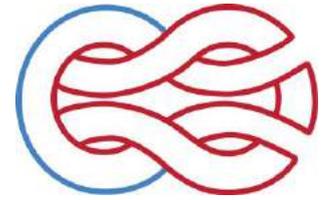




OPEN BUDGET SURVEY 2017

Open Budget Survey 2017 Countries of South East Europe



Drug Policy Network South East Europe

The Open Budget Survey, prepared by the International Budget Partnership (IBP), is a comprehensive analysis and survey that evaluates whether governments give the public access to budget information and opportunities to participate in the budget process at the national level. The Survey also assesses the capacity and independence of formal oversight institutions. The IBP works with civil society partners in 115 countries to collect the data for the Survey.

The Survey is the world's only independent, comparative assessment of the three pillars of public budget accountability: transparency, oversight and public participation.

This publication includes segments from the Executive summary and information available from the Survey about several countries of South East Europe: Albania, Bosnia Herzegovina, Bulgaria, Croatia, North Macedonia, Romania, Serbia and Slovenia.

OPEN BUDGET SURVEY 2017: EXECUTIVE SUMMARY

After a decade of steady progress, the International Budget Partnership's (IBP) Open Budget Survey (OBS) 2017 shows a modest decline in average global transparency scores. This means governments are making less information available about how they raise and spend public funds than they did in 2015. Halting progress toward greater transparency is particularly discouraging in light of the finding that roughly three-quarters of the countries assessed in this year's survey publish insufficient budget information. Given the inadequacy of the information that governments make available about public spending and revenue, this is the time for accelerated progress, not stagnation.

In addition to these transparency challenges, the OBS 2017 assessment of budget oversight finds that most countries have limited or weak legislative oversight practices, though most have the basic conditions needed for auditors to fulfill their roles. The OBS 2017 also reveals that most governments fail to provide meaningful opportunities for the public to participate in the budget process.

This combination of opaque budgets, limited oversight, and closed budget processes weakens public financial management. More important, it undermines democracy, weakening the link between citizen priorities and government action.

In recent years, there have been a number of signs that the bridge between citizens and states is weakening in countries around the world. In the wake of corruption scandals and rising inequality, many people are questioning traditional institutions of representative democracy or channeling their support to leaders whose commitment to democratic institutions is dubious. Instead of addressing the public's frustrations, many governments have tightened controls on civil society. Restrictions on civic spaces and media freedom signal a weakening of the key instruments of democratic accountability that should cause concern for people around the world.

Against this backdrop, the OBS 2017 findings constitute another signal of the erosion of the relationship between governments and citizens, but the findings also outline a way to begin to rebuild. While government abuses of power and a lack of accountability for the use of public resources have fueled democratic disengagement and widespread disillusion with government around the world, the centrality of government budgets to the relationship between citizens and states makes them an obvious focus for efforts to restore public trust and repair the citizen-state rift.

THE STATE OF GLOBAL TRANSPARENCY

Public finance systems that are transparent — with effective formal oversight and opportunities for public participation — are essential for the efficient and effective use of scarce public resources. Governments have a responsibility to be transparent in how they raise and spend public funds, and citizens have the right to participate in making decisions about budgets and monitoring how these decisions are implemented. While public participation in budget processes contributes to decision making and is critical to accountability, it cannot replace scrutiny by the legislature and the supreme audit institutions, which have formal oversight authority over governments.

Launched in 2006, the OBS is the world's only independent, comparative assessment of the three pillars of an open budget system: transparency, oversight, and public participation. The OBS 2017 is the sixth round

of this biennial assessment of the strength of budget accountability systems in countries around the world. IBP evaluated 115 countries across six continents in the OBS 2017.

Using a subset of OBS questions that assess the amount and timeliness of budget information that governments make publicly available, each country surveyed is given a transparency score between 0 and 100. IBP uses these scores to construct the Open Budget Index (OBI), which ranks the assessed countries.

In 2017, the average transparency score, as indicated by the OBI, was 42. Only 26 countries provide sufficient budget information (scoring above a 61 on the OBI). In general, countries tend to be more transparent about their overall expenditures and revenue than they are about debt or the fiscal risks facing the country.

More than 20 percent of the budget documents assessed across the 115 countries are produced by governments but not made available to the public online in a timely manner. (Governments use these documents for internal purposes, publish them late, or do not publish them online.) The documents could easily be published on existing websites at minimal cost.

THE DECLINE OF TRANSPARENCY IN GLOBAL BUDGET PRACTICES

The average OBI score fell from 45 in 2015 to 43 in 2017 for the 102 countries that were surveyed in both rounds (out of a possible score of 100). The overall drop, albeit modest, is particularly significant in this era of global distrust of governmental institutions.

An important driver of this year's deceleration is the reversal of previous gains in sub-Saharan Africa. Of the 27 countries in sub-Saharan Africa in both the 2015 and 2017 surveys, 22 saw their transparency scores fall in the OBS 2017. With the exception of Asia, other regions saw slower growth or modest declines in transparency.

TABLE 1. REGIONAL AVERAGE OBI SCORES, 2015-2017

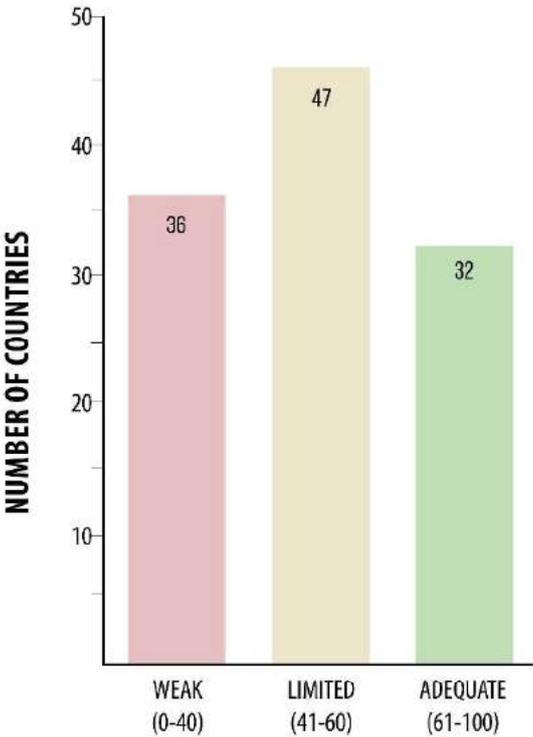
Region	Regional Average OBI		
	2015	2017	Change*
East Asia & Pacific	41	44	3
Eastern Europe & Central Asia	54	55	1
Latin America & Caribbean	50	50	1
Middle East & North Africa	21	20	-1
South Asia	42	46	5
Sub-Saharan Africa	39	29	-11
Western Europe & the United States	74	73	-1
All countries	45	43	-2
<i>Compares the 102 countries that were evaluated in both the 2015 and 2017 Open Budget Surveys. *Changes in Table 1 may not tally due to rounding.</i>			

The decline in scores mainly reflects governments' failure to publish key budget documents; the overall comprehensiveness of the documents that governments do publish rose marginally from 61 to 62 (out of 100).

LACK OF ADEQUATE OVERSIGHT

The OBS 2017 presents a somewhat mixed picture with regard to formal oversight institutions (i.e., legislatures, supreme audit institutions [SAIs], and independent fiscal institutions [IFIs]). The OBS 2017 evaluates whether legislatures and SAIs have the authority, independence, capacity, and resources needed to perform their oversight functions. The survey finds that only 32 countries' legislatures (28 percent) have adequate oversight practices, 47 countries (41 percent) have limited oversight practices, and 36 countries (31 percent) have weak oversight practices. Overall, legislatures engage in limited oversight practices, but they are able to provide somewhat more extensive oversight during budget formulation than implementation. Still, as an example of the ways in which legislatures exercise inadequate oversight, the survey found that 44 percent of the legislatures in the countries surveyed did not successfully make any amendments to the budget proposals presented to them by the executive.

FIGURE 1. COUNTRIES GROUPED BY 2017 LEGISLATIVE OVERSIGHT SCORE



SAIs assess whether funds are used in accordance with the law. The OBS shows that 75 out of 115 (65 percent) of the countries surveyed have the basic conditions needed for SAIs to carry out their oversight function. The survey also reveals that 24 countries (21 percent) have weak SAIs, and 16 (14 percent) have SAIs with limited scope. Countries with less transparency generally provide weak conditions in which SAIs

can function. Even where auditors carry out their work, they depend on legislatures to review it. Yet, more than a third of the legislatures surveyed did not review the audit reports issued by SAIs.

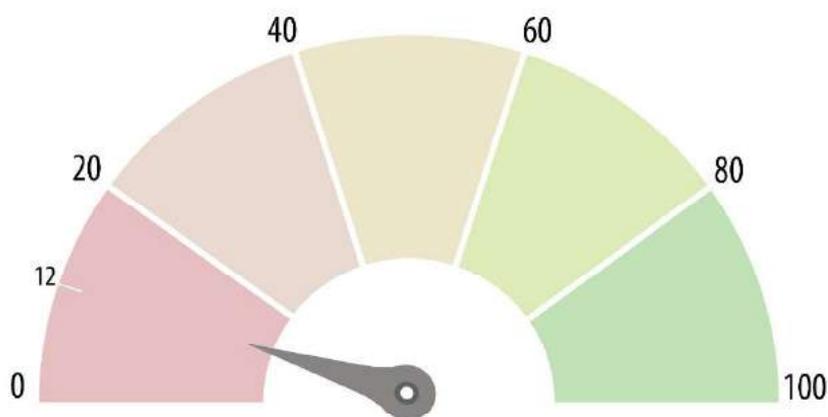
For the first time, the OBS assessed IFIs — independent, nonpartisan institutions that are attached to either legislative or executive branches of government. Establishing independent, well-resourced IFIs can help governments restore their credibility and improve legislatures’ and citizens’ confidence in a government’s ability to raise and spend public funds responsibly. The OBS shows that 18 countries have independent and well-resourced IFIs, 10 countries have IFIs that are not well-resourced or legally independent, and 87 countries do not have IFIs.

INSUFFICIENT PUBLIC PARTICIPATION OPPORTUNITIES IN EVERY COUNTRY

Providing opportunities for public participation in the budget process is key to creating a more inclusive democracy. Without citizens’ active participation — particularly citizens from marginalized or vulnerable groups — budget systems may only serve the interests of powerful elites.

The OBS 2017 finds that not a single country out of the 115 surveyed offers participation opportunities that are considered adequate (a score of 61 or higher). The average global score is just 12 out of 100, with 111 countries having weak scores (lower than 41). Only four countries have scores that indicate a moderate level of opportunity for public participation (between 41 and 60): Australia, New Zealand, the Philippines, and the United Kingdom.

FIGURE 2. AVERAGE PARTICIPATION SCORE



Yet, as the budget practices in a few countries clearly demonstrate, tested mechanisms for enhancing citizen participation do exist. The South Korean government has established a Waste Reporting Center, where citizens can register their complaints about the government’s inefficient use of resources. This has resulted in budget savings of \$16 billion over the past 16 years. The previous government in the Philippines made a concerted effort to work with civil society organizations (CSOs) through Budget Partnership Agreements, which have led to increased engagement, collaboration, and advocacy for reforms between the government and CSOs. While it is still unclear how this effort will fare under the current government, it provides a useful model for how governments can engage the public in budget planning.

THE GOOD NEWS

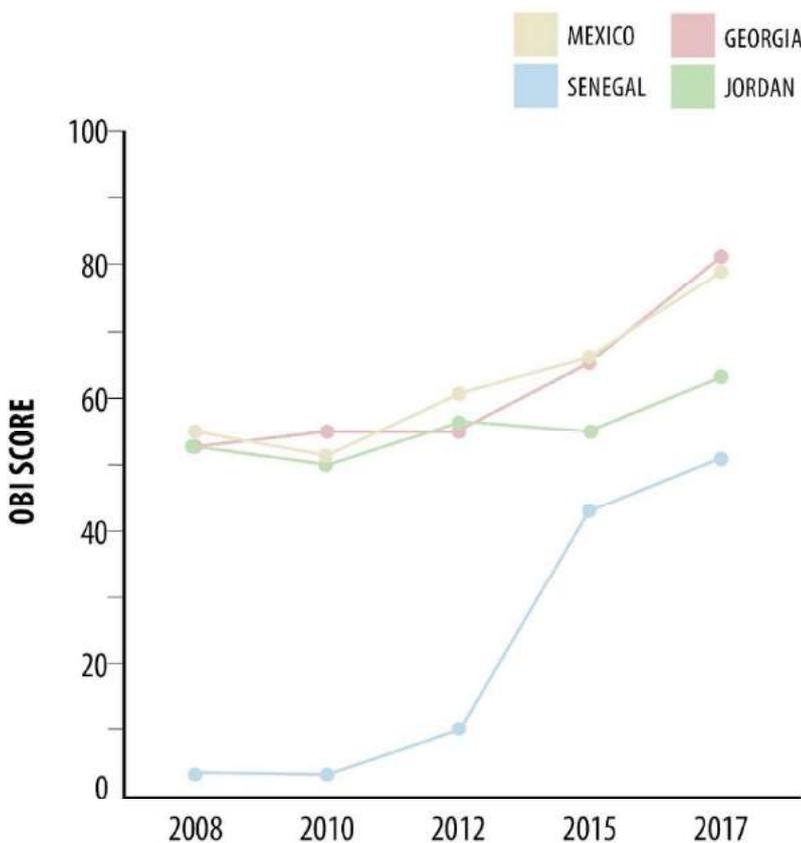
While overall global transparency has declined, the loss is still significantly less than the gains made over time that have been illustrated by previous rounds of the survey. Government budgets are considerably more transparent than they were a decade ago.

The number of publicly available budget documents reported has decreased in this round of the survey compared to 2015, but available budget documents contain more information now than they did in previous years. For example, information on debt, revenue policies, and multiyear spending in Pre-Budget Statements was more likely to be available in 2017 than in 2015. More information has also been made available in the Executive's Budget Proposals in 2017 in key categories such as transfers to state corporations and expenditures for the poor.

Finally, not all countries experienced a decline in transparency in the 2017 survey. Among those that improved in this round, four countries — in different regions of the world — experienced substantial gains in transparency over the last decade.

- Georgia: OBI score increased from 53 in 2008 to 82 in 2017.
- Jordan: OBI score increased from 53 in 2008 to 63 in 2017.
- Mexico: OBI score increased from 55 in 2008 to 79 in 2017.
- Senegal: OBI score increased from 3 in 2008 to 51 in 2017.

FIGURE 3. OPEN BUDGET INDEX SCORES, 2008-2017



These four countries show that any government can make significant improvements in budget transparency. So, whether a country is dependent on hydrocarbon revenue, like Mexico, or has a low average income, like Senegal, or is in a region with generally closed systems, like Jordan in the Middle East, or is a relatively new democracy, like Georgia, it can still register impressive gains in transparency. These gains are the result of efforts made by government champions, active and engaged civil society members and citizens, a vigilant media, and incentives from donors and the private sector.

RECOMMENDATIONS

There are a few simple ways that governments can make their budget systems more transparent and participatory and provide effective oversight to increase overall accountability.

- **Publish all budget documents online in a timely manner.** In 75 countries, governments publish at least one budget document online but produce at least one additional document that they fail to publish online. Countries can increase transparency by taking the small step of publishing all documents online in a timely fashion. These transparency gains will only be meaningful if governments sustain the practices and publish budget information consistently from one budget cycle to the next.
- **Establish or strengthen oversight institutions.** Legislative oversight could be strengthened during budget formulation and implementation. Countries should increase the capacity of SAIs and other oversight institutions to carry out their functions. Governments could consider setting up IFIs to ensure well-informed budget policies.
- **Expand the scope of participation opportunities and make these opportunities more inclusive.** Executive branches should reach out to historically disadvantaged or marginalized populations to encourage participation in the budget process and develop a more equitable society.

METHODOLOGY

The Open Budget Survey uses internationally accepted criteria developed by multilateral organizations from sources such as the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), the International Organisation of Supreme Audit Institutions (INTOSAI), and the Global Initiative for Fiscal Transparency (GIFT).

The survey is a fact-based research instrument that assesses what occurs in practice through readily observable phenomena. The entire process took approximately 18 months between August 2016 and January 2018 and involved about 300 experts in 115 countries. The Open Budget Survey 2017 assesses only events, activities, or developments that occurred or should have occurred up to December 31, 2016. For the OBS 2017, the definition of publicly available documents was revised such that only documents made available online are considered published and the individual questions on public participation and budget oversight were substantially strengthened and updated. A discussion of these changes can be found in the Open Budget Survey Global Report (www.openbudgetsurvey.org).

Survey responses are typically supported by citations and comments. This may include a reference to a public document, an official statement by the government, or comments from a face-to-face interview with a government official or other knowledgeable parties.

The survey is based on a questionnaire that is completed for each country by independent budget experts who are not associated with the national government.

The draft responses to each country's questionnaire are then independently reviewed by an anonymous expert who also has no association with the national government. In addition, IBP invites national governments to comment on the draft responses and considers these comments before finalizing the survey results.

Researchers respond to comments from peer reviewers and their government, if applicable, and IBP referees any conflicting answers to ensure consistency across countries in selecting answers.





50

OUT OF 100

TRANSPARENCY OPEN BUDGET INDEX

Albania provides the public with **limited** budget information.



2

OUT OF 100

PUBLIC PARTICIPATION

Albania provides **few** opportunities for the public to engage in the budget process.



69

OUT OF 100

BUDGET OVERSIGHT

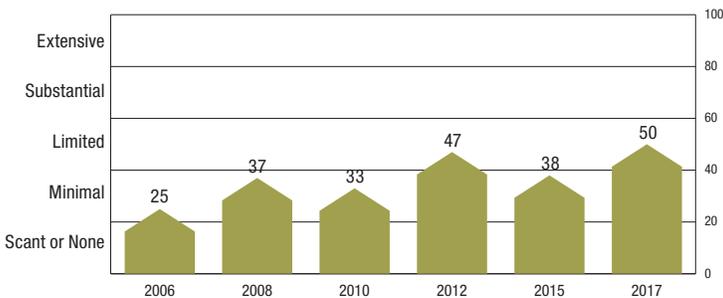
BY LEGISLATURE & AUDIT
The legislature and supreme audit institution in Albania provide **adequate** oversight of the budget.

TRANSPARENCY (OPEN BUDGET INDEX)

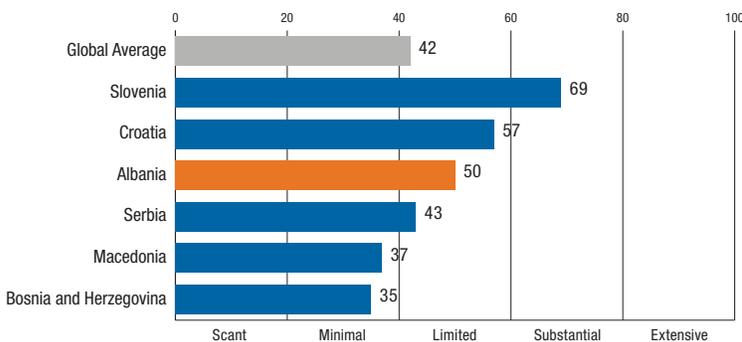
Drawing on internationally accepted criteria developed by multilateral organizations, the Open Budget Survey uses 109 equally weighted indicators to measure budget transparency. These indicators assess whether the central government makes eight key budget documents available to the public online in a timely manner and whether these documents present budget information in a comprehensive and useful way.

Each country receives a composite score (out of 100) that determines its ranking on the Open Budget Index – the world’s only independent and comparative measure of budget transparency.

How has the OBI score for Albania changed over time?



How does budget transparency in Albania compare to others?



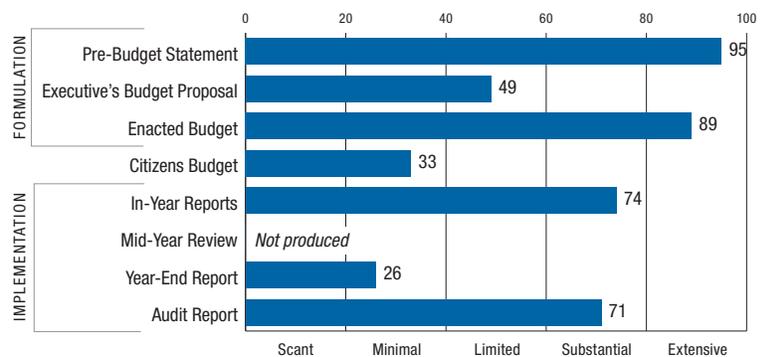
Albania’s score of 50 out of 100 is moderately higher than the global average score of 42.

Public availability of budget documents from 2006 to 2017

Document	2006	2008	2010	2012	2015	2017
Pre-Budget Statement	●	●	●	●	●	●
Executive’s Budget Proposal	●	●	●	●	●	●
Enacted Budget	●	●	●	●	●	●
Citizens Budget	●	●	●	●	●	●
In-Year Reports	●	●	●	●	●	●
Mid-Year Review	●	●	●	●	●	●
Year-End Report	●	●	●	●	●	●
Audit Report	●	●	●	●	●	●

● Available to the Public
 ● Not Produced
● Published Late, or Not Published Online, or Produced for Internal Use Only

How comprehensive and useful is the information provided in the key budget documents that Albania publishes?



Albania's score of 50 on the 2017 Open Budget Index is substantially higher than its score in 2015.

Since 2015, Albania has increased the availability of budget information by:

- Publishing the Year-End Report and the Citizens Budget online.
- Increasing the information provided in the Audit Report and the Pre-Budget Statement.

Key Budget Documents

Pre-Budget Statement: discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.

Executive's Budget Proposal: submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.

Enacted Budget: the budget that has been approved by the legislature.

Citizens Budget: a simpler and less technical version of the government's Executive's Budget Proposal or Enacted Budget, designed to convey key information to the public.

However, Albania has failed to make progress in the following ways:

- Not producing a Mid-Year Review.
- Including only minimal information in the Year-End Report.

In-Year Reports: include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.

Mid-Year Review: contains a comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.

Year-End Report: describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.

Audit Report: issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.



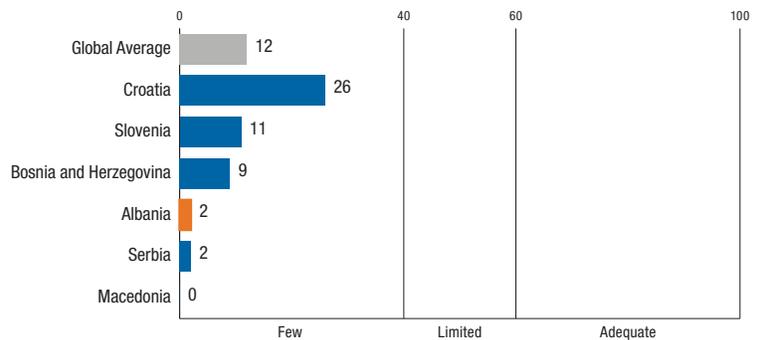
PUBLIC PARTICIPATION

Transparency alone is insufficient for improving governance. Public participation in budgeting is vital to realize the positive outcomes associated with greater budget transparency.

To measure public participation, the Open Budget Survey assesses the degree to which the government provides opportunities for the public to engage in budget processes. Such opportunities should be provided throughout the budget cycle by the executive, the legislature, and the supreme audit institution.

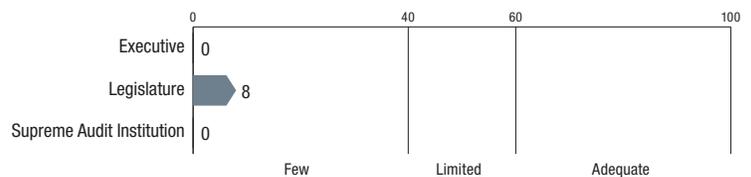
The questions assessing participation in the Open Budget Survey 2017 were revised to align them with the Global Initiative for Fiscal Transparency's new principles on public participation, which now serve as the basis for widely accepted norms on public participation in national budget processes. Therefore, data on the extent of public participation in budgeting in the Open Budget Survey 2017 cannot be compared directly to data from earlier editions.

How does public participation in Albania compare to other countries in the region?



Albania's score of 2 out of 100 indicates that it provides **few** opportunities for the public to engage in the budget process. This is lower than the global average score of 12.

To what extent do different institutions in Albania provide opportunities for public participation?



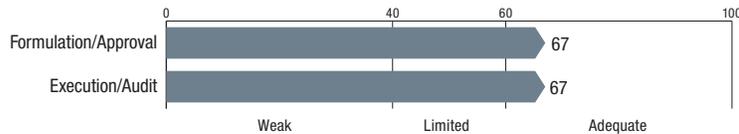


BUDGET OVERSIGHT

The Open Budget Survey examines the role that legislatures, supreme audit institutions, and independent fiscal institutions play in the budget process and the extent to which they are able to provide effective oversight of the budget. These institutions play a critical role — often enshrined in national constitutions or laws — in planning budgets and overseeing their implementation.

These indicators were revised to better assess the role of formal oversight institutions in ensuring integrity and accountability in the use of public resources. Therefore, data on the role and effectiveness of oversight institutions in the Open Budget Survey 2017 should not be compared directly to data from earlier editions.

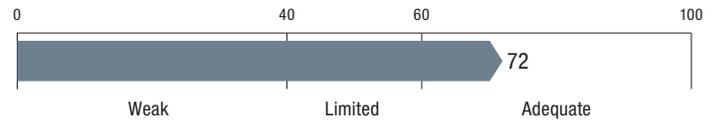
To what extent does the legislature in Albania provide budget oversight?



The legislature provides **adequate** oversight during the budget cycle. This score reflects that the legislature provides adequate oversight during the planning stage of the budget cycle and adequate oversight during the implementation stage of the budget cycle. The main barriers to effective legislative oversight are:

- A legislative committee does not examine or publish reports on in-year budget implementation online.
- In practice, as the budget is implemented, the legislature is not consulted before the government shifts funds between administrative units specified in the Enacted Budget.

To what extent does the supreme audit institution in Albania provide budget oversight?



The supreme audit institution provides **adequate** budget oversight.

- Under the law, it has full discretion to undertake audits as it sees fit.
- Moreover, the head of the institution is appointed by the legislature or judiciary and cannot be removed without legislative or judicial approval, which bolsters its independence.
- Finally, the supreme audit institution is provided with sufficient resources to fulfill its mandate, but its audit processes are not reviewed by an independent agency.

Oversight by an Independent Fiscal Institution

Albania does not have an independent fiscal institution (IFI). While IFIs are not yet widespread globally, they are increasingly recognized as an important source of independent, nonpartisan information. IFIs take a variety of different institutional forms. Common examples include parliamentary budget offices and fiscal councils.

For more information, see Lisa von Trapp, Ian Lienert, and Joachim Wehner, "Principles for Independent Fiscal Institutions and Case Studies," *OECD Journal on Budgeting*, March 2016 (special issue), pp. 9-24.

RECOMMENDATIONS

For more detailed information on the survey findings for Albania, please see the Open Budget Survey Data Explorer at survey.internationalbudget.org.

How can Albania improve transparency?



Albania should prioritize the following actions to improve budget transparency:

- Produce and publish a Mid-Year Review.
- Provide detailed data on the financial position of the government and increase the information on performance and policy in the Executive's Budget Proposal.

- Provide detailed information on actual outcomes for expenditures and the comparisons between borrowing estimates and actual outcomes in the Year-End Report.



How can Albania improve participation?

Albania should prioritize the following actions to improve public participation in its budget process:

- Pilot mechanisms for members of the public and executive branch officials to exchange views on national budget matters during both the formulation of the national budget and the monitoring of its implementation. These mechanisms could build on innovations, such as participatory budgeting and social audits. For examples of such mechanisms, see www.fiscaltransparency.net/mechanisms/.
- Hold legislative hearings on the formulation of the annual budget, during which members of the public or civil society organizations can testify.
- Establish formal mechanisms for the public to assist the supreme audit institution in formulating its audit program and to participate in relevant audit investigations.



How can Albania improve oversight?

Albania should prioritize the following actions to make budget oversight more effective:

- Ensure a legislative committee examines and publishes reports on in-year budget implementation online.
- In practice, ensure the legislature is consulted before the executive shifts funds between administrative units specified in the Enacted Budget during the budget year.
- Ensure audit processes are reviewed by an independent agency.
- Consider setting up an independent fiscal institution to further strengthen budget oversight.

METHODOLOGY

The Open Budget Survey uses internationally accepted criteria developed by multilateral organizations from sources such as the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), the International Organisation of Supreme Audit Institutions (INTOSAI) and the Global Initiative for Fiscal Transparency (GIFT).

It is a fact-based research instrument that assesses what occurs in practice through readily observable phenomena. The entire research process took approximately 18 months between August 2016 and January 2018 and involved about 300 experts in 115 countries. The Open Budget Survey 2017 assesses only events, activities, or developments that occurred up to 31 December 2016. The survey was revised somewhat from the 2015 version to reflect evolving methods for disseminating budget information and to strengthen individual questions on public participation and budget oversight. A discussion of these changes can be found in the Open Budget Survey Global Report (see link below).

Survey responses are typically supported by citations and comments. This may include a reference to a public document, an official statement by the government, or comments from a face-to-face interview with a government official or other knowledgeable parties.



The survey is based on a questionnaire that is completed for each country by **independent budget experts** who are not associated with the national government.



The draft responses to each country's questionnaire are then independently reviewed by an **anonymous expert** who also has no association with the national government.



In addition, IBP invites nearly all **national governments** to comment on the draft responses and considers these comments before finalizing the survey results.



Researchers respond to comments from peer reviewers and their government, if applicable, **and IBP** referees any conflicting answers in order to ensure consistency across countries in selecting answers.

Despite repeated efforts, IBP was unable to get comments on the draft Open Budget Questionnaire results from the government of Albania.

Research to complete this country's Open Budget Survey was undertaken by:
 Robert Çeço
 Albanian Socio-Economic Think-Tank – ASET,
 Rr. "Ismail Qemali", Pallati 27/1, Shkalla 2, Apt 13
 P.O. Box 1506
 Tirana, Albania
 Email: robertceco@yahoo.co.uk

Further Information

Visit openbudgetsurvey.org for more information, including:

- The Open Budget Survey 2017: Global report
- Data explorer
- Methodology report
- Full questionnaire





35

OUT OF 100

TRANSPARENCY OPEN BUDGET INDEX

Bosnia and Herzegovina provides the public with **minimal** budget information.



9

OUT OF 100

PUBLIC PARTICIPATION

Bosnia and Herzegovina provides **few** opportunities for the public to engage in the budget process.



65

OUT OF 100

BUDGET OVERSIGHT

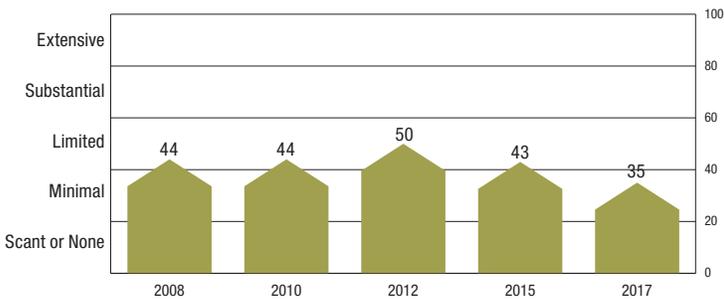
BY LEGISLATURE & AUDIT
The legislature and supreme audit institution in Bosnia and Herzegovina provide **adequate** oversight of the budget.

TRANSPARENCY (OPEN BUDGET INDEX)

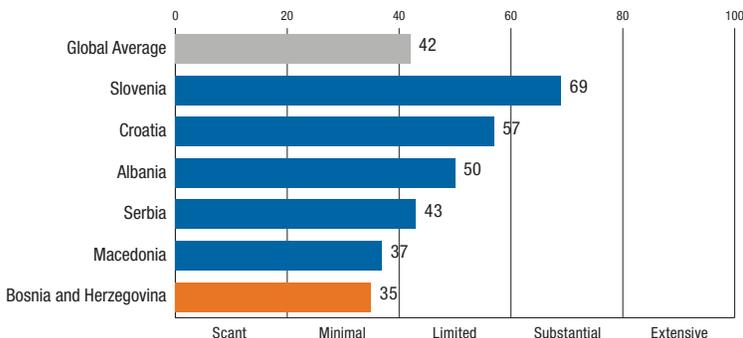
Drawing on internationally accepted criteria developed by multilateral organizations, the Open Budget Survey uses 109 equally weighted indicators to measure budget transparency. These indicators assess whether the central government makes eight key budget documents available to the public online in a timely manner and whether these documents present budget information in a comprehensive and useful way.

Each country receives a composite score (out of 100) that determines its ranking on the Open Budget Index – the world’s only independent and comparative measure of budget transparency.

How has the OBI score for Bosnia and Herzegovina changed over time?



How does budget transparency in Bosnia and Herzegovina compare to others?



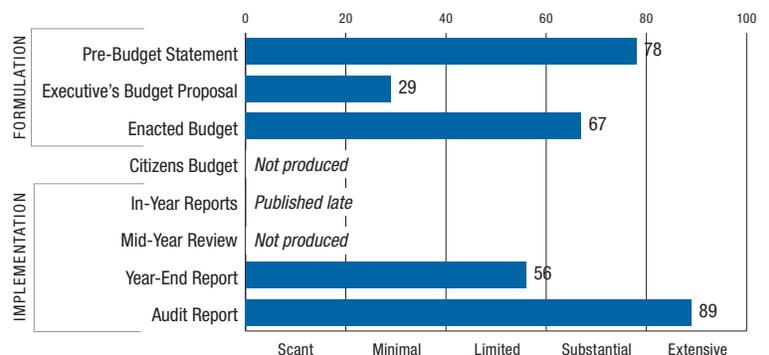
Bosnia and Herzegovina’s score of 35 out of 100 is moderately lower than the global average score of 42.

Public availability of budget documents from 2008 to 2017

Document	2008	2010	2012	2015	2017
Pre-Budget Statement	●	●	●	●	●
Executive’s Budget Proposal	●	●	●	●	●
Enacted Budget	●	●	●	●	●
Citizens Budget	●	●	●	●	●
In-Year Reports	●	●	●	●	●
Mid-Year Review	●	●	●	●	●
Year-End Report	●	●	●	●	●
Audit Report	●	●	●	●	●

● Available to the Public ● Not Produced
● Published Late, or Not Published Online, or Produced for Internal Use Only

How comprehensive and useful is the information provided in the key budget documents that Bosnia and Herzegovina publishes?



Bosnia and Herzegovina's score of 35 on the 2017 Open Budget Index is lower than its score in 2015.

Since 2015, Bosnia and Herzegovina has decreased the availability of budget information by:

- Failing to publish the In-Year Reports online in a timely manner.

Moreover, Bosnia and Herzegovina has failed to make progress in the following ways:

- Not producing a Citizens Budget and a Mid-Year Review.
- Publishing an Executive's Budget Proposal that only contains minimal budget information.

Key Budget Documents

Pre-Budget Statement: discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.

Executive's Budget Proposal: submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.

Enacted Budget: the budget that has been approved by the legislature.

Citizens Budget: a simpler and less technical version of the government's Executive's Budget Proposal or Enacted Budget, designed to convey key information to the public.

In-Year Reports: include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.

Mid-Year Review: contains a comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.

Year-End Report: describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.

Audit Report: issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.

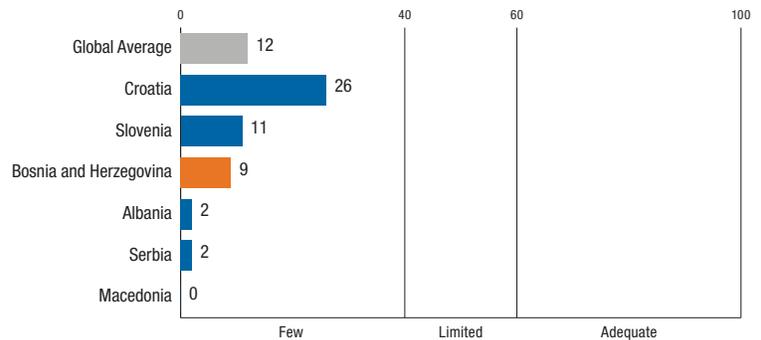
PUBLIC PARTICIPATION

Transparency alone is insufficient for improving governance. Public participation in budgeting is vital to realize the positive outcomes associated with greater budget transparency.

To measure public participation, the Open Budget Survey assesses the degree to which the government provides opportunities for the public to engage in budget processes. Such opportunities should be provided throughout the budget cycle by the executive, the legislature, and the supreme audit institution.

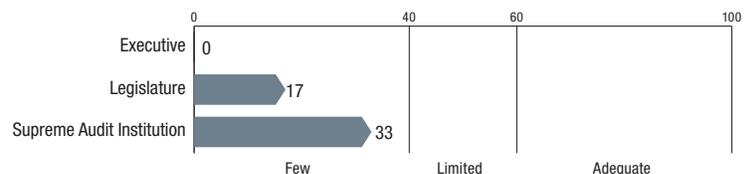
The questions assessing participation in the Open Budget Survey 2017 were revised to align them with the Global Initiative for Fiscal Transparency's new principles on public participation, which now serve as the basis for widely accepted norms on public participation in national budget processes. Therefore, data on the extent of public participation in budgeting in the Open Budget Survey 2017 cannot be compared directly to data from earlier editions.

How does public participation in Bosnia and Herzegovina compare to other countries in the region?



Bosnia and Herzegovina's score of 9 out of 100 indicates that it provides **few** opportunities for the public to engage in the budget process. This is lower than the global average score of 12.

To what extent do different institutions in Bosnia and Herzegovina provide opportunities for public participation?



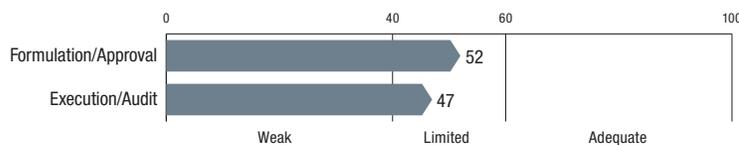


BUDGET OVERSIGHT

The Open Budget Survey examines the role that legislatures, supreme audit institutions, and independent fiscal institutions play in the budget process and the extent to which they are able to provide effective oversight of the budget. These institutions play a critical role — often enshrined in national constitutions or laws — in planning budgets and overseeing their implementation.

These indicators were revised to better assess the role of formal oversight institutions in ensuring integrity and accountability in the use of public resources. Therefore, data on the role and effectiveness of oversight institutions in the Open Budget Survey 2017 should not be compared directly to data from earlier editions.

To what extent does the legislature in Bosnia and Herzegovina provide budget oversight?

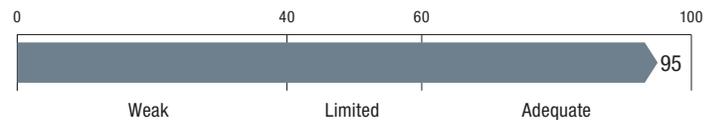


The legislature provides **limited** oversight during the budget cycle. This score reflects that the legislature provides limited oversight during the planning stage of the budget cycle and limited oversight during the implementation stage of the budget cycle.

The main barriers to effective legislative oversight are:

- The Executive's Budget Proposal is not provided to legislators at least two months before the start of the budget year.
- Legislative committees do not examine and publish reports on their analyses of the Executive's Budget Proposal online.
- In practice, as the budget is implemented, the legislature is not consulted before the government shifts funds between administrative units specified in the Enacted Budget or spends unanticipated revenue.

To what extent does the supreme audit institution in Bosnia and Herzegovina provide budget oversight?



The supreme audit institution provides **adequate** budget oversight.

- Under the law, it has full discretion to undertake audits as it sees fit.
- Moreover, the head of the institution is appointed by the legislature or judiciary and cannot be removed without legislative or judicial approval, which bolsters its independence.
- Finally, the supreme audit institution is provided with sufficient resources to fulfill its mandate, and its audit processes are reviewed by an independent agency.

Oversight by an Independent Fiscal Institution

Bosnia and Herzegovina does not have an independent fiscal institution (IFI). While IFIs are not yet widespread globally, they are increasingly recognized as an important source of independent, nonpartisan information. IFIs take a variety of different institutional forms. Common examples include parliamentary budget offices and fiscal councils. For more information, see Lisa von Trapp, Ian Lienert, and Joachim Wehner, "Principles for Independent Fiscal Institutions and Case Studies," OECD Journal on Budgeting, March 2016 (special issue), pp. 9-24.

RECOMMENDATIONS

For more detailed information on the survey findings for Bosnia and Herzegovina, please see the Open Budget Survey Data Explorer at survey.internationalbudget.org.



How can Bosnia and Herzegovina improve transparency?

Bosnia and Herzegovina should prioritize the following actions to improve budget transparency:

- Publish In-Year Reports in a timely manner online.
- Produce and publish a Citizens Budget and a Mid-Year Review.
- Provide detailed information and data on expenditures, debt, and the financial position of the government in the Executive's Budget Proposal.



How can Bosnia and Herzegovina improve participation?

Bosnia and Herzegovina should prioritize the following actions to improve public participation in its budget process:

- Pilot mechanisms for members of the public and executive branch officials to exchange views on national budget matters during both the formulation of the national budget and the monitoring of its implementation. These mechanisms could build on innovations, such as participatory budgeting and social audits. For examples of such mechanisms, see www.fiscaltransparency.net/mechanisms/.
- Hold legislative hearings on the formulation of the annual budget, during which members of the public or civil society organizations can testify.
- Establish formal mechanisms for the public to participate in relevant audit investigations.



How can Bosnia and Herzegovina improve oversight?

Bosnia and Herzegovina should prioritize the following actions to make budget oversight more effective:

- Ensure the Executive's Budget Proposal is provided to legislators at least two months before the start of the budget year.
- Ensure a legislative committee examines and publishes reports on in-year budget implementation online.
- In practice, ensure the legislature is consulted before the executive shifts funds between administrative units specified in the Enacted Budget during the budget year and spends any unanticipated revenue.
- Consider setting up an independent fiscal institution to further strengthen budget oversight.

METHODOLOGY

The Open Budget Survey uses internationally accepted criteria developed by multilateral organizations from sources such as the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), the International Organisation of Supreme Audit Institutions (INTOSAI) and the Global Initiative for Fiscal Transparency (GIFT).

It is a fact-based research instrument that assesses what occurs in practice through readily observable phenomena. The entire research process took approximately 18 months between August 2016 and January 2018 and involved about 300 experts in 115 countries. The Open Budget Survey 2017 assesses only events, activities, or developments that occurred up to 31 December 2016. The survey was revised somewhat from the 2015 version to reflect evolving methods for disseminating budget information and to strengthen individual questions on public participation and budget oversight. A discussion of these changes can be found in the Open Budget Survey Global Report (see link below).

Survey responses are typically supported by citations and comments. This may include a reference to a public document, an official statement by the government, or comments from a face-to-face interview with a government official or other knowledgeable parties.



The survey is based on a questionnaire that is completed for each country by **independent budget experts** who are not associated with the national government.



The draft responses to each country's questionnaire are then independently reviewed by an **anonymous expert** who also has no association with the national government.



In addition, IBP invites nearly all **national governments** to comment on the draft responses and considers these comments before finalizing the survey results.



Researchers respond to comments from peer reviewers and their government, if applicable, **and IBP** referees any conflicting answers in order to ensure consistency across countries in selecting answers.

The government of Bosnia and Herzegovina provided comments on the draft Open Budget Questionnaire results.

Research to complete this country's Open Budget Survey was undertaken by:
 Aleksandra Banović
 Fondacija "Centar za zastupanje građanskih interesa" (Public Interest Advocacy Center)
 Ćemaluša 7/1
 71 000 Sarajevo
 Bosnia and Herzegovina
 Email: info@cpi.ba

Further Information

Visit openbudgetsurvey.org for more information, including:

- The Open Budget Survey 2017: Global report
- Data explorer
- Methodology report
- Full questionnaire

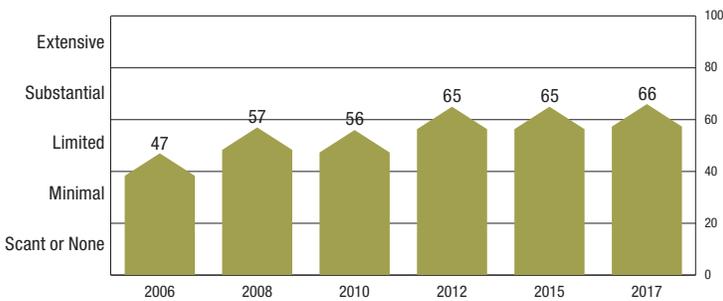
	<h2>66</h2> <p>OUT OF 100</p> <h3>TRANSPARENCY OPEN BUDGET INDEX</h3> <p>Bulgaria provides the public with substantial budget information.</p>	<h2>22</h2> <p>OUT OF 100</p> <h3>PUBLIC PARTICIPATION</h3> <p>Bulgaria provides few opportunities for the public to engage in the budget process.</p>	<h2>59</h2> <p>OUT OF 100</p> <h3>BUDGET OVERSIGHT</h3> <p>BY LEGISLATURE & AUDIT The legislature and supreme audit institution in Bulgaria provide limited oversight of the budget.</p>
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TRANSPARENCY (OPEN BUDGET INDEX)

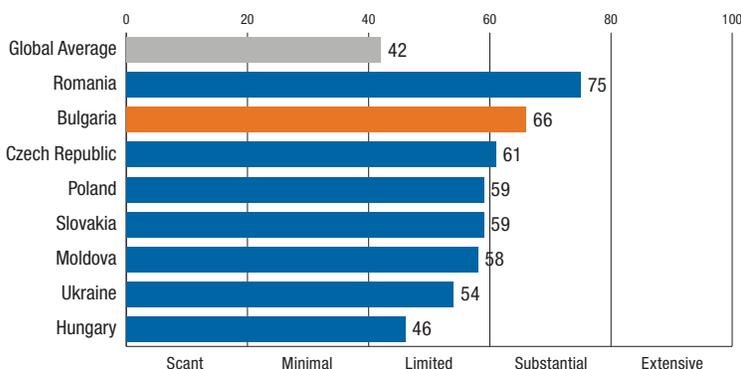
Drawing on internationally accepted criteria developed by multilateral organizations, the Open Budget Survey uses 109 equally weighted indicators to measure budget transparency. These indicators assess whether the central government makes eight key budget documents available to the public online in a timely manner and whether these documents present budget information in a comprehensive and useful way.

Each country receives a composite score (out of 100) that determines its ranking on the Open Budget Index – the world’s only independent and comparative measure of budget transparency.

How has the OBI score for Bulgaria changed over time?



How does budget transparency in Bulgaria compare to others?

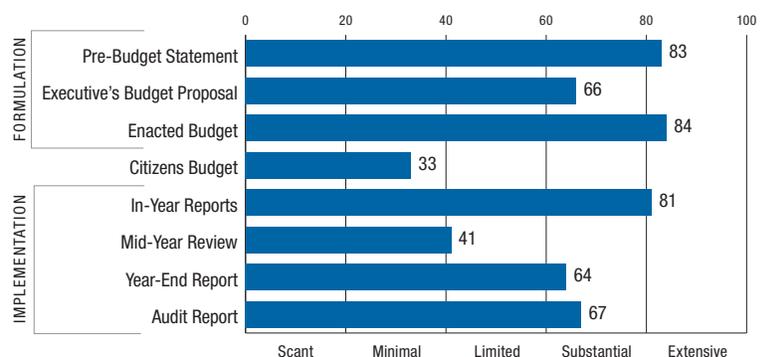


Public availability of budget documents from 2006 to 2017

Document	2006	2008	2010	2012	2015	2017
Pre-Budget Statement	●	●	●	●	●	●
Executive's Budget Proposal	●	●	●	●	●	●
Enacted Budget	●	●	●	●	●	●
Citizens Budget	●	●	●	●	●	●
In-Year Reports	●	●	●	●	●	●
Mid-Year Review	●	●	●	●	●	●
Year-End Report	●	●	●	●	●	●
Audit Report	●	●	●	●	●	●

● Available to the Public ● Not Produced
● Published Late, or Not Published Online, or Produced for Internal Use Only

How comprehensive and useful is the information provided in the key budget documents that Bulgaria publishes?



Bulgaria's score of 66 out of 100 is substantially higher than the global average score of 42.

Bulgaria's score of 66 on the 2017 Open Budget Index is largely the same as its score in 2015.

Key Budget Documents

Pre-Budget Statement: discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.

Executive's Budget Proposal: submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.

Enacted Budget: the budget that has been approved by the legislature.

Citizens Budget: a simpler and less technical version of the government's Executive's Budget Proposal or Enacted Budget, designed to convey key information to the public.

In-Year Reports: include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.

Mid-Year Review: contains a comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.

Year-End Report: describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.

Audit Report: issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.



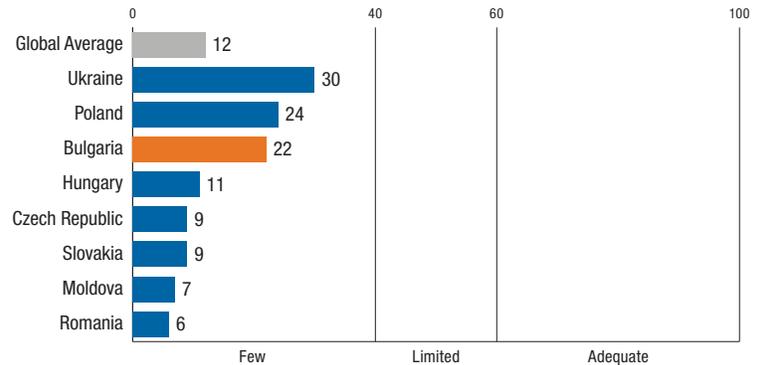
PUBLIC PARTICIPATION

Transparency alone is insufficient for improving governance. Public participation in budgeting is vital to realize the positive outcomes associated with greater budget transparency.

To measure public participation, the Open Budget Survey assesses the degree to which the government provides opportunities for the public to engage in budget processes. Such opportunities should be provided throughout the budget cycle by the executive, the legislature, and the supreme audit institution.

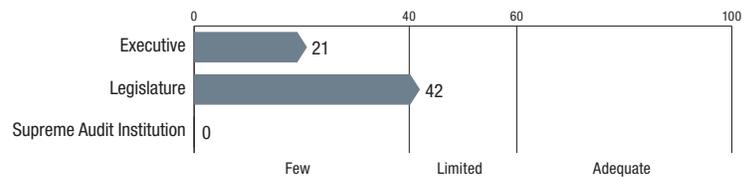
The questions assessing participation in the Open Budget Survey 2017 were revised to align them with the Global Initiative for Fiscal Transparency's new principles on public participation, which now serve as the basis for widely accepted norms on public participation in national budget processes. Therefore, data on the extent of public participation in budgeting in the Open Budget Survey 2017 cannot be compared directly to data from earlier editions.

How does public participation in Bulgaria compare to other countries in the region?



Bulgaria's score of 22 out of 100 indicates that it provides **few** opportunities for the public to engage in the budget process. This is higher than the global average score of 12.

To what extent do different institutions in Bulgaria provide opportunities for public participation?



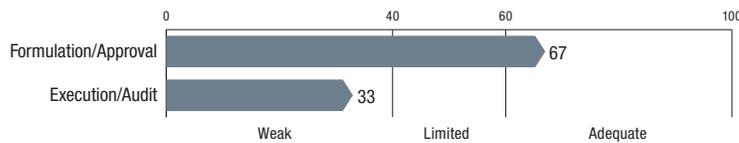


BUDGET OVERSIGHT

The Open Budget Survey examines the role that legislatures, supreme audit institutions, and independent fiscal institutions play in the budget process and the extent to which they are able to provide effective oversight of the budget. These institutions play a critical role — often enshrined in national constitutions or laws — in planning budgets and overseeing their implementation.

These indicators were revised to better assess the role of formal oversight institutions in ensuring integrity and accountability in the use of public resources. Therefore, data on the role and effectiveness of oversight institutions in the Open Budget Survey 2017 should not be compared directly to data from earlier editions.

To what extent does the legislature in Bulgaria provide budget oversight?

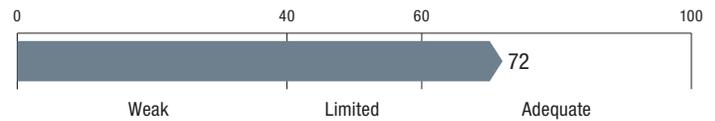


The legislature provides **limited** oversight during the budget cycle. This score reflects that the legislature provides adequate oversight during the planning stage of the budget cycle and weak oversight during the implementation stage of the budget cycle.

The main barriers to effective legislative oversight are:

- A debate on budget policy by the legislature does not take place prior to the tabling of the Executive’s Budget Proposal.
- In practice, as the budget is implemented, the legislature is not consulted before the government shifts funds between administrative units specified in the Enacted Budget and reduces spending due to revenue shortfalls.
- A legislative committee does not examine or publish reports on the Audit Report online.

To what extent does the supreme audit institution in Bulgaria provide budget oversight?



The supreme audit institution provides **adequate** budget oversight.

- Under the law, it has full discretion to undertake audits as it sees fit.
- Moreover, the head of the institution is appointed by the legislature or judiciary and cannot be removed without legislative or judicial approval, which bolsters its independence.
- Finally, the supreme audit institution is provided with sufficient resources to fulfill its mandate, but its audit processes are not reviewed by an independent agency.

Oversight by an Independent Fiscal Institution

Bulgaria’s Fiscal Council serves as its independent fiscal institution (IFI). Its independence is set in law, and it reports to the legislature. It publishes an assessment of the official macroeconomic or fiscal forecasts produced by the executive.

While IFIs are not yet widespread globally, they are increasingly recognized

as an important source of independent, nonpartisan information. IFIs take a variety of different institutional forms. Common examples include parliamentary budget offices and fiscal councils. For more information, see Lisa von Trapp, Ian Lienert, and Joachim Wehner, “Principles for Independent Fiscal Institutions and Case Studies,” *OECD Journal on Budgeting*, March 2016 (special issue), pp. 9-24.

RECOMMENDATIONS

For more detailed information on the survey findings for Bulgaria, please see the [Open Budget Survey Data Explorer at survey.internationalbudget.org](http://survey.internationalbudget.org).



How can Bulgaria improve transparency?

Bulgaria should prioritize the following actions to improve budget transparency:

- Increase the information and data provided on the financial position of the government and on expenditures in the Executive’s Budget Proposal.

- Provide detailed data on comparisons between planned nonfinancial outcomes and actual outcomes in the Year-End Report and increase the information provided in the Citizens Budget.



How can Bulgaria improve participation?

Bulgaria should prioritize the following actions to improve public participation in its budget process:

- Actively engage with individuals or civil society organizations representing vulnerable and underrepresented communities during the formulation and monitoring of the implementation of the national budget.
- Hold legislative hearings on the Audit Report, during which members of the public or civil society organizations can testify.
- Establish formal mechanisms for the public to assist the supreme audit institution in formulating its audit program and to participate in relevant audit investigations.



How can Bulgaria improve oversight?

Bulgaria should prioritize the following actions to make budget oversight more effective:

- Ensure the legislature holds a debate on budget policy prior to the tabling of the Executive’s Budget Proposal and approves recommendations for the upcoming budget.
- Ensure a legislative committee examines and publishes a report on the Audit Report online.
- Ensure audit processes are reviewed by an independent agency.
- Publish the reports of the independent fiscal institution on macroeconomic or fiscal forecasts and on cost estimates of new policy proposals online.

METHODOLOGY

The Open Budget Survey uses internationally accepted criteria developed by multilateral organizations from sources such as the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), the International Organisation of Supreme Audit Institutions (INTOSAI) and the Global Initiative for Fiscal Transparency (GIFT).

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The survey is based on a questionnaire that is completed for each country by **independent budget experts** who are not associated with the national government.



The draft responses to each country’s questionnaire are then independently reviewed by an **anonymous expert** who also has no association with the national government.



In addition, IBP invites nearly all **national governments** to comment on the draft responses and considers these comments before finalizing the survey results.



Researchers respond to comments from peer reviewers and their government, if applicable, **and IBP** referees any conflicting answers in order to ensure consistency across countries in selecting answers.

The government of Bulgaria provided comments on the draft Open Budget Questionnaire results.

Research to complete this country’s Open Budget Survey was undertaken by:

Latchezar Bogdanov
Industry Watch Group
11 Modest Musorgski Str.
1504 Sofia
Bulgaria
Email: bogdanov@iwatchbulgaria.com

Further Information

Visit openbudgetsurvey.org for more information, including:

- The Open Budget Survey 2017: Global report
- Data explorer
- Methodology report
- Full questionnaire





57

OUT OF 100

TRANSPARENCY OPEN BUDGET INDEX

Croatia provides the public with **limited** budget information.



26

OUT OF 100

PUBLIC PARTICIPATION

Croatia provides **few** opportunities for the public to engage in the budget process.



59

OUT OF 100

BUDGET OVERSIGHT

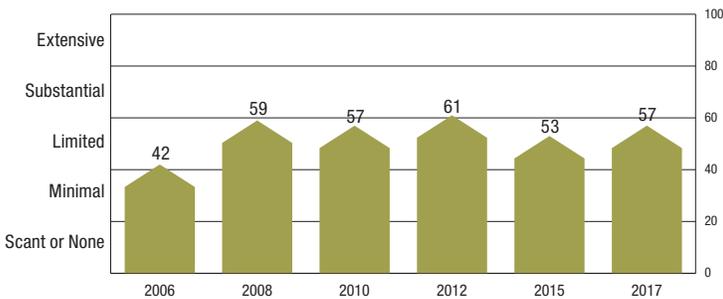
BY LEGISLATURE & AUDIT
The legislature and supreme audit institution in Croatia provide **limited** oversight of the budget.

TRANSPARENCY (OPEN BUDGET INDEX)

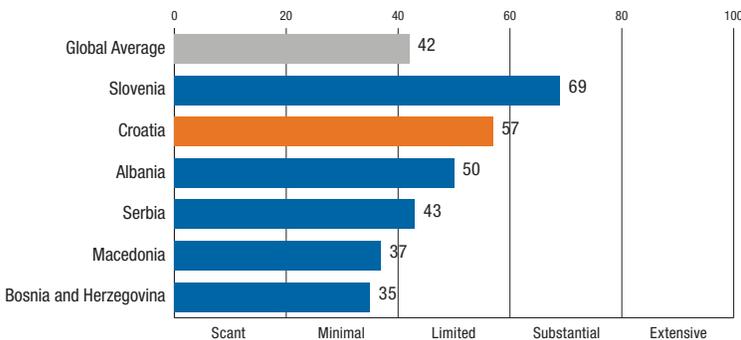
Drawing on internationally accepted criteria developed by multilateral organizations, the Open Budget Survey uses 109 equally weighted indicators to measure budget transparency. These indicators assess whether the central government makes eight key budget documents available to the public online in a timely manner and whether these documents present budget information in a comprehensive and useful way.

Each country receives a composite score (out of 100) that determines its ranking on the Open Budget Index – the world’s only independent and comparative measure of budget transparency.

How has the OBI score for Croatia changed over time?



How does budget transparency in Croatia compare to others?



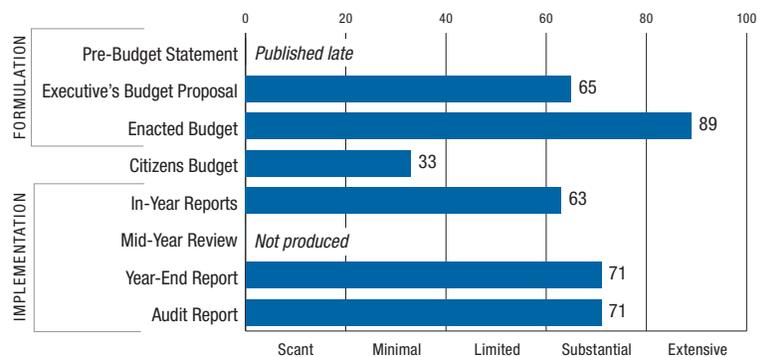
Croatia’s score of 57 out of 100 is substantially higher than the global average score of 42.

Public availability of budget documents from 2006 to 2017

Document	2006	2008	2010	2012	2015	2017
Pre-Budget Statement	●	●	●	●	●	●
Executive’s Budget Proposal	●	●	●	●	●	●
Enacted Budget	●	●	●	●	●	●
Citizens Budget	●	●	●	●	●	●
In-Year Reports	●	●	●	●	●	●
Mid-Year Review	●	●	●	●	●	●
Year-End Report	●	●	●	●	●	●
Audit Report	●	●	●	●	●	●

● Available to the Public ● Not Produced
● Published Late, or Not Published Online, or Produced for Internal Use Only

How comprehensive and useful is the information provided in the key budget documents that Croatia publishes?



Croatia's score of 57 on the 2017 Open Budget Index is largely the same as its score in 2015.

Since 2015, Croatia has increased the availability of budget information by:

- Increasing the information provided in the Executive's Budget Proposal.

However, Croatia has decreased the availability of budget information by:

- Failing to publish the Pre-Budget Statement online in a timely manner.

Moreover, Croatia has failed to make progress in the following way:

- Not producing a Mid-Year Review.

Key Budget Documents

Pre-Budget Statement: discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.

Executive's Budget Proposal: submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.

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Audit Report: issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.

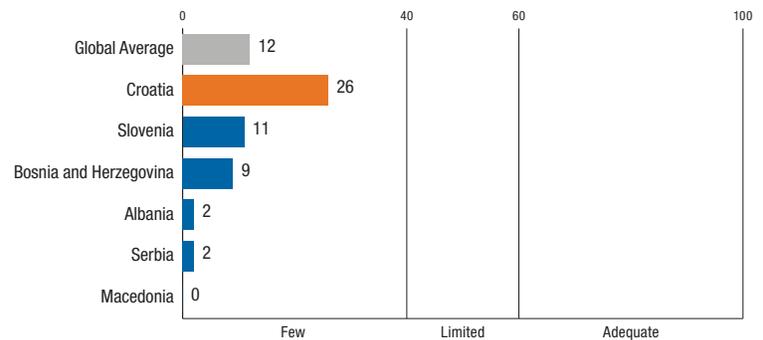
PUBLIC PARTICIPATION

Transparency alone is insufficient for improving governance. Public participation in budgeting is vital to realize the positive outcomes associated with greater budget transparency.

To measure public participation, the Open Budget Survey assesses the degree to which the government provides opportunities for the public to engage in budget processes. Such opportunities should be provided throughout the budget cycle by the executive, the legislature, and the supreme audit institution.

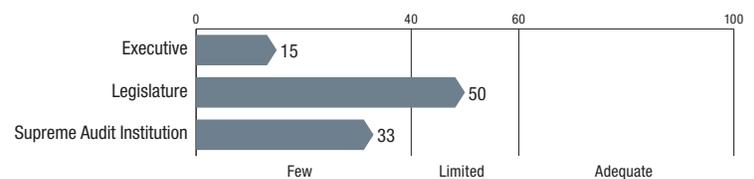
The questions assessing participation in the Open Budget Survey 2017 were revised to align them with the Global Initiative for Fiscal Transparency's new principles on public participation, which now serve as the basis for widely accepted norms on public participation in national budget processes. Therefore, data on the extent of public participation in budgeting in the Open Budget Survey 2017 cannot be compared directly to data from earlier editions.

How does public participation in Croatia compare to other countries in the region?



Croatia's score of 26 out of 100 indicates that it provides **few** opportunities for the public to engage in the budget process. This is higher than the global average score of 12.

To what extent do different institutions in Croatia provide opportunities for public participation?



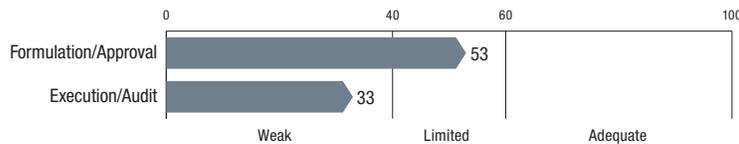


BUDGET OVERSIGHT

The Open Budget Survey examines the role that legislatures, supreme audit institutions, and independent fiscal institutions play in the budget process and the extent to which they are able to provide effective oversight of the budget. These institutions play a critical role — often enshrined in national constitutions or laws — in planning budgets and overseeing their implementation.

These indicators were revised to better assess the role of formal oversight institutions in ensuring integrity and accountability in the use of public resources. Therefore, data on the role and effectiveness of oversight institutions in the Open Budget Survey 2017 should not be compared directly to data from earlier editions.

To what extent does the legislature in Croatia provide budget oversight?

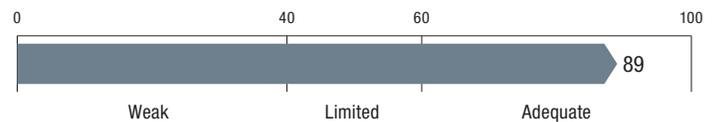


The legislature provides **limited** oversight during the budget cycle. This score reflects that the legislature provides limited oversight during the planning stage of the budget cycle and weak oversight during the implementation stage of the budget cycle.

The main barriers to effective legislative oversight are:

- A debate on budget policy by the legislature does not take place prior to the tabling of the Executive’s Budget Proposal.
- The Executive’s Budget Proposal is not provided to legislators at least two months before the start of the budget year.
- In practice, as the budget is implemented, the legislature is not consulted before the government shifts funds between administrative units specified in the Enacted Budget, spends unanticipated revenue, or reduces spending due to revenue shortfalls.

To what extent does the supreme audit institution in Croatia provide budget oversight?



The supreme audit institution provides **adequate** budget oversight.

- Under the law, it has full discretion to undertake audits as it sees fit.
- Moreover, the head of the institution is appointed by the legislature or judiciary and cannot be removed without legislative or judicial approval, which bolsters its independence.
- Finally, the supreme audit institution is provided with sufficient resources to fulfill its mandate, but its audit processes are not reviewed by an independent agency.

Oversight by an Independent Fiscal Institution

Croatia’s Fiscal Policy Commission serves as its independent fiscal institution (IFI). The Croatian IFI is independent of both the legislature and the executive, and its independence is set in law. It publishes an assessment of the official fiscal forecasts produced by the executive.

While IFIs are not yet widespread globally, they are increasingly recognized

as an important source of independent, nonpartisan information. IFIs take a variety of different institutional forms. Common examples include parliamentary budget offices and fiscal councils. For more information, see Lisa von Trapp, Ian Lienert, and Joachim Wehner, “Principles for Independent Fiscal Institutions and Case Studies,” *OECD Journal on Budgeting*, March 2016 (special issue), pp. 9-24.

RECOMMENDATIONS

For more detailed information on the survey findings for Croatia, please see the [Open Budget Survey Data Explorer at survey.internationalbudget.org](http://survey.internationalbudget.org).



How can Croatia improve transparency?

Croatia should prioritize the following actions to improve budget transparency:

- Publish a Pre-Budget Statement online in a timely manner.
- Produce and publish a Mid-Year Review, which reports on the implementation of the budget so far, as well as updated macroeconomic and fiscal forecasts.

- Increase the information and data provided on macroeconomic forecasts and on the financial position of the government in the Executive’s Budget Proposal.



How can Croatia improve participation?

Croatia should prioritize the following actions to improve public participation in its budget process:

- Actively engage with individuals or civil society organizations representing vulnerable and underrepresented communities during the formulation and monitoring of the implementation of the national budget.
- Hold legislative hearings on the Audit Report, during which members of the public or civil society organizations can testify.
- Establish formal mechanisms for the public to participate in relevant audit investigations.



How can Croatia improve oversight?

Croatia should prioritize the following actions to make budget oversight more effective:

- Ensure the Executive's Budget Proposal is provided to legislators at least two months before the start of the budget year.
- Ensure audit processes are reviewed by an independent agency.
- Produce and publish reports by the independent fiscal institution on macroeconomic or fiscal forecasts and on cost estimates of new policy proposals online.

METHODOLOGY

The Open Budget Survey uses internationally accepted criteria developed by multilateral organizations from sources such as the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), the International Organisation of Supreme Audit Institutions (INTOSAI) and the Global Initiative for Fiscal Transparency (GIFT).

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Researchers respond to comments from peer reviewers and their government, if applicable, **and IBP** referees any conflicting answers in order to ensure consistency across countries in selecting answers.

The government of Croatia provided comments on the draft Open Budget Questionnaire results.

Research to complete this country's Open Budget Survey was undertaken by:

Institut za javne financije
Smiciklasova 21
10000 Zagreb, Croatia
Email: office@ijf.hr

Further Information

Visit openbudgetsurvey.org for more information, including:

- The Open Budget Survey 2017: Global report
- Data explorer
- Methodology report
- Full questionnaire





75

OUT OF 100

TRANSPARENCY OPEN BUDGET INDEX

Romania provides the public with **substantial** budget information.



6

OUT OF 100

PUBLIC PARTICIPATION

Romania provides **few** opportunities for the public to engage in the budget process.



63

OUT OF 100

BUDGET OVERSIGHT

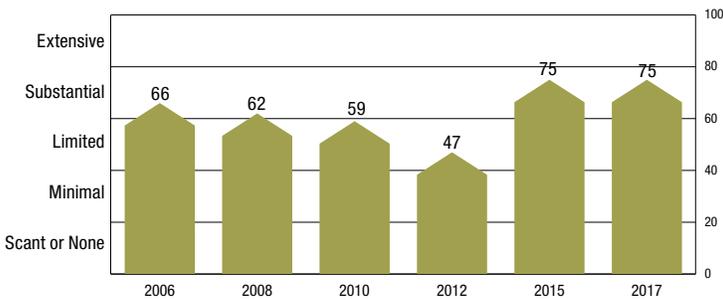
BY LEGISLATURE & AUDIT
The legislature and supreme audit institution in Romania provide **adequate** oversight of the budget.

TRANSPARENCY (OPEN BUDGET INDEX)

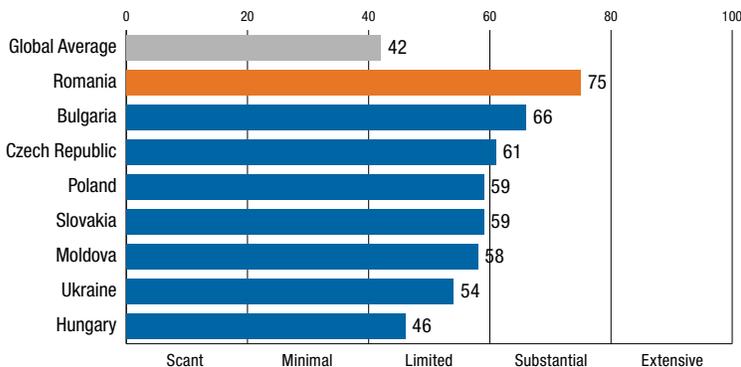
Drawing on internationally accepted criteria developed by multilateral organizations, the Open Budget Survey uses 109 equally weighted indicators to measure budget transparency. These indicators assess whether the central government makes eight key budget documents available to the public online in a timely manner and whether these documents present budget information in a comprehensive and useful way.

Each country receives a composite score (out of 100) that determines its ranking on the Open Budget Index – the world’s only independent and comparative measure of budget transparency.

How has the OBI score for Romania changed over time?



How does budget transparency in Romania compare to others?



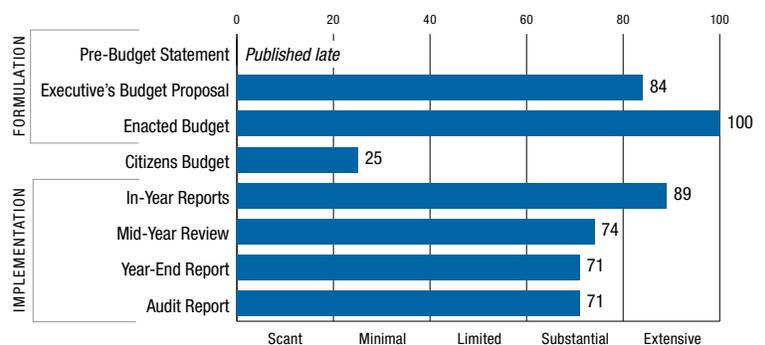
Romania’s score of 75 out of 100 is substantially higher than the global average score of 42.

Public availability of budget documents from 2006 to 2017

Document	2006	2008	2010	2012	2015	2017
Pre-Budget Statement	●	●	●	●	●	●
Executive’s Budget Proposal	●	●	●	●	●	●
Enacted Budget	●	●	●	●	●	●
Citizens Budget	●	●	●	●	●	●
In-Year Reports	●	●	●	●	●	●
Mid-Year Review	●	●	●	●	●	●
Year-End Report	●	●	●	●	●	●
Audit Report	●	●	●	●	●	●

● Available to the Public ● Not Produced
● Published Late, or Not Published Online, or Produced for Internal Use Only

How comprehensive and useful is the information provided in the key budget documents that Romania publishes?



Romania's score of 75 on the 2017 Open Budget Index has remained the same as its score in 2015.

Since 2015 Romania has increased the availability of budget information by:

- Publishing the Citizens Budget online.

However, Romania has decreased the availability of budget information by:

- Failing to publish the Pre-Budget Statement online in a timely manner.

Key Budget Documents

Pre-Budget Statement: discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.

Executive's Budget Proposal: submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.

Enacted Budget: the budget that has been approved by the legislature.

Citizens Budget: a simpler and less technical version of the government's Executive's Budget Proposal or Enacted Budget, designed to convey key information to the public.

In-Year Reports: include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.

Mid-Year Review: contains a comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.

Year-End Report: describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.

Audit Report: issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.



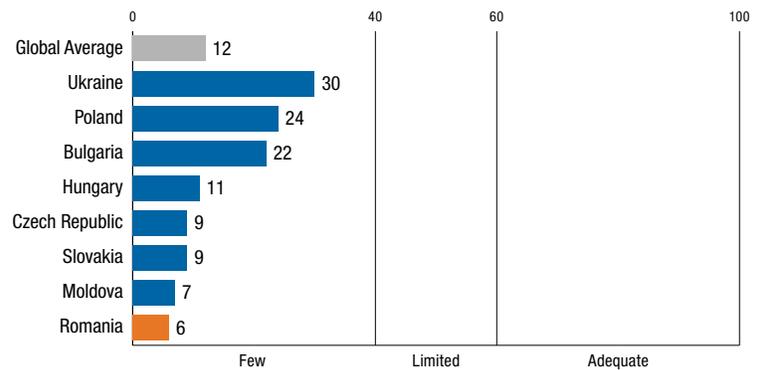
PUBLIC PARTICIPATION

Transparency alone is insufficient for improving governance. Public participation in budgeting is vital to realize the positive outcomes associated with greater budget transparency.

To measure public participation, the Open Budget Survey assesses the degree to which the government provides opportunities for the public to engage in budget processes. Such opportunities should be provided throughout the budget cycle by the executive, the legislature, and the supreme audit institution.

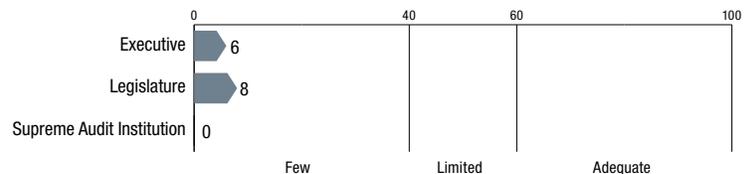
The questions assessing participation in the Open Budget Survey 2017 were revised to align them with the Global Initiative for Fiscal Transparency's new principles on public participation, which now serve as the basis for widely accepted norms on public participation in national budget processes. Therefore, data on the extent of public participation in budgeting in the Open Budget Survey 2017 cannot be compared directly to data from earlier editions.

How does public participation in Romania compare to other countries in the region?



Romania's score of 6 out of 100 indicates that it provides **few** opportunities for the public to engage in the budget process. This is lower than the global average score of 12.

To what extent do different institutions in Romania provide opportunities for public participation?



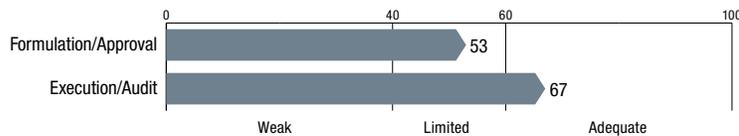


BUDGET OVERSIGHT

The Open Budget Survey examines the role that legislatures, supreme audit institutions, and independent fiscal institutions play in the budget process and the extent to which they are able to provide effective oversight of the budget. These institutions play a critical role — often enshrined in national constitutions or laws — in planning budgets and overseeing their implementation.

These indicators were revised to better assess the role of formal oversight institutions in ensuring integrity and accountability in the use of public resources. Therefore, data on the role and effectiveness of oversight institutions in the Open Budget Survey 2017 should not be compared directly to data from earlier editions.

To what extent does the legislature in Romania provide budget oversight?

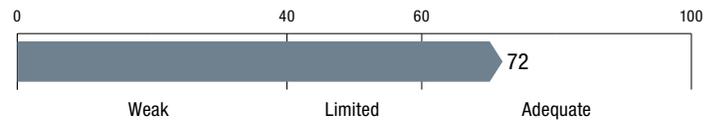


The legislature provides **limited** oversight during the budget cycle. This score reflects that the legislature provides limited oversight during the planning stage of the budget cycle and adequate oversight during the implementation stage of the budget cycle.

The main barriers to effective legislative oversight are:

- A debate on budget policy by the legislature does not take place prior to the tabling of the Executive’s Budget Proposal.
- The Executive’s Budget Proposal is not provided to legislators at least two months before the start of the budget year.
- A legislative committee does not examine or publish reports on in-year budget implementation online.

To what extent does the supreme audit institution in Romania provide budget oversight?



The supreme audit institution provides **adequate** budget oversight.

- Under the law, it has full discretion to undertake audits as it sees fit.
- Moreover, the head of the institution is appointed by the legislature or judiciary and cannot be removed without legislative or judicial approval, which bolsters its independence.
- Finally, the supreme audit institution is provided with sufficient resources to fulfill its mandate, but its audit processes are not reviewed by an independent agency.

Oversight by an Independent Fiscal Institution

Romania’s Fiscal Council serves as an independent fiscal institution (IFI). Its independence is set in law, and it reports to the government and the legislature. It publishes its own macroeconomic and fiscal forecasts and its own cost estimates of major new policy proposals.

While IFIs are not yet widespread globally, they are increasingly recognized

as an important source of independent, nonpartisan information. IFIs take a variety of different institutional forms. Common examples include parliamentary budget offices and fiscal councils. For more information, see Lisa von Trapp, Ian Lienert, and Joachim Wehner, “Principles for Independent Fiscal Institutions and Case Studies,” *OECD Journal on Budgeting*, March 2016 (special issue), pp. 9-24.

RECOMMENDATIONS

For more detailed information on the survey findings for Romania, please see the Open Budget Survey Data Explorer at survey.internationalbudget.org.



How can Romania improve transparency?

Romania should prioritize the following actions to improve budget transparency:

- Publish a Pre-Budget Statement online in a timely manner.
- Provide more information on comparisons between planned nonfinancial outcomes and actual outcomes in the Year-End Report and increase the information provided in the Citizens Budget.



How can Romania improve participation?

Romania should prioritize the following actions to improve public participation in its budget process:

- Pilot mechanisms for members of the public and executive branch officials to exchange views on national budget matters during both the formulation of the national budget and the monitoring of its implementation. These mechanisms could build on innovations, such as participatory budgeting and social audits. For examples of such mechanisms, see www.fiscaltransparency.net/mechanisms/.
- Hold legislative hearings on the formulation of the annual budget, during which any member of the public or civil society organizations can testify.
- Establish formal mechanisms for the public to assist the supreme audit institution in formulating its audit program and to participate in relevant audit investigations.



How can Romania improve oversight?

Romania should prioritize the following actions to make budget oversight more effective:

- Ensure the Executive's Budget Proposal is provided to legislators at least two months before the start of the budget year.
- Ensure a legislative committee examines and publishes reports on in-year budget implementation online.
- Ensure audit processes are reviewed by an independent agency.

METHODOLOGY

The Open Budget Survey uses internationally accepted criteria developed by multilateral organizations from sources such as the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), the International Organisation of Supreme Audit Institutions (INTOSAI) and the Global Initiative for Fiscal Transparency (GIFT).

It is a fact-based research instrument that assesses what occurs in practice through readily observable phenomena. The entire research process took approximately 18 months between August 2016 and January 2018 and involved about 300 experts in 115 countries. The Open Budget Survey 2017 assesses only events, activities, or developments that occurred up to 31 December 2016. The survey was revised somewhat from the 2015 version to reflect evolving methods for disseminating budget information and to strengthen individual questions on public participation and budget oversight. A discussion of these changes can be found in the Open Budget Survey Global Report (see link below).

Survey responses are typically supported by citations and comments. This may include a reference to a public document, an official statement by the government, or comments from a face-to-face interview with a government official or other knowledgeable parties.



The survey is based on a questionnaire that is completed for each country by **independent budget experts** who are not associated with the national government.



The draft responses to each country's questionnaire are then independently reviewed by an **anonymous expert** who also has no association with the national government.



In addition, IBP invites nearly all **national governments** to comment on the draft responses and considers these comments before finalizing the survey results.



Researchers respond to comments from peer reviewers and their government, if applicable, **and IBP** referees any conflicting answers in order to ensure consistency across countries in selecting answers.

Despite repeated efforts, IBP was unable to get comments on the draft Open Budget Questionnaire results from the government of Romania.

Research to complete this country's Open Budget Survey was undertaken by:

Elena Calistru,
Funky Citizens
9, pache protopopescu,
Bucharest, Romania
Postal code: 031456
Email : weare@funkycitizens.org

Further Information

Visit openbudgetsurvey.org for more information, including:

- The Open Budget Survey 2017: Global report
- Data explorer
- Methodology report
- Full questionnaire





43

OUT OF 100

TRANSPARENCY OPEN BUDGET INDEX

Serbia provides the public with **limited** budget information.



2

OUT OF 100

PUBLIC PARTICIPATION

Serbia provides **few** opportunities for the public to engage in the budget process.



63

OUT OF 100

BUDGET OVERSIGHT

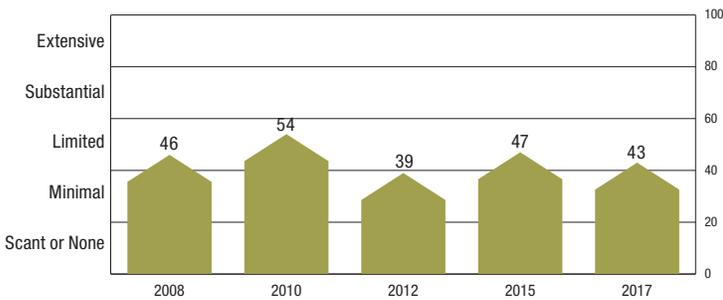
BY LEGISLATURE & AUDIT
The legislature and supreme audit institution in Serbia provide **adequate** oversight of the budget.

TRANSPARENCY (OPEN BUDGET INDEX)

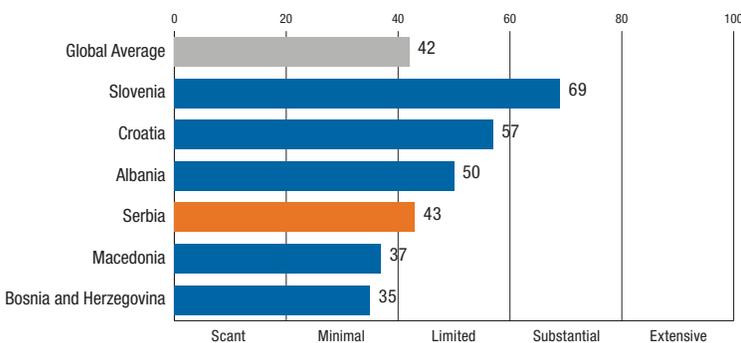
Drawing on internationally accepted criteria developed by multilateral organizations, the Open Budget Survey uses 109 equally weighted indicators to measure budget transparency. These indicators assess whether the central government makes eight key budget documents available to the public online in a timely manner and whether these documents present budget information in a comprehensive and useful way.

Each country receives a composite score (out of 100) that determines its ranking on the Open Budget Index – the world’s only independent and comparative measure of budget transparency.

How has the OBI score for Serbia changed over time?



How does budget transparency in Serbia compare to others?



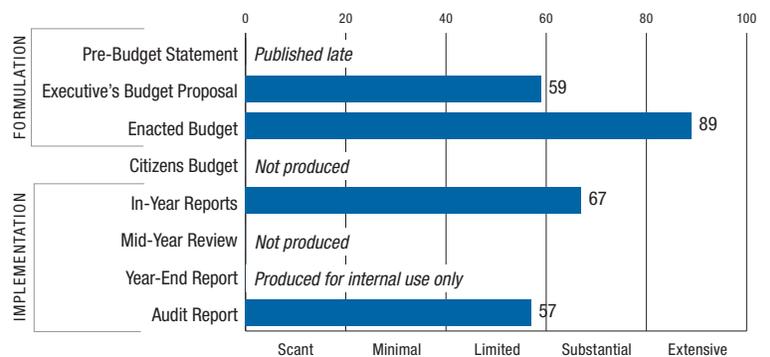
Serbia's score of 43 out of 100 is near the global average score of 42.

Public availability of budget documents from 2008 to 2017

Document	2008	2010	2012	2015	2017
Pre-Budget Statement	●	●	●	●	●
Executive's Budget Proposal	●	●	●	●	●
Enacted Budget	●	●	●	●	●
Citizens Budget	●	●	●	●	●
In-Year Reports	●	●	●	●	●
Mid-Year Review	●	●	●	●	●
Year-End Report	●	●	●	●	●
Audit Report	●	●	●	●	●

● Available to the Public ● Not Produced
● Published Late, or Not Published Online, or Produced for Internal Use Only

How comprehensive and useful is the information provided in the key budget documents that Serbia publishes?



Serbia's score of 43 on the 2017 Open Budget Index is largely the same as its score in 2015.

Since 2015, Serbia has decreased the availability of budget information by:

- Producing the Year-End Report for internal use only.

Moreover, Serbia has failed to make progress in the following ways:

- Producing a Pre-Budget Statement but failing to make it available to the public in a timely manner.
- Not producing a Citizens Budget and a Mid-Year Review.

Key Budget Documents

Pre-Budget Statement: discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.

Executive's Budget Proposal: submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.

Enacted Budget: the budget that has been approved by the legislature.

Citizens Budget: a simpler and less technical version of the government's Executive's Budget Proposal or Enacted Budget, designed to convey key information to the public.

In-Year Reports: include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.

Mid-Year Review: contains a comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.

Year-End Report: describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.

Audit Report: issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.

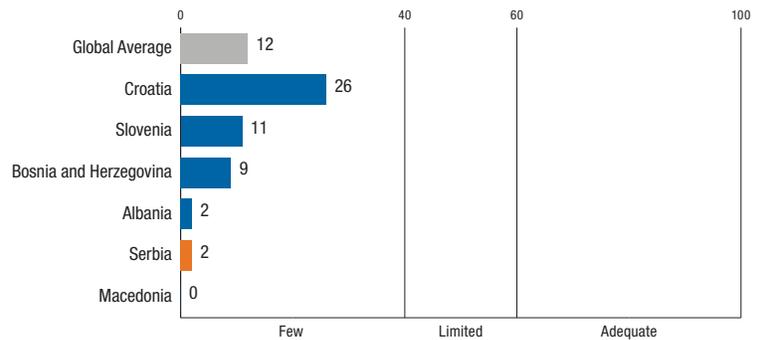
PUBLIC PARTICIPATION

Transparency alone is insufficient for improving governance. Public participation in budgeting is vital to realize the positive outcomes associated with greater budget transparency.

To measure public participation, the Open Budget Survey assesses the degree to which the government provides opportunities for the public to engage in budget processes. Such opportunities should be provided throughout the budget cycle by the executive, the legislature, and the supreme audit institution.

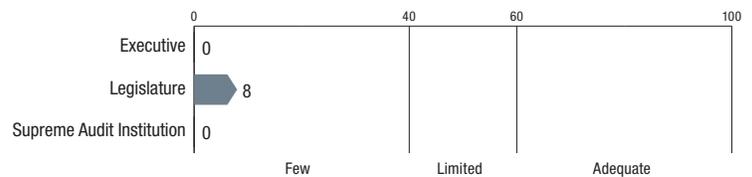
The questions assessing participation in the Open Budget Survey 2017 were revised to align them with the Global Initiative for Fiscal Transparency's new principles on public participation, which now serve as the basis for widely accepted norms on public participation in national budget processes. Therefore, data on the extent of public participation in budgeting in the Open Budget Survey 2017 cannot be compared directly to data from earlier editions.

How does public participation in Serbia compare to other countries in the region?



Serbia's score of 2 out of 100 indicates that it provides **few** opportunities for the public to engage in the budget process. This is lower than the global average score of 12.

To what extent do different institutions in Serbia provide opportunities for public participation?



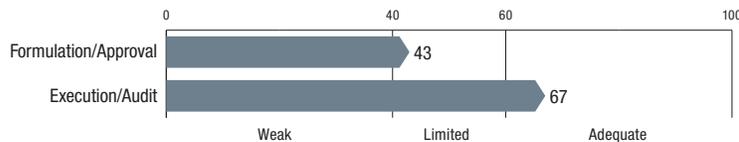


BUDGET OVERSIGHT

The Open Budget Survey examines the role that legislatures, supreme audit institutions, and independent fiscal institutions play in the budget process and the extent to which they are able to provide effective oversight of the budget. These institutions play a critical role — often enshrined in national constitutions or laws — in planning budgets and overseeing their implementation.

These indicators were revised to better assess the role of formal oversight institutions in ensuring integrity and accountability in the use of public resources. Therefore, data on the role and effectiveness of oversight institutions in the Open Budget Survey 2017 should not be compared directly to data from earlier editions.

To what extent does the legislature in Serbia provide budget oversight?

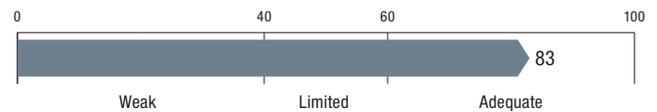


The legislature provides **limited** oversight during the budget cycle. This score reflects that the legislature provides limited oversight during the planning stage of the budget cycle and adequate oversight during the implementation stage of the budget cycle.

The main barriers to effective legislative oversight are:

- A debate on budget policy by the legislature does not take place prior to the tabling of the Executive’s Budget Proposal.
- The Executive’s Budget Proposal is not provided to legislators at least two months before the start of the budget year.
- A legislative committee does not examine or publish reports on in-year budget implementation online.

To what extent does the supreme audit institution in Serbia provide budget oversight?



The supreme audit institution provides **adequate** budget oversight.

- Under the law, it has full discretion to undertake audits as it sees fit.
- Moreover, the head of the institution is appointed by the legislature and cannot be removed without legislative approval, which bolsters its independence.
- Finally, the supreme audit institution is provided with sufficient resources to fulfill its mandate, but its audit processes are not reviewed by an independent agency.

Oversight by an Independent Fiscal Institution

Serbia’s Fiscal Council serves as its independent fiscal institution (IFI). Its independence is set in law, and it reports to the legislature. It publishes its own fiscal forecasts and its own cost estimates of some new policy proposals.

While IFIs are not yet widespread globally, they are increasingly recognized

as an important source of independent, nonpartisan information. IFIs take a variety of different institutional forms. Common examples include parliamentary budget offices and fiscal councils. For more information, see Lisa von Trapp, Ian Lienert, and Joachim Wehner, “Principles for Independent Fiscal Institutions and Case Studies,” *OECD Journal on Budgeting*, March 2016 (special issue), pp. 9-24.

RECOMMENDATIONS

For more detailed information on the survey findings for Serbia, please see the [Open Budget Survey Data Explorer at survey.internationalbudget.org](http://survey.internationalbudget.org).



How can Serbia improve transparency?

Serbia should prioritize the following actions to improve budget transparency:

- Publish a Year-End Report online.
- Publish a Pre-Budget Statement online in a timely manner.

- Produce and publish a Mid-Year Review that includes macroeconomic forecasts and meets international standards.
- Continue to publish the Citizens Budget online in a timely manner. (During the research period for OBS 2017 the Citizens Budget was not produced. Subsequently, in February 2017, the government made the Citizens Budget available to the public online in a timely manner.)



How can Serbia improve participation?

Serbia should prioritize the following actions to improve public participation in its budget process:

- Pilot mechanisms for members of the public and executive branch officials to exchange views on national budget matters during both the formulation of the national budget and the monitoring of its implementation. These mechanisms could build on innovations, such as participatory budgeting and social audits. For examples of such mechanisms, see www.fiscaltransparency.net/mechanisms/.
- Hold legislative hearings on the formulation of the annual budget, during which any member of the public or civil society organizations can testify.
- Establish formal mechanisms for the public to assist the supreme audit institution in formulating its audit program and to participate in relevant audit investigations.



How can Serbia improve oversight?

Serbia should prioritize the following actions to make budget oversight more effective:

- Ensure the Executive's Budget Proposal is provided to legislators at least two months before the start of the budget year.
- Ensure a legislative committee examines and publishes reports on in-year budget implementation online.
- Ensure audit processes are reviewed by an independent agency.

METHODOLOGY

The Open Budget Survey uses internationally accepted criteria developed by multilateral organizations from sources such as the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), the International Organisation of Supreme Audit Institutions (INTOSAI) and the Global Initiative for Fiscal Transparency (GIFT).

It is a fact-based research instrument that assesses what occurs in practice through readily observable phenomena. The entire research process took approximately 18 months between August 2016 and January 2018 and involved about 300 experts in 115 countries. The Open Budget Survey 2017 assesses only events, activities, or developments that occurred up to 31 December 2016. The survey was revised somewhat from the 2015 version to reflect evolving methods for disseminating budget information and to strengthen individual questions on public participation and budget oversight. A discussion of these changes can be found in the Open Budget Survey Global Report (see link below).

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The survey is based on a questionnaire that is completed for each country by **independent budget experts** who are not associated with the national government.



The draft responses to each country's questionnaire are then independently reviewed by an **anonymous expert** who also has no association with the national government.



In addition, IBP invites nearly all **national governments** to comment on the draft responses and considers these comments before finalizing the survey results.



Researchers respond to comments from peer reviewers and their government, if applicable, **and IBP** referees any conflicting answers in order to ensure consistency across countries in selecting answers.

The government of Serbia provided comments on the draft Open Budget Questionnaire results.

Research to complete this country's Open Budget Survey was undertaken by:
Nemanja Nenadic
Transparency Serbia, Palmoticeva 31/III, 11000 Belgrade
Email: ts@transparentnost.org.rs ; nemanjalaw@orion.rs

Further Information

Visit openbudgetsurvey.org for more information, including:

- The Open Budget Survey 2017: Global report
- Data explorer
- Methodology report
- Full questionnaire





69

OUT OF 100

TRANSPARENCY OPEN BUDGET INDEX

Slovenia provides the public with **substantial** budget information.



11

OUT OF 100

PUBLIC PARTICIPATION

Slovenia provides **few** opportunities for the public to engage in the budget process.



80

OUT OF 100

BUDGET OVERSIGHT

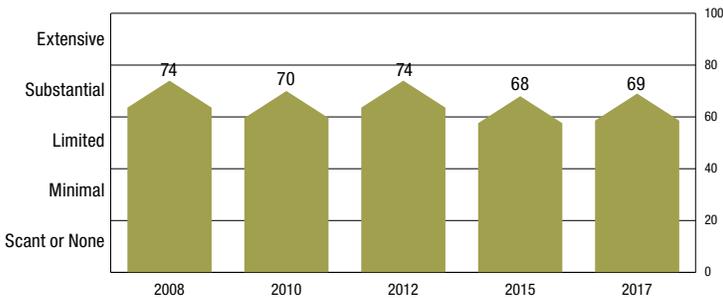
BY LEGISLATURE & AUDIT
The legislature and supreme audit institution in Slovenia provide **adequate** oversight of the budget.

TRANSPARENCY (OPEN BUDGET INDEX)

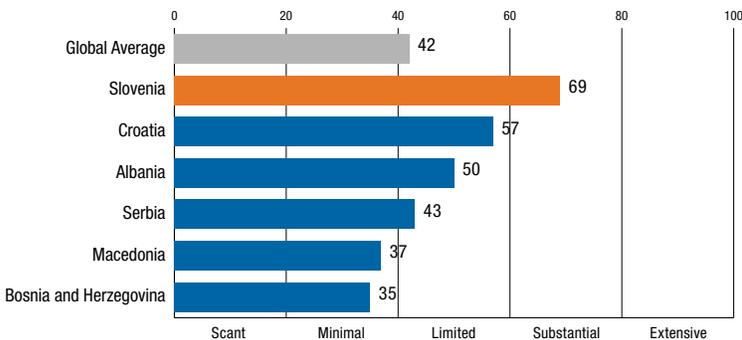
Drawing on internationally accepted criteria developed by multilateral organizations, the Open Budget Survey uses 109 equally weighted indicators to measure budget transparency. These indicators assess whether the central government makes eight key budget documents available to the public online in a timely manner and whether these documents present budget information in a comprehensive and useful way.

Each country receives a composite score (out of 100) that determines its ranking on the Open Budget Index – the world’s only independent and comparative measure of budget transparency.

How has the OBI score for Slovenia changed over time?



How does budget transparency in Slovenia compare to others?



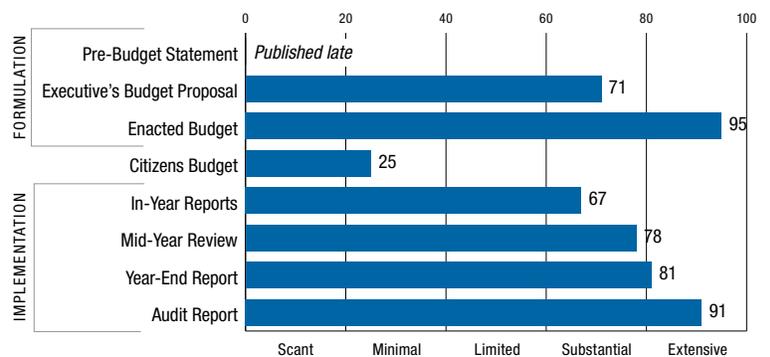
Slovenia's score of 69 out of 100 is substantially higher than the global average score of 42.

Public availability of budget documents from 2008 to 2017

Document	2008	2010	2012	2015	2017
Pre-Budget Statement	●	●	●	●	●
Executive's Budget Proposal	●	●	●	●	●
Enacted Budget	●	●	●	●	●
Citizens Budget	●	●	●	●	●
In-Year Reports	●	●	●	●	●
Mid-Year Review	●	●	●	●	●
Year-End Report	●	●	●	●	●
Audit Report	●	●	●	●	●

● Available to the Public ● Not Produced ● Published Late, or Not Published Online, or Produced for Internal Use Only

How comprehensive and useful is the information provided in the key budget documents that Slovenia publishes?



Slovenia's score of 69 on the 2017 Open Budget Index is largely the same as its score in 2015.

Since 2015, Slovenia has increased the availability of budget information by:

- Producing and publishing the Citizens Budget online.

However, Slovenia has failed to make progress in the following ways:

- Producing a Pre-Budget Statement, but failing to make it available to the public in a timely manner.

Key Budget Documents

Pre-Budget Statement: discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.

Executive's Budget Proposal: submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.

Enacted Budget: the budget that has been approved by the legislature.

Citizens Budget: a simpler and less technical version of the government's Executive's Budget Proposal or Enacted Budget, designed to convey key information to the public.

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Year-End Report: describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.

Audit Report: issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.

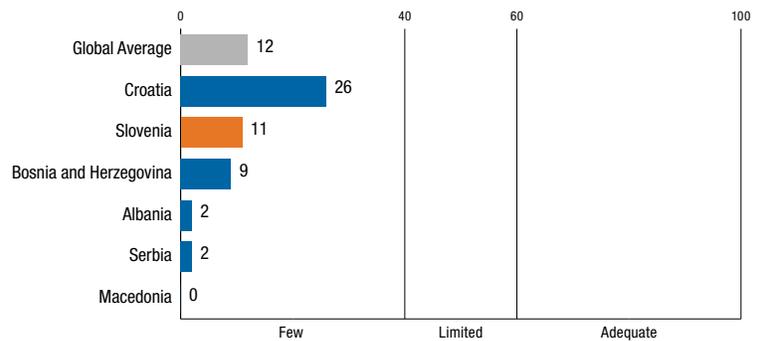
PUBLIC PARTICIPATION

Transparency alone is insufficient for improving governance. Public participation in budgeting is vital to realize the positive outcomes associated with greater budget transparency.

To measure public participation, the Open Budget Survey assesses the degree to which the government provides opportunities for the public to engage in budget processes. Such opportunities should be provided throughout the budget cycle by the executive, the legislature, and the supreme audit institution.

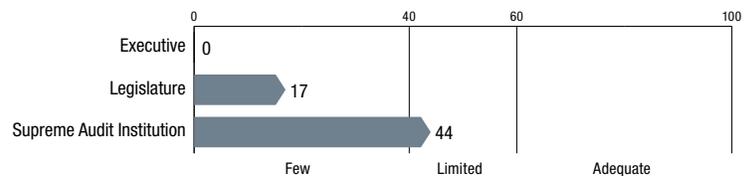
The questions assessing participation in the Open Budget Survey 2017 were revised to align them with the Global Initiative for Fiscal Transparency's new principles on public participation, which now serve as the basis for widely accepted norms on public participation in national budget processes. Therefore, data on the extent of public participation in budgeting in the Open Budget Survey 2017 cannot be compared directly to data from earlier editions.

How does public participation in Slovenia compare to other countries in the region?



Slovenia's score of 11 out of 100 indicates that it provides **few** opportunities for the public to engage in the budget process. This is lower than the global average score of 12.

To what extent do different institutions in Slovenia provide opportunities for public participation?



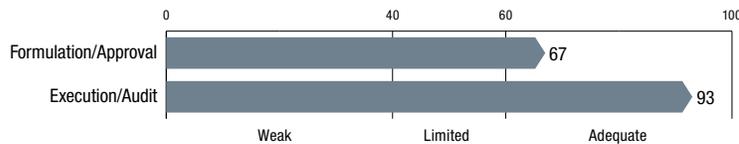


BUDGET OVERSIGHT

The Open Budget Survey examines the role that legislatures, supreme audit institutions, and independent fiscal institutions play in the budget process and the extent to which they are able to provide effective oversight of the budget. These institutions play a critical role — often enshrined in national constitutions or laws — in planning budgets and overseeing their implementation.

These indicators were revised to better assess the role of formal oversight institutions in ensuring integrity and accountability in the use of public resources. Therefore, data on the role and effectiveness of oversight institutions in the Open Budget Survey 2017 should not be compared directly to data from earlier editions.

To what extent does the legislature in Slovenia provide budget oversight?

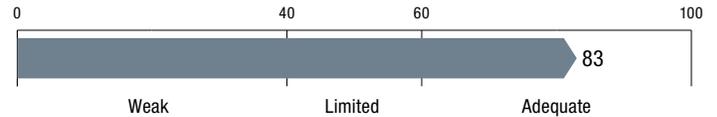


The legislature provides **adequate** oversight during the budget cycle. This score reflects that the legislature provides adequate oversight during the planning stage of the budget cycle and adequate oversight during the implementation stage of the budget cycle.

The main barrier to effective legislative oversight is:

- A debate on budget policy by the legislature does not take place prior to the tabling of the Executive's Budget proposal.

To what extent does the supreme audit institution in Slovenia provide budget oversight?



The supreme audit institution provides **adequate** budget oversight.

- Under the law, it has full discretion to undertake audits as it sees fit.
- Moreover, the head of the institution is appointed by the legislature and cannot be removed without legislative approval, which bolsters its independence.
- Finally, the supreme audit institution is provided with sufficient resources to fulfill its mandate, but its audit processes are not reviewed by an independent agency.

Oversight by an Independent Fiscal Institution

Slovenia did not have an established independent fiscal institution (IFI) while the research for OBS 2017 was underway. However, on March 21 2017, the *Fiskalni svet* (Fiscal Council) was established according to *Zakon o fiskalnem pravilu* (Fiscal rule act). The *Fiskalni svet* includes three members.

While IFIs are not yet widespread globally, they are increasingly recognized

as an important source of independent, nonpartisan information. IFIs take a variety of different institutional forms. Common examples include parliamentary budget offices and fiscal councils. For more information, see Lisa von Trapp, Ian Lienert, and Joachim Wehner, "Principles for Independent Fiscal Institutions and Case Studies," *OECD Journal on Budgeting*, March 2016 (special issue), pp. 9-24.

RECOMMENDATIONS

For more detailed information on the survey findings for Slovenia, please see the [Open Budget Survey Data Explorer at survey.internationalbudget.org](http://survey.internationalbudget.org).



How can Slovenia improve transparency?

Slovenia should prioritize the following actions to improve budget transparency:

- Publish a Pre-Budget Statement online in a timely manner.
- Increase the information provided in the Executive's Budget Proposal by increasing information on performance and policy and increasing data on the financial position of the government.

- Increase the information provided in the Year-End Report by including comparisons between planned nonfinancial outcomes and actual outcomes.



How can Slovenia improve participation?

Slovenia should prioritize the following actions to improve public participation in its budget process:

- Pilot mechanisms for members of the public and executive branch officials to exchange views on national budget matters during both the formulation of the national budget and the monitoring of its implementation. These mechanisms could build on innovations, such as participatory budgeting and social audits. For examples of such mechanisms, see www.fiscaltransparency.net/mechanisms/.
- Hold legislative hearings on the formulation of the annual budget, during which any member of the public or civil society organizations can testify.
- Establish formal mechanisms for the public to assist the supreme audit institution by participating in relevant audit investigations.



How can Slovenia improve oversight?

Slovenia should prioritize the following actions to make budget oversight more effective:

- Ensure the legislature holds a debate on budget policy prior to the tabling of the Executive’s Budget Proposal and approves recommendations for the upcoming budget.
- Ensure audit processes are reviewed by an independent agency.
- Continue working on the establishment of the independent fiscal institution.

METHODOLOGY

The Open Budget Survey uses internationally accepted criteria developed by multilateral organizations from sources such as the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), the International Organisation of Supreme Audit Institutions (INTOSAI) and the Global Initiative for Fiscal Transparency (GIFT).

It is a fact-based research instrument that assesses what occurs in practice through readily observable phenomena. The entire research process took approximately 18 months between August 2016 and January 2018 and involved about 300 experts in 115 countries. The Open Budget Survey 2017 assesses only events, activities, or developments that occurred up to 31 December 2016. The survey was revised somewhat from the 2015 version to reflect evolving methods for disseminating budget information and to strengthen individual questions on public participation and budget oversight. A discussion of these changes can be found in the Open Budget Survey Global Report (see link below).

Survey responses are typically supported by citations and comments. This may include a reference to a public document, an official statement by the government, or comments from a face-to-face interview with a government official or other knowledgeable parties.



The survey is based on a questionnaire that is completed for each country by **independent budget experts** who are not associated with the national government.



The draft responses to each country’s questionnaire are then independently reviewed by an **anonymous expert** who also has no association with the national government.



In addition, IBP invites nearly all **national governments** to comment on the draft responses and considers these comments before finalizing the survey results.



Researchers respond to comments from peer reviewers and their government, if applicable, **and IBP** referees any conflicting answers in order to ensure consistency across countries in selecting answers.

The government of Slovenia provided comments on the draft Open Budget Questionnaire results.

Research to complete this country’s Open Budget Survey was undertaken by:

Mitja Čok
CPOEF
Kardeljeva ploščad 17
1000 Ljubljana
Slovenia
Email: cokmitja@gmail.com

Further Information

Visit openbudgetsurvey.org for more information, including:

- The Open Budget Survey 2017: Global report
- Data explorer
- Methodology report
- Full questionnaire

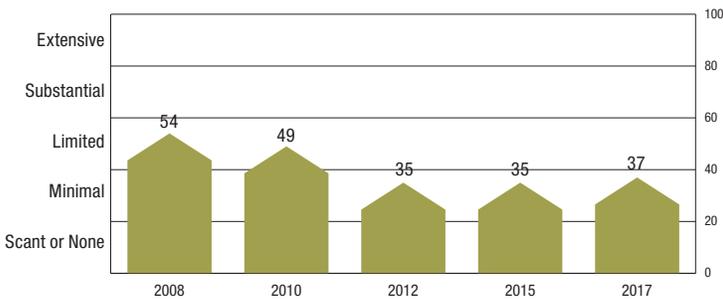
	<h2>37</h2> <p>OUT OF 100</p> <h3>TRANSPARENCY OPEN BUDGET INDEX</h3> <p>Macedonia provides the public with minimal budget information.</p>	<h2>0</h2> <p>OUT OF 100</p> <h3>PUBLIC PARTICIPATION</h3> <p>Macedonia provides the public with no opportunities to engage in the budget process.</p>	<h2>56</h2> <p>OUT OF 100</p> <h3>BUDGET OVERSIGHT</h3> <p>BY LEGISLATURE & AUDIT The legislature and supreme audit institution in Macedonia provide limited oversight of the budget.</p>
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TRANSPARENCY (OPEN BUDGET INDEX)

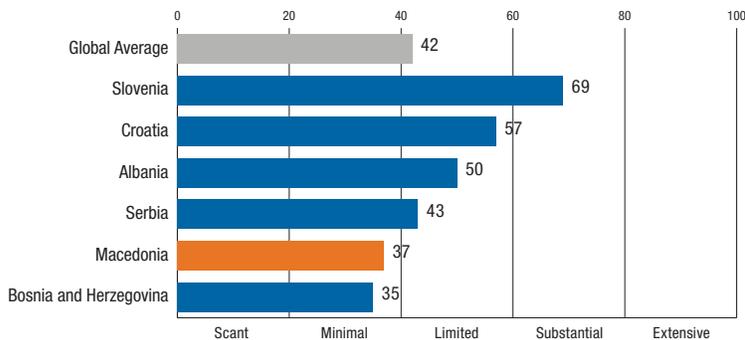
Drawing on internationally accepted criteria developed by multilateral organizations, the Open Budget Survey uses 109 equally weighted indicators to measure budget transparency. These indicators assess whether the central government makes eight key budget documents available to the public online in a timely manner and whether these documents present budget information in a comprehensive and useful way.

Each country receives a composite score (out of 100) that determines its ranking on the Open Budget Index – the world’s only independent and comparative measure of budget transparency.

How has the OBI score for Macedonia changed over time?



How does budget transparency in Macedonia compare to others?



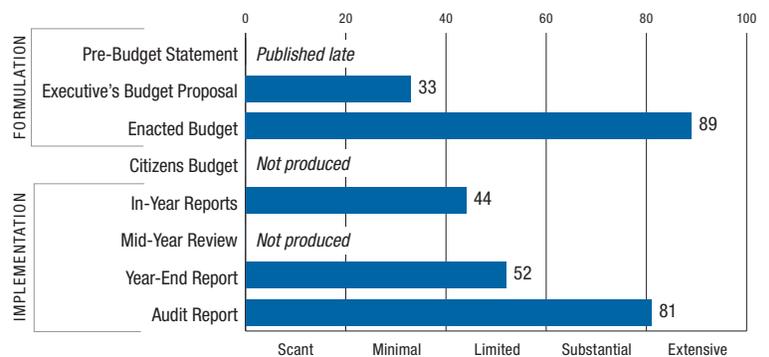
Macedonia’s score of 37 out of 100 is near the global average score of 42.

Public availability of budget documents from 2008 to 2017

Document	2008	2010	2012	2015	2017
Pre-Budget Statement	●	●	●	●	●
Executive’s Budget Proposal	●	●	●	●	●
Enacted Budget	●	●	●	●	●
Citizens Budget	●	●	●	●	●
In-Year Reports	●	●	●	●	●
Mid-Year Review	●	●	●	●	●
Year-End Report	●	●	●	●	●
Audit Report	●	●	●	●	●

● Available to the Public ● Not Produced
● Published Late, or Not Published Online, or Produced for Internal Use Only

How comprehensive and useful is the information provided in the key budget documents that Macedonia publishes?



Macedonia's score of 37 on the 2017 Open Budget Index is largely the same as its score in 2015.

However, since 2015, Macedonia has failed to make progress in the following ways:

- Producing a Pre-Budget Statement but failing to make it available to the public in a timely manner.

- Not producing a Citizens Budget or a Mid-Year Review.
- Publishing an Executive's Budget Proposal that only contains minimal budget information.

Key Budget Documents

Pre-Budget Statement: discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.

Executive's Budget Proposal: submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.

Enacted Budget: the budget that has been approved by the legislature.

Citizens Budget: a simpler and less technical version of the government's Executive's Budget Proposal or Enacted Budget, designed to convey key information to the public.

In-Year Reports: include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.

Mid-Year Review: contains a comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.

Year-End Report: describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.

Audit Report: issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.



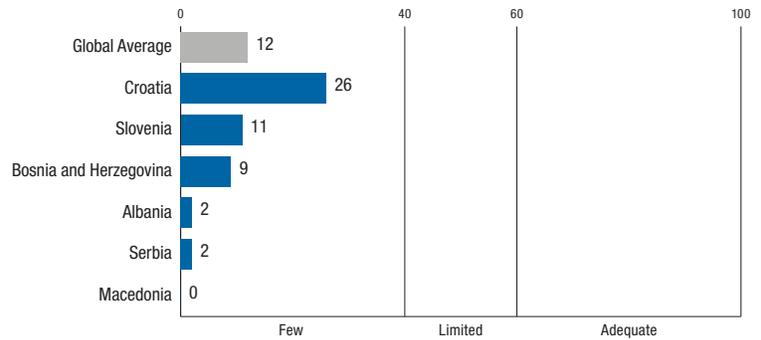
PUBLIC PARTICIPATION

Transparency alone is insufficient for improving governance. Public participation in budgeting is vital to realize the positive outcomes associated with greater budget transparency.

To measure public participation, the Open Budget Survey assesses the degree to which the government provides opportunities for the public to engage in budget processes. Such opportunities should be provided throughout the budget cycle by the executive, the legislature, and the supreme audit institution.

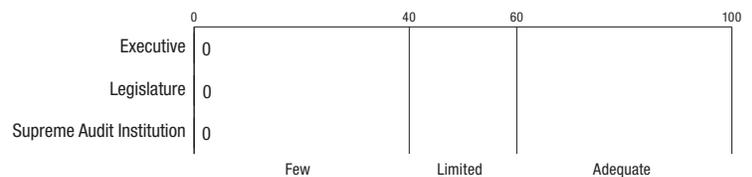
The questions assessing participation in the Open Budget Survey 2017 were revised to align them with the Global Initiative for Fiscal Transparency's new principles on public participation, which now serve as the basis for widely accepted norms on public participation in national budget processes. Therefore, data on the extent of public participation in budgeting in the Open Budget Survey 2017 cannot be compared directly to data from earlier editions.

How does public participation in Macedonia compare to other countries in the region?



Macedonia's score of 0 out of 100 indicates that it provides **no** opportunities for the public to engage in the budget process. This is lower than the global average score of 12.

To what extent do different institutions in Macedonia provide opportunities for public participation?



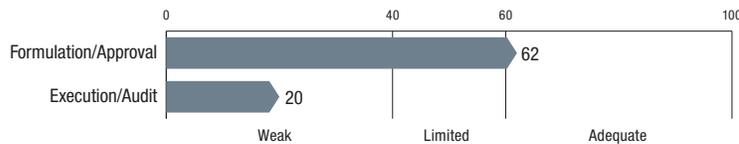


BUDGET OVERSIGHT

The Open Budget Survey examines the role that legislatures, supreme audit institutions, and independent fiscal institutions play in the budget process and the extent to which they are able to provide effective oversight of the budget. These institutions play a critical role — often enshrined in national constitutions or laws — in planning budgets and overseeing their implementation.

These indicators were revised to better assess the role of formal oversight institutions in ensuring integrity and accountability in the use of public resources. Therefore, data on the role and effectiveness of oversight institutions in the Open Budget Survey 2017 should not be compared directly to data from earlier editions.

To what extent does the legislature in Macedonia provide budget oversight?

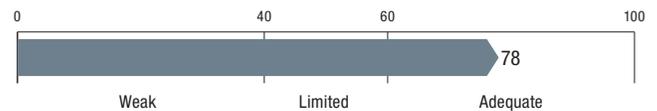


The supreme audit institution provides **limited** budget oversight. This score reflects that the legislature provides adequate oversight during the planning stage of the budget cycle and weak oversight during the implementation stage of the budget cycle.

The main barriers to effective legislative oversight are:

- A debate on budget policy by the legislature does not take place prior to the tabling of the Executive's Budget Proposal.
- A legislative committee does not examine or publish reports on in-year budget implementation online.
- In practice, as the budget is implemented, the legislature is not consulted before the government spends unanticipated revenue or reduces spending due to revenue shortfalls.

To what extent does the supreme audit institution in Macedonia provide budget oversight?



The supreme audit institution provides **adequate** budget oversight.

- Under the law, it has full discretion to undertake audits as it sees fit.
- Moreover, the head of the institution is appointed by the legislature and cannot be removed without legislative approval, which bolsters its independence.
- Finally, the supreme audit institution is provided with sufficient resources to fulfill its mandate, and its audit processes are reviewed by an independent agency.

Oversight by an Independent Fiscal Institution

Macedonia does not have an independent fiscal institution (IFI). While IFIs are not yet widespread globally, they are increasingly recognized as an important source of independent, nonpartisan information. IFIs take a variety of different institutional forms. Common examples include parliamentary budget offices and fiscal councils.

For more information, see Lisa von Trapp, Ian Lienert, and Joachim Wehner, "Principles for Independent Fiscal Institutions and Case Studies," *OECD Journal on Budgeting*, March 2016 (special issue), pp. 9-24.

RECOMMENDATIONS

For more detailed information on the survey findings for Macedonia, please see the Open Budget Survey Data Explorer at survey.internationalbudget.org.



How can Macedonia improve transparency?

Macedonia should prioritize the following actions to improve budget transparency:

- Publish a Pre-Budget Statement online in a timely manner.
- Produce and publish a Citizens Budget and a Mid-Year Review.
- Increase the information provided in the Executive's Budget Proposal by increasing information on performance and policy and on the macroeconomic forecast.



How can Macedonia improve participation?

The Macedonia should prioritize the following actions to improve public participation in its budget process:

- Pilot mechanisms for members of the public and executive branch officials to exchange views on national budget matters during both the formulation of the national budget and the monitoring of its implementation. These mechanisms could build on innovations, such as participatory budgeting and social audits. For examples of such mechanisms see www.fiscaltransparency.net/mechanisms/.
- Hold legislative hearings on the formulation of the annual budget, during which members of the public or civil society organizations can testify.
- Establish formal mechanisms for the public to assist the supreme audit institution in formulating its audit program and to participate in relevant audit investigations.



How can Macedonia improve oversight?

Macedonia should prioritize the following actions to make budget oversight more effective:

- Ensure the legislature holds a debate on budget policy prior to the tabling of the Executive's Budget Proposal and approves recommendations for the upcoming budget.
- Ensure a legislative committee examines and publishes reports on in-year budget implementation online.
- Consider setting up an independent fiscal institution to further strengthen budget oversight.

METHODOLOGY

The Open Budget Survey uses internationally accepted criteria developed by multilateral organizations from sources such as the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), the International Organisation of Supreme Audit Institutions (INTOSAI) and the Global Initiative for Fiscal Transparency (GIFT).

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The draft responses to each country's questionnaire are then independently reviewed by an **anonymous expert** who also has no association with the national government.



In addition, IBP invites nearly all **national governments** to comment on the draft responses and considers these comments before finalizing the survey results.



Researchers respond to comments from peer reviewers and their government, if applicable, **and IBP** referees any conflicting answers in order to ensure consistency across countries in selecting answers.

Despite repeated efforts, IBP was unable to get comments on the draft Open Budget Questionnaire results from the government of Macedonia.

Research to complete this country's Open Budget Survey was undertaken by:
 Marjan Nikolov
 Center for Economic Analyses
 Bul. Jane Sandanski 63/3
 1000 Skopje, Macedonia
info@cea.org.mk

Further Information

Visit openbudgetsurvey.org for more information, including:

- The Open Budget Survey 2017: Global report
- Data explorer
- Methodology report
- Full questionnaire

Open Budget Index Scores Over Time, 2006 to 2017

Country	Open Budget Index 2006	Open Budget Index 2008	Open Budget Index 2010	Open Budget Index 2012	Open Budget Index 2015	Open Budget Index 2017
Albania	25	37	33	47	38	50
Bosnia Herzegovina	-	44	44	50	43	35
Bulgaria	47	57	56	65	65	66
Croatia	42	50	57	61	53	57
North Macedonia	-	54	49	35	35	37
Romania	66	62	59	47	75	75
Serbia	-	46	54	39	47	43
Slovenia	-	74	70	74	68	69

Open Budget Survey 2017: Transparency, Public Participation, and Oversight Institutions

Country	Transparency (Open Budget Index)	Public Participation	Oversight			Independent Fiscal Institution (Yes or No)
			By Legislature and Supreme Audit Institution	By Legislature	By Supreme Audit Institution	
Albania	50	2	69	67	72	No
Bosnia Herzegovina	35	9	65	50	95	No
Bulgaria	66	22	59	53	72	No
Croatia	57	26	59	45	89	No
North Macedonia	27	0	56	45	78	No
Romania	75	6	63	58	72	No
Serbia	43	2	63	53	83	No
Slovenia	69	11	80	78	83	

Open Budget Survey 2017: The Public Availability of Budget Documents

Country	Pre-Budget Statement	Executive's Budget Proposal	Enacted Budget	Citizens Budget	In-Year Reports	Mid-Year Review	Year-End Report	Audit Report
Albania	●	●	●	●	●	●	●	●
Bosnia Herzegovina	●	●	●	●	●	●	●	●
Bulgaria	●	●	●	●	●	●	●	●
Croatia	●	●	●	●	●	●	●	●
North Macedonia	●	●	●	●	●	●	●	●
Romania	●	●	●	●	●	●	●	●
Serbia	●	●	●	●	●	●	●	●
Slovenia	●	●	●	●	●	●	●	●

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