

Subnational (States) Budget Transparency Survey 2020

Methodology

Implementing The States Budget Transparency Survey 2020 And Calculating The Budget Transparency Index And Other Scores

The Sub-National (States) Budget Transparency Survey (SNBTS) assesses the three components of a budget accountability system: public availability of budget information; opportunities for the public to participate in the budget process; and the role and effectiveness of formal oversight institutions, including the legislature and the state audit-general's office. The majority of the survey questions assess what occurs in practice, rather than what is required by law.

The questions included in the SNBTS are based on generally accepted good practice for public financial management. For example, the survey assesses the public availability of budget information by considering the timely release and contents of eight key budget documents that all States should issue at different points in the budget process. Many of these criteria are drawn from those developed by multilateral organizations, such as the International Monetary Fund's (IMF) Code of Good Practices on Fiscal Transparency, the Public Expenditure and Finance Accountability initiative (whose secretariat is hosted by the World Bank), the Organisation for Economic Co-operation and Development's (OECD) Best Practices for Fiscal Transparency, and the International Organisation of Supreme Audit Institutions' Lima Declaration of Guidelines on Auditing Precepts. Similarly, the criteria used to assess opportunities for the public to participate in the budget process are based on the Global Initiative for Fiscal Transparency's Principles for Public Participation in Fiscal Policy. The strength of such guidelines lies in their universal applicability to different budget systems around the world, including those of countries at different income levels.

The SNBTS 2020 is a collaborative research process in which the Civil Resource Development and Documentation Centre (CIRDDOC) work with civil society partners in 36 states over a period of 12 months. This is the fourth round of the Survey, which is typically conducted biennially. Earlier rounds were completed in 2012, 2015 and 2018.

The States Budget Transparency Questionnaire

The results for each state in the SNBTS 2020 will be based on a [questionnaire](#), comprising 86 scored questions, that is completed by researchers typically based in the surveyed state.^[1] Almost all of the researchers responsible for completing the questionnaire are from civil society organizations or academic institutions. Although the mandates and areas of interest of the research groups vary widely, all have a common interest in promoting transparent and responsive budgeting practices in their states. Most of the researchers belong to organizations with a significant focus on budget issues.

Most of the survey questions require researchers to choose from five responses. Responses "a" or "b" describe best or good practice; with "a" indicating that the standard

is fully met or exceeded, and “b” indicating the basic elements of the standard have been met or largely met. Response “c” corresponds to minimal efforts to attain the relevant standard, while “d” indicates that the standard is not met at all. An “e” response indicates that the standard is not applicable. Certain questions, however, have only three possible responses: “a” (standard met), “b” (standard not met), or “c” (not applicable).

Once completed, the questionnaire responses are quantified. For the questions with five response options: an “a” receives a numeric score of 100, a “b” receives 67, “c” receives 33, and “d” receives 0. Questions receiving an “e” are not included in the state’s aggregated scores. For the questions with three response options: “a” receives 100, “b” receives 0, and “c” responses are not included in the aggregated score.

The Research Process

For the SNBTS 2020 researchers will collect data on their state between August 2019 and the end of December 2020. Thus, the SNBTS 2020 will assess only those events, activities, or developments that should have occurred up to 31 December 2020; any actions occurring after this date are not accounted for in the 2020 survey results. All responses to the OBS questions are supported by evidence. This includes citations from budget documents; the state’s laws; or interviews with government officials, legislators, or experts on the state’s budget process. Throughout the research process, CIRDDOC staff will assist the researchers in following the survey methodology, particularly the guidelines for answering survey questions.^[2]

Upon completion, CIRDDOC staff will analyze and discuss each questionnaire with the individual researchers over a three- to six-month period. CIRDDOC will ensure that all questions were answered in a manner that was internally consistent within each state, and consistent across all survey states. The answers are also cross-checked against published budget documents and reports on fiscal transparency issued by state institutions, CSOs, World Bank, and other national institutions.

Each questionnaire will then be reviewed by an anonymous peer reviewer who has substantial working knowledge of the budget systems in the relevant state. The peer reviewers, who are not associated with the government of the state they reviewed, will be identified through professional contacts and various other channels.

CIRDDOC will also invite the governments of all survey states to comment on the draft SNBTS results. The decision to invite a government to comment on the draft results is made after consulting with the relevant research organization responsible for the survey. CIRDDOC will make a major effort to encourage governments to comment on the draft results; many governments that fail to initially respond to CIRDDOC letters will be contacted on multiple occasions. Of the 36 governments that CIRDDOC contacted, 25 commented on the OBS 2018 results for their state. These comments can be seen in their entirety in the relevant questionnaires at www.statesbudgettransparencysurvey-ng.com CIRDDOC will then review peer reviewer’s comments to ensure that they were consistent with the study’s methodology. Any peer reviewer’s comments that are inconsistent will be removed, and the remaining comments then shared with researchers. Researchers respond to comments from peer reviewers and their government, if applicable, and CIRDDOC will referee any conflicting answers in order to ensure the consistency across states in selecting answers.

The Budget Transparency Index

The Budget Transparency Index (BTI) assigns each state a score from 0 to 100 based on the simple average of the numerical value of each of the responses to the 33 questions in the questionnaire that assess the public availability of budget information. A state's BTI score measures the extent to which it makes the eight key budget documents available to the public on the relevant government website in a timely manner and the comprehensiveness of publicly available budget information.

Measuring The Timely Release Of Information To The Public Throughout The Budget Process			
Budget Document	Release Deadlines for “Publicly Available” Documents*	SNBTS 2020 Questions	Number of Questions per Document in the SNBTS
Pre-Budget Statement	Must be released at least one month before the Executive’s Budget Proposal is submitted to the legislature for consideration.	1 - 6, PBS	6
Executive’s Budget Proposal and supporting documents for the Executive’s Budget Proposal	Must be publicly released while the legislature is still considering it and before it is approved. In no case would a proposal released after the legislature has approved it be considered “publicly available.”	7 - 16, EBP	10
Enacted Budget	Must be released no later than three months after the budget is approved by the legislature.	17 - 25, EB	9
Citizens Budget	Must be released within the same timeframe as the underlying Executive’s Budget Proposal or Enacted Budget. For example, a Citizens Budget for the Executive’s Budget Proposal must be released while the legislature is still considering the Executive’s Budget Proposal and before it is approved.	26 - 27	2
In-Year Reports	Must be released no later than three months after the reporting period ends.	28 - 29, IYR	2
Mid-Year Review	Must be released no later than three months after the reporting period ends.	30, MYR	1

Year-End Report	Must be released no later than 12 months after the end of the fiscal year (the reporting period).	31, YER	1
Audit Report	Must be released no later than 18 months after the end of the fiscal year (the reporting period).	32 - 33, AR	2

*The States Budget Transparency Survey considers a document to be “publicly available” if it is published on the relevant government website within the given timeframe and is available free of charge.

Measures For Oversight Institutions And Public Participation

Fifty-three of the survey questions that are not used to calculate the BTI assess the opportunities for public engagement during the budget process and the oversight capacity of independent fiscal institutions, legislatures, and state auditors general. To measure the extent to which governments include the public in budget decision making and monitoring, as well as the role of the legislature and state auditor-general’s office in the budget process, the responses to the questions pertaining to each are averaged. Thus each area is given a separate score. CIRDDOC also collects information on the role of independent fiscal institutions (IFIs) – independent, nonpartisan institutions, normally attached to the executive or legislature that make fiscal forecasts and estimate the cost of policies. However, CIRDDOC does not calculate a separate score for the role of IFIs.

Evaluating Oversight Actors And Practices		
Indicator Measured	SNBTS 2020 Question Numbers	Number of Questions per Indicator
Public engagement in the budget process	34 - 38 42 - 44	8
Role of independent fiscal institutions		
Role of the legislature	39 - 41 47 - 58	3
Role of the supreme audit institution	45 - 46 59 - 62	2

Weighting The Relative Importance Of Key Budget Documents And Implications On Scores

As mentioned above, each state’s BTI 2020 score is calculated from a subset of 33 survey questions. Though each of the eight key budget documents assessed may have a different number of questions related to it, the BTI score is a simple average of the responses to all 33 questions. In calculating the BTI scores, no method of explicit weighting is used.

Though using a simple average is clear, it implicitly gives more weight to certain budget documents than others. In particular, 16 of the 86 BTI questions assess the public availability and comprehensiveness of the Executive’s Budget Proposal, and thus are key determinants of a state’s overall BTI score. In contrast, the Citizens Budget and the Enacted Budget are the focus of only nine and two questions, respectively. This implicit weighting is justified. From a civil society perspective, the Executive’s Budget Proposal is the most important budget document, as it lays out the government’s budget policy objectives and plans for the upcoming year. It typically

Evaluating Transparency in the Procurement System & Legal Framework		
Indicator Measured	SNBTS 2020 Question Numbers	Number of Questions per Indicator
Public Procurement	63 - 77	15
Legal Framework	78 - 86	9

provides details on government fiscal policies not available in any other document. Access to this information is critical for civil society to understand and influence the budget prior its approval, and to have as a resource throughout the year.

[1] The 86 scored questions included in the questionnaire include 33(1-33) questions that assess the public availability of budget information, 13 (34-46) questions that assess opportunities for the public to participate in the budget process, 16(47-62) questions that assess the role and effectiveness of the legislature and the supreme audit institution and 15(63-77) questions that assess transparency in the procurement processes. The questionnaire also includes an additional 9 questions that are not used to calculate individual scores but help to complete the SNBTS research by collecting background information on legal frameworks and exploring different characteristics of a state’s public finance management.