

Ethiopia

Overview



Transparency:

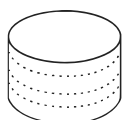
10 /100

(Open Budget Index score)



Public Participation:

6 /100



Budget Oversight:

61 /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 9th edition of the OBS covers 125 countries.

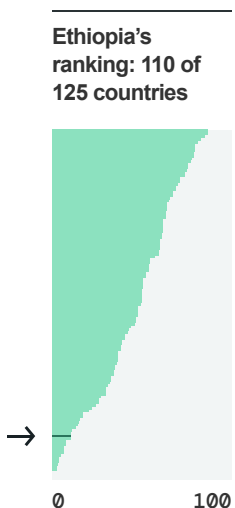
Visit www.internationalbudget.org/open-budget-survey for more information, including the full OBS methodology, the 2023 Global Report, findings for all surveyed countries, and the Data Explorer.

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.**

Ethiopia has a transparency score of **10** (out of 100).

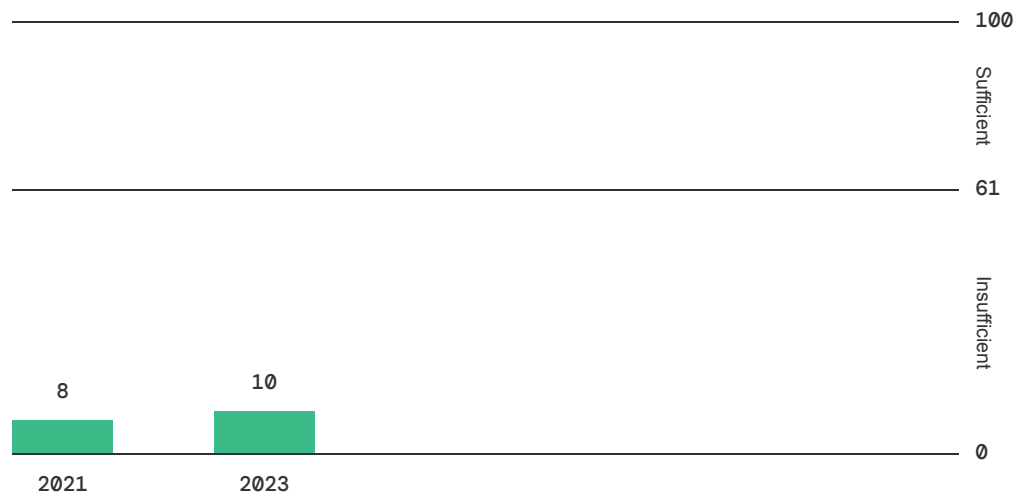
Transparency in Ethiopia compared to others



Global Average	45
Uganda	59
Rwanda	50
Tanzania	41
Madagascar	39
Somalia	37
Burundi	14
South Sudan	13
Ethiopia	10
Comoros	4

0 Insufficient 61 Sufficient 100

How has the transparency score for Ethiopia changed over time?



Public availability of budget documents in Ethiopia

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

Document	2021	2023
Pre-Budget Statement	⊘	●
Executive's Budget Proposal	●	●
Enacted Budget	●	●
Citizens Budget	⊘	●
In-Year Reports	●	●
Mid-Year Review	●	⊘
Year-End Report	●	●
Audit Report	●	●

How comprehensive is the content of the key budget documents that Ethiopia makes available to the public?

KEY	
●	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.	2022-23	Published Late
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.	2022-23	Published Late
Enacted Budget	The budget that has been approved by the legislature.	2022-23	78
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.	2022-23	59
In-Year Reports	Include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.	2021-22	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.	2021-22	Not Produced
Year-End Report	Describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.	2020-21	Internal Use
Audit Report	Issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.	2019-20	57

Ethiopia's transparency score of **10** in the OBS 2023 is near its score in 2021.

What changed in OBS 2023?

Ethiopia has increased the availability of budget information by:

- Publishing the Citizens Budget online.

Recommendations

Ethiopia should prioritize the following actions to improve budget transparency:

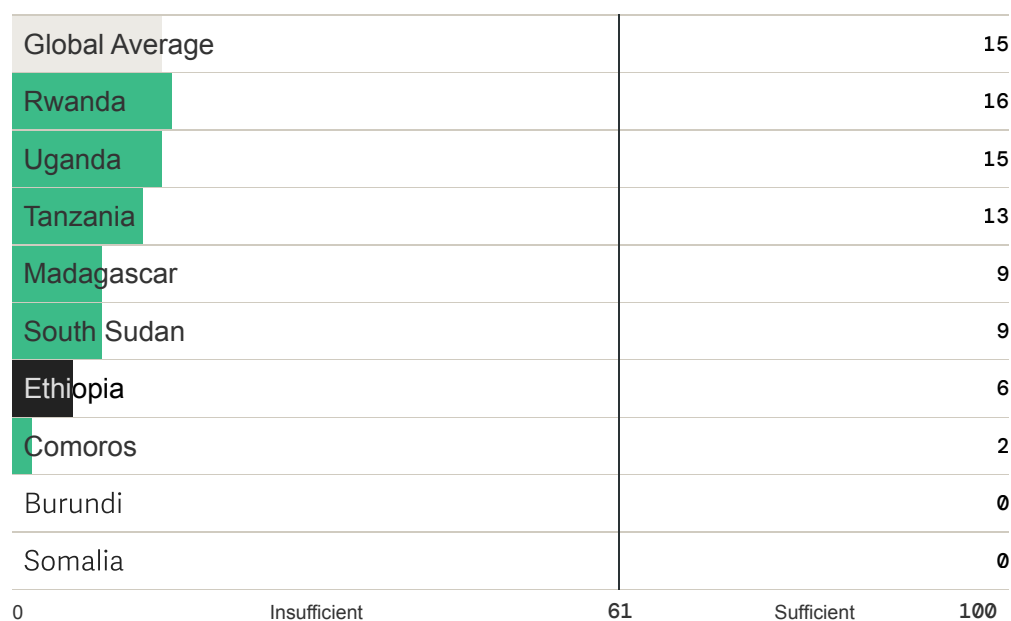
- Publish Year-End Report online in a timely manner. This report ought to cover all of the major items included in the budget, explaining differences between the original estimates and the actual outcomes for expenditure, revenue, debt, and the macroeconomic assumptions.
- Produce and publish the Mid-Year Review online in a timely manner. This report should provide updated estimates of expenditure, revenue, and debt, reflecting the impact of actual experience to date and revised projections for the full fiscal year.
- Publish the Pre-Budget Statement at least one month before the Executive's Budget Proposal is submitted to the legislature for consideration. This document must include the macroeconomic forecasts upon which the budget will be based; major revenue and expenditure policies and priorities that will guide the development of detailed estimates for the upcoming budget; and multi-year revenue and expenditure projections.
- Publish the Executive's Budget Proposal while the legislature is still considering it and before the legislature approves (enacts) it. This document must include detailed revenue, expenditure, and debt estimates; macroeconomic assumptions, historical and multi-year budget data; and public policy information.
- Publish at least seven of the last 12 monthly In-Year Reports, or at least three of the last four quarterly In-Year Reports no later than three months after the reporting period ends.
- Improve the comprehensiveness of the Audit Report and Citizens Budget.

Public Participation

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.

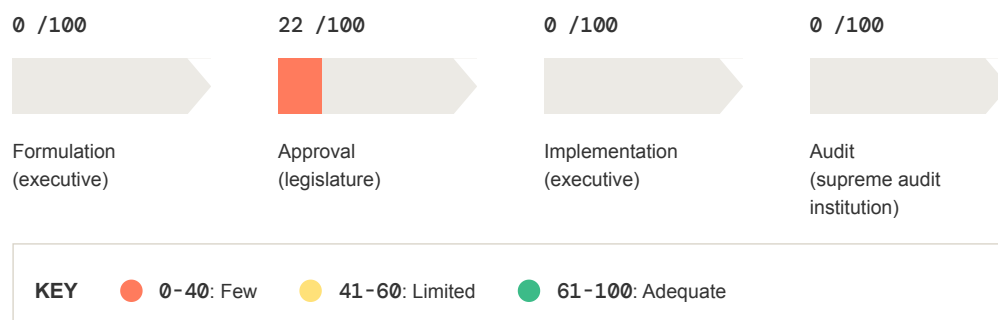
Ethiopia has a public participation score of **6** (out of 100).

Public participation in Ethiopia compared to others



For more information, see [here](#) for innovative public participation practices around the world.

Extent of opportunities for public participation in the budget process



Recommendations

To further strengthen public participation in the budget process, Ethiopia's Ministry of Finance should prioritize the following actions:

- Initiate pilot programs aimed at involving the public in the budget formulation process and monitoring its implementation. Ensure sufficient transparency by providing clear information on engagement timelines, formats, feedback channels, and the impact of public involvement on decision-making.
- Actively engage with vulnerable and underrepresented communities, directly or through civil society organizations representing them.

Ethiopia's Federal Parliamentary Assembly has established public hearings related to the approval of the annual budget and public hearings related to the review of the Audit Report, but should also prioritize the following actions:

- Allow any member of the public or any civil society organization to testify during its hearings on the budget proposal prior to its approval.
- Allow any member of the public or any civil society organization to testify during its hearings on the Audit Report.

Ethiopia's Office of the Federal Auditor General should prioritize the following actions to improve public participation in the budget process:

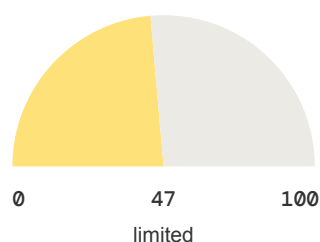
- Establish formal mechanisms for the public to assist in developing its audit program and to contribute to relevant audit investigations by inviting public input, suggestions, or feedback on what areas or aspects the audit program should focus on or by providing the public with opportunities to contribute relevant information, insights, or evidence to ongoing audit investigations.

Budget Oversight

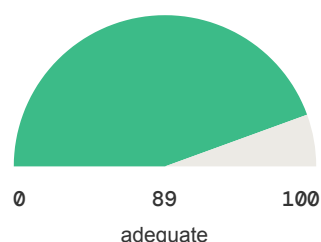
The OBS examines the role that legislatures and supreme audit institutions (SAIs) play in the budget process and the extent to which they provide oversight; each country is scored on a scale from 0 to 100 based on 18 equally weighted indicators. In addition, the survey collects supplementary information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

The legislature and supreme audit institution in Ethiopia, together, provide adequate oversight during the budget process, with a composite oversight score of **61** (out of 100). Taken individually, the extent of each institution's oversight is shown below:

Legislative oversight



Audit oversight



KEY ● 0-40: Few ● 41-60: Limited ● 61-100: Adequate

Recommendations

Ethiopia's Federal Parliamentary Assembly provides limited oversight during the planning stage of the budget cycle and limited oversight during the implementation stage. To improve oversight, the following actions should be prioritized:

- The legislature should debate budget policy before the Executive's Budget Proposal is tabled and approve recommendations for the upcoming budget.
- 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 during the budget year.
- A legislative committee should examine the Audit Report and publish a report with their findings online.

To strengthen independence and improve audit oversight by the Ethiopia Office of the Federal Auditor General, the following actions are recommended:

- Ensure audit processes are reviewed by an independent agency.

The emerging practice of establishing independent fiscal institutions

Ethiopia 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 2022 were assessed in the OBS 2023.
- The survey is based on a questionnaire completed in each country by an independent budget expert:
Hiwot Gezahegn
The Horn Economic and Social Policy Institute (HESPI)

hiwot.gezahegn@hespi.org; contacthespi@hespi.org
- To further strengthen the research, each country's draft questionnaire is also reviewed by an anonymous independent expert, and in Ethiopia by a representative of the Ministry of Finance.