



About Open Budget Survey: [Why an Open Budget Survey?](#)

Everyone, everywhere should have the opportunity to engage with the budget process in a meaningful way. First launched in 2006, the Open Budget Survey is the world's only independent, comparative, and fact-based research instrument to measure these essential aspects of governance and accountability: PNG has participated in the survey from the start.

Participation: are there formal and meaningful opportunities for the public – including the most disadvantaged – to engage in the national budget process?

Oversight: are oversight institutions – the legislature, the national audit office, independent fiscal institution(s) – in place and enabled to function properly?

Transparency: is comprehensive budget information from the central government available to the public in a useful time frame?

The survey is not an opinion poll or a measure of perceptions; rather, it is based on a rigorous objective methodology subject to independent peer review.

Open Budget Survey Methodology

Survey results are based on 228 questions that remain the same for each country. The survey is conducted by researchers typically based in the respective country. Almost all of the researchers come from civil society organizations (most of whom have a significant focus on budget issues) or academic institutions. In PNG the survey has been conducted by the Institute of National Affairs, since the start.

Scored questions: 145 of the questions are scored and include 109 questions that assess the public availability of budget information, 18 questions that assess opportunities for the public to participate in the budget process, and 18 questions that assess the role of the legislature and the supreme audit institution.

Unscored questions: the 83 unscored questions help to complete the OBS research by collecting background information on key budget documents and explore different characteristics of a country's public finance management.

Each country's completed draft questionnaire is also reviewed by an anonymous independent expert, as well as – in the great majority of cases – a representative of the country's government.

Participation score: the survey assesses the degree to which the executive, the legislature, and the supreme audit institution (Auditor General's Office in PNG) each provides opportunities for the public to engage during different cycles of the budget process.

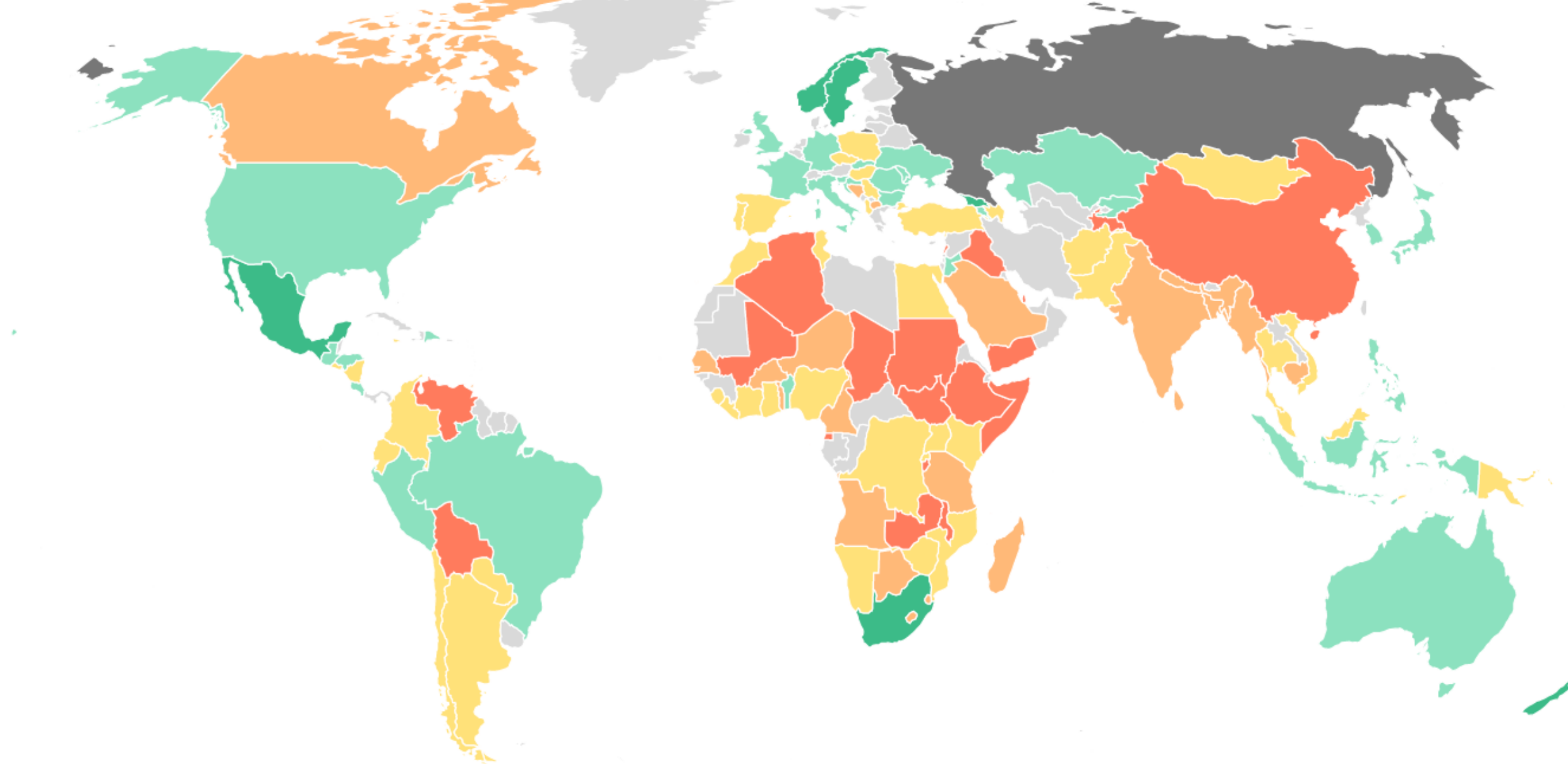
Oversight score: the survey also examines the role that legislatures (i.e. Parliament in PNG) and supreme audit institutions play in the budget process and the extent to which they are able to provide robust oversight of the budget. Supplementary information on the existence and practice of independent fiscal institutions is also collected by the survey, but these questions are not scored.

Budget transparency score (also known as the Open Budget Index): assesses the public availability of the eight key budget documents, that taken together provide a complete view of how public resources have been raised, planned, and spent during the budget year. To be considered "publicly available", documents must be published online, in a time-frame consistent with good practices, and must include information that is comprehensive and useful. A score of 61 or above indicates a country is likely publishing enough material to support informed public debate on the budget.

OPEN BUDGET SURVEY 2021

KEY TAKEAWAYS

- 20% Since 2008, transparency scores have increased more than 20 percent.
- 31% of countries provide sufficiently detailed information to understand how their budget addresses poverty.
- 14% of governments present their expenditures by gender.
- 8 Only eight countries worldwide have formal channels to engage underserved communities in budget processes.



● Extensive Information Available (81-100)

● Limited Information Available (41-60)

● Substantial Information Available (61-80)

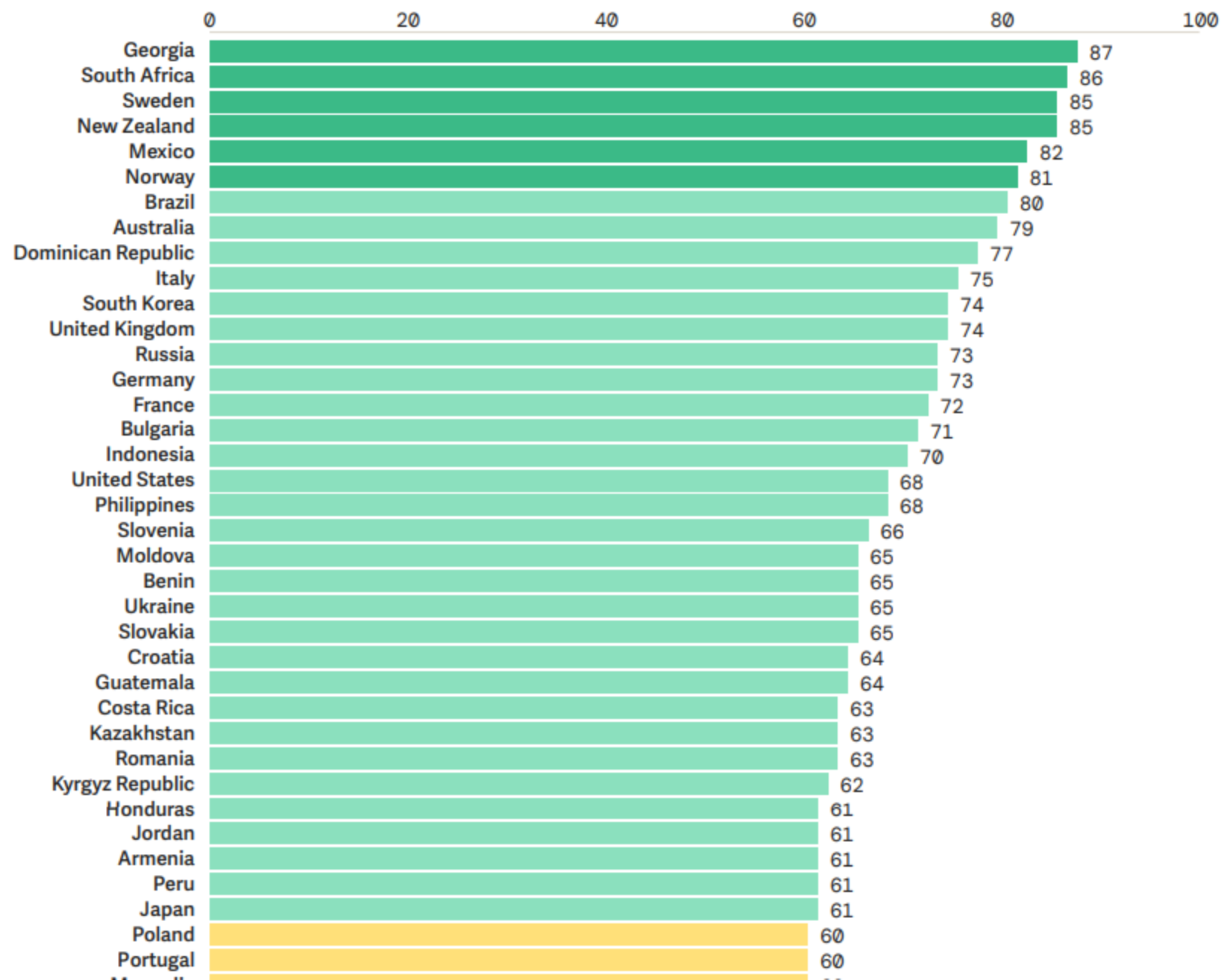
● Minimal Information Available (21-40)

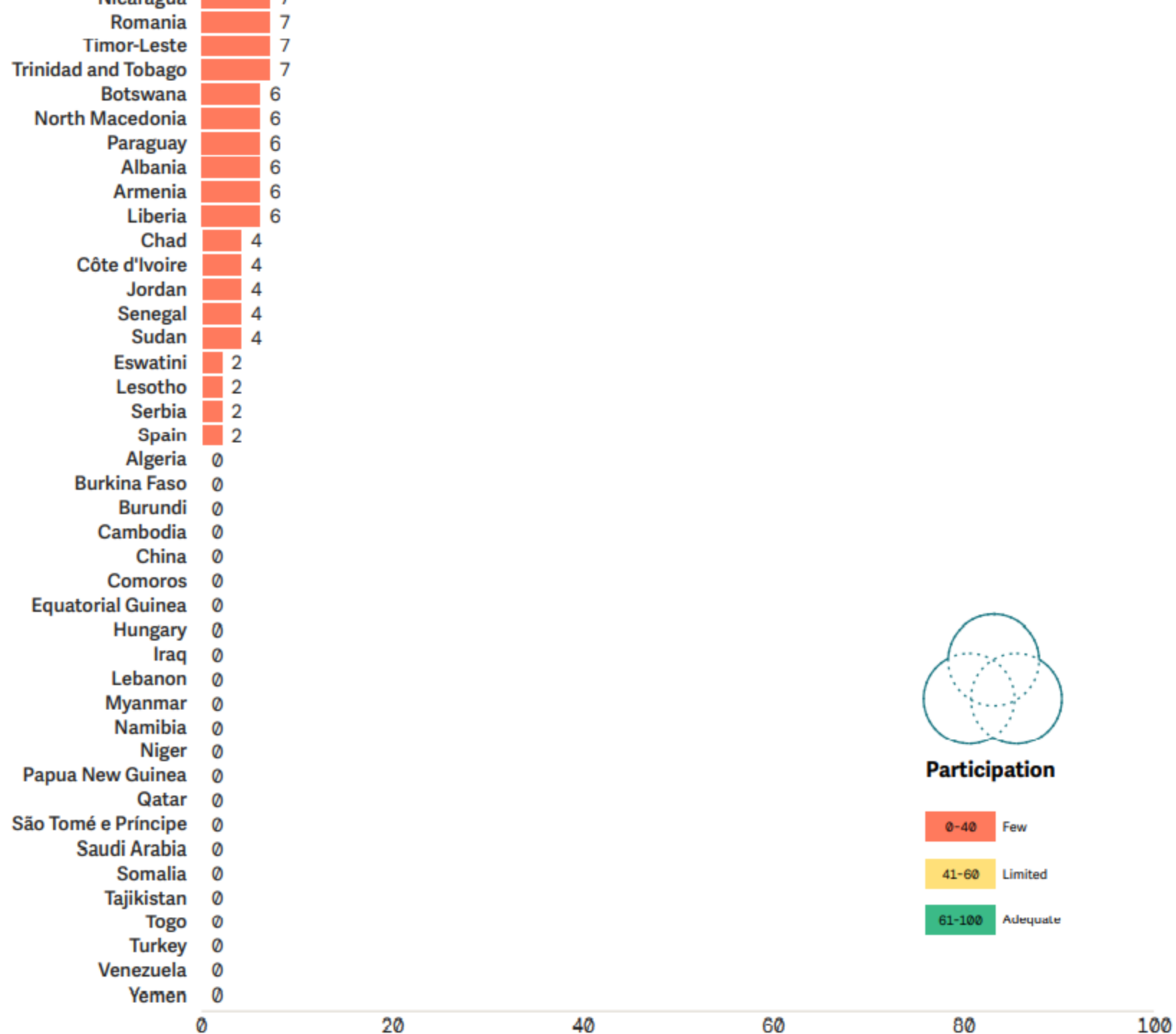
Rankings

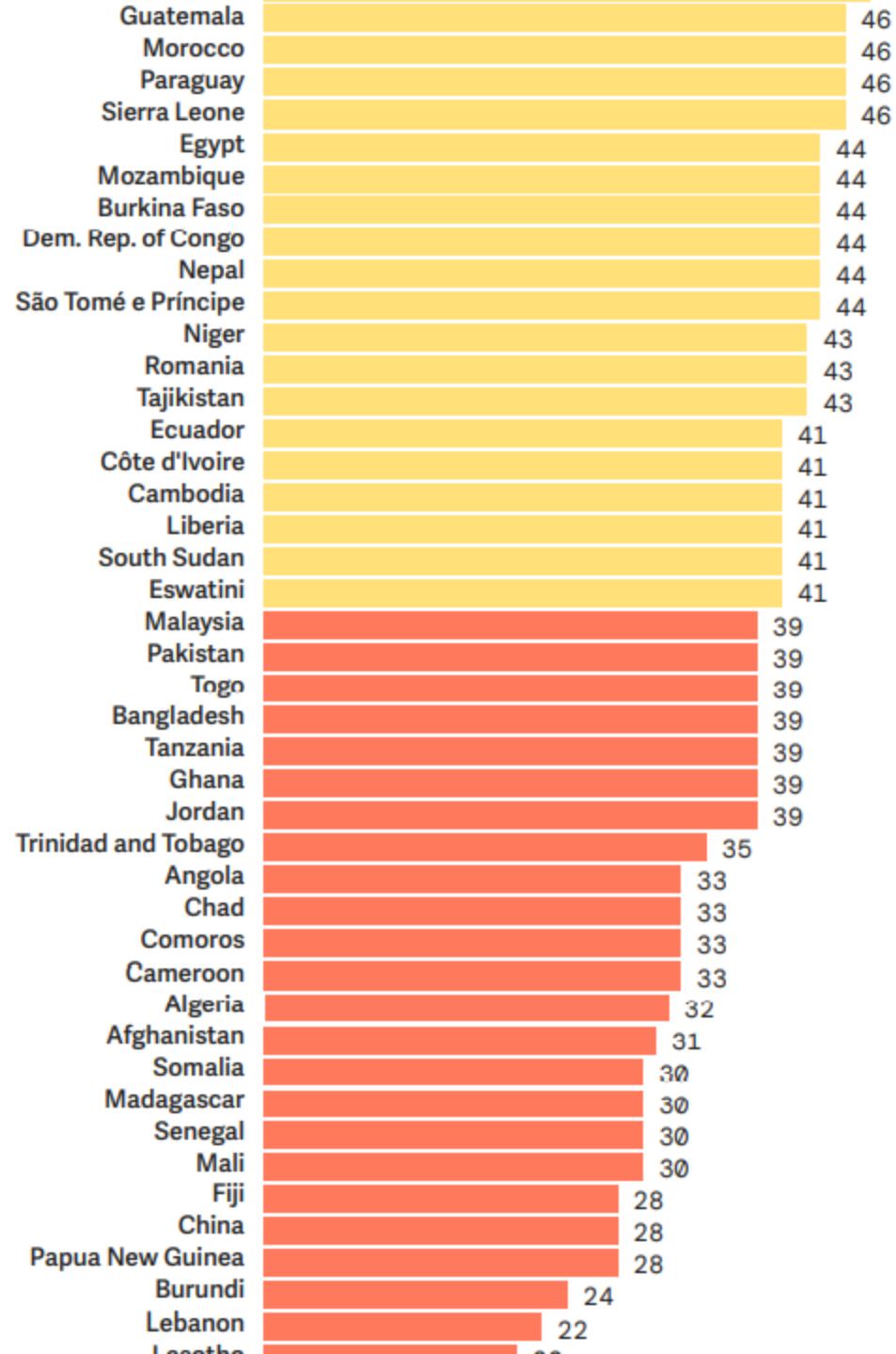
The Open Budget Survey ranks countries according to their level of accountability in national budget processes. It is the world's only comparative, independent and regular assessment of transparency, oversight and participation in national budgets in 120 countries.

A country's budget transparency score, reflected on the Open Budget Index, assesses the public's access to timely and comprehensive budget information. A transparency score of 61 (out of 100) or higher indicates a country is publishing sufficient information to support informed public debate. The OBS 2021 also measures the extent to which governments include the public in budget decision-making and monitoring, as well as the role and effectiveness of the legislature and supreme audit institution in the budget process.

Open Budget Survey 2021: budget transparency scores (Open Budget Index)







Oversight

0-40 Weak



Transparency:

50 /100

(Open Budget Index score)



**Public
Participation:**

0 /100



Budget Oversight:

28 /100

About the survey

Government budget decisions – what taxes to levy, what services to provide, and how much debt to take on – have important consequences for all people in society. When governments provide information and meaningful channels for the public to engage in these decisions, we can better ensure public money is spent on public interests.

The Open Budget Survey (OBS) is the world's only independent, comparative and fact-based research instrument that uses internationally accepted criteria to assess public access to central government budget information; formal opportunities for the public to participate in the national budget process; and the role of budget oversight institutions, such as legislatures and national audit offices, in the budget process.

The survey helps local civil society assess and confer with their government on the reporting and use of public funds. This 8th edition of the OBS covers 120 countries.

Visit www.internationalbudget.org/open-budget-survey ↗ for more information, including the full OBS methodology, the 2021 Global and Regional Reports, findings for all surveyed countries, and the Data Explorer

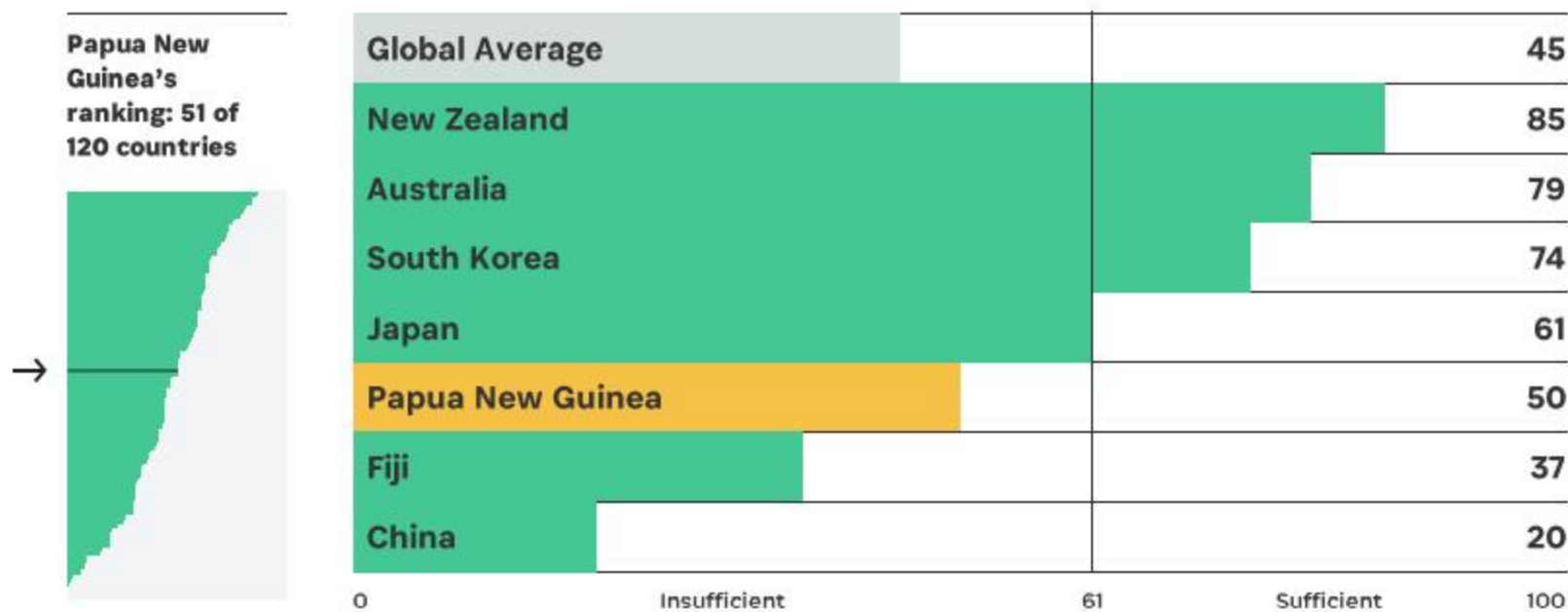


Transparency

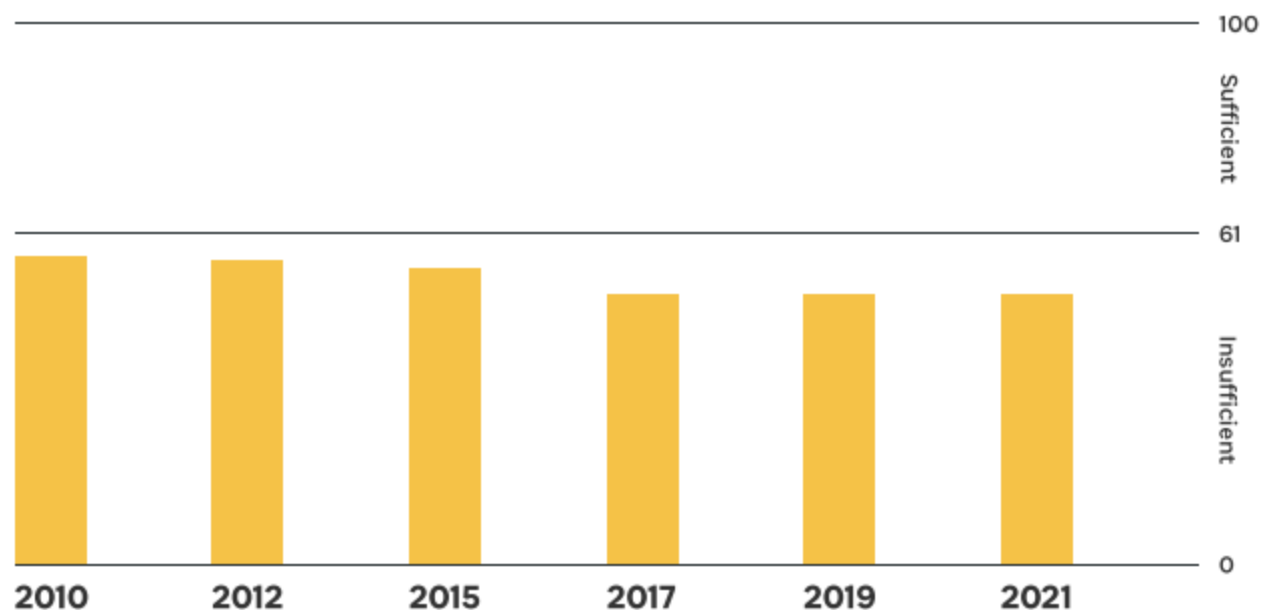
This part of the OBS measures public access to information on how the central government raises and spends public resources. It assesses the **online availability, timeliness, and comprehensiveness** of eight key budget documents using 109 equally weighted indicators and scores each country on a scale of 0 to 100. A **transparency score of 61 or above indicates a country is likely publishing enough material to support informed public debate on the budget.**

Papua New Guinea has a transparency score of **50** (out of 100).

Transparency in Papua New Guinea compared to others



How has the transparency score for Papua New Guinea changed over time?



Public availability of budget documents in Papua New Guinea

- Available to the Public
- Published Late, or Not Published Online, or Produced for Internal Use Only
- ⊘ Not Produced

Document	2010	2012	2015	2017	2019	2021
Pre-Budget Statement	●	●	●	●	●	●
Executive's Budget Proposal	●	●	●	●	●	●
Enacted Budget	●	●	●	●	●	●
Citizens Budget	⊘	⊘	⊘	⊘	⊘	⊘

public?

- 61-100 / 100
- 41-60 / 100
- 1-40 / 100

Key budget document	Document purpose and contents	Fiscal year assessed	Document content score
Pre-Budget Statement	Discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.	2021	89
Executive's Budget Proposal	Submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.	2021	65
Enacted Budget	The budget that has been approved by the legislature.	2020	Published Late
Citizens Budget	A simpler and less technical version of the government's Executive's Budget Proposal or the Enacted Budget, designed to convey key information to the public.	2021	Not Produced
In-Year Reports	Include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.	2020	Internal Use
Mid-Year Review	A comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.	2020	81
Year-End	Describes the situation of the government's accounts	2019	52

Recommendations

Papua New Guinea should prioritize the following actions to improve budget transparency:

- Publish the Enacted Budget and In-Year Reports online in a timely manner.
- Produce and publish the Citizens Budget and Audit Report of the government's financial statements online in a timely manner.
- Include in the Executive's Budget Proposal an explanation of how the government's proposed policies, both new and existing, are related to budget allocations, and details of domestic and international borrowing, including interest rates and maturity profile. In addition, Papua New Guinea should increase the information in the Executive's Budget Proposal on extra-budgetary funds and contingent liabilities, particularly of the State-Owned Enterprises.
- Include in the Year-End Report comparisons between borrowing estimates and actual outcomes, comparisons between planned nonfinancial outcomes and actual outcomes and comparisons between the original macroeconomic forecast and actual outcomes.

The OBS assesses the formal opportunities offered to the public for meaningful participation in the different stages of the budget process. It examines the practices of the central government's executive, the legislature, and the supreme audit institution (SAI) using 18 equally weighted indicators, aligned with the Global Initiative for Fiscal Transparency's [Principles of Public Participation in Fiscal Policies](#) ↗, and scores each country on a scale from 0 to 100.

Papua New Guinea has a public participation score of **0** (out of 100).

Public participation in Papua New Guinea compared to others

Global Average	14
South Korea	59
New Zealand	48
Australia	37
Japan	20
Fiji	17
Papua New Guinea	0
China	0

0 Insufficient 61 Sufficient 100

Extent of opportunities for public participation in the budget process



few: 0 - 40; limited: 41 - 60; adequate: 61 - 100

Recommendations

To further strengthen public participation in the budget process, Papua New Guinea's Department of Treasury should prioritize the following actions:

- Pilot mechanisms to engage the public during budget formulation and to monitor budget implementation.
- Actively engage with vulnerable and underrepresented communities, either directly or through civil society organizations representing them.

Papua New Guinea's National Parliament should prioritize the following actions:

- Allow members of the public or civil society organizations to testify during its hearings on the budget proposal prior to its approval.
- Provided that it is produced and published, the Parliament should allow

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Budget Oversight

The OBS examines the role that legislatures and supreme audit institutions (SAIs) play in the budget process and the extent to which they provide oversight; each country is scored on a scale from 0 to 100 based on 18 equally weighted indicators. In addition, the survey collects supplementary information on independent fiscal institutions (see Box).

The legislature and supreme audit institution in Papua New Guinea, together, provide weak oversight during the budget process, with a composite oversight score of **28** (out of 100). Taken individually, the extent of each institution's oversight is shown below:

Legislative oversight



Audit oversight



Papua New Guinea's National Parliament provides weak oversight during the planning stage of the budget cycle and weak oversight during the implementation stage. To improve oversight, the following actions should be prioritized:

- The Executive's Budget Proposal should be submitted to legislators at least two months before the start of the budget year.
- Legislative committees should examine the Executive's Budget Proposal and publish reports with their analysis online.
- A legislative committee should examine in-year budget implementation and publish reports with their findings online.

- In practice, ensure the legislature is consulted before the executive shifts funds specified in the Enacted Budget between administrative units or reduces spending due to revenue shortfalls during the budget year.
- A legislative committee should examine the Audit Report and publish a report with their findings online.

that the Auditor General be appointed through an independent process.

For example, the Governor-General could act on the advice of a Constitutional appointment committee composed of the judiciary, legislature, and other independent Constitutional Office holders.

- The Auditor General's Office should be provided adequate funding to perform its duties, as determined by an independent body such as Parliament or a Parliamentary Committee.
- Ensure audit processes are reviewed by an independent agency.

The emerging practice of establishing independent fiscal institutions

Papua New Guinea does not have an independent fiscal institution (IFI). IFIs are increasingly recognized as valuable independent and nonpartisan information providers to the Executive and/or Parliament during the budget process.

**These indicators are *not* scored in the Open Budget Survey.*

Methodology

- Only documents published and events, activities, or developments that took place through 31 December 2020 were assessed in the OBS 2021.
- The survey is based on a questionnaire completed in each country by an independent budget expert:
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- To further strengthen the research, each country's draft questionnaire is also reviewed by an anonymous independent expert, and in Papua New Guinea by a representative of the Department of Treasury.