Analysis of the 2017 Open Budget Index with emphasis on Zimbabwe

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Contacts:
budgetoffice@parlzim.gov.zw
+2634700181-8 ext. 2011/2012
1. Introduction

The Open Budget Initiative (OBS) is a global research and advocacy program aimed at promoting public access to budget information and the adoption of accountable budget systems. Initiated by the International Budget Partnership (IBP), OBS is an Objective, comprehensive, independent, comparative and global survey and analysis that evaluates whether governments give the public adequate access to budget information and opportunities to participate in the budget process at national level. OBS is a biannual measure of budget transparency and accountability around the world and is produced by independent budget experts with no ties to government. In 142 questions, Obs evaluates public access to key national budget information, opportunities for public participation in budget processes and the role of formal oversight institutions.

The 2017 OBS is the sixth round of the Survey, with earlier assessments occurring in 2006, 2008, 2010, 2012, and 2015. The survey was done in 115 countries to assess whether they produce and make publicly available online and in a timely manner eight key budget documents recommended by international good practices.

The Eight Key Budget Documents

Source: IBP

The Open Budget Survey uses 145 equally weighted indicators to measure budget transparency. These indicators assess whether the central government makes the 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 and cross country comparisons can be made. It also examines formal oversight institutions and opportunities for public participation in national budget decision making. Zimbabwe scored 23 out of 100 in the 2017 ranking, down from 35 out of 100 in the 2015 ranking.

It is worth noting that Government officials from the Ministry of Finance and Economic Development (MOFED), Parliament of Zimbabwe and Auditor General’s Office retreated to a workshop in Mutare from 26 February to 2 March 2018 to identify areas for improvement in the next ranking. This Open Budget Survey workshop was facilitated by NANGO, UNICEF and IBP (Represented by David Robins, an Open Budget Initiative program Officer). Parliament was represented by Mr. P. Chivore from the Parliament Budget Office and Mr. S. Manhivi the clerk for the Finance and Economic Development Portfolio Committee.

2. **Open Budget Survey methodology and rationale**

What makes the OBS unique is that it is not an opinion based survey but rather measures observable facts using 145 scored indicators. The Survey is compiled from a questionnaire completed for each country by independent budget experts who are not associated with the national government. Each country’s questionnaire is then independently reviewed by an anonymous expert who also has no association to government. In addition, IBP invites national governments to comment on the draft results from the Survey and considers these comments before finalizing the Survey results. Research to complete the Open Budget Survey for Zimbabwe was undertaken by the National Association of Non-Governmental Organisations (NANGO). The cutoff date for the survey was 31 December 2016 while the cutoff date for the 2019 survey will be 31 December 2018.

The OBS is, first and foremost, an assessment of the core institutions and practices that make representative democracy function. The OBS 2017 broadens IBP’s approach to assessing oversight by including new questions about an increasingly prominent independent fiscal institutions (IFIs) like the Budget Offices. The OBS 2017 also goes further than assessing the core institutions of representative democracy by assessing novel approaches to formal public participation in budgeting.
Because open and accountable public budgeting is at the center of democratic practice and equity, it is therefore the basis for formulating strategies to strengthen the interaction between governments and citizens. Ensuring that the budgeting process is characterized by high levels of transparency, appropriate checks and balances, and opportunities for public participation is key to stemming the decline in confidence in government and representative democracy. International investors also use these indices to gauge governance wherein good governance is characterized by fiscal transparency and accountability as well as security of investments. The index is also useful in ensuring better informed public debates in the face of the spread of profound threats to active, informed public participation, and thus motivating governments to pursue policies that improve people’s lives.

3. **Budget Transparency and Accountability**

The budget is a government’s plan for how it is going to raise and use public’s resources to meet the citizen’s needs. Transparency enables the country’s citizens to access information on:

- How much is allocated to different types of spending;
- How much revenues are collected; and
- How international donor assistance and other public resources are used.

**TIMELINESS CRITERIA FOR EACH DOCUMENT**

<table>
<thead>
<tr>
<th>BUDGET DOCUMENT</th>
<th>RELEASE DEADLINE FOR PUBLICLY AVAILABLE DOCUMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Budget Statement</td>
<td>At least <strong>1 month</strong> before the EBP is submitted to the legislature.</td>
</tr>
<tr>
<td>Executive’s Budget Proposal</td>
<td>At the <strong>same time as</strong> it is presented to the legislature. At minimum, it must released while the legislature is still considering it and before the legislature approves it.</td>
</tr>
<tr>
<td>Enacted Budget</td>
<td>No later than <strong>3 months</strong> after the budget is approved by the legislature.</td>
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</tbody>
</table>
| Citizens Budget       | a. If it is a simplified version of the EBP: at the same time as a “publicly available” EBP.  
                          b. If it is a simplified version of the Enacted Budget: at the same time as a “publicly available” Enacted Budget. |
| In-Year Reports       | No later than **3 months** after the reporting period.                                  |
| Mid-Year Review       | No later than **3 months** after the reporting period.                                  |
| Year-End Report       | No later than **1 year** after the end of the fiscal year (the reporting period).       |
| Audit Report          | No later than **18 months** after the end of the fiscal year (the reporting period).     |

*Source: IBP 2017*
Budget transparency refers to the extent and ease with which citizens can access information about and provide feedback on government revenues, allocations, and expenditures. The IBP believes that open budgets can be used as an empowerment tool. People are able to judge whether or not their government officials are good stewards of public funds. Budget transparency and oversight over how resources are allocated and spent are powerful disincentives for officials to misuse or misappropriate funds, reducing the likelihood of corruption. If budgets are open to the public and effective legislative scrutiny, there is also less room for deviation from policy decisions and reversal of budget allocations. Additionally, budget transparency allows citizens to provide feedback on the quality and adequacy of services and infrastructure provided. This feedback, combined with reduced corruption, results in more efficient use of resources. This can also help generate higher revenues for governments since citizens are more likely to pay taxes if they trust that their money will be well spent.

The most effective way of managing a national budget is through a system that is transparent, open to public engagement, and overseen by robust government institutions. High-quality and timely budget data helps government officials to plan and implement policies to improve the lives of citizens. Ensuring that budget data are in the public domain means that parliaments, supreme audit bodies and civil society can provide feedback and help translate policies into practice.

Accountable budgets rest on three pillars:

- Transparency
- Public participation
- Formal oversight.

Each of these pillars is essential to effective and accountable budgeting. The absence of (or weakness in) one pillar can undermine the entire open budget system. This can have an impact on the delivery of public services.

The three pillars should be in evidence throughout the budget cycle. The cycle typically consists of four stages:

- Formulation by the Executive
- Approval by the Legislature
- Execution by the Government
- Oversight by the Supreme Audit Institution (SAI) and the Legislature.
4. **2017 Open Budget Survey Global results**

The OBS 2017’s examination of transparency, oversight, and participation in the budget process shows that no country has adequate practices in all three areas, largely because governments are failing to create formal spaces for citizens to have a voice in budget decision making. Further, in 22 of the 115 countries assessed, all three areas of a well-functioning accountability system are weak. Of particular concern, the OBS 2017 finds that progress toward greater budget transparency globally has stalled, declining modestly for the first time since IBP began measuring it in 2006. 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.

Three quarters of the 115 countries in the 2017 survey make both the Executive’s Budget Proposal and the Enacted Budget publicly available, while fewer than half make either Pre-Budget Statements or Mid-Year Reviews available to the public. Half the countries now make Citizens Budgets available to the public. In-Year Reports, Year-End Reports, and Audit Reports are made publicly available by a majority of countries, but these are not as widely published as the Executive’s Budget Proposal.

Of the 920 documents that the 115 countries surveyed in the OBS 2017 should have published online in a timely manner, only 561 were published. Of the 359 documents (39 percent) that were not published, 156 are not produced at all by country governments. The remaining 203 documents are produced, but governments use them for internal purposes only and do not release them to the public; or limit their availability by releasing them in hard copy but not putting them online; or release them too late thus undermining their relevance. Of the 115 countries included in the 2017 survey, 98 publish at least one, but not all, of the eight key documents. These countries also produce 172 documents that they do not publish. If these governments took the simple step of posting these additional 172 documents online in a timely manner, it would increase the share of documents published out of the universe of potential documents from 61 percent to 80 percent immediately, significantly improve the availability of budget information in these countries, and considerably raise their average overall transparency scores.

The remaining 17 countries made either none of the eight documents available, or all of them. The six countries that made no budget documents publicly available at all in the 2017 assessment are: Equatorial Guinea, Lesotho, Niger, Qatar, Venezuela, and Yemen. There is
nothing regionally or culturally determined about budget transparency. The 11 countries that publish all eight key documents are spectacularly diverse and are Brazil, Bulgaria, Georgia, Indonesia, Italy, Jordan, Mexico, New Zealand, Peru, South Africa, and Sweden.

The average global OBI score for 2017 is 42 out of 100, while the median score is 45. This suggests that the global state of budget transparency remains limited, with most countries failing to publish key documents and key information. In summary, the following was observed

- 27 countries provide scant or no budget information, with OBI scores of 20 or less;
- 20 countries provide minimal budget information, with OBI scores between 21 and 40;
- 42 countries provide limited budget information, with OBI scores between 41 and 60;
- 21 countries provide substantial budget information, with OBI scores between 61 and 80;

and

- 5 countries provide extensive budget information, with OBI scores between 81 and 100.

Only 26 countries had sufficient budget transparency in the 2017 survey. What is particularly fascinating is that on average, those countries releasing sufficient budget information are more likely to be democratic, have greater media freedom, are less dependent on oil revenue, and have lower perceived corruption than those countries making less budget data available. These countries also have more adequate legislative and audit oversight and are more likely to have independent fiscal institutions. They tend to be wealthier and more highly developed than countries that make more limited budget information available.

47 countries providing minimal, scant, or no information publish about three out of the eight key budget documents. A remarkable 151 documents from this group (40 percent) are produced but not published. This means that these countries could improve their transparency dramatically with only modest additional effort. It was observed that the countries are less likely to be democratic and have low levels of media freedom and with higher perceived corruption indices.
The 2017 survey shows that in Africa, only South Africa, provides extensive budget information with a score of 89 and is solid on all three pillars. Uganda scored well for its supreme audit institution and Malawi for its legislature – yet both countries experienced gaps in the other accountability pillars. South Africa makes all eight documents publicly available. Uganda publishes all on time except the citizen’s budget which is published late while Senegal doesn’t produce the mid-year review only. However, most governments in Africa (like many others worldwide) produce many budget documents that are either published too late to be useful for civil society engagement or are kept for internal use only. The survey established that countries could significantly improve budget transparency and their OBS rating at little or no cost, through timely publication of existing documents.
Fig 2: OBS indices for African countries

Source: 2017 Open Budget Survey
The survey also revealed that even when budget documents are published, they often lack sufficient detail. The Executive Budget Proposal, for example, a core document prepared by all the African governments surveyed, on average included less than half of the expected information. Some governments do not even publish this basic document. Publication of more detailed and comprehensive budget documents may be an issue of political will or a matter of government capacity which could be addressed by development or civil society partners.

Governments that have made progress have often done so by identifying the budget documents and information they are already producing for internal use and making these available to the public. In these countries, political will, in conjunction with other factors, such as donor support, international standards and civil society pressure, has yielded significant and rapid improvements in budget transparency.

6. **Budget transparency in Zimbabwe**

In terms of transparency (Open Budget Survey) Zimbabwe was ranked 23 out of 100 in 2017, down from 35 out of 100 in 2015 meaning that the Government of Zimbabwe provides the public with **minimal budget information**. Zimbabwe’s score of 23 out of 100 is lower than the global average score of 42. The ranking for public participation was 9 out of 100, down from 15 out of 100 in 2017. The Government is **weak** in providing the public with opportunities to engage in the budget process. The budget oversight by the legislature (Parliament of Zimbabwe) and Supreme Audit Institution is **limited** and ranked 44 out of 100, an improvement from 21 out of 100 in 2015.

**Figure 3: How the OBI score for Zimbabwe changed over time**
**Fig 4:** How budget transparency in Zimbabwe compare to other regional countries

**Fig 5:** Comprehensiveness and usefulness of information provided in the key budget documents produced in Zimbabwe
Zimbabwe has decreased the availability of budget information by:

- Failing to publish the In-Year Reports online in a timely manner.
- Reducing the information provided in the Executive’s Budget Proposal.

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

- Not producing a Citizens Budget or a Year-End Report (though the budget summary presented along with the budget statement is regarded as the citizens budget).
- Publishing a Pre-Budget Statement that only contains minimal budget information.

The legislature and supreme audit institution in Zimbabwe provide **limited** oversight of the budget. In the Formulation/Approval stage Zimbabwe got a score of 33/100 while in the Execution/Audit the score was 53/100 thus giving an average score of 44 out of 100. This score reflects that the legislature provides weak oversight during the planning stage of the budget cycle and limited oversight during the implementation stage of the budget cycle. The legislature provides **limited** oversight during the budget cycle. On the other hand, the Auditor General provides **limited** budget oversight with a score of 50 out of 100.
The main barriers to effective legislative oversight were identified as the failure by Legislative committees to publish reports on their analyses of the Executive’s Budget Proposal and in-year budget implementation online.

Transparency alone is insufficient for improving governance. Public participation in budgeting is vital to realize the positive outcomes associated with greater budget transparency. In this regard, Zimbabwe got a score of 9 out of 100 indicating 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 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.

**Fig 7: Zimbabwe’s public participation score compared to the region**

<table>
<thead>
<tr>
<th>Country</th>
<th>Score</th>
</tr>
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<tbody>
<tr>
<td>Global Average</td>
<td>12/100</td>
</tr>
<tr>
<td>South Africa</td>
<td>24/100</td>
</tr>
<tr>
<td>Zambia</td>
<td>15/100</td>
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<tr>
<td>Botswana</td>
<td>15/100</td>
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<tr>
<td>Malawi</td>
<td>15/100</td>
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<tr>
<td>Zimbabwe</td>
<td>9/100</td>
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<tr>
<td>Angola</td>
<td>7/100</td>
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<tr>
<td>Mozambique</td>
<td>7/100</td>
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<tr>
<td>Lesotho</td>
<td>0/100</td>
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<tr>
<td>Namibia</td>
<td>0/100</td>
</tr>
<tr>
<td>Swaziland</td>
<td>0/100</td>
</tr>
</tbody>
</table>

Source: 2017 Open Budget Survey

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

- **Executive:** 0
- **Legislature:** 42
- **Supreme Audit Institution:** 0

Source: 2017 Open Budget Survey
7. Recommendations

7.1 To improve budget transparency, the 2017 OBS survey recommends the following:

i. Continue publishing online and in a timely manner an Enacted Budget and In-Year Reports.

ii. Produce and publish online in a timely manner a Year-End Report and a Citizens Budget.

iii. Ensure that the Executive’s Budget Proposal that is posted online matches the printed version.

iv. Increase the information on expenditure and revenue provided in the Executive's Budget Proposal by including expenditure by functional classification and individual sources of tax and non-tax revenue.

7.2 With regards to improving public participation in its budget process, the IBP recommends the following actions:

i. Pilot mechanisms led by the Ministry of Finance and Economic Development 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.

ii. Hold legislative hearings on the Audit Report, during which members of the public or civil society organizations can testify.

7.3 IBP also urged Zimbabwe to prioritize the following actions to make budget oversight more effective:

i. Ensure legislative committees publish reports on their analysis of the Executive’s Budget Proposal online.

ii. Ensure a legislative committee publishes reports on in-year budget implementation online.

iii. Ensure audit processes are reviewed by an independent agency.

iv. Publish the reports of the independent fiscal institution on macroeconomic and fiscal forecasts and on cost estimates of new policy proposals online.
7.4 **Recommendations for improving budget transparency in Zimbabwe**

- The Government of Zimbabwe should make sure that public financial management systems generate and utilize relevant knowledge and data throughout the budget process. Where possible, government actions to implement classification and monitoring systems, such as programme or performance-based budgeting, can enable the tracking of spending and results.

- The Government should urgently increase the number and timeliness of budget documents published. The currently limited budget information should be improved by enhancing the level and variety of detail. All data utilized by the Government to make decisions should be made public. Moreover, civil society organizations and accountability actors, including legislators and auditors should cooperate to strategically advocate for greater transparency and to support Government efforts.

- Good transparency practices should be institutionalized – for example, by embedding transparency practices in laws, rules and procedures. Civil society and oversight institutions (Auditor General’s Office and Parliament of Zimbabwe) should remain vigilant in efforts to ensure the Government does not waver in its commitment to transparent and accountable budget systems.

- Civil society has a responsibility to analyze available budget data and seize on any opportunity for dialogue, as a basis for sustained advocacy for increasingly open budgets. It is highly recommended that the capacity of CSOs should be strengthened where possible.

- All stakeholders in Zimbabwe should encourage the establishment of formal mechanisms for the public to participate in budget processes, and create ways to integrate these inputs into budget decisions. While any mechanism will need to be adapted to the country context, the innovative approaches documented by the Global Initiative for Fiscal Transparency (www.fiscaltransparency.net) provide governments with concrete examples of how budget participation can work.
Securing the independence of and sufficient funding for the supreme audit institution (Auditor General’s Office) should be a top priority. In addition, supreme audit institutions should be given support to define procedures to monitor auditing processes and evaluate individual audits, with the goal of increasing the quality and reliability of the reports produced.

The key oversight institutions, Parliament of Zimbabwe and Auditor General’s Office, should increase the number of published reports on their websites for wider and enhanced public consumption.

8. Conclusion

The rankings for Zimbabwe in the 2012, 2015 and 2017 Open Budget Index are unimpressive and can determine the level of funding from non-governmental organization and world bodies such as the International Monetary Fund (IMF) and the World Bank (WB). Moreover, such openness indices are used by international investors to gauge the level of fiscal transparency in a country. The establishment of the Budget Office in Parliament as well as other recent initiatives such as sector specific pre-budget consultations by Parliament, should go some way towards improving the country’s ranking. Zimbabwe can improve its score by more than 40 points by merely publishing online the reports that different institutions are generating for internal use. It is hoped that the recommendations in this analysis will be adopted by the Parliament of Zimbabwe, the Auditor General’s Office, Ministry of Finance and Economic Development and other stakeholders for the benefit of our beloved nation. We all need to work towards the success of our nation through enhanced transparency and accountability.
Annexure 1: A global picture of Transparency in 2017

Source: International Budget Partnership (IBP)