

The Open Gov Guide

2024

Open
Government
Partnership





Fiscal Openness

The Public Service Accountability Monitor (PSAM), a civil society organization, has led efforts to open South Africa's budget by increasing its accessibility and understandability.

Open Budgets

Every year, governments collect and spend billions of taxpayer funds to pay for public services like education and healthcare. The public has a right to know how that money is allocated and how it is spent. Making budgets open to public input and scrutiny can help ensure that government planning and spending align with public priorities. In particular, people should be able to see that money is spent equitably, addressing the needs of women, people with disabilities, youth, and low-income groups, among others. OGP members have made their budgets increasingly transparent, yet more work remains for governments to proactively increase civic participation and oversight.

Open Gov Challenge

Fiscal Openness

With OGP's [2023-2028 Strategy](#), OGP members are set to work toward a number of aspirational thematic reforms through the [Open Gov Challenge](#). This section of the Open Gov Guide addresses Fiscal Openness.

Challenge prompt: Advance public oversight and inclusion reforms across the budget and spending cycle.

Actions and reforms covering budgeting, revenue, spending and auditing could include:

- Promoting participatory mechanisms, targeting underrepresented groups, to inform spending priorities.
- Combining online and offline tools to promote participation across the budget and spending cycle.

Key Terms

- **Budget cycle:** The [budget cycle](#) covers the formation, approval, execution (including procurement), and audit stages of budgeting.
- **Budget openness:** This [refers](#) to government actions that ensure transparency and public engagement at any stage of the budget cycle. This includes transparency and participation in spending and revenues, as well as the management of deficits and debt.
- **Gender-responsive budgeting:** Gender-responsive budgeting is a process to ensure equity in budgets that involves gender budget analysis, budget reallocation, and stakeholder engagement. This budgeting process promotes public accountability and transparency in public finance planning and management, and increases representation in participatory budget processes.
- **Participatory budgeting:** [Participatory budgeting](#) is a deliberative process in which community members decide how to spend part of a public budget.

The Evidence

[Open budgets](#) can improve governance and development outcomes, increase revenue, and lower borrowing rates through increased creditworthiness.

- Transparency and participation in the budget process are [consistently associated](#) with improvements in the quality of the budget, such as a lower deficit, more targeted budget priorities, and increased operational efficiency. These values can also lead to better governance and development outcomes for [different groups](#), such as reduced corruption and lower infant mortality rates.
- Open budgets have been shown to build [tax morale](#) and increase revenue. This is especially true when governments implement participatory budgeting, as a study from [Brazil](#) shows. There, municipalities raised an additional 16 percent when they adopted participatory budgeting.
- Budget transparency creates a [virtuous cycle](#) in public debt management—greater transparency can lead to [lower borrowing costs](#), which in turn can lead to a lower level of debt and an increase in investment. [Other studies](#) similarly point to the connection between creditworthiness and budget transparency.
- Participatory budgeting has been [shown](#) to improve public trust in government, increase civic participation and political know-how, increase tax revenue, and lead to better development outcomes through the redirection of spending to marginalized communities.

Reform Guidance

Recommended Reforms

The recommendations below represent reforms that national and local governments, representatives of civil society organizations, and others can consider for their action plans and the [Open Gov Challenge](#). The reforms are categorized according to OGP’s principal values: transparency, civic participation, and public accountability. Reforms should be adapted to fit the domestic context, and involve and coordinate with other levels and branches of government.

Reforms across policy areas are also tagged by the estimated degree of difficulty in implementation. Though progress is often not linear, the recommendations have been categorized using these labels to give the reader a sense of how different reforms can work together to raise the ambition of open government approaches.

- **Foundational:** This tag is used for reforms that are the essential building blocks of a policy area. “Foundational” does not mean low ambition or low impact. These recommendations often establish basic legal and institutional structures.
- **Intermediate:** This tag is used for reforms that are more complex and often involve more coordination and outreach, such as with the public, between branches, agencies, and levels of government, or between countries.
- **Advanced:** This tag is used for reforms that close important loopholes to make existing work more effective and impactful. They are often about linking multiple databases or ensuring that oversight authorities can receive complaints from members of the public.

FOUNDATIONS

- Make more of the proposed budget transparent:** Make more of the proposed budget transparent to include the following (in order of difficulty):
 - Estimated expenditures, revenue, and debt for the upcoming year
 - Historical data on recent years and projections for the future
 - Macroeconomic estimates, non-financial data on performance, and explanations on the link between proposed policies and budget estimates
 - Extra-budgetary funds, future liabilities, and tax expenditures

- Increase the level of detail in budget reporting:** Increase the level of detail in budget reporting for mid-year and year-end reports. Mid-year reports should contain updated estimates on expenditures, revenue, and macroeconomic indicators. Year-end reports should contain information on debt, macroeconomic estimates, and non-financial performance.

- Assign a permanent team to create budget documents:** Assign roles and responsibilities to permanent staff to manage the process to create, publish, and promote public use of budget documents each year, ensuring that the recommended elements above are included.

TRANSPARENCY

Publish key budget documents: Ensure that the [eight key documents](#) are [published](#) in an ongoing, timely manner each year for each part of the budget cycle. Consistent presentation aligned with international standards across the planning, approval, and implementation documents allows data generators and users to track spending and revenue collection. These documents are as follows, adapted from guidance from the International Budget Partnership (IBP).

Pre-Budget Statement

- Assumptions and understanding of future macroeconomic conditions at the domestic and international level (such as real output growth, composition of GDP growth, employment, prices, the current account, and interest rates)
- Long-term economic and fiscal policy objectives for at least two fiscal years
- Broad policy strategy for different sectors based on budget allocations and how such allocations might be influenced by new policy initiatives, such as in [South Africa](#)
- Broad estimates for tax and revenue, including potential developments in the economy that could affect revenue collection
- Estimates for the cost of important, new policy initiatives

Executive's Budget Proposal and Supporting Documents

- Estimates of expenditures, revenue, and debt for the upcoming year, aligned to international standards and in an open data format
- Specific data for revenue: debt contracted, other financial instruments, donor assistance (and whether each funding source is international, national, or private), and implications on the deficit

Citizens Budget

- Written in everyday language, with a focus on clear data visualizations to make the content easier to digest for the general public
- Standalone document to explain the objectives and content of the budget
 - Such an explanation could also include a discussion of the social and gendered impacts of different budget allocations, as examples from [Albania](#) and [North Macedonia](#) show.

Enacted Budget

- Final, approved estimates for expenditures, revenue, and debt (balance and gross), aligned with international standards and in an open data format, including a presentation of significant differences between the Proposed Budget and the Enacted Budget
- Description of how the Enacted Budget impacts other areas of government performance, such as the government's financial assets and liabilities, non-financial assets, and employee pensions
- Relevant non-financial data, such as performance targets for expenditure programs

Transparency

Executive

Legislature

Foundational

In-Year Reports

- Periodic (often monthly) reports on top-level trends in revenue collection and spending for the principal components of the budget (by month and year-to-date calculations)
- Should also contain information on the government's borrowing activity

Mid-Year Review

- Comprehensive assessment of fiscal performance six months after the beginning of the budget year, including updates on how the macroeconomic context may have changed since the budget year began and whether the fiscal policy needs to be updated
- Detailed information on expenditure and revenue, including an explanation for significant differences between original estimates and the mid-year data
- Discussion of the impact of policy decisions on the budget

Year-End Report

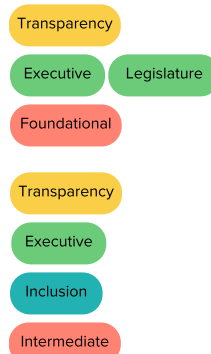
- Aggregate spending and revenues, the overall budget balance, and its financing at the end of the budget year to compare actual spending against original estimates
- Information on the level of public debt (a balance sheet of assets and liabilities)
- Information on budget outcomes, classified by sector and ministry
- Updated analysis of the macroeconomic context to draw lessons on how well fiscal policies addressed challenges and unexpected developments

Audit Report

- Independent audit to assess the accuracy of the government's reported revenue and expenditure, as well as the level of compliance with financial management laws and regulations (scope depends on the legal mandate of the auditing institution)
- May also comment on the efficiency and efficacy of government spending

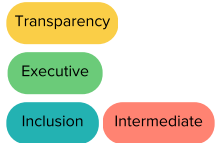
- Publish data on budget performance and oversight:** Publish data on budget performance (such as comparing budget projections to actual revenue and tax expenditures) and the functioning of the budget oversight mechanism(s) in line with international standards.

- Provide explanations of budget items:** Ensure the readability of budget documents beyond the Citizens Budget, such as providing narrative explanations for the public to better understand the content and context of such documents. For details, IBP [published](#) a framework for providing and assessing explanations.



OPEN BUDGETS

- Provide disaggregated data in budget documents:** Where relevant, provide disaggregated data in all documents to show the impact of the budget on different demographic groups. For example, including alternative displays of expenditure by different categories (such as gender or age) can illustrate discrepancies in funding.
- Make planning data interoperable with spending data:** Link relevant planning and spending data (including public procurement transactions) to ensure the identification of gaps in spending, including spending through extrabudgetary funds. The Global Initiative for Fiscal Transparency (GIFT) [Open Fiscal Data Package](#) provides guidance on publishing this data.



What does “timely publication” mean?

IBP requires the timely publication of each key budget document to meet its open budget criteria. IBP’s deadlines are as follows:

- **Pre-Budget Statement:** At least one month before the Executive’s Budget Proposal is submitted to the legislature for consideration
- **Executive’s Budget Proposal and Supporting Documents:** While the legislature is still considering the budget proposal and before it is enacted
- **Citizens Budget:** Within the same time frame as the Pre-Budget Statement and Executive’s Budget Proposal
- **Enacted Budget:** No later than three months after the budget is approved by the legislature
- **In-Year Reports:** No later than three months after the reporting period ends
- **Mid-Year Review:** No later than three months after the reporting period ends, typically at the midpoint of the fiscal year
- **Year-End Report:** No later than 12 months after the end of the fiscal year
- **Audit Report:** No later than 18 months after the end of the fiscal year

CIVIC PARTICIPATION

- Support public participation in the budget cycle:** Increase public participation, including of vulnerable and marginalized groups, throughout the budget cycle, which covers planning, execution, and oversight. This means enabling engagement between the public and the executive (such as national and subnational governments, line/sector ministries, and departments and agencies), the legislature, and (sub)national audit offices. For example, the [Citizen Participatory Audit](#) process in the [Philippines](#) evaluates the effectiveness of government spending on public services across different thematic areas and feeds the results into future policy-making.
 - Provide training for the public (particularly vulnerable or underrepresented groups) and groups such as civil society organizations (CSOs) and journalists to cultivate the technical expertise necessary for effective participation.
 - Engage a broadly representative section of the public on key topics in a timely, open, and accessible manner.
 - In budget formulation, relevant topics for consultation include macroeconomic issues, revenue forecasts, policies and administration, social spending policies, deficit and debt levels, public investment projects, and public services.
 - In budget implementation, relevant topics for consultation include changes in macroeconomic circumstances, public services delivery, revenue collection, implementation of social spending, changes in deficit and debt levels, and implementation of public investment projects.
 - Provide comprehensive information on the consultation process before engagement begins, so that the public can participate in an informed manner. Comprehensive information must include at least three of the following elements: purpose, scope, constraints, intended outcomes, and the process and timeline.
- Provide feedback to the public:** Provide the public with clear, timely feedback on how public inputs have been used for each stage of the budget process.
- Conduct and publish gender-responsive budget reviews:** Conduct and publish [gender-responsive](#) budget reviews in consultation with expert groups, such as civil society representatives (for example, organizations focused on women’s empowerment and gender equality). Gender-responsive budget reviews ensure that the allocation of public resources promotes gender-equitable spending and represents the interests of all members of the public.

Civic Participation

Executive

Foundational

Transparency

Civic Participation

Executive

Intermediate

Civic Participation

Executive

Inclusion

Intermediate

PUBLIC ACCOUNTABILITY

- Create or strengthen oversight mechanisms:** Create or strengthen independent audit and legislative oversight mechanisms to ensure government funds are spent effectively and equitably.
 - Publish audit reports in an easy-to-find location (such as a central portal) and a structured format. Consider conducting a campaign to amplify the reach of the reports with users of such data (such as CSOs and journalists) and the general public. For example, the Court of Auditors in [France](#) has hosted hackathons with civil society and tech organizations by making public various datasets on budgets and spending by government agencies.
 - Make any responses to the audits publicly available, particularly by CSOs, journalists, and other infomediaries who analyze the data for advocacy purposes.

- Create feedback mechanisms:** Create feedback mechanisms for the public to provide input on the efficiency and effectiveness of government spending. This is especially important to oversee spending of emergency and other quickly dispersed funds.
 - Enable members of the public to submit suggestions during audit planning (such as ideas on what public projects should be audited) and the actual audit (such as submitting reports on misconduct or fraud). CSOs and journalists, in particular, should play a role in conducting spot-checks to ensure that funding and services reach intended beneficiaries, particularly those from marginalized groups.
 - For example, [Colombia](#) conducts “articulated audits,” where a CSO or citizen oversight body centralizes public inputs for review by the Office of the Comptroller Delegate for Citizen Participation. In another example, [Georgia](#) created a [budget monitoring portal](#) that includes the ability to submit suggestions or complaints through an OGP action plan.
 - Create a whistleblower hotline for anonymous submission of complaints. (For more information on corporate whistleblower protections, see [Keeping Good Company: How Financial Regulation is Helping Reduce Corruption in Market Economies](#), part of a [series](#) on the private sector and open government.)
 - Provide training for the public on how to participate in the audit process, with dedicated outreach to communities who may be less likely to participate, such as women or youth.
 - In [Costa Rica](#), the audit institution runs an online training course for the public on participating in audits and hosts capacity-building training before running local problem-solving initiatives between local governments and communities.

Transparency

Public Accountability

Legislature

Foundational

Civic Participation

Public Accountability

Legislature

Inclusion

Foundational

Examples of Reforms from OGP and Beyond

The following examples are commitments previously made within or beyond OGP that demonstrate elements of the recommendations made above. Budget transparency is part of OGP's eligibility requirements, and fiscal openness as a whole is the most popular policy area among members. Beyond increasing the transparency of budgets and other fiscal information, OGP members are also publishing data on the use of emergency funds (such as for COVID-19) and information on the state of public debt.

- **Côte d'Ivoire Online Citizens Budget:** [Uploads](#) an annual [Citizens Budget](#) online starting in 2019 to explain the budget process to the public. Newer versions of the budget also set desired results for expenditures rather than only focusing on expenses incurred. Also [committed](#) to institutionalizing participatory budgeting practices at the local level.
- **Finland Spending Transparency on the Public Procurement Portal:** [Expanded](#) its public procurement portal to include spending in near-real time, which can be [sorted](#) by government agency (known as “administrative branches”).
- **Lithuania Municipal Finance Data Portal:** [Created](#) a data [portal](#) for all municipalities in the country related to state and local revenue and expenses, debts, and unemployment, as well as national budget details. The portal also includes public and private recipients of public funding and the [use of tax revenue](#).
- **Malawi Parliamentary Oversight of New Loans:** [Committed](#) to mandating the referral of loan bills to the Parliament's Budget and Finance Committee, which then presents its findings to the National Assembly to ensure parliamentarians can track new loans.
- **Mongolia Law to Publish Government Budgets:** [Adopted](#) a law to make government budgetary information publicly available, which led to the launch of the [Glass Accounts portal](#) in 2015. [Continued work](#) on this topic also led to the expansion of the number of agencies that must upload information on their budgets, finances, and public procurement.
- **Montenegro Debt Transparency Commitment:** [Committed](#) to making data on local governments' revenues, expenditures, and tax debts more transparent, particularly in an open data format.
- **North Macedonia Open Finance Data Portal:** [Launched](#) a [database](#) on budget expenditures in 2019 for institutions administered under the Treasury, which media organizations have already begun to access for investigative reporting.
- **Papua New Guinea Commitment to Increase Budget Transparency:** Committed to increasing budget transparency through several commitments in the 2022–2024 action plan: [passing](#) a law on budget transparency, [publishing](#) fiscal data (including [subnationally](#)), and [publishing](#) annual audit reports.

OPEN BUDGETS

- **Quintana Roo, Mexico Budget Transparency Platform:** [Co-created](#) a budget transparency [platform](#) that provides information on the budget cycle in open data format, with cross-cutting annexes on gender and anti-corruption. [Committed](#) to making the platform more user-friendly.
- **Scotland, United Kingdom Review Process for Spending Plans:** [Implemented](#) several reforms related to budget transparency, particularly creating a [Spending Review Framework](#) that sets criteria for future spending plans through dialogues between actors such as parliamentary committees, government officials, and public bodies.
- **Uruguay Public Feedback on Budget Transparency:** [Conducted](#) several consultations with users of the [budget transparency portal](#) and incorporated feedback, such as adding new content, revising existing content to be more readable, improving the search function, and ensuring that data is published according to the Open Fiscal Data Package.

BEYOND OGP ACTION PLANS

- **Brazil Transparency Portal for COVID-19 Emergency Spending:** Created a page on its [Transparency Portal](#) (Portal da Transparência, Controladoria-Geral da União) to track planned and actual federal spending on coronavirus relief efforts with open data.
- **Estonia Budget Transparency Data Portal:** [Created](#) a budget data portal that includes monthly [reports](#) on the spending and accounting information of municipalities, and both state and municipal-owned agencies and companies.
- **Ghana Auditing App for Public Engagement and Transparency:** [Launched](#) a mobile app (CITIZENSEYE) through the Ghana Audit Service to track the use of public funds and engage the public on audit plans and programs. Since its launch, a Kenyan delegation from its Office of the Auditor-General visited the country to learn about the app.
- **Indonesia Commitment to Fully Distribute Fuel Subsidies to Fisherfolk:** [Committed](#) to simplifying the process for fisherfolk to register for fuel subsidies, following analysis from women leaders to diagnose the obstacles to receiving these funds, in partnership with the IBP and the national fishing union.

The Role of Local Governments

The first 20 local governments to join OGP showed that fiscal openness commitments at the local level can be particularly effective. Over 30 percent of their fiscal openness commitments led to strong early results, and 80 percent of their participatory budgeting commitments were ambitious. According to OGP's Independent Reporting Mechanism, "[ambitious](#)" in this context means that a commitment, if fully implemented, has the potential to yield meaningful results by changing the practices, policies, or institutions related to a given policy area.

Participatory budgeting (PB) can be particularly effective at the local level. In fact, the city of [Porto Alegre](#) (Brazil) implemented the first PB initiative as an anti-poverty measure, where it helped reduce infant mortality by 20 percent. Over 7,000 cities worldwide now use this tool to determine how budgets will be allocated for areas such as housing and education. Findings from People Powered [show](#) that participatory budgeting can improve public trust in government, increase civic participation and political know-how, increase tax revenue, and lead to better development outcomes through the redirection of spending to marginalized communities.

Active OGP Partners

The following organizations have recently worked on this issue in the context of OGP at the national or international level. They may have additional insights on the topic. Please note that this list is not exhaustive. If you are interested in national-level initiatives, please contact research@opengovpartnership.org.

- [Collaborative Africa Budget Reform Initiative](#)
- [Global Initiative for Fiscal Transparency \(GIFT\)](#), an action network currently hosted by the [International Budget Partnership \(IBP\)](#)
- [Global Movement for Budget Transparency, Accountability, and Participation \(BTAP\)](#)
- [International Monetary Fund \(IMF\)](#)
- [Organisation for Economic Co-operation and Development \(OECD\)](#)
- [Oxfam International](#)
- [Participatory Budgeting Project](#)
- [People Powered](#)
- [Programme d'Appui aux Gouvernements Ouverts Francophones \(PAGOF\)](#)
- [Public Expenditure and Financial Accountability Program](#)

Benchmarking Data

The [OGP 2023-2028 Strategy](#) sets out the [Open Gov Challenge](#) and aims to provide clear benchmarks for performance through reliable data.

While benchmarks for individual countries and *Open Gov Guide* recommendations are not yet integrated, for this chapter, interested individuals may rely on the following data sets:

- **IBP** conducts the [Open Budget Survey](#), which evaluates the degree of transparency, public participation, and oversight of budgets in over 120 countries. As part of the survey, users can find country rankings and reports, as well as a data explorer that includes a calculator with the survey indicators and historical data.
- The **World Bank** hosts the [BOOST Open Budget Portal](#), a one-stop shop to connect users to participating countries' itemized fiscal data in an open data format.
- OGP commitments on this topic can be found on the [Data Dashboard](#).

Guidance and Standards

While the list below is not exhaustive, it aims to provide a range of recommendations, standards, and analysis to guide reform in this policy area.

- Beyond its annual [Open Budget Survey](#), **IBP** provides [guidance](#) on how to achieve greater transparency in the executive budget. The organization also provides comprehensive [recommendations](#) for what to include in the eight key budget documents necessary for budget transparency. Other guidance includes how to create a [Citizens Budget](#), how to strengthen [audit accountability and impact](#), and how to implement [gender-responsive budgeting](#).
- **GIFT**, which is currently hosted by IBP, published [High-Level Principles on Fiscal Transparency, Participation, and Accountability](#) in 2012, which were endorsed by the United Nations General Assembly that same year. GIFT has also published several useful guides related to open budgets, such as [principles](#) for public participation and a [guide](#) to advancing fiscal transparency. The organization also created an [open fiscal data package](#) to provide technical guidance both for governments that want to publish budgeting and spending data and for users of such data, such as journalists and researchers.
- Through its Fiscal Transparency Code, the **IMF** created a set of [principles](#) on reporting, forecasting and planning, risk analysis and management, and revenue management. The IMF also offers several guidelines on specific topics within fiscal transparency, such as the Public Investment Management Assessment [handbook](#) (including a new [tool](#) to evaluate public investments through a climate lens), [resources](#) to manage risk in public-private partnerships, and the [Tax Administration Diagnostic Assessment Tool](#) to evaluate tax administration functions, processes, and institutions.

OPEN BUDGETS

- The **International Federation of Accountants** (IFAC), in collaboration with the Chartered Institute of Public Finance and Accountancy, developed an international [framework](#) to improve good governance in the public sector, with an emphasis on standards for strong financial management policies and practices. IFAC also supports the [International Public Sector Accounting Standards Board](#), which aims to improve public sector financial reporting through its [International Public Sector Accounting Standards](#).
- The **OECD Budget Transparency Toolkit** sets standards and provides guidance related to budget transparency in collaboration with members of the GIFT network—the IMF, World Bank, IBP, IFAC, and Public Expenditure and Financial Accountability (PEFA). The OECD has also published [guidance](#) on the best practices for gender-responsive budgeting.
- **PEFA** offers a diagnostic [framework](#) for governments to evaluate their public financial management (PFM) performance, as well as resources on specific PFM topics, such as a [book](#) on the relationship between PFM and good governance and a [toolkit](#) on the role of PFM in disaster response. PEFA also produces a [global report](#) on PFM and a [stocktaking analysis](#) of trends in how countries use the organization’s diagnostic tools.
- The **International Organization of Supreme Audit Institutions** (INTOSAI) created a set of [principles](#) for transparency and accountability to guide the governance and practices of audit institutions.
- The **Accountability Research Center** [assessed](#) citizen participation in the auditing process throughout Latin America, with a focus on progress at the subnational level, practices by Supreme Audit Institutions (SAIs) in the region, and how civil society uses data from SAIs. This report draws on discussions from the International Seminar on Citizen Participation and External Auditing, held in September 2020.
- **People Powered** published [The Participation Playbook](#), an interactive tool to help advocates, policy makers, and program managers in government offices or CSOs plan and implement participatory tools, including participatory budgeting. People Powered has also published a [review](#) of the effectiveness of participatory budgeting laws at the national level.
- The **Extractive Industries Transparency Initiative** (EITI) Standard includes [requirements](#) for participating countries to disclose fiscal data related to the extractive sector, such as projected revenues expected from the sector and public subsidies given to the sector.
- The **G20 Anti-Corruption Open Data Principles** provides a standard for open data that applies to policy areas such as budget and fiscal transparency, public procurement, and political finance.