participation



Legislative Oversight



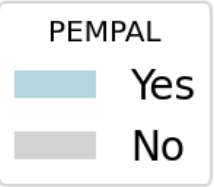
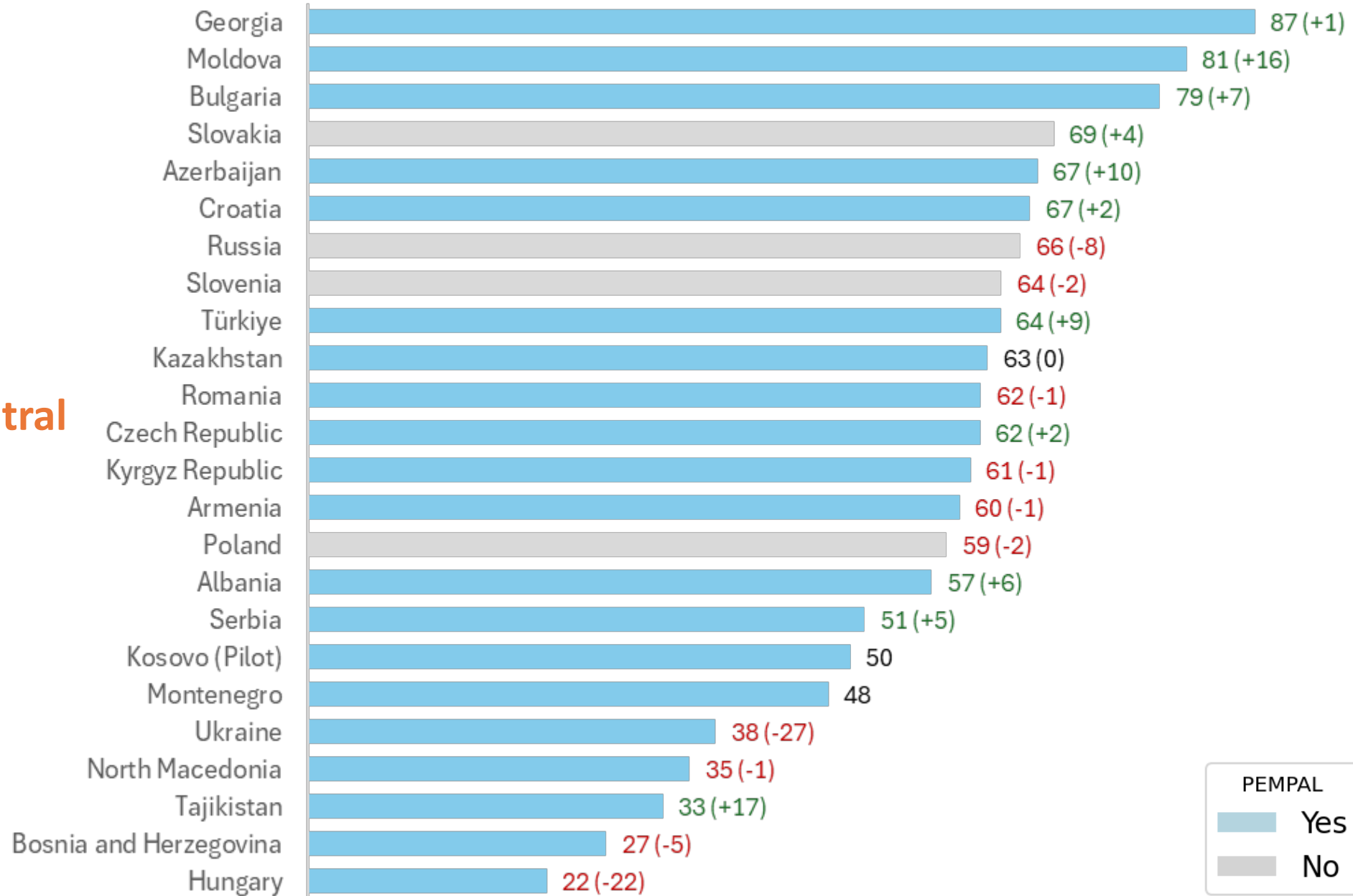
Audit Oversight



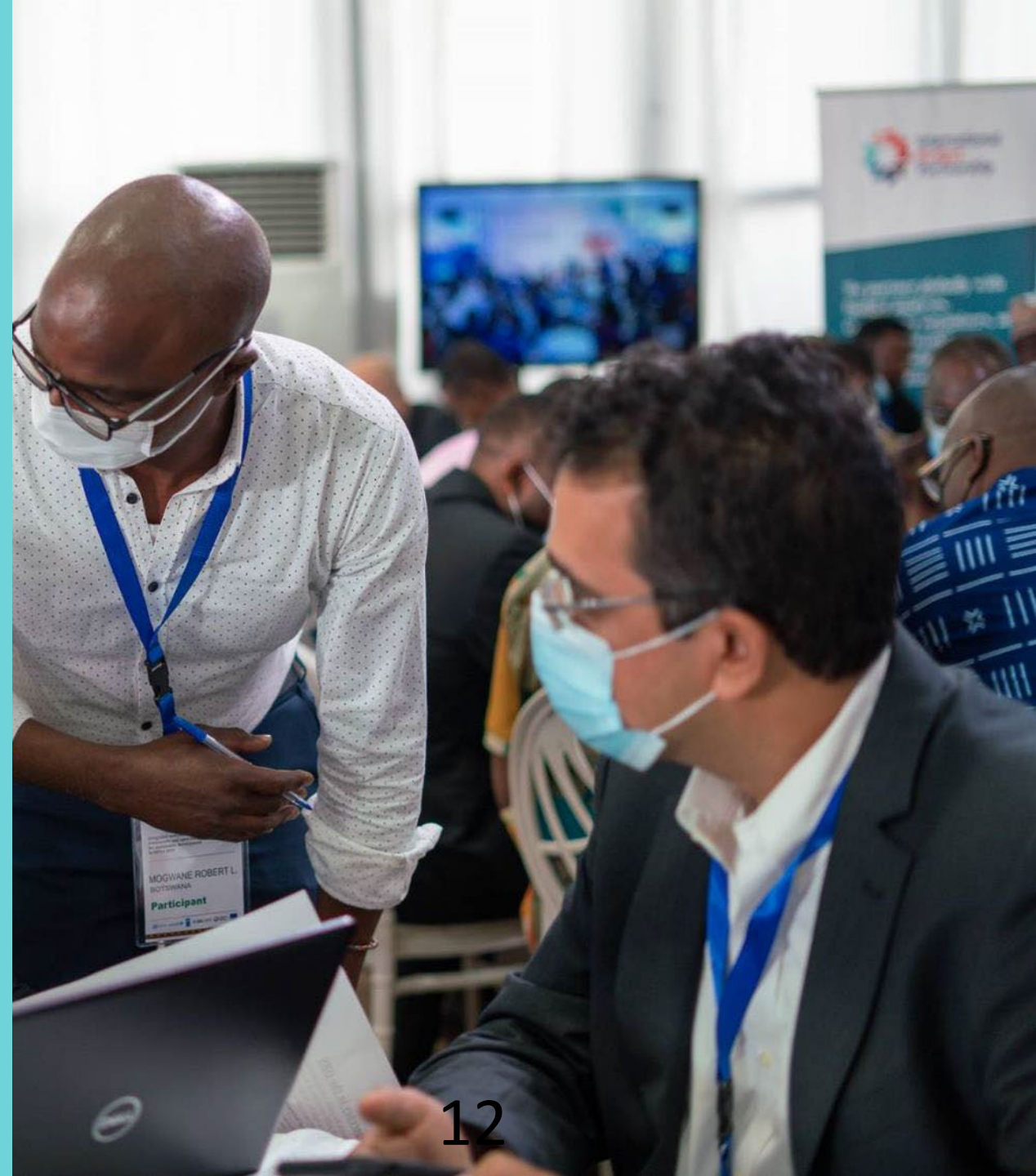
Ranking of Countries by Transparency Score 2023:

Eastern Europe & Central Asia

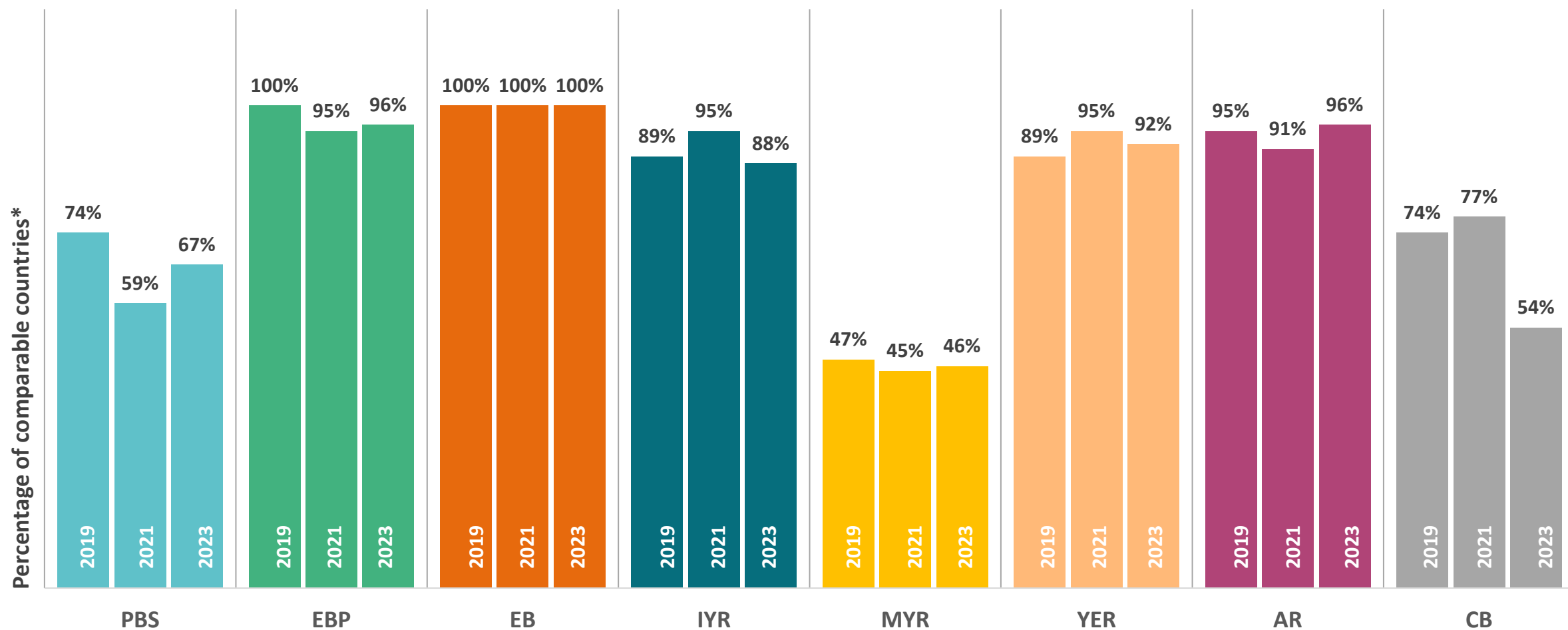
The PEMPAL average transparency score was **56** in 2023, which is **12** higher than the global average of 45.



Consistency matters. Drops in publication hinder the public's understanding of flows and trust in the budget process



Worrying declines in timely publication of budget documents in EECA in 2023; Especially Citizen's Budgets and In-Year Reports

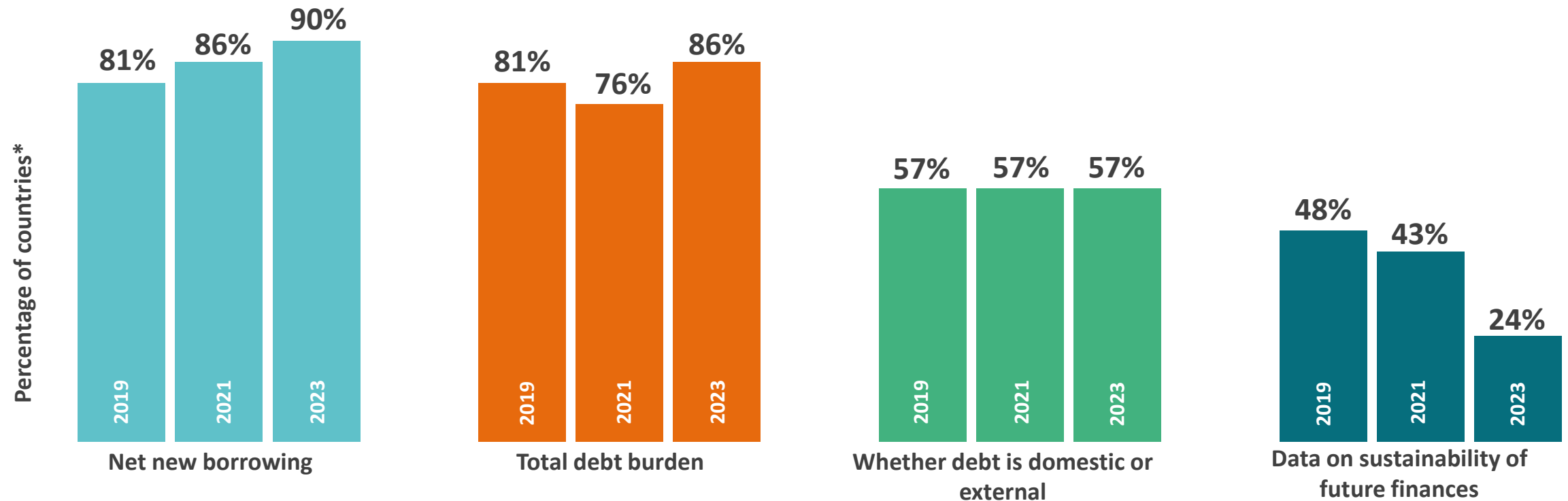


Critical information on
debt, and policy
impact is often missing

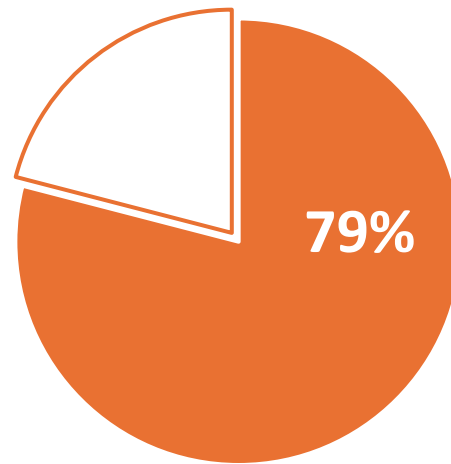


In EECA, critical information on debt slightly increased and fiscal risk drastically decreased in 2023

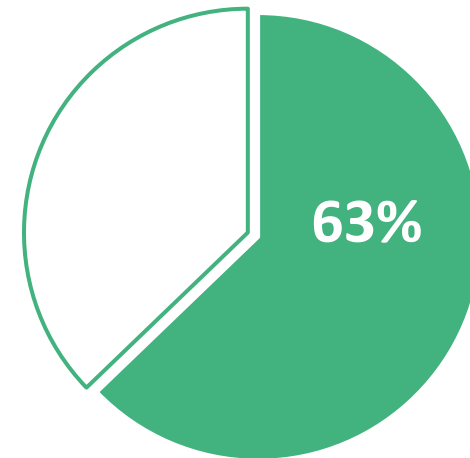
(Including Montenegro and the Kosovo Pilot in 2023)



EECA countries publish more information on policies intended to reduce poverty levels in budget proposals than in reporting.



Executive Budget Proposal



Year-End Report

Percentage of countries publishing information on policies intended to reduce poverty levels

Alternative Displays of Expenditure in the Executive Budget Proposal in 2023

The inclusion of alternative budget displays in the data directly reflects efforts to identify and address disparities through fiscal policy:

- Only 9 of 24 EECA countries include in their EBP alternative displays of expenditure
- No country in the EECA includes alternative displays of information based on climate policies
- The most included additional information is by income and gender



Gender

Ukraine

Albania

Armenia

Montenegro



Income

Georgia

Kyrgyz Republic

Tajikistan

Kosovo



Geographic

Russia

Kosovo



Age

Russia



Climate

Alternative Expenditure Climate Example



Norway

Expenditure area	Nominal value				Average annual real growth rate		
	2009	2013	2022	2023	2009– 2013	2013– 2022	2022– 2023
Climate and environment ³	6,5	8,4	18,2	19,6	3,1 %	5,4 %	6,0 %

- The budget includes 155 references to climate and the environment
- Climate adaptation and expenditures are detailed within every ministry
- An additional section outlines Norway’s climate goals, their plans to achieve them, money allocated, and the timeline for implementation

A budget that cuts emissions and facilitates green jobs

The climate crisis cannot be put on hold. The budget that is presented calls for high, necessary cuts in **greenhouse** gas emissions. The emission targets must be achieved while ensuring social and geographical redistribution. In the Government's first edition of the **Climate** Status and Plan, the Government shows that we will fulfil our international commitments. The Norwegian economy must be restructured. The Government is presenting a green business and export restructuring package to speed up the pace of restructuring, export efforts and industrial development in the business sector.

Engaging with the public is a winning proposition.



Mechanism Breakdown by Country



80%

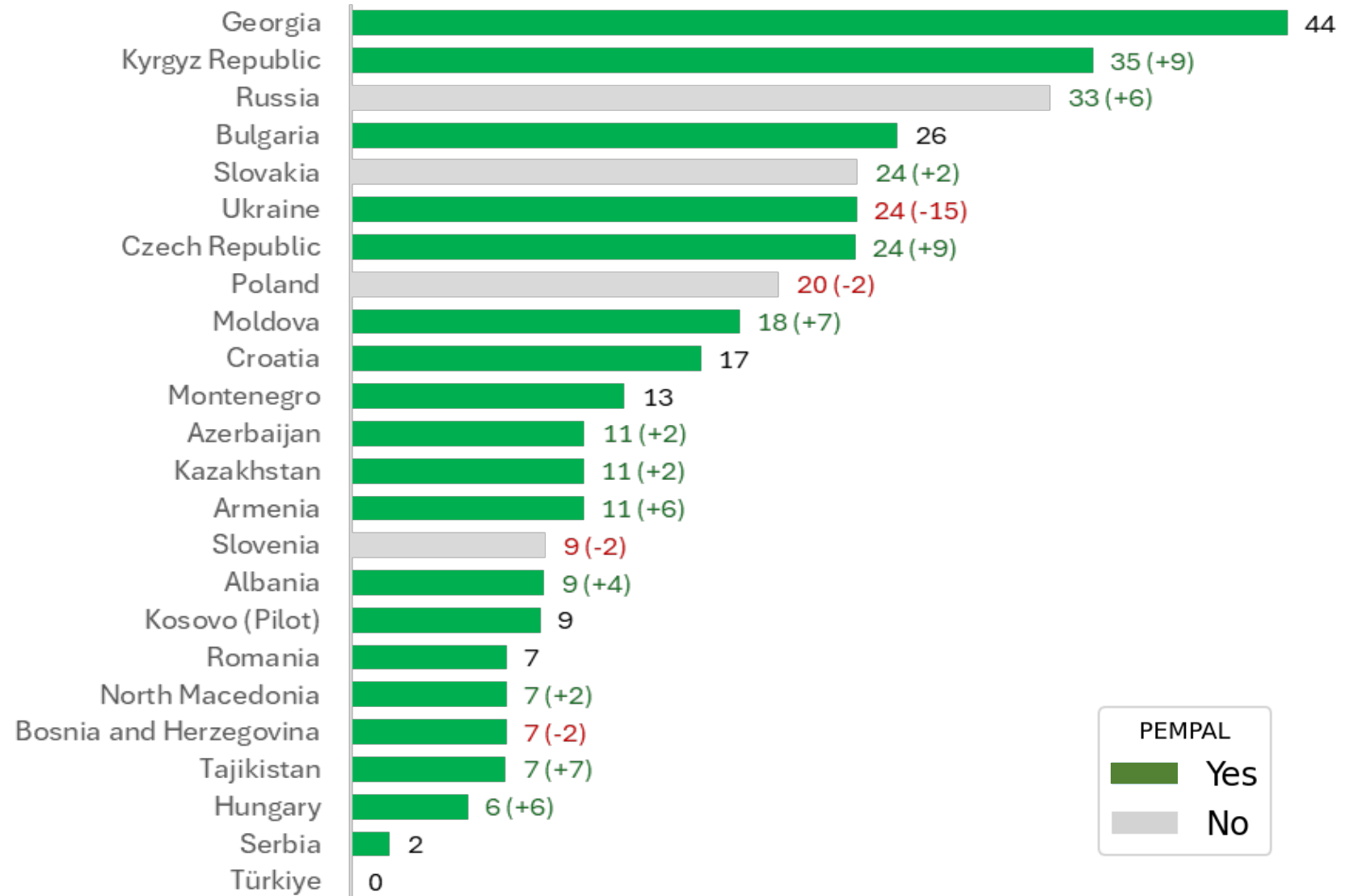
of the countries in the **EECA** have at least **TWO** mechanisms for the public to engage with their national budget.



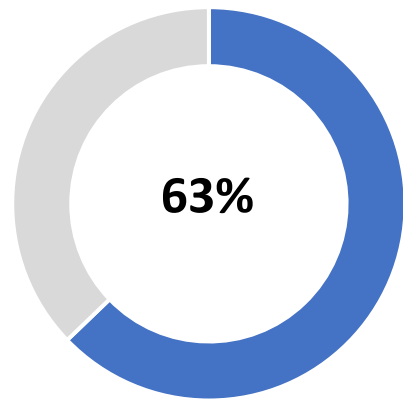
Ranking of countries by participation score 2023:

Eastern Europe & Central Asia

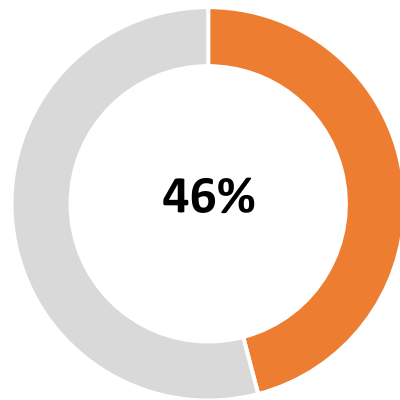
PEMPAL countries score 15 on public participation, slightly below the regional average of 16



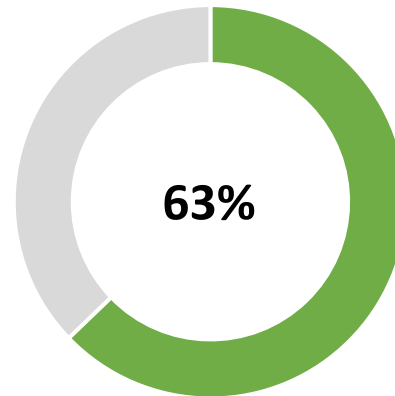
Less opportunities for the public to engage with line ministries exist in the EECA Region



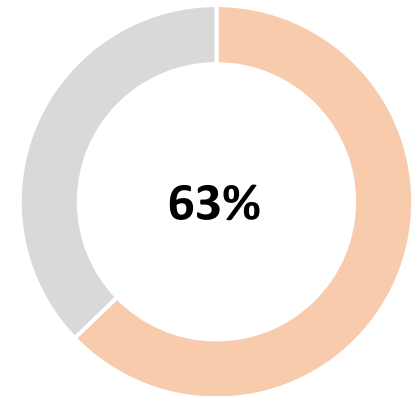
63% of
finance ministries
have
participation mechanisms



46% of
line ministries
have
participation mechanisms



63% of
legislatures
have
participation mechanisms



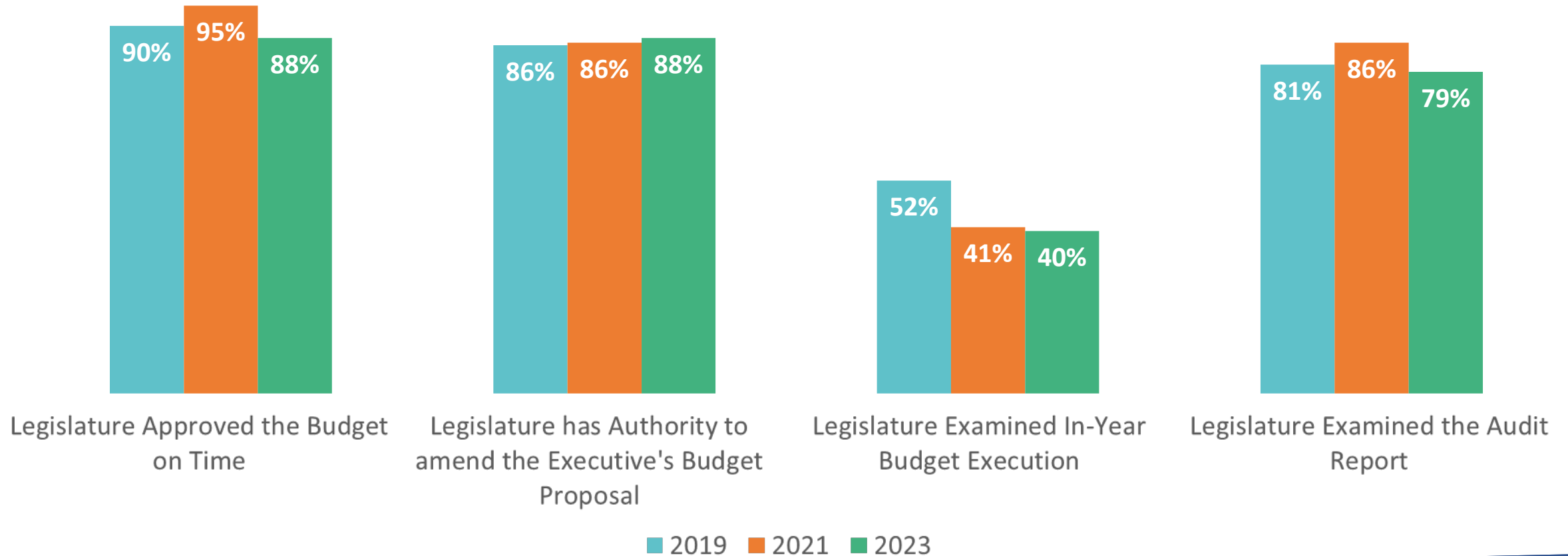
63% of
supreme audit institutions
have
participation mechanisms

Oversight is critical in ensuring public money is spent on public interests.



Worrying trends in legislative oversight across the budget cycle in EECA countries.

(Including Montenegro and the Kosovo Pilot in 2023)



Progress is possible
everywhere.



Recommendations

1. Countries should increase the availability of key budget documents: **Pre-budget statement, Citizens 'Budget, and Mid-Year Review publication.**
2. Strengthen public participation, continuing to use and refine technologies, online tools and innovative practices. Institutionalize it, where possible.
3. Involve the legislature in reviewing budget implementation, providing the public with sufficient documentation on follow up and recommendations.
4. Increase the comprehensiveness of the Executive Budget Proposal by including for instance, alternative display of expenditures and information on policies intended to reduce poverty levels.
5. The current research process for OBS 2025 is beginning.

Thank you!

For more information visit:
www.internationalbudget.org



contact:

aponce@internationalbudget.org
nkujovic@internationalbudget.org