



## European Public Sector Information Platform

Topic Report No. 2013 / 11

# FISCAL TRANSPARENCY AND OPEN GOVERNMENT DATA

Author: Karolis Granickas

Published: November 2013

## Table of Contents

Abstract/ Executive Summary: .....	3
1    Introduction.....	4
2    Rationale .....	5
3    What is fiscal transparency?.....	6
4    International fiscal transparency standards and guidelines .....	7
5    Logical framework of fiscal transparency .....	10
6    What data should be available and how?.....	11
6.1    Budget information .....	11
6.1.1    How do countries perform?.....	13
6.1.2    Good-practice example: Data.Gov.UK.....	14
6.1.3    Re-use example: OpenSpending.org.....	15
6.2    Government spending data.....	16
6.3    Aid transparency.....	18
6.3.1    Re-use of aid data .....	19
6.3.2    How aid information should be disclosed?.....	19
6.4    Public procurement .....	20
6.4.1    Example of re-use of procurement data .....	22
6.5    Company register .....	23
6.5.1    Example of re-use of company registry data .....	24
7    Conclusions and recommendations .....	25
About the Author .....	26

## Keywords:

---

fiscal, transparency, accountability, growth, innovation, openness, budget, spending, aid, procurement, standard

## Abstract/ Executive Summary:

---

This report will serve as an entry guide to those interested in fiscal transparency. It will reflect on key international initiatives, standards, research papers and studies and will offer a holistic view on the concept of fiscal transparency. It will suggest the basic structure of fiscal transparency concept and accordingly will present key data and information that most governments possess and that should be public. Finally, it will offer a set of conclusions and recommendations related to gathering, publishing and re-using open government fiscal data.

## 1 Introduction

---

This topic report on fiscal transparency and open data is to serve as an entry guide to those interested in fiscal transparency and the role of open government data in a conversation about fiscal transparency.

Building on previous EPSI topic reports (re-use of (1) budget and (2) public procurement data), it will reflect on key international initiatives, standards, research papers and studies and will offer a holistic view on the concept of fiscal transparency.

Further on, it will suggest the basic structure of fiscal transparency concept and accordingly will present key data and information that most governments possess and that should, building on demand by international community, be published in line with current data and information standards.

Finally, it will offer a set of conclusions and recommendations related to gathering, publishing and re-using open government fiscal data.

## 2 Rationale

---

There is an international consensus that good governance is of central importance to achieving and sustaining macroeconomic stability and high-quality growth; and that sound fiscal management—including fiscal transparency—is a key aspect of good governance. 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.<sup>1</sup>

Fiscal transparency is not limited to national and municipal budgets. Citizens' understanding about states' fiscal behaviour encourages greater civic participation and oversight, it promotes public accountability and, most importantly, it enhances effectiveness and efficiency of public budget and spending that is mirrored in an overall growth of economies worldwide.

---

<sup>1</sup> Reasoning by the International Monetary Fund: Why fiscal transparency is important?  
<http://www.imf.org/external/np/exr/facts/fiscal.htm>

### 3 What is fiscal transparency?

---

There is no one shared understanding on what fiscal transparency concept entails. Perhaps, the best-known definition is suggested by the International Monetary Fund:

Fiscal transparency entails being **open to the public about** the government's past, present, and future **fiscal activities**, and about the structure and functions of government that determine fiscal policies and outcomes. Such transparency fosters better-informed public debate, as well as greater government accountability and credibility.<sup>2</sup>

A more detailed definition is suggested by George Kopits and Jon Craig:

Fiscal transparency is defined ... as **openness toward the public at large** about government structure and functions, fiscal policy intentions, public sector accounts, and projections. It involves **ready access** to reliable, comprehensive, timely, understandable, and internationally comparable information on government activities ... so that the electorate and financial markets can accurately assess the government's financial position and the true costs and benefits of government activities, including their present and future economic and social implications.<sup>3</sup>

Naturally, in the last 15 - 20 years civil society and other stakeholders have been largely focusing on state /municipal budget transparency within the context of fiscal transparency. While open budget is of immense importance, fiscal transparency has a lot more aspects to it. Fiscal transparency is linked to all aspects of governmental and also private sector behavior that have or may have financial implications.

---

<sup>2</sup> <http://www.imf.org/external/np/exr/facts/fiscal.htm>

<sup>3</sup> Kopits and Craig 1998: 1.

## 4 International fiscal transparency standards and guidelines

---

Over the past 20 years, many international institutions and standard-setting bodies have issued guidelines to promote fiscal transparency worldwide. We will briefly look at the leading currently existing documents. Knowing the leading standards of fiscal transparency will allow drawing a better-informed map of what key data and information should be open and public when furthering fiscal transparency worldwide.

***International Monetary Fund's (IMF) (1) [Code of Good Practices on Fiscal Transparency](#), (2) a [Manual on Fiscal Transparency](#), and (3) a [Guide on Resource Revenue Transparency](#);***

IMF has been on the forefront of standard-setting for fiscal transparency internationally. Firstly, its Code of Good Practices identifies a set of principles and practices to help governments provide a **clear picture of the structure and finances of government**. Secondly, the Manual on Fiscal Transparency provides guidance on the Code's implementation. It explains the Code's principles and practices in detail and draws on experiences in member countries to illustrate a range of practical approaches. And thirdly, the Guide on Resource Revenue Transparency applies the principles of the Code to the unique set of problems faced by countries that derive a significant share of revenues from oil or mineral resources.

### ***[OECD's Best Practice Guidelines on Budget Transparency](#)***

The Best Practices are designed as a reference tool for OECD Member and non-member countries to use in order to increase the **degree of budget transparency** in their respective countries. It covers the **principal budget reports** that governments should produce and their general content. It describes **specific disclosures to be contained** in the reports. This includes both financial and non-financial performance information. It also highlights practices for ensuring the quality and integrity of the reports.

### ***[International Budget Partnership's Open Budget Index](#)***

The Open Budget Survey measures the state of budget transparency, participation, and oversight in countries around the world. It consists of 125 questions and is completed by independent researchers in the countries assessed. Ninety-five of the questions deal directly with the **public availability and comprehensiveness of the eight key budget documents** that governments should publish at various points of the budget cycle. The remaining 30 questions relate to opportunities for public participation in the budget process, and to the roles played by legislatures and supreme audit institutions in budget formulation and oversight.

**Global Initiative for Fiscal Transparency: High level principles on fiscal transparency** The GIFT High Level Principles are intended to guide policy makers and all other stakeholders in fiscal policy in their efforts to **improve fiscal transparency, participation and accountability**, and to help promote improvements in the coverage, consistency and coherence of the existing standards and norms for fiscal transparency.

**Global Initiative for Budget Transparency Declaration**

BTAP brings together over 130 civil society organizations from more than 60 countries in a movement that works at the local, national, and international level on public finance and budget accountability issues. Its establishing declaration suggests a set of **basic fiscal transparency principles demanding for transparent budgets** and is directed at a wide range of stakeholders.

**Procurement open data guidelines by the Sunlight Foundation**

The Sunlight Foundation has created the set of guidelines to help shape how governments **release data on their procurement process**. They are organized to help define the ideal data disclosure scenario for government contracting. And are drafted to be applicable to any level of government, including local, national, or international.

**International Budget Partnership: A Government Guide to Developing Citizens Budgets**

This guide is third in a series of IBP publications for governments seeking practical guidance on how to **make their public finance systems more transparent**. It focuses on citizens' right to

access fiscal information in a language and through formats that ordinary people can understand and appreciate.

There are a lot more international fiscal transparency standards than mentioned above. For instance, one of the strongest impact-wise international standard-setting initiatives is the International Aid Transparency Initiative, that leads the way in international aid spending reporting and that will be mentioned below. However, extensively covering international fiscal transparency standards is outside the scope of this topic report.

Most of the abovementioned standards particularly emphasize accessibility of fiscal information and data to ordinary citizens. However, even though state budget is key document to fiscal transparency, close to 80% of countries worldwide fail to meet basic standards of budget transparency, as revealed by Open Budget Index 2012. This serves as an indication of the stage many countries are at in terms of truly realizing fiscal transparency.

Building on international initiatives mentioned above, this report will present key fiscal information and data that most governments possess and that should, according to international standards, be public. It will also demonstrate how some of the addressed datasets can be re-used by a larger number of stakeholders.

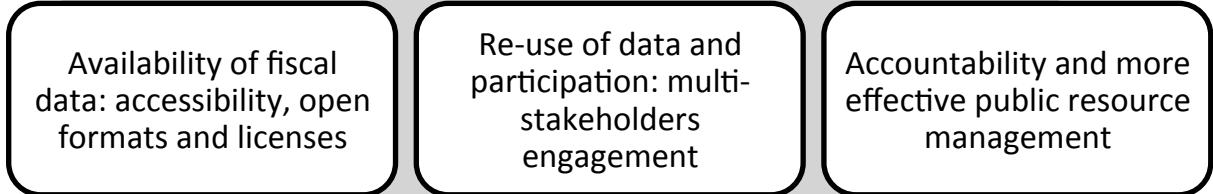
## 5 Logical framework of fiscal transparency

Before proceeding to open fiscal data stage, it is worth keeping in mind the ultimate motivating reasons why we believe fiscal transparency and data openness standards are necessary.

As most of the literature, research and standards suggest, the first step to fiscal transparency is the openness of data and information related. However, availability of information is not the goal in itself. The key to achieving the ultimate goal, that is public accountability and more efficient public resource management, is making the data available in a way which would enable to both (1) analyze the fiscal tendencies in user-friendly manner and / or in a way which allow (2) easy re-use of related data and information.

The ultimate aim, of course, is citizens' ability to effectively understand and participate in states' fiscal policies. According to the IMF, fiscal policies are understood as government taxation, borrowing, spending, and the investment and management of public resources. In technical terms, fiscal policies are public policies implemented through the provision of non-market services and the redistribution of income and wealth, financed primarily by taxes and other compulsory levies on nongovernment sectors.

*Why fiscal transparency?*



## 6 What data should be available and how?

---

Building on international fiscal transparency standards and initiatives referred to above, this section will present key fiscal information and data that most governments possess and that should be public in accordance with current openness standards.

However, it is outside the possible scope of this report to exhaustively cover all types of fiscal information, therefore this report will focus on information and data that attracted considerable attention in a research conducted previously and also on information that is agreed to have more substantial impact in terms of corruption risks. In particular, we will address openness of information about state / municipal budgets, general spending, public procurement, aid and company register.

### 6.1 Budget information

According to the leading budget transparency assessment tool, [Open Budget Index](#), governments have and should publish the following documents related to state budget:

*During the budget formulation stage, governments should publish:*

- 1) **Pre-Budget Statement**, which includes the assumptions used to develop the budget, such as total expected revenue, expenditure, and debt levels, and broad sector allocations; and;
- 2) **Executive's Budget Proposal**, which presents the government's detailed plans, in terms of policy priorities and budgets for each ministry and agency, for the coming budget year;

*During the budget approval stage, governments should publish:*

- 3) **Enacted Budget**, which is the legal document that authorizes the executive to implement the policy measures the budget contains. The Enacted Budget is issued by the legislature after it approves (sometimes with amendments) the budget proposal presented to it by the executive;

*During the budget execution stage, governments should publish:*

- 4) **In-Year Reports**, which include information on revenues collected, actual expenditures made, and debt incurred at a given point in time, generally through monthly or quarterly publications;
- 5) **Mid-Year Review**, which summarizes the actual budget data for the first six months of the year (revenues, expenditures, and debt), reassesses the economic assumptions upon which the budget was initially drafted, and adjusts the budget figures for the remaining six months accordingly; and
- 6) **Year-End Report**, which shows the situation of the government's accounts at the end of the fiscal year and ideally includes an evaluation of the progress made toward achieving the policy goals spelled out in the Enacted Budget;

*During the audit stage, governments should publish:*

- 7) **Audit Report**, in which the supreme audit institution evaluates the financial performance of the government in the previous budget year; audits can also cover specific agencies and nonfinancial aspects of the executive's performance.
- 8) In addition to these documents, governments should publish a **Citizens Budget**, a simplified version of a budget document that uses nontechnical language and accessible formats in order to facilitate citizens' understanding of, and engagement with, the government's plans and actions during the budget year. While this document has been produced mostly in relation to the Executive's Budget Proposal or the Enacted Budget, accessible nontechnical versions can and should be produced for any or all of the above-mentioned documents.

Open Budget Index outlines the most common challenges and barriers to more effective re-use of abovementioned data and information: **data formats and licenses**. It emphasizes the importance of the criteria for this data to be published in machine-readable formats and to be openly licensed.



*Open Budget Index: What budget documents should be published?*

### 6.1.1 How do countries perform?

Table 1. In 41 percent of the countries in the Open Budget Index 2012, citizens have access to little or no budget information

	Number of Countries out of 100 Surveyed	Countries
Extensive information (OBI 2012 score of 81-100)	6	France, New Zealand, Norway, South Africa, Sweden, United Kingdom
Significant information (OBI 2012 score of 61-80)	17	Brazil, Bulgaria, Chile, Croatia, Czech Republic, Germany, India, Indonesia, Mexico, Portugal, Russia, Slovakia, Slovenia, South Korea, Spain, Uganda, United States
Some information (OBI 2012 score of 41-60)	36	Afghanistan, Albania, Argentina, Azerbaijan, Bangladesh, Bosnia and Herzegovina, Botswana, Colombia, Costa Rica, El Salvador, Georgia, Ghana, Guatemala, Honduras, Italy, Jordan, Kazakhstan, Kenya, Liberia, Malawi, Mali, Mongolia, Mozambique, Namibia, Nepal, Nicaragua, Pakistan, Papua New Guinea, Peru, Philippines, Poland, Romania, Sri Lanka, Tanzania, Turkey, Ukraine
Minimal information (OBI 2012 score of 21-40)	15	Angola, Burkina Faso, Dominican Republic, Ecuador, Lebanon, Macedonia, Malaysia, Morocco, São Tomé e Príncipe, Serbia, Sierra Leone, Thailand, Timor-Leste, Trinidad and Tobago, Venezuela
Scant or no information (OBI 2012 score 0-20)	26	Algeria, Benin, Bolivia, Cambodia, Cameroon, Chad, China, Democratic Republic of Congo, Egypt, Equatorial Guinea, Fiji, Iraq, Kyrgyz Republic, Myanmar, Niger, Nigeria, Qatar, Rwanda, Saudi Arabia, Senegal, Tajikistan, Tunisia, Vietnam, Yemen, Zambia, Zimbabwe

The above excerpt from the Open Budget Index report 2012 shows that only six countries worldwide provide its citizens with extensive information on their budget.

### 6.1.2 Good-practice example: Data.Gov.UK

Data.Gov.UK has been built on a combination of the Open Knowledge Foundation's CKAN and Drupal (open-source CMS). The website is showcased worldwide as a leading example of governments' provision of open data. When it comes to fiscal data, it contains government spending data, central government ICT contracts, also contracts over 10 000 GBP, development aid spending data, local government spending over 500 GBP, salaries of senior civil servants and other information. In October 2013, MP David Cameron announced that UK's company register data will also be released to the public.

The Open Knowledge Foundation's report "Technology for Transparent and Accountable Public Finance"<sup>4</sup> suggest a more extensive review on the Data.Gov.UK providing an overview of features, successes and challenges etc.

The Open Budget Index concludes with a number of relevant recommendations on how to further promote budget transparency locally and internationally:

- (1) All countries should advance both fundamental and innovative participation mechanisms throughout the budget process, and all countries should **publish all their budget documents on the Internet in “machine-readable” formats**, like an Excel spreadsheet, that facilitate analysis.
- (2) Individual country initiatives are more likely to occur, and to be successful, if they are encouraged and supported by the wide range of other actors with an interest in advancing budget transparency and accountability. **A concerted effort** by all stakeholders to provide appropriate incentives and pressure is thus most likely to generate needed reforms.
- (3) Multi-stakeholder initiatives need to commit the resources and influence required to make

---

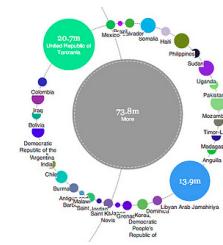
<sup>4</sup> Chambers L., Dimitrova V., Pollock R., Technology for Transparent and Accountable Public Finance, Open Knowledge Foundation.

them a success. Legislatures and SAIs should demand the independence and resources necessary to make them effective, and should improve their collaboration with each other and civil society. Donor agencies should follow and expand recent instances of tying the quality of foreign aid to budget reforms. Civil society should continue its role in pushing for more transparency and accountability, and further demonstrate the constructive roles it can play with adequate information and access.

(4) All the tools necessary to advance budget reforms — consensus on standards, mobilized actors, and understanding of current deficiencies — are at hand. If these tools are deployed in a concerted fashion, historic and widespread advances in budget transparency and accountability can soon be achieved.<sup>5</sup>

In addition to what is recommended by the Open Budget Index, it is of immense importance that all the budget documents mentioned above should also be published on a municipal level. Citizens are proved to be more likely to connect to public issues on a local level rather than on a national. It is important to further promote budget transparency on a municipal level.

### 6.1.3 Re-use example: OpenSpending.org



The best-known example of budget data re-use tool is [www.openspending.org](http://www.openspending.org). It allows upload any kind of financial data and exploring it with built-in interactive visualizations. Users publish budgets, procurements, spending data and even public employee salaries. It also allows building widgets to embed visualization on your external websites.

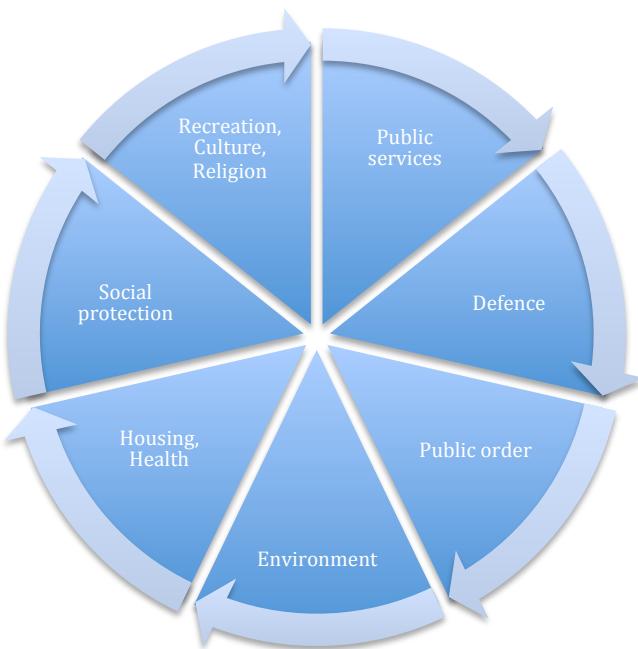
*Note: please refer to the previous ePSI topic report No. 2011 / 12 "State of Play: Re-use of Budget Data" by Tom Kronenburg for a more detailed analysis on budget data re-use, related challenges etc.*

---

<sup>5</sup> Open Budget Index 2012.

## 6.2 Government spending data

Government spending data encompasses many types of data and information. According to the OECD spending classification, governments spend their resources on general public services, defense, public order, economic affairs, environment protection, housing and community amenities, health, recreation, culture and religion, education and social protection, aid.

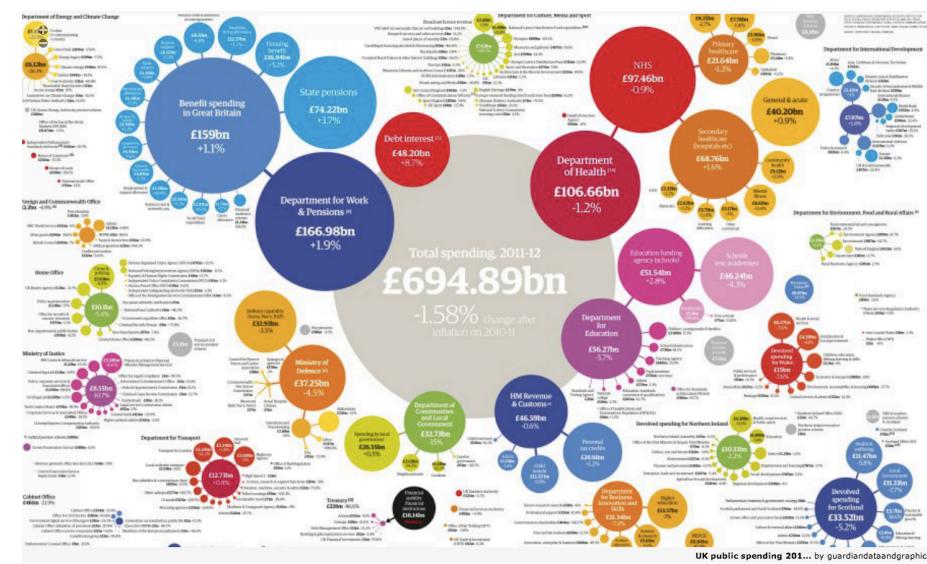


*What do governments spend on?*

Accounting for how the money is spent is of immense importance, thus governments should ensure that as much spending data (contracts, audit reports, procurement bids etc.) as possible should be availed to the public in open formats and licenses.

For instance, the UK government provides its spending data since 1963 in an abovementioned Data.Gov.Uk. This allows other stakeholders, for instance, media to analyze and visualize the information and present it to a wide range of users.

Example of how "the Guardian" presents the UK spending data to their readers:



Worth mentioning is the work that the Open Knowledge Foundation does with showing what spending data is available in a large number of countries with help of its [Open Data Census](#).

Country	Score	Breakdown	Location (URL)	Information
United Kingdom	100%		<a href="http://www.number10.gov.uk/aspire/transparency/okf_spending.html">http://www.number10... aspire/transparency/okf_spending.html</a>	<a href="#">Propose Revisions</a>
Ukraine	100%		<a href="http://www.treasury.gov.ua/okf_spending.html">http://www.treasury.g... ov.ua/okf_spending.html</a>	<a href="#">Propose Revisions</a>
Greece	100%		<a href="http://opendata.diavg.gr/okf_spending.html">http://opendata.diavg... okf_spending.html</a>	<a href="#">Propose Revisions</a>
United States	90%		<a href="http://usaspending.gov/okf_spending.html">http://usaspending.g... okf_spending.html</a>	<a href="#">Propose Revisions</a>
Brazil	80%		<a href="http://www.transparencia.gov.br/okf_spending.html">http://www.transpare... ncia.gov.br/okf_spending.html</a>	<a href="#">Propose Revisions</a>
Moldova	70%		<a href="http://mf.gov.md/actd/okf_spending.html">http://mf.gov.md/actd... okf_spending.html</a>	<a href="#">Propose Revisions</a>
Russian Federation	70%		<a href="http://zakupki.gov.ru/okf_spending.html">http://zakupki.gov.r... okf_spending.html</a>	<a href="#">Propose Revisions</a>
Romania	70%		<a href="http://www.mbudget.gov.ro/okf_spending.html">http://www.mbudget.g... okf_spending.html</a>	<a href="#">Propose Revisions</a>
India	60%		<a href="http://cga.nic.in/defau/okf_spending.html">http://cga.nic.in/defau... okf_spending.html</a>	<a href="#">Propose Revisions</a>
Malta	60%		<a href="http://www.nso.gov.mt/okf_spending.html">http://www.nso.gov.m... okf_spending.html</a>	<a href="#">Propose Revisions</a>
Switzerland	45%		<a href="http://www.efv.admin.ch/okf_spending.html">http://www.efv.admin... okf_spending.html</a>	<a href="#">Propose Revisions</a>
Barbados	45%		<a href="http://www.treasury.gov.bb/okf_spending.html">http://www.treasury.g... okf_spending.html</a>	<a href="#">Propose Revisions</a>

The Open data Census by the Open Knowledge Foundation assesses if spending data is (1) publicly available in (2) digital format, (3) free of charge, (4) in bulk and (5) machine-readable formats, (6) up to date and (7) openly licensed. Worth noting, that only three countries in the list score the 100%: United Kingdom, Ukraine and Greece.

### 6.3 Aid transparency

First of all, why we believe that aid transparency is critical issue in an international conversation about fiscal transparency? As "Publish What You Fund" puts it, governments in recipient countries struggle to know with precision how much aid is invested in their country, from whom, and how it is being spent. This not only affects how aid resources are utilized but it also has an impact in the allocation of their own resources.<sup>6</sup>

The leading monitoring and standard-setting organization for aid transparency is the International Aid Transparency Initiative (IATI).

It suggests that information on aid needs to be regularly published and freely available if it is going to help effective spending, evaluation, and accountability. In order to promote more effective aid, all donors need to provide their aid information in a common format that meets the needs of recipient governments and civil society.

The International Aid Transparency Initiative (IATI) offers a common standard for publishing aid information. The key information that should be published to the IATI is:

- **Financial information:** IATI supports both aggregate financial information for the entire activity in the total-cost element, and records of individual inflows and outflows of money, both planned and actual, in the budget-planned and transaction elements.
- **Financial transactions:** the transaction element lists money flowing into or out of an aid activity

---

<sup>6</sup> [http://www.un.org/en/ecosoc/newfunct/pdf/luxembourg\\_bp1\\_why\\_aid\\_transparency\\_matters.pdf](http://www.un.org/en/ecosoc/newfunct/pdf/luxembourg_bp1_why_aid_transparency_matters.pdf)

(possibly from or to another activity). Transactions are critical for tracking the flow of money across different activities and avoiding duplicate counting;

- **Planned expenditures:** the budget-planned element lists the planned future expenditures for aid activities.

### 6.3.1 Re-use of aid data

Based on datasets submitted to the IATI by more than 150 organizations, IATI offers a range of re-use tools, such as [www.aidview.net](http://www.aidview.net), which allows visualizing aid information and filtering it by organization, country, types of project etc.

*[www.aidview.net](http://www.aidview.net): aid information filtered by country- Belarus.*



### 6.3.2 How aid information should be disclosed?

"[Publish What You Fund](#)" released a set of basic principles regarding provision of information related to aid:

1. Information on aid should be **published pro-actively** – a donor agency or organisation should tell people what they are doing, for whom, when, and how.
2. Information on aid should be **comprehensive, timely, accessible and comparable** – the information should be provided in a **format that is useful and meaningful**.
3. **Everyone can** request and receive information on aid processes – ensure everyone is able to

access the information as and when they wish.

4. **The right of access to information** about aid should be promoted – donor organisation should actively promote this right.

## 6.4 Public procurement

According to a study conducted on behalf of the European Commission, around 17,3% of the EU GDP is spent by way of public procurements.<sup>7</sup> Transparency in the way states spend public finances is a key to increased monitoring, accountability, thus more effective public funds management.

Perhaps, the most comprehensive civil society standard for open data within the context of public procurement is suggested by the [Sunlight Foundation](#) in its Public Procurement Open Data Guidelines. It enlists the list of information related to public procurement that should be published, as follows:

- Procurement law;
- Procurement documents (Solicitations or tenders for contracts, as well as any accompanying documents);
- Procurements without solicitation;
- Bid documents;
- Bid Communications;
- Procurement Awards (awards for solicitations should be publicly disclosed as soon as they are awarded);
- Text of contracts (the full text of any awarded contract);
- Procurement disputes;
- Contractor Performance (databases containing current and historical performance information for contractors, including suspensions or debarments, should be publicly available.);

---

<sup>7</sup> Study on the evaluation of the Action Plan for the implementation of the legal framework for electronic procurement, 2010.

- Contract Status
- Subcontracts;
- Contract Identifiers

The Sunlight Foundation standards carry on explaining how the data enlisted above should be published, and recommendations, of course can apply to all the data types mentioned in this report:

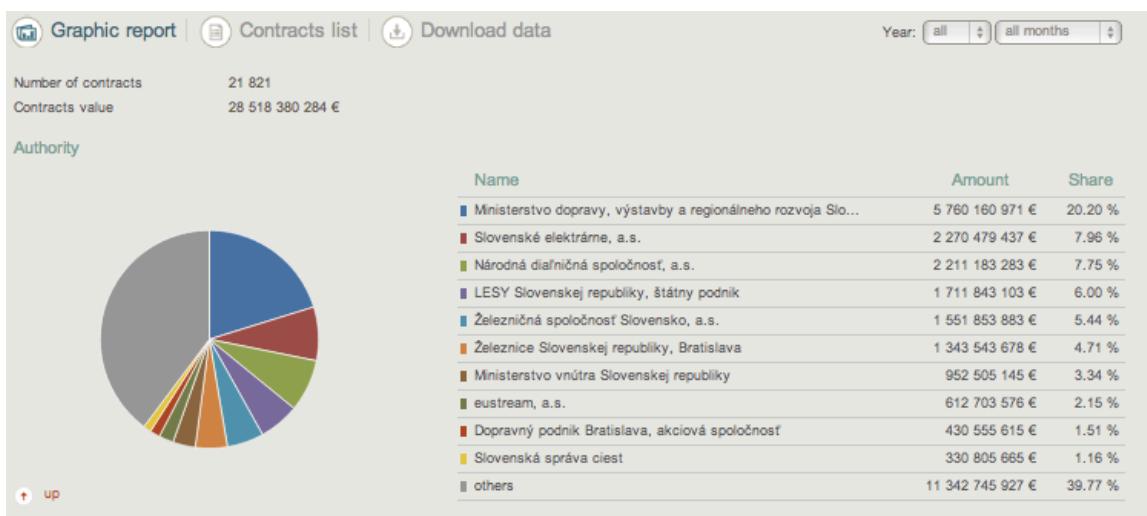
1. **Standardization** (where practicable, governments should seek to adopt existing standards for the release of procurement data to encourage interoperability of data across jurisdictions).
2. **Machine Readability** (all data outlined above should be available as structured data in a machine-readable format, in addition to any existing prose structure. It should also be available online and in bulk)
3. **Accessibility** (all data outlined above should be accessible free of charge and not require registration, either online or in-person.);
4. **Timeliness** (all data should be published in a timely manner, and ongoing throughout the fiscal year. End-of-year information dumps are not useful for actionable, public accountability purposes. Delayed disclosure for purposes of confidentiality should be kept to a minimum).

#### 6.4.1 Example of re-use of procurement data

One of the leading examples of re-use of procurement data by civil society organization is the Slovak [www.tender.sme.sk/en/](http://www.tender.sme.sk/en/) by Transparency International Slovakian chapter. It is an online platform that discloses information on public procurement procedures since 2005 and gathers data on more than 30,000 contracts worth more than 22 billion euros.

The website provides detailed and aggregated information sorted according to procurers, suppliers, sectors and regions. The objective of this initiative is to offer users with information to analyze competitiveness of public procurement or elements of market concentration

*Example of Slovak public procurement data sorted by authority:*



*Note: for a more detailed analysis on sources of public procurement data, its re-users and barriers to re-use, please refer to a previous EPSI topic report No. 2012 / 7 "State of Play: Re-use of Public Procurement Data" by Hans Graux and Tom Kronenburg.*

## 6.5 Company register

Publishing company registry data is key aspect to fiscal transparency. Recently, both the G8 Lough Erne Declaration, which focuses on private enterprise, that drives growth, reduces poverty, and creates jobs and prosperity and also G8 principles to prevent the misuse of companies and legal arrangements - focuses on better information sharing between tax authorities, and state that tax collectors, law enforcers, financial intelligence units, and financial institutions should be able to access information on who really owns companies.

The World Bank "Puppets and Masters" report talks about billions in corrupt assets, complex money trails, shell companies and other spurious legal structures. These form the complex web of subterfuge in corruption cases, behind which hides the Puppet Master and beneficiary of it all.<sup>8</sup> Opening public registries allows civil society, media and other stakeholders hold private companies to account at no extra cost on behalf of the state.

According to the Open Company Data Index<sup>9</sup>, at least the following information should be made public by governments:

- Name and unique identifier number of a company;
- Name of directors (beneficial owner);
- Filings (e.g. annual reports);
- Shareholdings;

It should also be freely searchable and available and openly licensed.

*Open Company Data Index example: United Kingdom*



<sup>8</sup> <http://star.worldbank.org/star/publication/puppet-masters>

<sup>9</sup> <http://registries.opencorporates.com/>

The Company Data Index reveal that no country score perfect 100% and effectively releasing company registry remains a challenge for most of the countries.

### 6.5.1 Example of re-use of company registry data

"Open Corporates" created a visualization tool based on the data for the six biggest US banks, and in particular showing the complexity of the corporate networks by geographic region, and just how long the control chains are.

A visualisation of legal entities that are part of the same corporate grouping from OpenCorporates - it allows seeing companies' name, country of incorporation and control chain through various countries worldwide.



<http://opencorporates.com/viz/financial/index.html>

## 7 Conclusions and recommendations

---

First of all, governments should protect society's right to know and make sure key fiscal data is available in accordance with current openness standards: data should be provided in open formats (CSV, XLS or XML, for instance), openly licensed, provided in a timely manner and in complete datasets. There is an unprecedented amount of international fiscal data standards and also resources that governments can use in order to promote fiscal transparency. One of the international platforms that governments can use to find good practice examples or simply an inspiration, is the [Open Government Partnership](#) that pays particular attention to fiscal transparency.

Secondly, often governments are short on resources and capacity to further present fiscal policies and information in a user-friendly manner. It is crucial that governments partner with other stakeholders and save resources by way of building capacity of infomediaries, advocacy NGOs and civil society to work with and analyse fiscal data. This can be done by organizing workshops, providing with guidelines etc. An example of such guidelines can be the "Follow the Money" guidelines for journalists<sup>10</sup> produced by the Open Knowledge Foundation.

Thirdly, further engagement of public advocacy NGOs, infomediaries and civil society is of immense importance. Governments should proactively find ways to publish and avail new fiscal information datasets and enable others to re-use the data and contextualize it. Creating partnerships with media, civil society and ordinary citizens can help save resources and also build trust.

Fourthly, donor community and governments should further support initiatives that build tools using fiscal data in order to allow greater audiences to engage in fiscal policies. Such tools should foster closer collaboration not only between governments and re-users, but also between journalists and public advocacy NGO, civil society organizations and others.

Finally and, most importantly, international and local communities have to further push for a change in governmental mindset. Citizens play a central role in shaping fiscal policies and the sooner governments truly realize the potential citizens bring, the sooner governments will be praised for more effective public financial management.

---

<sup>10</sup> <http://community.openspending.org/research/journo/>

## About the Author

Karolis Granickas is a Project Leader at Transparency International Lithuanian Chapter. His focus is on people engagement using ICT. He coordinates Chapter's digital initiatives such as [www.manoseimas.lt](http://www.manoseimas.lt) (parliamentary monitoring tool) and [www.parasykjiems.lt](http://www.parasykjiems.lt) (freedom of information tool), among others. He also actively promotes open government data in Lithuania and has overseen a solid growth of open data community in Lithuania. Karolis has LLB degree in International Law from Westminster University, London, and LLM degree in EU Law from Maastricht University, the Netherlands.

## Copyright information

© 2013 European PSI Platform – This document and all material therein has been compiled with great care. However, the author, editor and/or publisher and/or any party within the European PSI Platform or its predecessor projects the ePSIplus Network project or ePSINet consortium cannot be held liable in any way for the consequences of using the content of this document and/or any material referenced therein. This report has been published under the auspices of the European Public Sector information Platform.



The report may be reproduced providing acknowledgement is made to the European Public Sector Information (PSI) Platform.