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As progress toward global budget transparency stalls for the first time in a decade, Republic of Macedonia ranks as among the world’s worst in denying its citizens information on how public money is used

After the erosion of fiscal discipline and the wider abuse of executive power to the point when the ruling party’s style of governance by the previous government before the December 2016 early parliamentary election was labelled as “state capture”¹, a major independent global report² finds that the new government of the Republic of Macedonia could improve transparency quickly, with little cost or effort.

Skopje, Republic of Macedonia, 30th of January 2018 – Many governments around the world are making less information available about how they raise and spend public money, and Republic of Macedonia is among the least transparent with regard to their national budget, according to the results of the Open Budget Survey 2017 (OBS), conducted by the International Budget Partnership (IBP). **Note that the cutoff date for the OBS research was 31st of December 2016.**

Warren Krafchik, executive director of IBP, said, *“The declines in budget transparency are worrisome against a global backdrop of rising inequality, restrictions on media and civic freedom, and a weakening of trust between citizens and their governments.”*

Launched in 2006, the OBS is the world’s only independent, comparative assessment of the three pillars of public budget accountability: transparency, oversight and public participation. The sixth round of this biennial assessment, the 2017 survey evaluated 115 countries across six continents, adding 13 new countries to the survey since the last round in 2015.

Republic of Macedonia has been in the OBS since 2008, and the 2017 survey finds that it falls below almost all the other countries on the Open Budget Index, or OBI, which uses internationally recognized criteria to give each country a transparency score on a 100-point scale. Republic of Macedonia’s OBI score of 37 means that citizens have little or no access to the budget information they need to understand the budget and hold the government to account. This matters because budgets are the main tool governments use to set policies for raising and spending public funds, which promote

¹ EU Progress report 2015 for Macedonia p. 8. Available at: https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2015/20151110_report_the_former_yugoslav_republic_of_macedonia.pdf

² Available at: <https://www.internationalbudget.org/wp-content/uploads/open-budget-survey-2017-report-english.pdf>



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development and meet the needs of the country's people. Here we want to stress again that the cutoff research date was 31st of December 2016.

“Even though a lot has been done after the change of the previous government that eroded the fiscal discipline and the fiscal transparency still a lot needs to be done,” said Marjan Nikolov, President of Center for economic analyses – CEA, which conducted the research for the Republic of Macedonia. *“Macedonia needs to improve yet its Executive budget proposal to present more budget information, to provide for more public participation in the budget process and to enhance budget oversight both by legislator and audit.”*

Marjan Nikolov further stated: *“Unfortunately, Republic of Macedonia scored 0 on the opportunities the government provides for public participation in budget processes. Without opportunities for citizens’ active participation — particularly citizens from marginalized or vulnerable groups — budget systems may only serve the interests of powerful elites. The government, Parliament and the Supreme audit institution must undertake measures to improve how they will engage citizens in the budget process and the budget cycle”.*

With regard to the strength of Republic of Macedonia's formal oversight institutions, the score for the legislature was 62 in formulation and approval (considered adequate) but only 20 in execution and audit phase of the budget cycle (considered weak). The score for the Supreme Audit Institution was 78 and considered adequate.

“The potential threat that Republic of Macedonia’s lack of strong budget accountability systems and practices poses to our ability to achieve our development goals is of great concern. The government should improve comprehensiveness and usefulness of the information in the key budget document, the Parliament to increase participation, witnessing and discussing the Audit reports and the Supreme audit institutions to provide for more transparent public participation,” said Marjan Nikolov.

For the full report, including recommendations, and other resources, such as country-specific results, please visit www.openbudgetsurvey.org

For the summary of Macedonia including recommendations please visit:
<https://www.internationalbudget.org/wp-content/uploads/macedonia-open-budget-survey-2017-summary.pdf>
