



# OPEN BUDGET SURVEY 2015

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**Improving the accountability of public finance is crucial for achieving global development goals**

# Methodology: The Open Budget Survey

- 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.
- Research in Namibia completed by Klaus Schade of the Institute for Public Policy Research (IPPR)

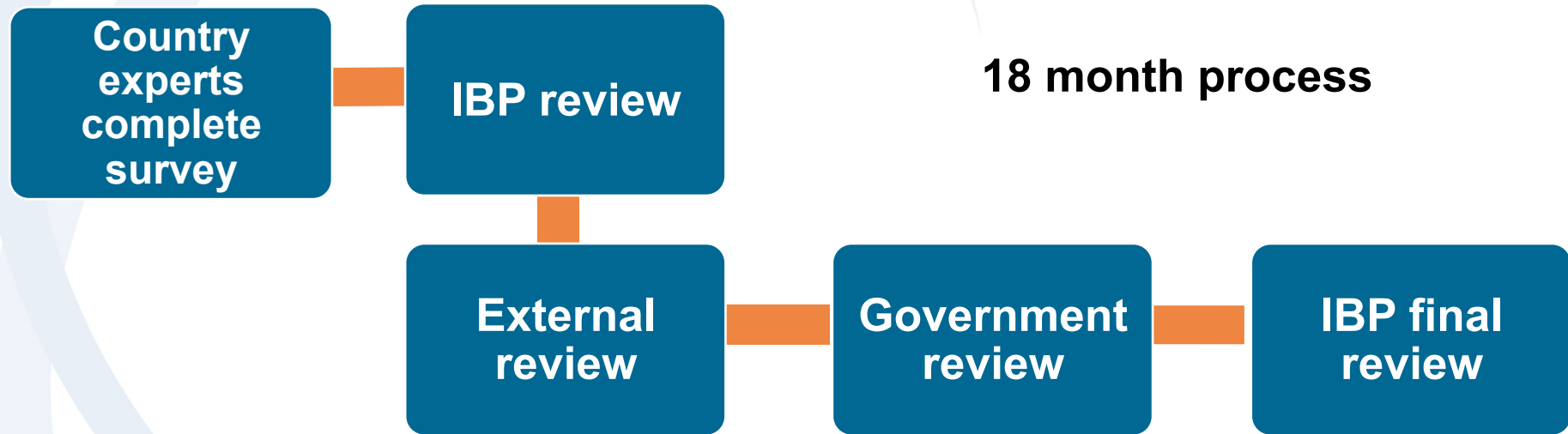


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# Methodology: the research process



# Methodology: the accountability ecosystem

## Transparency

- 109 indicators measuring transparency (the Open Budget Index)

## Participation

- 16 indicators measuring opportunities for public participation

## Oversight

- 15 indicators measuring the strength of the legislature and auditors





# The Open Budget Survey 2015: Key findings

1. The vast majority of the world's population live in countries that provide insufficient budget information.
2. Between 2012 and 2015 the world made modest progress toward greater transparency. Substantial gains were made by the least transparent countries.
3. (Top five: New Zealand, Sweden, South Africa, Norway and the US)
4. Problems associated with a lack of transparency are compounded by inadequate public participation and weak formal oversight.
5. Of the 102 countries surveyed, only four perform adequately across all three pillars of budget accountability (Brazil, Norway, South Africa, USA).



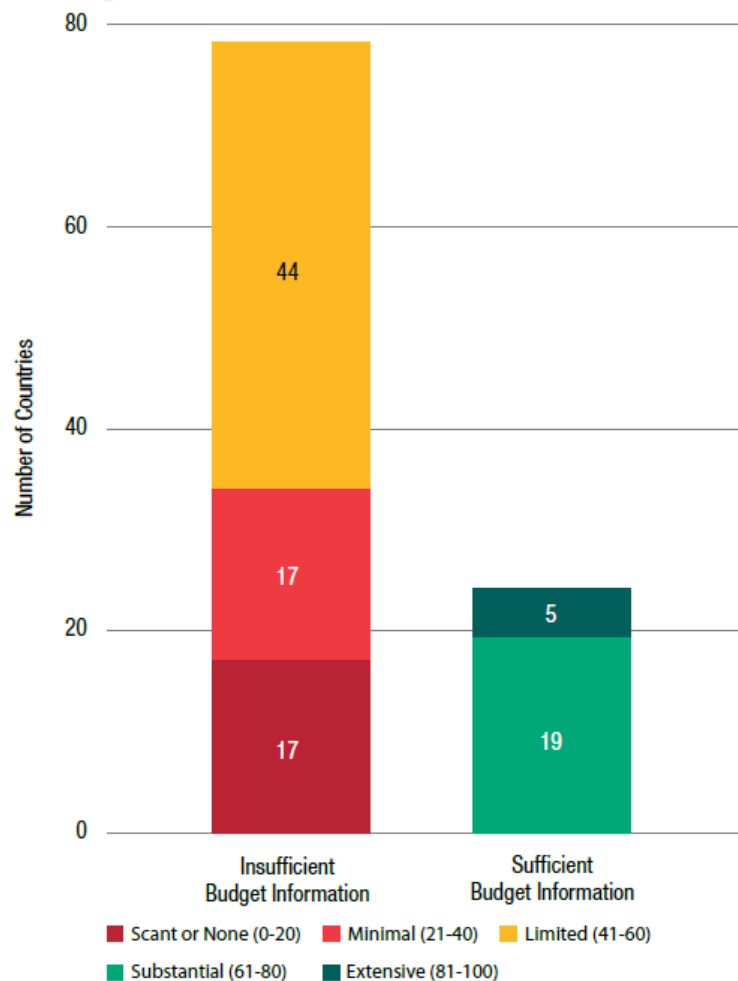
# There are serious gaps in information

- One-third of budget documents that should be publicly available are not published.
- 16 countries fail to publish an Executive Budget Proposal, a country's foundational budget document.
- Even when budget documents are published they often lack important details.



# Distribution of countries by Open Budget Index score

- The average score for all survey countries is 45 out of 100.
- 78 countries score 60 or less, meaning they provide insufficient information.
- 17 countries score 20 or less, meaning scant or no information is available to the public.





# The Open Budget Survey 2015: NAMIBIA

1. Namibia scores 46 on Open Budget Index (slightly above global average) and regarded as providing limited information on the budget.
2. Namibia has dropped by nine points from 55 in 2012. Now 52<sup>nd</sup> on global rankings (cf 34<sup>th</sup> in 2012).
3. Namibia is fourth in the Southern Africa region after South Africa, Malawi and Botswana and ninth in sub-Saharan Africa. .
4. Namibia has improved in some areas (e.g.) citizens budget but other countries have improved on more aspects at a faster pace (Malawi, Sierra Leone, Ghana, Kenya, Botswana, and Mali)



# The Open Budget Survey 2015: NAMIBIA

## The Availability of Budget Documents Over Time

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

● Not produced/published late ● Produced for internal use ● Published

# Budget transparency: NAMIBIA

- Citizens Budget regularly produced since 2012
- Commitment to produce a Pre-Budget Statement and Mid-Year Review, welcomed (already produced for internal use).
- The Enacted Budget only contains minimal budget information.
- In-Year Reports only contain minimal budget information



**Problems associated with insufficient transparency  
are compounded by inadequate public participation  
and weak formal oversight**

# Most countries don't provide adequate opportunities for public participation

- The average score for public participation is just 25 out of 100.
- 82 countries are weak in providing opportunities for the public to participate.
- Just seven countries are adequately providing opportunities for public participation.



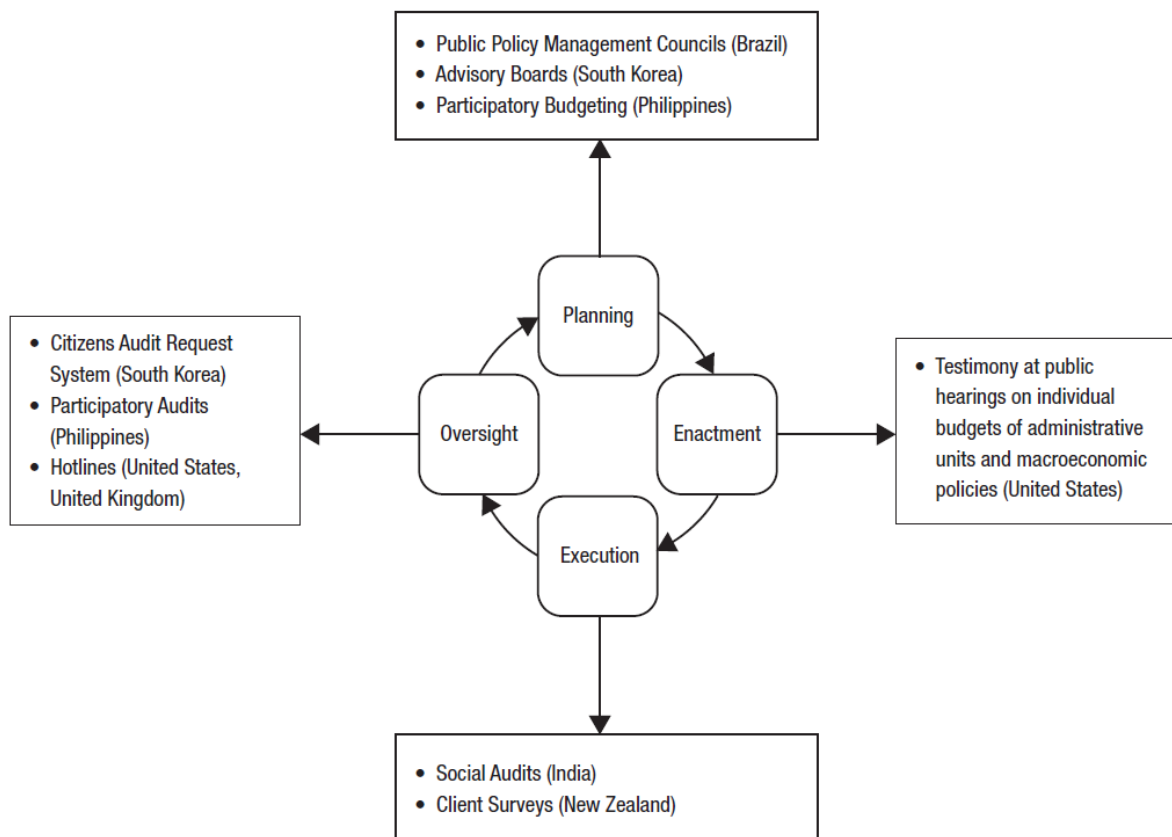
# Public participation: NAMIBIA

- 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.
- Namibia's score of 15 out of 100 indicates that the provision of opportunities for the public to engage in the budget process is weak. This is lower than the global average score of 25.





# Some countries have introduced innovative participation practices



# Oversight by Legislature: NAMIBIA

- The legislature provides **weak** oversight during the planning stage of the budget cycle and **no** oversight during the implementation stage of the budget cycle. The legislature does not have a specialised budget research office.
- The Executive's Budget Proposal is provided to legislators less than six weeks before the start of the budget year, and, in both law and practice.
- The executive does not consult the legislature prior to the virement of funds in the Enacted Budget, spending any unanticipated revenue, or spending contingency funds that were not identified in the Enacted Budget.



# Oversight by Supreme Audit Institution: NAMIBIA

- The supreme audit institution provides **adequate** budget oversight.
- Under the law, it has significant discretion to undertake audits as it sees fit. Moreover, the head of the supreme audit institution 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 has a weak quality assurance system in place.



# Improving Transparency - Recommendations

**Recommendation 1:** Publish a Pre-Budget Statement and Mid-Year Review

**Recommendation 2:** Increase the comprehensiveness of the Executive's Budget Proposal by presenting more information on issues beyond the core budget, such as extra-budgetary funds and future liabilities

**Recommendation 3:** Increase the comprehensiveness of In-Year Reports by presenting information on expenditures and revenues. Currently, only the Bank of Namibia publishes quarterly reports containing information on the debt.



# Improving Participation - Recommendations

**Recommendation 1:** Establish credible and effective mechanisms (i.e., public hearings, surveys, focus groups) for capturing a range of public perspectives on budget matters

**Recommendation 2:** Hold legislative hearings on the budgets of specific ministries, departments, and agencies at which testimony from the public is heard.

**Recommendation 3:** Establish formal mechanisms for the public to assist the supreme audit institution to formulate its audit programme and participate in audit investigations.



# Improving Oversight - Recommendations

**Recommendation 1:** Establish a specialised budget research office for the legislature.

**Recommendation 2:** In both law and practice, ensure the legislature is consulted prior to the virement of funds in the Enacted Budget, the spending of any unanticipated revenue, and the spending of contingency funds that were not identified in the Enacted Budget.

**Recommendation 3:** Ensure the Executive's Budget Proposal is provided to legislators at least three months before the start of the budget year.





## Further Information

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