4. Application method

Compliance with PEFA framework

OBS goes into more detail in many areas covered by a PEFA assessment, particularly on public access and availability, and information on budgeting processes and oversight institutions, and opportunities for public participation in the budget process.

Application method

Guidance

Methodology

5. Methodology

The results for each country in OBS 2022 are based on a questionnaire comprised of 145 scored questions that assess the public availability of budget information (109 questions), opportunities for the public to participate in the budget process (38 questions), and the role of the legislature and the IGO (18 questions). Once completed, the questionnaire responses are quantified.

All responses to the OBS questions are supported by evidence. This includes citations from budget documents; the country’s laws; or interviews with government officials, legislators, or experts on the country’s budget process. OBS is not intended to evaluate the quality or reliability of information that government might provide.

The questionnaire focuses on the activities of the central government and does not address the role of other institutions. In 2021 and 2022, OBS implemented two rounds of substantial audit transparency studies. There have been instances of IBP civil society partners and IGO offices adapting the OBS to assess budget transparency at the sub-national level, for example, in South Africa.

6. Benchmarking system

Benchmarking with scoring. Most of the survey questionnaire requires respondents to choose from five responses. Response “a” or “b” describes best or good practice. Response “a” indicates that the standard is fully met or exceeded (score 100), while “b” indicates that the standard is not fully met or exceeded (score 0). Response “c” corresponds to minimal efforts to attain the relevant standard (score 33), while “d” indicates that the standard is not met at all (score 0). An “e” response indicates that the standard is not applicable. Certain questions, however, have only three possible responses: “a” (score 100), “b” (score 50), or “e” (not included in the aggregate score).

7. Linkage to PEFA framework

OBS questions correspond to PEFA performance indicators: budget preparation process (P1-17), in-year budget reports (P1-28), annual financial reports (P1-48), and external audit (P1-57).

Complementarity with PEFA framework

OBS goes into more detail in many areas covered by a PEFA assessment, particularly on public access and availability, and information on budgeting processes and oversight institutions, and opportunities for public participation in the budget process.

Development and use

9. Development and coordination

OBS was developed by the International Budget Partnership (IBP) in 2006 in response to the interest of civil society organizations (CSOs) in promoting budget transparency, in order to access budget information and engage in the budget process. OBS was developed with support from Open Society Institute, Bread Foundation, Williams and Flora Hewlett Foundation, and UNICEF. Other private foundations and bilateral donors also provided support.

Various budget transparency tools were referred to at the time of development of OBS, including those from the Institute for Democratic Alternatives in South Africa (IDASA) and Fund Center for Research and Assessment. Assessment questions were based on international standards and good practices and were drawn from OECD's Best Practices for Budget Transparency, IBP's Code on Fiscal Transparency, and the Lima Declaration of guidelines on budgeting. Two versions of the questionnaire were written - one aimed at a country level and one aimed at a sub-national level.

The indicators on transparency were reviewed in 2017 based on IBP’s Fiscal Transparency Code, PEFA Framework (A01), and OECD’s International Bilateral Practices and Procedures Database (B08). Indicators on oversight (based on OECD’s Principles for Independent Fiscal Institutions – 2014 and EIU’s principles and standards) and public participation (based on Global Initiative for Fiscal Transparency’s principles on public participation) were revised in 2017. IBP also drew upon its experience of conducting assessments and understanding of global practices. These revisions were carried out to highlight the indicators with the changes in, or improvements to, international best practices.

10. Assessment management

The OBS is managed and led by IBP. The OBS is implemented through a collaborative research process in which IBP works with civil society researchers in countries - encompassing all regions of the world and all income levels - over a two-year period to conduct the survey research. Between surveys, OBS conclusions are validated by the International Budget Partnership (IBP) for its principles on public participation and transparency. The results of the survey are published and included in the IBP’s annual report, which is published in English and French.

11. Uses by the government and members of the PFM community

The survey is used for measuring and understanding budget openness by:
- governments, civil society, and development partners to understand where and how to improve budget transparency, public participation, and oversight;
- development partners to inform foreign assistance strategies and provide guidance to their government partners;
- governments to benchmark progress and identify their gaps.

12. Sequencing with other tools

OBS data can be a useful input to a PEFA assessment. It can also provide additional information to existing assessments on budget openness.

13. PFM capacity building

A goal of the OBS process is to build the capacity of CSOs participating in the OBS to analyze budgets and engage national stakeholders in implementing reform through training, meetings, and technical support. Country researchers participate in an annual peer methodology workshop and receive support throughout the entire process through a variety of mediums. Research partners also attend an engagement workshop prior to the release of the OBS to discuss strategies for disseminating the survey results at the national level.

Governments that use OBS for support in implementing the recommendation. Since it may not be feasible for IBP to work on site in-country, IBP often collaborates closely with governments with the Global Initiative for Fiscal Transparency, institutions such as the WB and IBP, and local civil society partners in response to such requests. IBP may coordinate and support the finance ministry in implementing the recommendations.