

**Fiscal transparency and CEA:
Promoting the
<http://www.mkbudget.org/>**

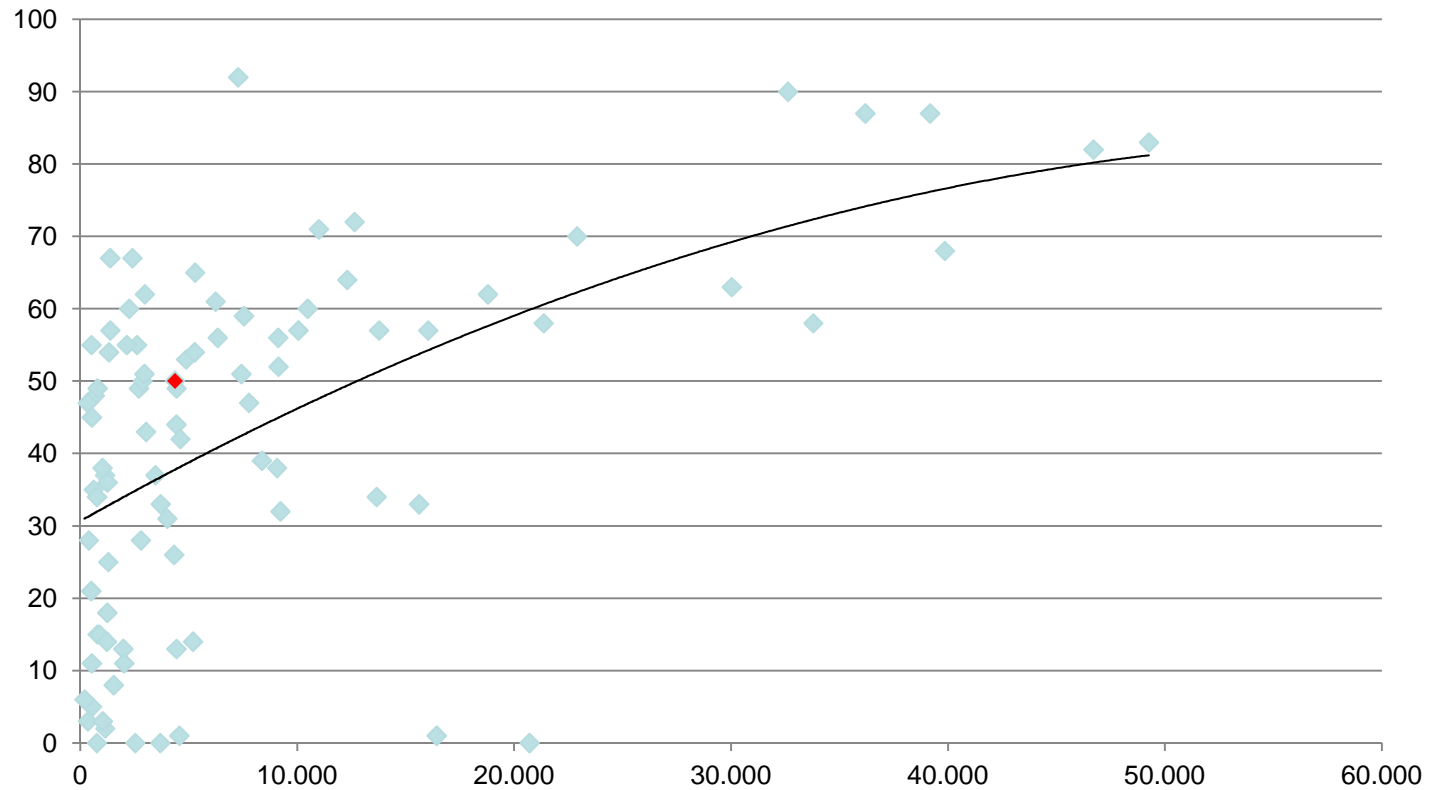
FISCAL TRANSPARENCY

- **Why?**
 - As the specific plans for how public funds will be raised and spent, budgets are the government's (central and/or local) most powerful tool to meet the needs and priorities of a country and its people.
 - Thus, it concerns taxpayers, citizens, and the society as a whole
 - CEA mission
- **How?**
 - www.lsg-data.org.mk
 - <http://www.mkbudget.org/>
 - Citizen budget
 - Researches so far on PFS and PFM
 - Cooperation with TTF and IP, WFD, USAID, UNDP, LSGs, central government, Assembly, SAO

- IMF:
 - Key aspect of **good governance** is fiscal transparency
 - Fiscal transparency allows for better-informed debate by both policymakers and the public about the design and results of fiscal policy, and establishes **accountability** for its implementation.
 - In strengthening credibility and public understanding of macroeconomic policies and choices, fiscal transparency fosters more **favorable access to** domestic and international **capital markets**.
 - It also helps to highlight potential risks to the fiscal outlook, resulting in an **earlier and smoother fiscal policy response** to changing economic conditions and thereby reducing the incidence and severity of crises.

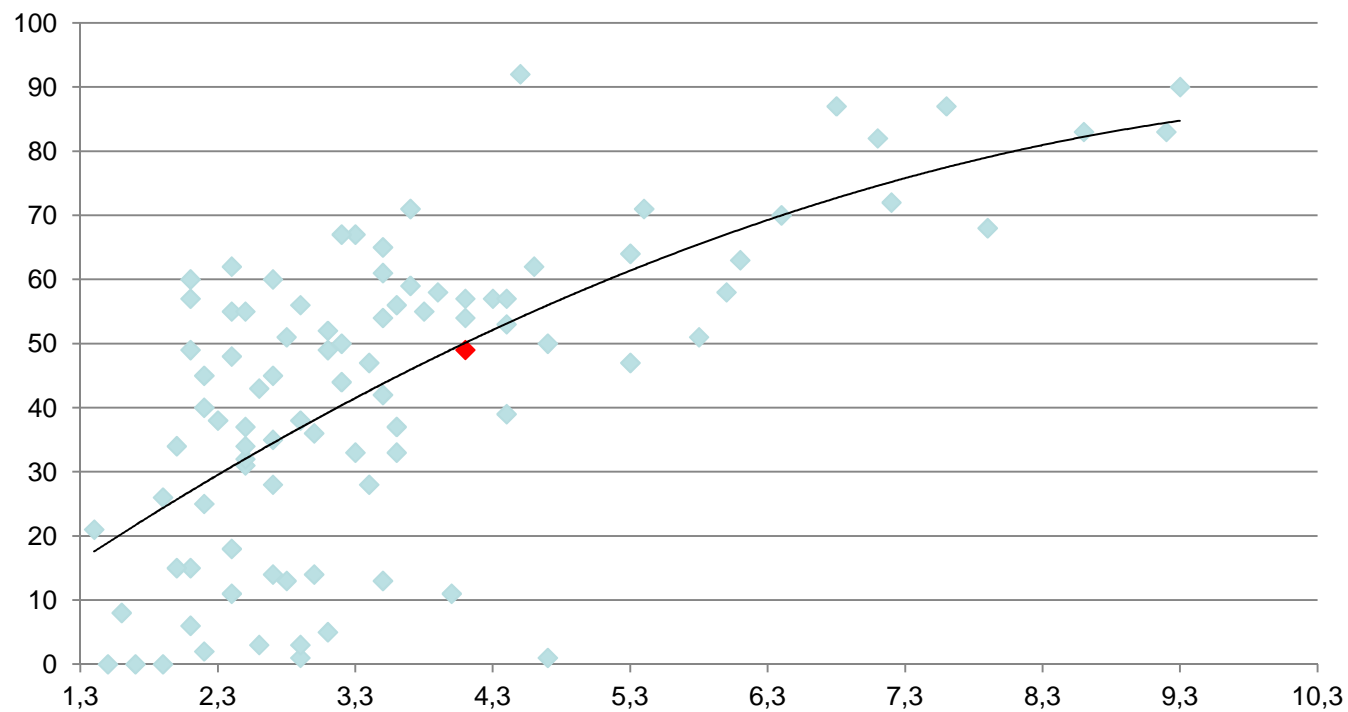
Fiscal transparency and GDP per capita

OBI=f(GDP per capita)



Fiscal transparency and corruption

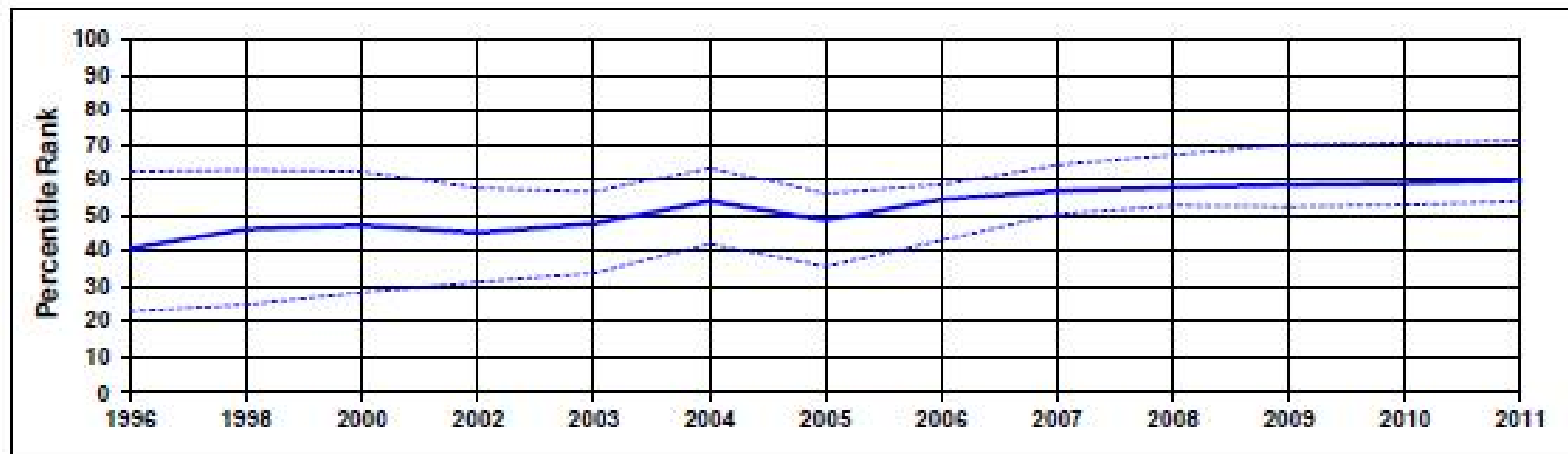
$$\text{OBI} = f(\text{CPI})$$



- We at CEA also believe that higher fiscal transparency motivates (specifically for Macedonia)
 - More **participation** during the process
 - **Consensus** building among political actors for reforms
 - **Support** for reforms from government administration (central and local), public, businesses and civil sector
 - **Innovative** approaches for more efficiency and effectiveness during the budget process

Reflects perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development.

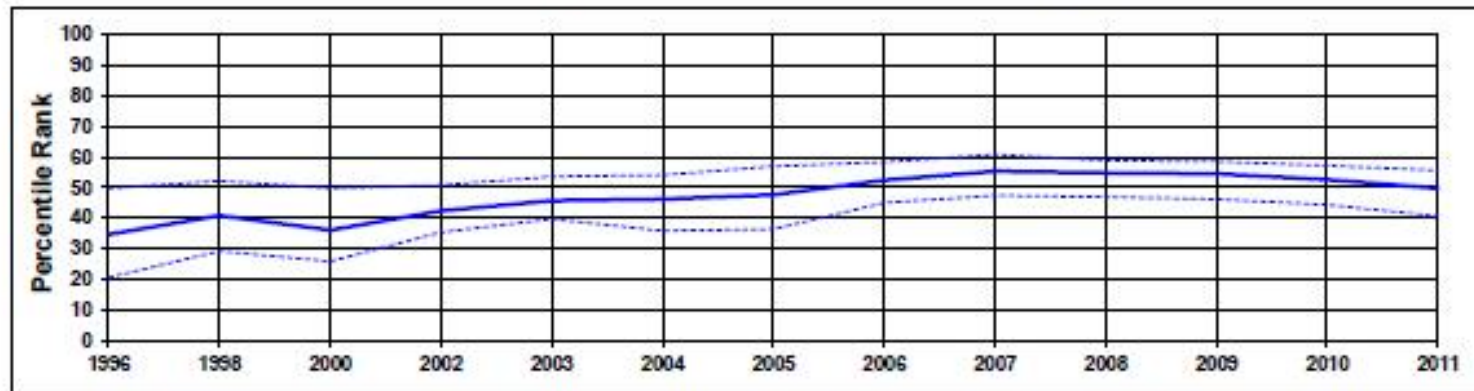
Aggregate Indicator: Regulatory Quality



Source: WB: <http://info.worldbank.org/governance/wgi/pdf/c143.pdf>

Reflects perceptions of the extent to which a country’s citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media.

Aggregate Indicator: Voice & Accountability



Individual Indicators used to construct Voice & Accountability

Source: WB: <http://info.worldbank.org/governance/wgi/pdf/c143.pdf>

- **Thus, there must be tools developed and awareness raised from the demand side of the fiscal transparency market**
- **The CEA's newly developed (Think Tank Fund and Information Fund from Budapest supported) <http://www.mkbudget.org/> is one such tool**
- **Forthcoming the new ranking of Macedonia within the OBI**
- **Forthcoming the first Citizen's budget of Macedonia**

- CEA participate in the OBI initiative
- The Open Budget Initiative-OBI is a global research and advocacy program to promote public access to budget information and the adoption of accountable budget systems.
- The aim of the International Budget Partnership (IBP) is to ensure that government budgets are more responsive to the needs of poor and low-income people in society and, accordingly, to make budget systems more transparent and accountable to the public.

OBI Score Macedonia

Country	OBI Score	
	2010	2008
Bosnia-Herzegovina	44	44
Croatia	57	59
Macedonia	49	54
Serbia	54	45
Slovenia	70	73
Albania	33	37
Bulgaria	56	57

OBI Score Macedonia

- A 81-100 (extensive)
- B 61-80 (significant)
- C 41-60 (some)
- D 21-40 (minimal)
- E 0-20 (scant information)

Macedonia		
Document		Publication Status
Pre-Budget Statement	E	Not Produced
Executive's Budget Proposal	C	Published
Enacted Budget	B	Published
Citizens Budget	E	Not Produced
In-Year Reports	B	Published
Mid-Year Review	E	Published
Year-End Report	D	Published
Audit Report	A	Published

CEA CONTACT DETAILS

For information:

www.cea.org.mk

www.lsg-data.org.mk (supported by USAID)

<http://www.mkbudget.org/> (supported by TTF and IP from Budapest)

Center for Economic Analyses-CEA

Bul. Jane Sandanski 63/3

1000 Skopje

Macedonia

Phone: +389 (71) 310 974

Fax: +389 (2) 2444 766

Marjan Nikolov President

E-mail: info@cea.org.mk