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## NORTH MACEDONIA INCREASES IN INTERNATIONAL RANKINGS ON CENTRAL GOVERNMENT BUDGET TRANSPARENCY

SKOPJE, April 29, 2020—Amid a global pandemic that is forcing governments around the world to launch new spending measures, the [International Budget Partnership](#)'s (IBP) latest Open Budget Survey-OBS shows that four out of five of the 117 governments assessed failed to reach the minimum threshold for adequate budget transparency and oversight, under international standards.

NORTH MACEDONIA has made improvements in publishing key information that can help the public understand budget policies, decisions, and outcomes, according to the new report. In comparison, worldwide, one-third of the eight key budget documents that governments should publish are not available to the public.

“While the pandemic clearly demands swift and decisive action, budget transparency, civic engagement and well-functioning oversight are imperative as well,” says Warren Krafchik, IBP’s executive director. “As governments respond to this massive public health emergency, budgets must remain open and transparent, and officials must allow inclusive public engagement during planning and implementation.”

As research by IBP and other organizations demonstrates, open budgets offer a promising pathway for countries to thrive socially and economically. They can restore trust in governments and strengthen frayed relationships between public institutions and the people they are meant to serve.

North Macedonia continues to improve its fiscal transparency since 2017 after the disastrous eroding as measured in the 2012 OBS scoring. North Macedonia 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. Also, it published the Citizen budget online and published the pre-budget statement online in timely manner for the first time since 2010 when it started to measure its fiscal transparency per IBP methodology. The 2019 IBP fiscal transparency cycle is also unique for North Macedonia as for the first time it was also reviewed not only by an anonymous independent expert, but by a representative of the Ministry of Finance of North Macedonia.

While the latest Open Budget Survey (OBS) was completed just before the pandemic hit, it provides a telling snapshot of current North Macedonia’s practices related to budget disclosure, opportunities for public engagement in the budget cycle, and effective checks and balances.

For governments not meeting minimum international standards, North Macedonia serves as an example of the benefits that can be achieved when adopting more fiscal transparency.

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## The Measures of Open Budgets

**Budget transparency** is assessed in the OBS by the public availability and contents of eight key budget documents that all governments are expected to publish as per international standards. Specifically, the survey examines whether they are published online in a timely manner and the information is comprehensive.

- The global average transparency score was 45 out of 100, short of the 61 considered the minimum threshold to foster an informed public debate.
- North Macedonia scored 41 and it 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.
- Note that a transparency score of 61 or above indicates a country is likely publishing enough material to support informed public debate on the budget.

**Public participation** is assessed based on formal opportunities for civic organizations and individuals to engage and provide input throughout the budget process.

- The average global score for public participation is dismal: 14 out of 100.
- North Macedonia unfortunately scored 0.
- Transparency alone is insufficient for improving governance. Inclusive public participation is crucial for realizing the positive outcomes associated with greater budget transparency. The OBS also 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.

**Oversight** is measured based on the role played by legislatures and supreme audit institutions (SAIs) in the budget process.

- A score of 61 out of 100 is considered adequate oversight.
- North Macedonia scored 47 for the legislative oversight.
- North Macedonia scored 67 for the audit oversight.

Government and civil society in North Macedonia should continue its collaborative efforts on improving fiscal transparency and open the space for public participation because<sup>1</sup>:

- Fiscal transparency helps to achieve financial and economic stability, foster a well-informed debate about the design and results of fiscal policy, and ensure public-sector accountability.
- In doing so, fiscal transparency also helps to strengthen the credibility of a country's fiscal plans and boosts financial market and citizen's confidence.
- By highlighting risks to fiscal positions and the fiscal outlook, it also supports a timely and smooth fiscal policy response to changing economic conditions, thereby reducing the incidence and severity of crises.

IBP first launched the survey in 2006 with the goal of assuring that all citizens, especially those from underserved communities, have the opportunity to understand and influence how public money – their money – is raised and spent. Typically, fielded every two years, data are collected by independent civil-society budget experts who are not beholden to any national government. Their findings are reviewed by anonymous peers, and representatives from the assessed governments are offered the opportunity to review and comment on the findings.

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The Mission of CEA is to continuously research economic development and public policy in the Republic of North Macedonia and to offer recommendations, suggestions and measures to the government and non-governmental institutions. CEA members share a common vision of the Republic of Macedonia as a new emerging economy integrated with regional and world markets. They devote their time, efforts and knowledge to help make this vision become a reality.

To download the full report, visit: [Questionnaire](#), [IBP Report](#), [Executive Summary - North Macedonia](#), [Key Findings](#).

For more information, visit [International Budget Partnership](#).

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<sup>1</sup> See more: <https://www.imf.org/en/About/Factsheets/Sheets/2016/07/27/15/46/Encouraging-Greater-Fiscal-Transparency>.