

Governance and national Budgeting

Trinidad and Tobago in international
Comparative Context

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Content of Presentation

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About the Open Budget Initiative

- A global research and advocacy program to promote public access to budget information and the adoption of accountable budget systems.
- The International Budget Partnership (IBP) was formed within the Center on Budget and Policy Priorities (USA) to collaborate with civil society organizations in developing countries to analyse, monitor, and influence government budget processes, institutions and outcomes

Objectives of the Open Budget Initiative

- To measure the overall commitment of countries surveyed to transparency and to allow for comparisons among countries via an Open Budget Index created by the IBP.
- The OBI assigns a score to each country based on the information it makes available to the public throughout the budget process.

Methodology

- The Initiative utilizes a Survey Questionnaire despatched to researchers from academic Institutions or civil society organizations (i.e. independent of government and political parties) and later reviewed by unknown peer reviewers.
- The questionnaire consists of 123 questions.
- The survey focuses on two major concerns: Budget Transparency and Budget Oversight institutions.

Methodology

- Most of the questions (91) focus on content and timeliness of key budget documents that all countries should issue according to good international practices (e.g. IMF Govt. Finance Stats Manual).
- The averages calculated from the responses to these 91 questions form the Open Budget Index- a comparative international measure of budget transparency.
- The remaining 32 Survey questions assess the strength of key oversight institutions as well as opportunities for public engagement in the budget process.

Summary of Governance Issues addressed in the Survey

5 Main Issues are covered in survey in terms of communication with and involvement of the population in:

- 1. The preparation of the National Budget;
- 2. The information provided when the Budget is presented;
- 3. In year reporting on budget performance;
- 4. End of year reporting on budget outturn;
- 5. External Auditing.

Governance Issue 1: The preparation of the National Budget

- The survey assesses the availability of Budget Documents including public sources and distribution of:
- Pre-Budget Statement;
- , Budget Summary;
- , Supporting Budget Documents;
- , Citizens' Budget.

Governance Issue 2: the availability of Information when the Budget is presented

- Questions are based on documents that are made available to the public **BEFORE** the budget is passed.

e.g.- Does the executive's budget or any supporting budget documentation present expenditures for individual programmes for the budget year?

-e.g. What percentage of expenditure in the budget year is dedicated to spending on secret items relating to, for instance, national security and military intelligence?

Governance Issue 3: In-Year Reporting

- e.g- How often does the executive release to the public in-year reports (monthly, quarterly) on actual expenditure: organized by administrative unit, economic classification and/or function)?

Governance Issue 4: End of year reporting

- E.g- Does the year end report explain the difference between the original macroeconomic forecast for the fiscal year and the actual outturn for that year?

e.g. Does the year-end report present the actual outcome for extra-budgetary funds?

Governance Issue 5: External Auditing

- E.g- How long after the end of the fiscal year is the final annual expenditure of national departments audited and (except for secret programs) released to the public?
 - Who appoints and determines the budget of the Supreme Audit Institution (Auditor-General in T&T)?

OBI 2007-2008 Results

- **80 Percent of Governments Don't Account for Spending**
- Nearly 50 percent of 85 countries whose access to budget information was carefully evaluated by IBP provide such minimal information that they are able to hide unpopular, wasteful, and corrupt spending;

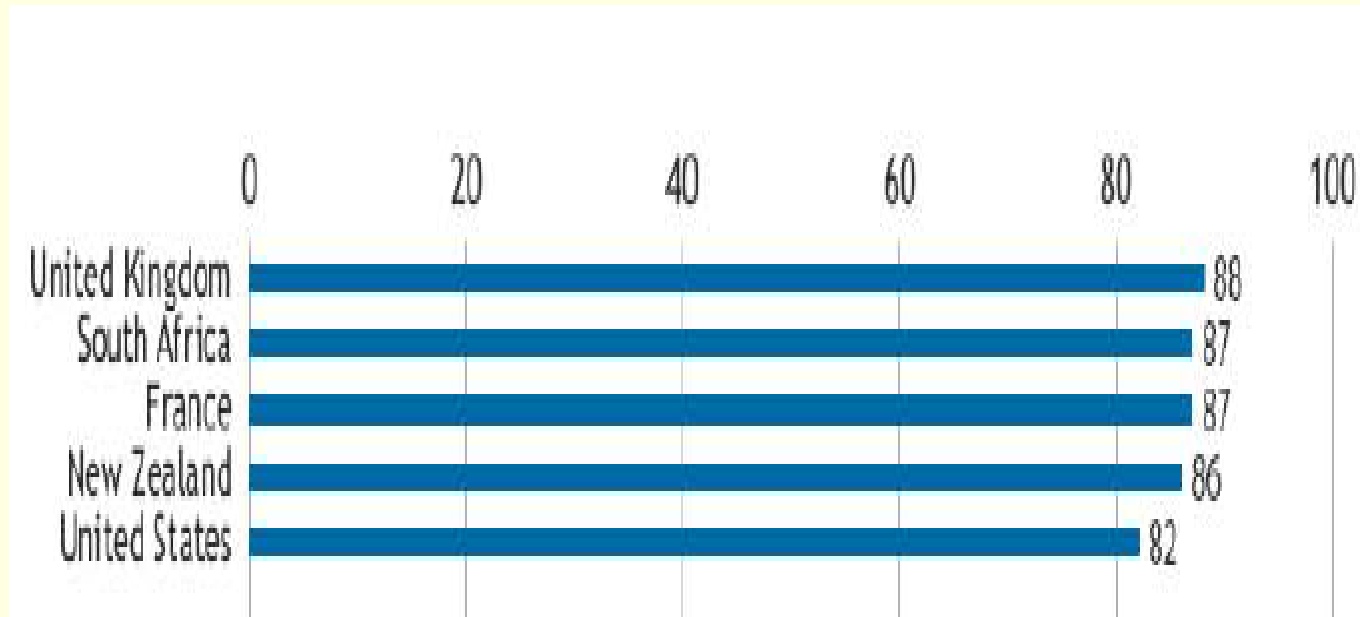
OBI 2007-2008 Results

- The worst offenders, the countries that make scant, if any, information available are: Saudi Arabia, Algeria, Democratic Republic of Congo, Sudan, Rwanda, Equatorial Guinea, and São Tomé e Príncipe.
- The top performers include both developed and developing countries. The strong showing of South Africa, as well as that of Slovenia, Sri Lanka, and Botswana (all of which provide significant information to their people), demonstrate that developing countries can achieve transparency given sufficient willingness of their governments to be open and accountable to their people.

OBI Results: Ranking

- The Countries that scored between 81-100 percent were placed in the performance category: **Provide Extensive Information.**
- Those with scores between 61-80 percent: **Provide Significant Information.**
- Those with scores 41-60 percent: **Provide Some Information.**
- Those with scores 21-40 percent: **Provide Minimal Information.**
- Those with scores between 0-20 percent: **Provide Scant or No Information**

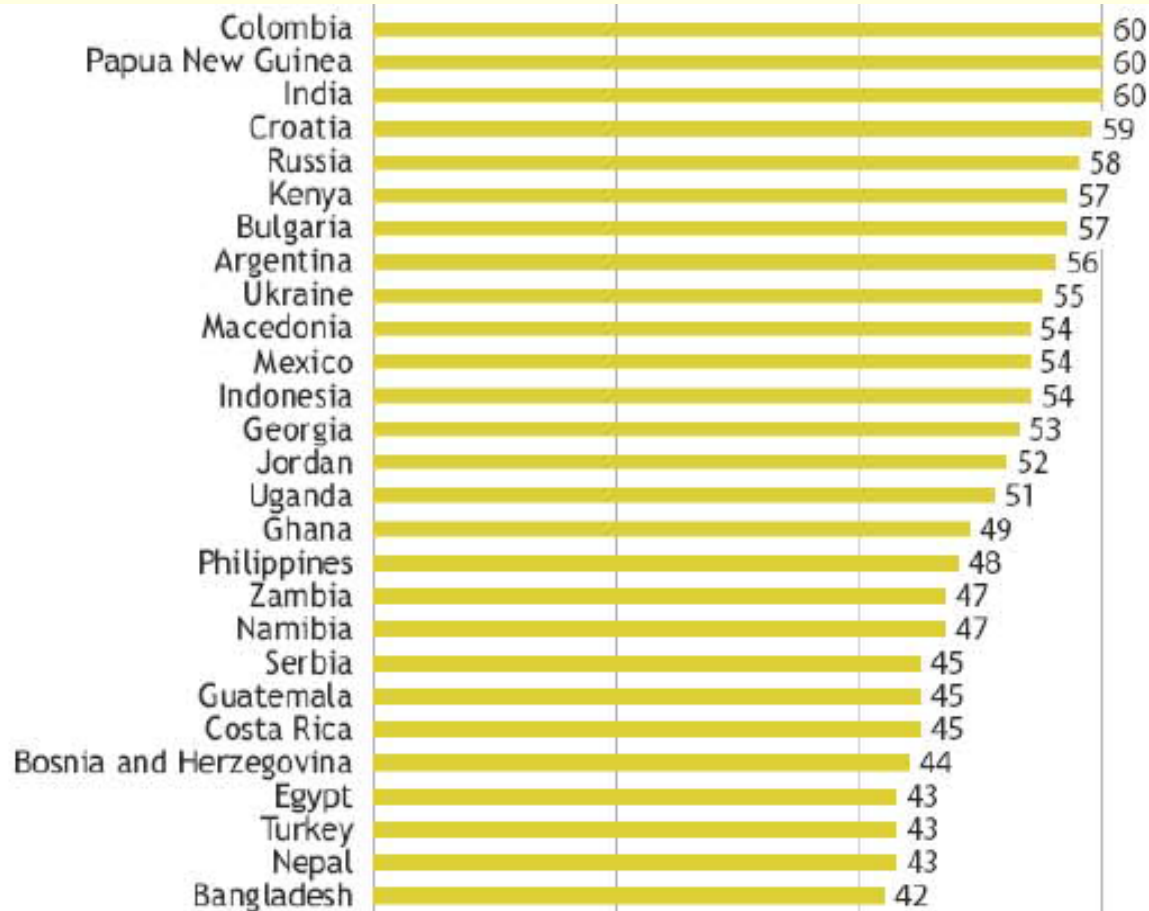
Between 81-100 percent placed in the performance category: *Provide Extensive Information.*



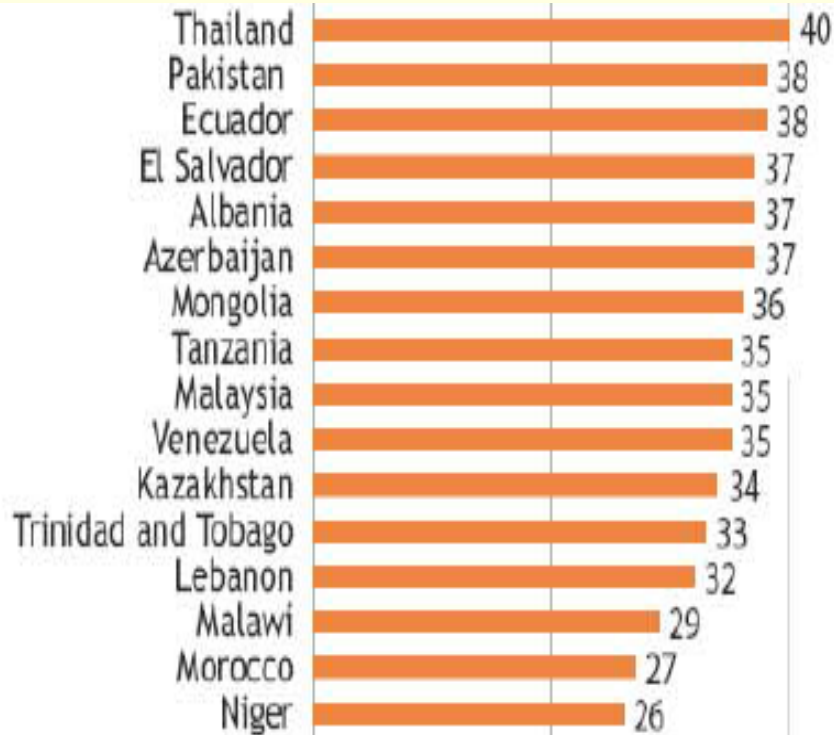
Between 61-80 percent placed in the performance category: *Provide Significant Information.*



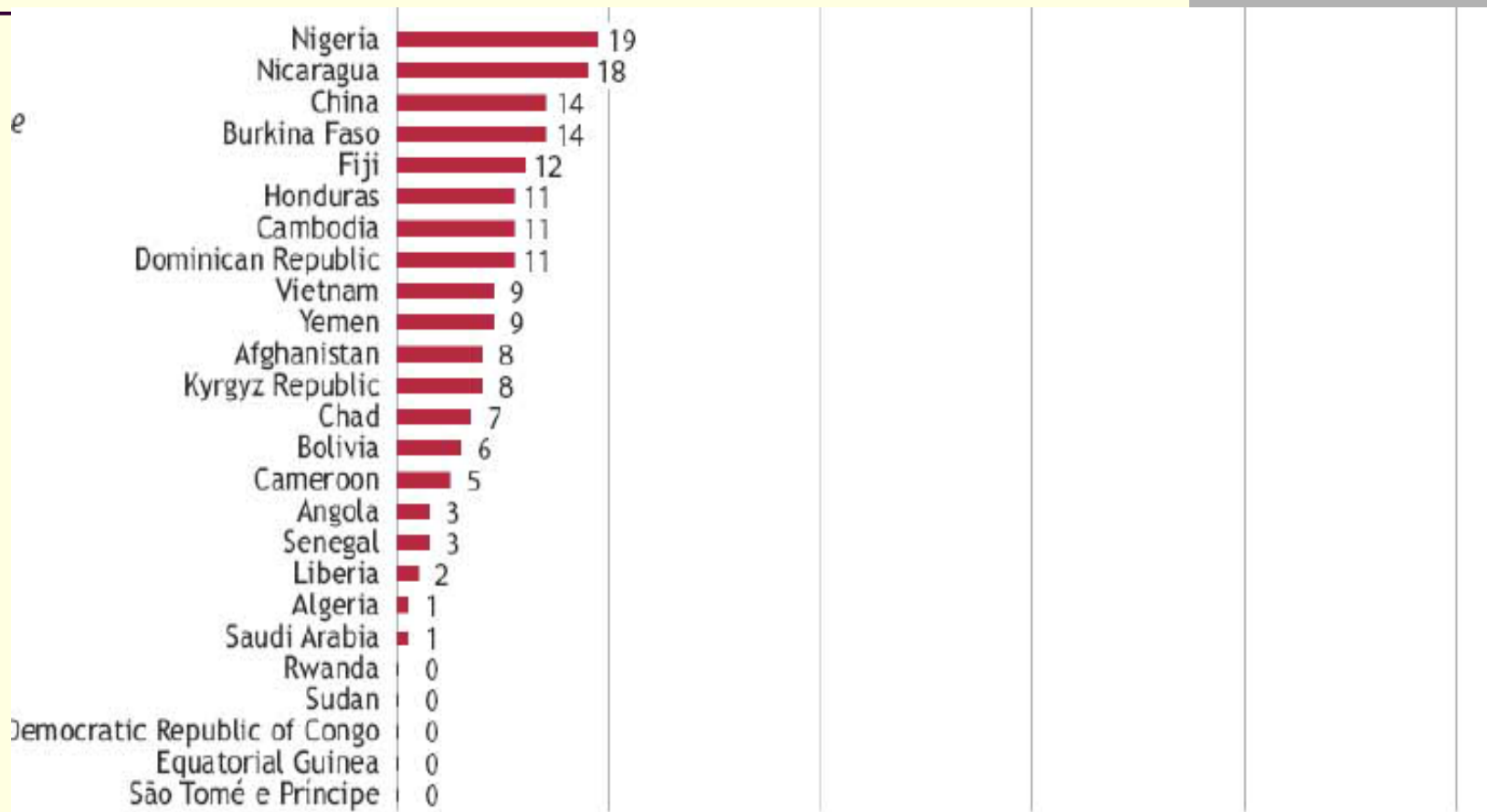
Between 41-60 percent placed in the performance category: *Provide Some Information.*



Between 21-40 percent placed in the performance category: *Provide Minimal Information.*



Between 0-20 percent placed in the performance category:
Provide Scant or No Information.



Trinidad and Tobago Results

- Overall Score: 33%- Provides minimal information to the public in its budget documents during the year.
- Rank: 55th out of 85 countries.
- New international comparison underway based on 2009 national budgets and this will reveal whether T&T's 2008 result was an aberration or a stable trend.

Conclusions

- Results may be partially skewed by methodology but, however, 85 country comparison gives one pause and suggests need for national stakeholder conversation on how to improve national budgetary accountability independent of whichever political party happens to be in office;