

Budget transparency in Croatian counties, cities and municipalities: November 2019 – April 2020¹

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The overall average level of budget transparency in Croatian local government units², expressed as the number of budget documents published on their respective official websites, stands at 4.1 (out of a maximum 5). The average value for counties stands at 4.9, for cities 4.5 and 4 for municipalities. Even though the average results keep improving year after year, around 20% of the local government units still fail to publish all three legally required documents, while 41% do not follow the recommendation of the Ministry of Finance for publishing two additional documents. Although the publishing of documents does not, in itself, guarantee absolute transparency, it is considered the initial step toward higher transparency levels necessary for citizens' participation in the budgetary process and control over the collection and spending of public funds. In these exceptional times of crisis brought about by the coronavirus (plus the earthquake in the case of Zagreb and its surroundings), when revenues are lower and expenditures higher, such control is necessary even more. Exceptional circumstances should not act as an excuse for non-transparent activities that could affect, in both the short and the long term, efficiency and justness, the economic, social and political circumstances as well as the well-being of citizens. More detailed results for all counties, cities and municipalities are provided in the text below and are also available in the form of an interactive map and an Excel table.

For several years, the Institute of Public Finance has conducted analyses of budget transparency in all Croatian counties, cities and municipalities. The present article introduces the results of the latest analysis conducted in the periods November-December 2019 and February-March-early April 2020.³

Budget transparency implies providing an insight into complete, accurate, timely and understandable information regarding the budget. This information enables citizens to participate and thus affect the

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² Irrespective of the formal distinction between the units of local and regional self-government, for the purpose of the present article, the term "local governments" covers all 20 counties, 128 cities and 428 municipalities.

³ The results of previous research were published in articles by Ott, Bronić and Petrušić (2013, 2014, 2015), Ott, Bronić, Petrušić and Stanić (2016, 2017, 2018) and Ott, Bronić, Petrušić, Stanić and Prijaković (2019).

efficiency of collection and spending of public funds, to demand more accountability from the Government and local government authorities and, consequently, to reduce potential corruptive acts.

For the purpose of this study, budget transparency is measured as the number of key budget documents *published on the official websites* of Croatian local governments. The documents in question include the following:

- the 2018 year-end report;
- the 2019 mid-year report;
- the 2020 budget proposal;
- the 2020 enacted budget;
- the 2020 citizens' budget.⁴

The aim of the study was to establish the quantity of budget documents published on the local governments' websites, without going into a detailed analysis of their contents. Naturally, the mere publication of these five budget documents does not necessarily imply absolute budget transparency of these local administrations nor absolute accountability of its authorities regarding budget-related issues; rather, it is just a confirmation that the local governments complied with the Budget Act, Act on the Right of Access to Information and the recommendations issued by the Ministry of Finance. This level of budget transparency can be considered the first step toward greater budget transparency and the first prerequisite for citizens to become acquainted with local budgets. Only citizens who are informed about the budget are able to participate in local budgeting, i.e. in taking decisions on the collection and spending of local funds, as well as in monitoring the accountability of local government authorities.

The overall average budget transparency of local governments, measured by the number of key budget documents published, has been improving year after year. Over the last six research cycles, it has grown from an average of 1.8 to 4.1 published documents. However, this high average result conceals considerable differences in transparency between individual local governments. As many as seven municipalities failed to publish a single budget document in the subject cycle, whereas 17 municipalities and one city (Križevci) published only one such document each (Table D1). Almost 20% of local government units (one county, 13 cities and 101 municipalities) failed to publish all three documents required by law (enacted budget, mid-year and year-end report), whereas as many as 41% of them (one county, 37 cities and 200 municipalities) ignored the Ministry of Finance's instructions to publish two additional documents (budget proposal and citizens' budget).

In terms of average budget transparency of all local governments in a county, the best performers were the Požega-Slavonia, Primorje-Gorski Kotar, Koprivnica-Križevci, Zagreb, Karlovac and Šibenik-Knin counties, while the least transparent were the Zadar, Split-Dalmatia, Vukovar-Srijem, Osijek-Baranja, Lika-Senj and Dubrovnik-Neretva counties (Graph D1d). With regard to types of local government units, the average transparency scores can be labelled as very good to excellent, since counties obtained the average score of 4.9, while cities and municipalities obtained 4.5 and 4 respectively. However, there are sharp differences in the number of published documents, notably among municipalities, with the scores ranging from zero to five. There are also pronounced differences in excellence, as all five budget documents are published by 90% of counties, 70% of cities and only 50% of municipalities.

A comparison with the previous research cycle shows that 55% of all local governments published the same number of documents, 17% published even fewer (mainly one or two documents less than in the previous

⁴ In the period from 4 November to 28 December 2019, the authors examined the extent of publication of the 2018 year-end and 2019 mid-year reports, and from 3 February to 3 April 2020, the publication of 2020 budget proposals, enacted budgets and citizens' budgets. Prior to this, on 11 October 2019, an e-mail was sent to all local governments, informing them of the time and manner in which their respective websites would be reviewed.

year, while the municipalities of Cerna, Gudinci, Kolan, Lanišće, Podravska Moslavina, Strahoninec, Sveti Filip i Jakov as well as the City of Križevci published three documents less than in the previous cycle).

It is reassuring that around 40% of local governments maintained the highest level of budget transparency and that 30% of them published more documents than in the previous research cycle. The municipalities of Pašman, Prgomet, Privilaka (in Vukovar-Srijem County) and Zmijavci jumped from zero to five published documents, while the City of Otok and the municipalities of Budinščina, Ferdinandovac, Gradište and Podcrkavlje jumped from one to five.

The progress is even more noteworthy if the 2020 findings are compared with those for 2015. Back in 2015, only one municipality (Viškovo), five counties and fifteen cities published all five budget documents, whereas in the current year, as many as 201 municipalities, 87 cities and 18 counties did so. In 2015, there were as many as 18 cities and 148 municipalities without a single budget document published, while in the current cycle, this is the case in “only” seven municipalities.

According to Article 10 of the **Act on the Right of Access to Information**, public authorities are required to publish on their official websites, among other things, annual plans, work reports, financial reports and other relevant documents relating to their respective scopes of activity as well as data on the sources of financing, the budget, financial plan or another relevant document showing the public authorities' revenues and expenditures, as well as data and reports on the execution of the budget, financial plan or another relevant document, all in an easily searchable and machine-readable form.

In order to comply with the principle of transparency, Article 12 of the **Budget Act** defines that local governments should publish, in their official gazettes, their respective budgets and budget projections, decisions on interim financing, amendments to the budget, as well as the general and specific parts of their respective year-end and mid-year reports. The said article further provides that the mid-year and year-end reports, as well as annual financial statements should also be published on the local governments' official websites.

Moreover, the **Ministry of Finance**, in its annual instructions for the preparation of budgets of local and regional self-government units, keeps reiterating the need to comply with the principle of transparency for the purpose of more effective management of public resources, as one of the top priorities of the Action Plan for the Implementation of the Open Government Partnership Initiative in the Republic of Croatia. The Ministry recommends that local governments should publish on their official websites:

- not only the budgets with projections, as adopted by their respective representative bodies, but also budget proposals with projections at the moment they are submitted to the representative body by mayors, municipality heads or county prefects (i.e. no later than 15 November of the current year, as required by the Budget Act)
- proposals for mid-year and year-end reports on the execution of local budgets, at the moment they are submitted to the representative body by mayors, municipality heads or county prefects
- citizens' budgets (for which Ministry of Finance also offers a unified format)
- any materials related to the budgets and their amendments, in a format suitable for further processing (Word or Excel) instead of PDF format.

The Government's **Regulation on the Preparation and Delivery of the Statement on Fiscal Responsibility and Report on the Application of Fiscal Rules** of October 2019 imposed additional requirements on local government units for the enhancement of budget transparency. Namely, the Questionnaire on Fiscal Responsibility requires local governments to reply whether they publish on their websites the enacted budget, mid-year and year-end report and the citizens' budget.

BASIC RULES OF RESEARCH

According to the rules of this research⁵, a document is considered to be published if the following conditions are met:

- *Budget proposal* – if a document bearing this title has been published on a local government unit’s website, or document named as ”a draft budget proposal”, or as part of working materials for a session, or a direct hyperlink has been provided to a website containing such document.
- *Enacted budget* – if it has been published on a local government unit’s website, or a direct hyperlink has been provided to a website containing such document. If published in the official local gazette, it is deemed to be published only if a direct hyperlink has been provided (e.g. ”The 2020 Budget”) on the local government unit’s website to this particular document, or to the official gazette in which the document can be found.⁶ Otherwise, the document is not deemed to be published on the local government unit’s website. Such a decision has been taken due to the fact that, more often than not, the official gazettes are not adequately searchable.
- *Mid-year and year-end reports* – if they have been published on a local government unit’s website under the said titles, or as ”Proposals for (”Drafts of”) Mid-year/Year-end Report”, as part of working materials for a session, or a direct hyperlink has been provided to a website containing such documents. If published in the official local gazette, they are deemed to be published only if a direct hyperlink has been provided (e.g. ”The 2019 Mid-year Report”) on the local government unit’s website to these particular documents, or to the official gazette in which the document can be found.
- *Citizens’ budget* – if any kind of simplified budget document intended for citizens has been published on a local government unit’s website (e.g. budgets in a nutshell, presentations, guides or brochures), or if a direct hyperlink has been provided to a website containing such document.

For the purposes of this project, budget proposals, enacted budgets (including decisions on interim financing), mid-year and year-end reports are taken into account even when they contain only the specific parts and not the general part. However, local governments should be aware that this is by no means considered good practice, because such documents only show expenditures and outlays, while budget revenues and receipts, as well as deficits or surpluses, are omitted. Documents that only contain the general part of the budget, without the specific parts are not taken into account as they do not provide sufficiently detailed information on budget expenditures and outlays.

This analysis only considers documents that were available on the local government units’ websites during the research periods defined above and on the days the respective websites were searched. Subsequently published documents were not taken into account. The observation periods for local government units have already been set generously, as the websites are browsed well after the legally binding deadlines for preparing budget documents.⁷ In this context, it should be noted that timeliness is one of the key features of budget transparency, because without being provided timely information, citizens cannot effectively participate in the budget processes. Naturally, there is always the possibility that the researchers were unable to find the needed documents, even though they had been published, but this would only mean that the documents were not displayed prominently enough on the local government units’ websites, implying that the citizens would also have difficulties finding them, or that they were unable to open them at the time of the search.⁸

⁵ For a detailed description of the rules, see Ott, Bronić and Petrušić (2015).

⁶ For local government units with no enacted budget in force, the same applies to the Decision on interim financing, provided that it contains at least the specific part.

⁷ For instance, the executive bodies were required to submit the 2019 mid-year reports to the respective representative bodies by 15 September 2019, while the assessment of the local government units’ websites started as late as 4 November 2019.

⁸ For instance, even though the budget proposal was listed on the website of Lanišće municipality, the link to the document did not work and on the days the respective website was searched, while Strahoninec municipality had a new website that was not functional for numerous days and actually the researchers were unable to access a single budget document in the second stage of the research.

BUDGET TRANSPARENCY IN LOCAL GOVERNMENT UNITS

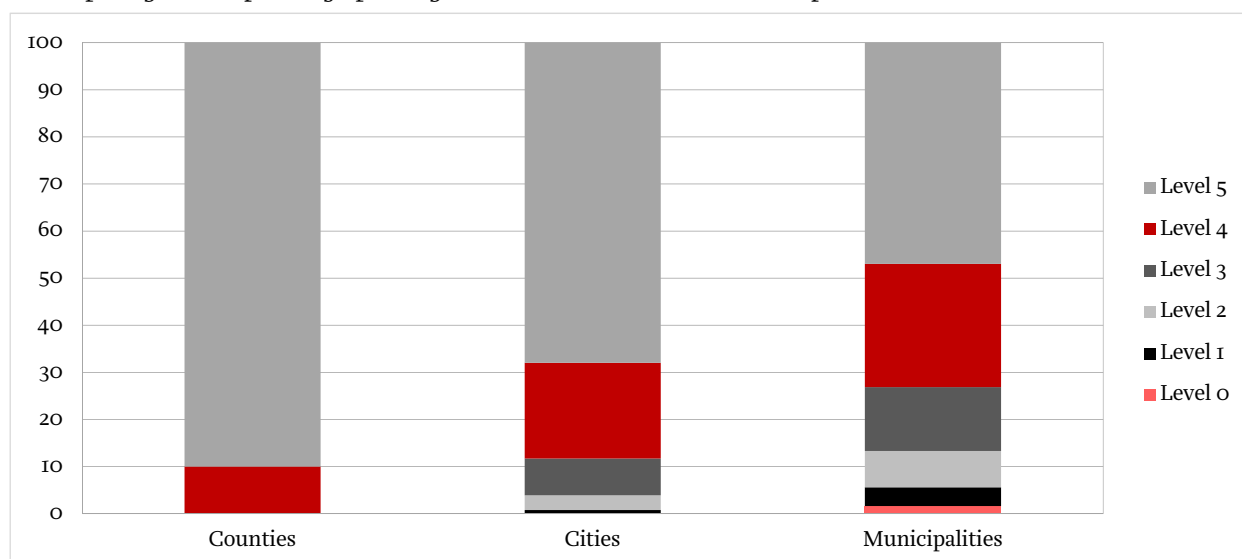
Graphs 1 and D1 show uneven levels of budget transparency in local governments, the differences between counties and municipalities being particularly sharp in this respect.

Counties are a long way ahead with an average score of 4.9 budget documents published (out of five). Only two counties (Virovitica-Podravina and Međimurje) published four instead of five budget documents (see Graph D1a).

The average level of budget transparency in cities is also very good (4.5). However, despite there being as many as 87 cities with the top score of 5 (Table D1), there is still a great difference between the percentage of cities and counties with five published budget documents (68% vs. 90%). Viewed by counties, the most transparent cities are those in the Brod-Posavina and Istria counties (5), followed by the Krapina-Zagorje and Primorje-Gorski Kotar counties (4.9 each), while the least transparent cities are located in the Vukovar-Srijem (3.6) and Koprivnica-Križevci (3.7) counties (Graph D1b).

Graph 1

Level of budget transparency of local governments, November 2019 – April 2020 (%)



Source: Authors

Even though the average transparency of municipalities improved and can be, for the first time ever, labelled as "very good" (4), it still lags behind the counties (4.9) and cities (4.5). Compared to the previous research cycle, the number of municipalities with not a single document published dropped (from 15 to 7, or 3.5% to 1.6%), while the percentage of those with all five documents published slightly increased (from 44% to 47%) (Graph 1). Viewed by counties, municipalities that publish the most documents are located in the Požega-Slavonia (5) and Koprivnica-Križevci (4.6) counties, while municipalities in the Zadar (3.3), Split-Dalmatia, Dubrovnik-Neretva and Lika-Senj counties (3.5 each) publish the fewest documents (Graph D1c).

In terms of overall average budget transparency when taking into account all local governments in a county (Graph D1d)⁹, the best performers are the Požega-Slavonia (4.7), Primorje-Gorski Kotar, Koprivnica-Križevci, Zagreb, Karlovac and Šibenik-Knin counties (4.5), while the least transparent are the Zadar (3.5), Split-Dalmatia (3.7), Vukovar-Srijem, Osijek-Baranja, Lika-Senj and Dubrovnik-Neretva counties (3.8 each).

⁹ Calculated as the sum of transparency level for a given county and all cities and municipalities located therein, divided by the total number of local government units in that county, including the county itself.

To clarify the differences between graphs D1a to D1d, it should be noted that, for example, the Zadar and Split-Dalmatia counties both publish all five documents (D1a), but the municipalities in these counties are among the least transparent, with average scores of 3.3 and 3.5 respectively (D1c), bringing the overall average transparency of these counties down to a poor 3.5 and 3.7 respectively (D1d).

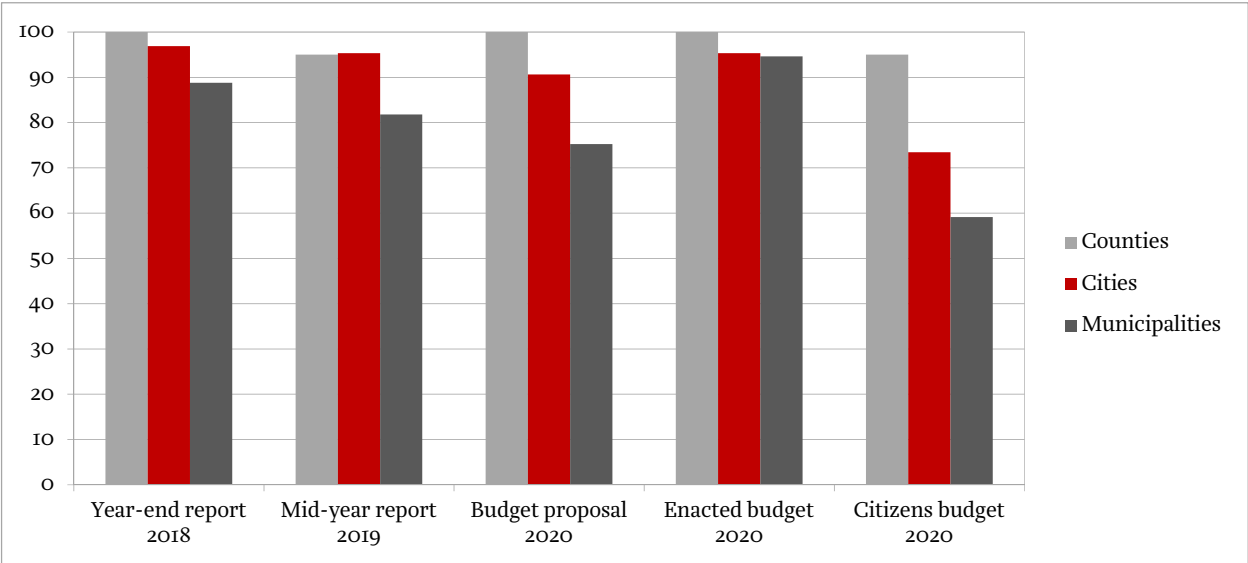
ACCESSIBILITY OF BUDGET DOCUMENTS

The most accessible documents to citizens were counties’ budget documents (Graph 2). Eighteen counties published all five documents, with only Međimurje County failing to publish the citizens’ budget and Virovitica-Podravina County failing to publish the mid-year execution report.

Cities lag behind counties. However, almost all cities (95%) published their enacted budgets as well as mid-year and year-end execution reports, while 90% of them published budget proposals. On the other hand, they seriously underperform in publishing citizens’ budgets (73%).

Municipalities mainly published enacted budgets (95%) and, to a slightly lesser extent, year-end and mid-year execution reports (89% and 82% respectively) as well as budget proposals (75%). Only 59% of municipalities published citizens’ budgets.

Graph 2
Budget documents published (%)



Source: Authors

Despite steady growth in the number of published budget documents every year, budget proposals are still published to a lesser degree than enacted budgets; 9% of cities and 25% of municipalities failed to publish budget proposals. Moreover, a large number of municipalities and cities do not publish their budget proposals at the moment the local executive body submits them to the representative body. Citizens are thus deprived of the opportunity to participate in the process of planning next year’s budget. In addition, over 40% of municipalities, almost 27% of cities and even one county failed to publish citizens’ budgets, which also makes it difficult for citizens to fully understand the budget and participate in the budget process.

A large number of local governments also failed to publish budget execution reports, which are necessary for citizens to monitor the collection and spending of budget funds. All counties published the year-end report, while only one county failed to publish the mid-year report. On the other hand, the mid-year

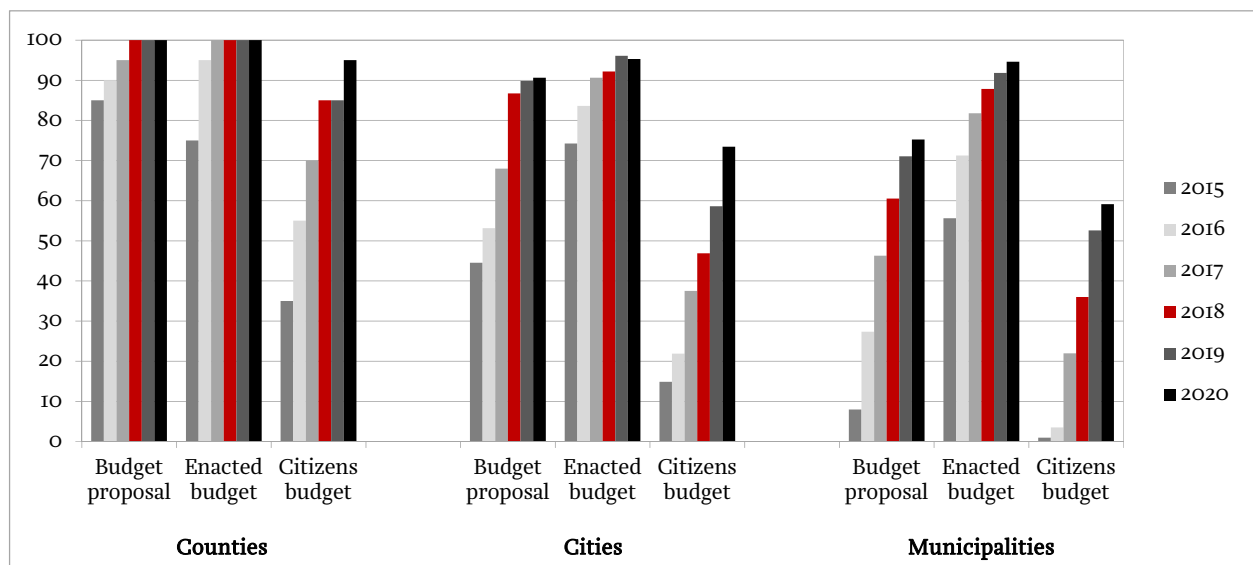
report is still unavailable in almost 20% of municipalities and 5% of cities, while the year-end report is inaccessible in more than 10% of municipalities and 3% of cities.

The Act on the Right of Access to Information and the Budget Act provide that all local governments should publish their enacted budgets, year-end and mid-year reports on their official websites, while the Ministry of Finance recommends that they should also publish their respective budget proposals and citizens' budgets. However, Graph 2 shows that not even all counties fully complied with the legislation or the Ministry of Finance's recommendations (one county failed to publish its mid-year execution report, while another failed to publish the citizens' budget). A considerable number of municipalities and cities will have to make a stronger effort to comply at least with the said legal requirements for publishing their enacted budget and the year-end and mid-year report as well as to follow the Ministry of Finance's recommendations regarding publishing their budget proposals and citizens' budgets.

BUDGET TRANSPARENCY IS STEADILY IMPROVING

As shown on Graph 3 and Map DI, budget transparency has been improving continuously during all six research cycles (2015-2020). The greatest progress was made in the publication of citizens' budgets (counties improved from 35% to 95%, cities from 15% to 73% and municipalities from 0.9% to almost 60%). In 2015, only one municipality published its citizens' budget, while in 2020 as many as 253 municipalities did so. Municipalities also recorded the most remarkable progress in publishing budget proposals (from 8% to 75%).

Graph 3
Budget documents published from 2015 to 2020 (%)



Source: Authors

Four counties (Krapina-Zagorje, Šibenik-Knin, Varaždin and Zadar) and eight cities (Buzet, Osijek, Pazin, Pula, Rijeka, Slavonski Brod, Vodice and Zagreb) deserve special praise for having published all five budget documents in each of the research cycles so far.

Unfortunately, not a single municipality can claim to have done the same, while the municipality of Gorjani failed to publish a single document in all six research cycles

Compared with the previous research cycle, the most remarkable improvement (from zero to five published documents) is evident in the municipalities of Pašman, Prgomet, Privilaka (in Vukovar-Srijem County) and Zmijavci, with Prgomet highlighted as the most pleasant surprise, given that it had not published a single

document during all five previous research cycles, i.e. its score had always been zero. By contrast, the sharpest deterioration (with three documents fewer than last year) was recorded in the municipalities of Cerna, Gundinci, Kolan, Lanišće, Podravska Moslavina, Strahoninec, Sveti Filip i Jakov and the City of Križevci.

BUDGET TRANSPARENCY, POPULATION AND BUDGET REVENUES

Of the top hundred local governments with the highest total budget revenues raised in 2018, only five – the cities of Vinkovci, Križevci and Senj and the municipalities of Medulin and Darda – published less than four budget documents each (see excel). The same applies to top hundred local governments with the highest population, where only six cities – Vinkovi, Križevci, Novi Marof, Županja, Belišće and Donji Miholjac – published less than four documents.

However, if we ordered the local governments by annual per capita revenues, we would see that of the top 34 units (with revenues over HRK 10,000), as many as eight municipalities (Lastovo, Sutivan, Vrsar, Ervenik, Kolan, Karlobag, Saborsko and Medulin) published less than four documents, with Kolan and Karlobag not publishing a single one! By contrast, numerous municipalities with annual per capita revenues below HRK 2,000 (e.g. Klenovnik, Bedekovčina, Vidovec, Hrašćina, Beretince, Trnovec Bartolovečki, etc.) published all five documents. It is worth noting at this point that 52 out of 54 top-ranked municipalities with annual per capita revenues below HRK 3,000 are located in Continental Croatia, whereas only two (Jelenje and Karojba) are a part of Adriatic Croatia.

Even some sparsely populated municipalities managed to publish all five budget documents, including the smallest Croatian municipality, Cijlžane (137 inhabitants) as well as Ribnik (378), Lećevecica (422) and a whole range of municipalities with a population below 1,000. There is not a single municipality with a population above 5,000 that failed to publish a single document, while only two municipalities that failed to publish a single document have a population over 4,000 inhabitants (Sveti Filip i Jakov and Podbablje).

Cities performed very well. Among all cities with annual per capita revenues below HRK 3,000, Novi Marof was the only one to publish less than four budget documents, whereas the poorest among them – Duga Resa – as well as Oroslavlje, Dugo Selo and Zlatar published all five documents. In contrast to this, of the top fifty cities with annual per capita revenues over HRK 5,000, the cities of Obrovac, Senj and Vrlika were the only ones to publish less than four documents. The smallest cities with all five budget documents published include Klanjec and Cres (below 3,000 inhabitants), and Čabar, Skradin and Pag (below 4,000 inhabitants). Only three cities with a population over 10,000 (Vinkovci, Križevci and Novi Marof) published less than four documents. The worst performer on the budget transparency scale, when it comes to cities, with only one document published, was Križevci (below 20,000 inhabitants).

While every year we witness sparsely populated cities and municipalities with low annual per capita budget revenues being highly transparent, it can be also concluded that more densely populated and "better-off" local governments are more likely to publish a larger number of budget documents. Furthermore, an increasing number of local governments are slowly rising to the challenge and imitating the good practices of their more transparent neighbours, as shown by the detailed analyses of determinants of their budget transparency that have been published.¹⁰

QUALITY OF BUDGET INFORMATION PROVIDED TO CITIZENS

The increase in the number of published documents that is evident every year goes hand in hand with an increase in the quality of budget information, which is primarily due to the availability of joint platforms, apps, visualizations etc. **The Open Budget Project**, implemented by the Croatian County Association, for instance, offers visualizations of county budgets and comparisons of budgetary and economic indicators for encouraging competition, productivity and efficiency of county administrations, but also visualizations of

¹⁰ See, for instance, Ott, Bronić, Mačkić and Stanić (2019) or Reis Mourao, Bronić and Stanić (2020).

budgets of certain municipalities (e.g. [Pušća](#), [Fažana](#), [Vižinada](#)). The [Proračun općina i gradova \(Municipality and City Budgets\)](#) app clarifies the budgets and enables citizens to participate in the budget adoption process. Novigrad Podravski offers an insight into the [Budget pay-outs](#), Bjelovar has an appealing app [Budget pay-outs](#), similar to Kutina's [iProračun \(iBudget\)](#), Sisak's [My City Budget](#), while [Pazin's Pazi\(n\)](#), [Proračun!](#) provides information on the current budget as well as the possibility to take part in drafting the next year's budget and discussion on the budget forum. Pula offers [Otvoreni grad \(Open City\)](#), while Rijeka enables consultation during budget planning and adoption in the form of small community service campaigns, local partnerships and an educational budget game [Proračun\(ajme\) \(Budget Me\)](#).

Virtually every county has high-quality and straightforward websites. The websites of the [Dubrovnik-Neretva](#), [Istria](#), [Karlovac](#), [Primorje-Gorski Kotar](#), [Split-Dalmatia](#), [Šibenik-Knin](#), [Zadar](#) and [Zagreb](#) counties stand out in terms of ease of navigation.

Cities with well-designed and easily searchable websites include Bakar, Buzet, Crikvenica, Glina, Koprivnica, Našice, Opatija, Pazin, Poreč, Rijeka, Rovinj, Samobor, Sveta Nedjelja, Trogir, Umag, Vrbovec and Virovitica. Some stand out with attractive citizens' budgets, easily searchable documents, document archives dating back several years, participation of citizens (e.g. Čazma and Zlatar), internet consultation on budget topics, children's budgets (e.g. Slavonski Brod and Sveta Nedjelja), consolidated financial reports, even for budgetary users, guides to all budget documents and other interesting solutions. Unfortunately, there are still cities whose websites are so poor that even basic documents are hard to find.

An increasing number of municipalities have quality and easily searchable websites, but there are also those whose websites are poorly organised and quite slow, with no budget-related menu or with menus that cannot be opened or do not contain the required documents. The documents are often misnamed, scattered across the website, with no search engine, in scanned, i.e. non-searchable form, illegible or are simply missing. Examples include websites of the following municipalities: Blato, Bogdanovci, Borovo, Donja Motičina, Donja Voća, Donji Lapac, Gornji Bogičevci, Janjina, Kloštar Podravski, Krašić, Krnjak, Kukljica, Lovreć, Lupoglav, Markušica, Milna, Nerežišća, Novigrad, Oriovac, Podravska Moslavina, Pojezerje, Poveljana, Pribislavec, Proložac, Punitovci, Ravna Gora, Seget, Severin, Sućuraj, Šestanovac, Trnava, Viljevo, Vrsi, Zadvarje, Zagvozd, Zdenci, Zemunik Donji and Zrinski Topolovac.

Although this study is not concerned with the quality of budget documents, the authors could not fail to identify some basic quality weaknesses of the documents, such as:

- incomplete documents (e.g. containing either the general or the specific parts of the budget, or being unclear as to whether the general or the specific parts have been published¹¹);
- the published budgets only relate to a single year and do not contain projections for the following two-year period;
- tables are published without the narratives (explaining the numbers);
- documents are undated, so it is not clear whether they represent budget proposals or enacted budgets;
- the website posting dates are not indicated, so it is unclear whether the documents were published in time to serve the publication purpose;
- the published documents are scans in non-searchable format;
- citizens' budgets are in fact very superficial explanations¹²;

¹¹ For instance in [the Enacted Budget](#) of Bogdanovci municipality it is unclear whether they have published the general or specific part of the budget.

¹² For instance, the document published as [The Citizens' Guide to the 2020 Budget](#) of Brodski Stupnik does not contain a single number from the 2020 enacted budget; while [The Citizens' Budget of Cerna Municipality](#) and [The Citizens' Budget of Barilović Municipality](#) do not provide information as to what year is at issue. In other cases, for instance in the [Clarification of the Budget Proposal of Rešetari Municipality](#) it is hard to determine whether it is a citizens' budget or a mere narrative explanation that is published alongside each budget document.

- volatility of the website content, i.e. previously posted documents have been removed from the site;
- the listed documents cannot be opened.

CONCLUSIONS

The average level of budget transparency for all counties, cities and municipalities, expressed as the number of budget documents (the 2018 year-end report, the 2019 mid-year report as well as the 2020 budget proposal, enacted budget and the citizens' budget) published on their official websites from November 2019 to early April 2020, stood at 4.1 (out of a maximum 5). The average transparency has been on the rise year after year. The extent of the differences between the first research cycle (1.8 in 2015) and the present (4.1 in 2020) is best seen on Map D1.

All local government units (counties, municipalities and cities) recorded increases in the number of published budget documents. The most significant improvement (from 0 to 5) was recorded in the municipalities of Pašman, Prgomet, Privlaka (in Vukovar-Srijem County) and Zmijavci. The City of Otok, as well as the municipalities of Budinščina, Ferdinandovac, Gradište and Podcrkavlje, recorded a leap from 1 to 4. This is the third consecutive year in which all cities have published at least one document, but there are still non-transparent cities which published only one (Križevci), two (Hrvatska Kostajnica, Ilok, Senj and Trilj) or three documents (Belišće, Donji Miholjac, Kutjevo, Novi Marof, Obrovac, Opuzen, Orahovica, Vinkovci, Vrlika and Županja). Unfortunately, there are still municipalities that have not published a single document. This is true for the municipalities of Galovac, Gorjani, Karlobag, Kolan, Podbablje, Sveti Filip i Jakov and Vrbje. It should be noted that the annual per capita budget revenues of Kolan are around HRK 15,000, while those of Karlobag are around HRK 13,000. Seventeen municipalities published only one document while as many as 33 of them published only two.

In terms of average budget transparency for all local government units in a single county, the best performer is the Požega-Slavonia County, while the least transparent counties are Zadar and Split-Dalmatia counties (Graph D1d). By type of local governments, the following conclusions can be drawn:

- Counties recorded an excellent performance (average score of 4.9), since as many as 18 of them published all five budget documents. Only the Međimurje and Virovitica-Podravina counties failed to publish one document each (Graph D1a).
- Cities can also be labelled as almost excellent (average score of 4.5). The most transparent of them, on average, are located in the Brod-Posavina and Istria counties, while the least transparent ones are in the Vukovar-Srijem and Koprivnica-Križevci counties (Graph D1b).
- Municipalities performed very well (average score of 4), but they still lag behind both counties and cities; moreover, the differences among them are the most drastic. The most transparent municipalities are located in the Požega-Slavonia and Koprivnica-Križevci counties (with average scores of 5 and 4.6 respectively), while the least transparent ones are in the Zadar and Split-Dalmatia counties (average scores of 3.3 and 3.5 respectively).

The average results keep improving year after year, but 20% of local government units (1 county, 13 cities and 101 municipalities) still failed to publish all three legally required documents (enacted budget, mid-year and year-end report), while 41% (1 county, 37 cities and 200 municipalities) failed to publish one or both documents as per the Ministry of Finance's recommendation (budget proposal and citizens' budget).

Krapina-Zagorje, Šibenik-Knin, Varaždin and Zadar counties, as well as eight cities (Buzet, Osijek, Pazin, Pula, Rijeka, Slavonski Brod, Vodice and Zagreb) deserve special praise for having published all five budget documents in each of the research cycles so far. Unfortunately, not a single municipality can claim to have done the same, while the municipality of Gorjani failed to publish a single document in all six research cycles.

Year after year, we witness considerable improvement in the quality, layout and searchability of the websites of all local governments, but there is still a large number of cities, and municipalities even more so, with extremely poor, hard-to-navigate and out-of-date websites with virtually no content.

More detailed results on budget transparency for all counties, cities and municipalities are available in the form of an [interactive map](#) and an [Excel table](#).

Moreover, the authors would like to reiterate that the mere publication all five required budget documents does not by any means guarantee absolute transparency, but that it can only be considered the initial step toward higher levels of budget transparency, thus ensuring citizens' participation in local budgeting. Since the majority of local government units already publish the required documents (Map D1), the present (sixth) research cycle, apart from *quantitative* analysis, also analysed the *quality* of the local governments' websites. The results of this analysis will be published in due course.

In all previous analyses of budget transparency of local governments in Croatia, we constantly issued more or less identical recommendations for its improvement, which we will not reiterate this time. Readers who are interested in them can find them in previous research and papers.¹³ Apart from the recommendations, we cannot emphasise enough that some local governments should study the basic requirements of the Budget Act regarding the content of budget documents, in particular the layout of the general and specific parts of the enacted budget.

Budget transparency is normally the essential pre-requisite for quality management of public funds; however, in times of crisis brought about by the coronavirus (plus the earthquake in the case of Zagreb and its surroundings) that is bound to cause significant deviations from usual budget revenues and expenditures, it becomes even more crucial. Exceptional circumstances in which major decisions are adopted practically overnight should not be an excuse for lack of transparency, as this will affect the efficiency and justness in the long term, as well as the economic, social and political circumstances, and ultimately the well-being of all citizens. How will additional funds be collected, how and to what purpose will they be spent, who will benefit from them and who will bear the costs – all these questions can be answered only through a fully transparent approach to budget information.

We can hope that the citizens would use the forthcoming elections (general election in 2020 and local election in 2021) for demanding more transparency and liability, while the politicians will implement the pledged policies. We can also hope that the results of another one of our research on the topic of both local and national budget transparency will help toward the adoption of better legislative solutions regarding access to information, budget, fiscal responsibility as well as better organization of local and regional self-government.

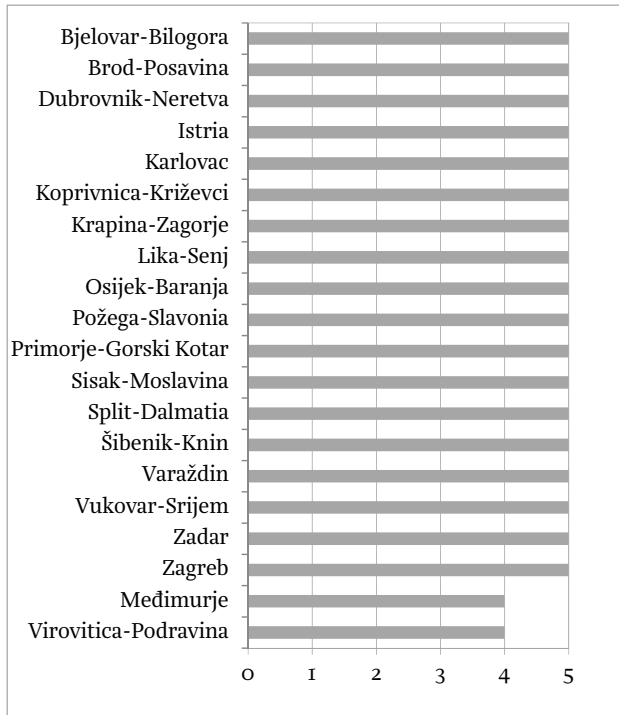
¹³ For various recommendations see: Ott, Bronić and Petrušić (2013, 2014, 2015), Ott, Bronić, Petrušić and Stanić (2016, 2017, 2018) and Ott, Bronić, Petrušić, Stanić and Prijaković (2019).

ANNEX

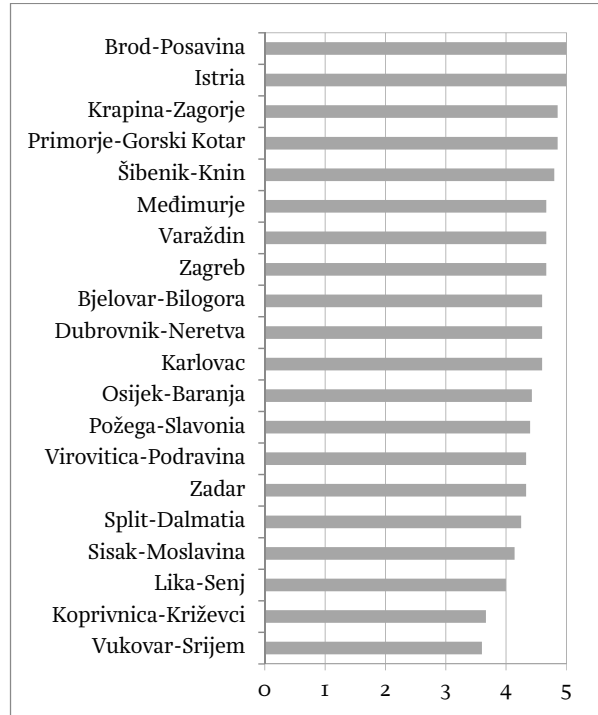
Graph D1

Budget transparency of local governments (by number of documents published)

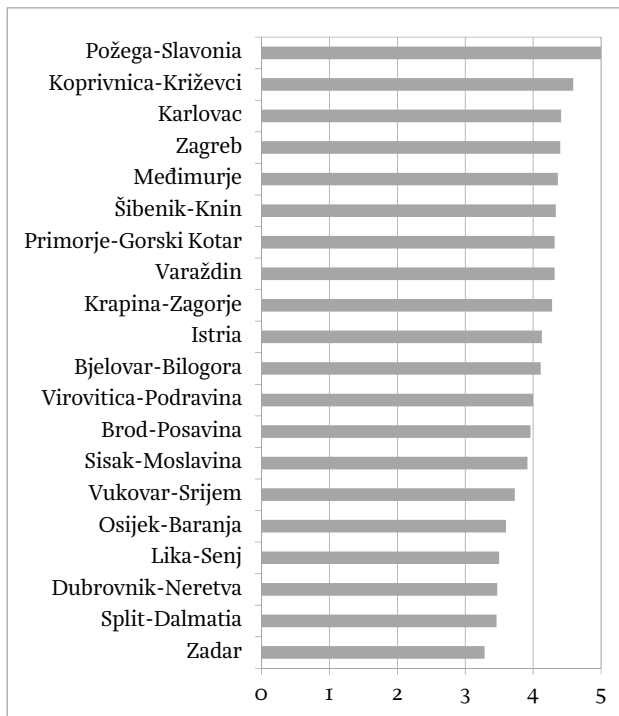
D1a Transparency of counties



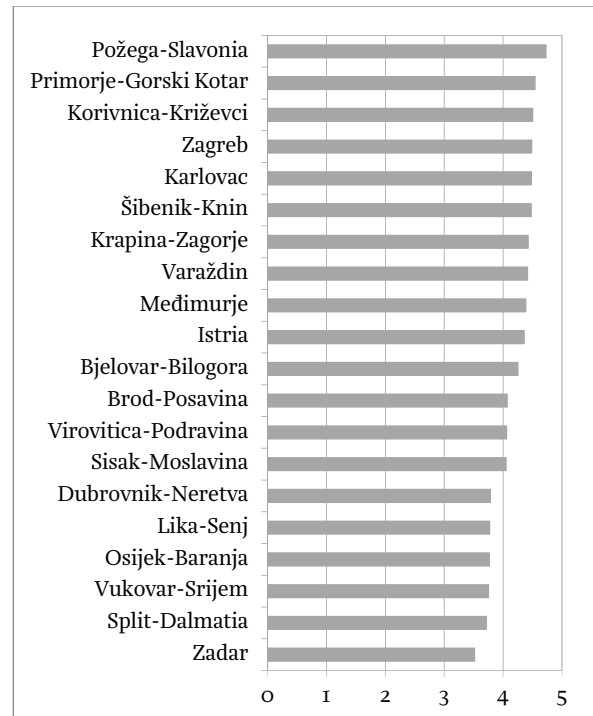
D1b Average transparency of cities (per county)



D1c Average transparency of municipalities (per county)



*D1d Overall average transparency of counties**



* Calculated as the sum of transparency for a given county and all cities and municipalities located therein, divided by the total number of local government units in that county, including the county itself.

Source: Authors

Table D1

Levels of budget transparency in Croatian counties, cities and municipalities (by number of documents published, alphabetically)

Level of transparency	Local government units
Counties	Bjelovar-Bilogora, Brod-Posavina, Dubrovnik-Neretva, Istria, Karlovac, Koprivnica-Križevci, Krapina-Zagorje, Lika-Senj, Osijek-Baranja, Požega-Slavonia, Primorje-Gorski Kotar, Sisak-Moslavina, Split-Dalmatia, Šibenik-Knin, Varaždin, Vukovar-Srijem, Zadar, Zagreb
Cities	Bakar, Beli Manastir, Biograd na Moru, Bjelovar, Buje, Buzet, Cres, Crikvenica, Čabar, Daruvar, Delnice, Drniš, Dubrovnik, Duga Resa, Dugo Selo, Đakovo, Đurđevac, Glina, Gospić, Grubišno Polje, Imotski, Ivanec, Jastrebarsko, Karlovac, Kastav, Kaštela, Klanjec, Koprivnica, Korčula, Krapina, Krk, Labin, Lepoglava, Ludbreg, Makarska, Mali Lošinj, Metković, Mursko Središće, Našice, Nova Gradiška, Novalja, Novigrad, Novska, Opatija, Oroslavje, Osijek, Otok, Ozalj, Pag, Pakrac, Pazin, Pleternica, Ploče, Poreč, Požega, Pregrada, Prelog, Pula, Rab, Rijeka, Rovinj, Samobor, Sisak, Skradin, Slatina, Slavonski Brod, Split, Supetar, Sveta Nedelja, Sveti Ivan Zelina, Šibenik, Trogir, Umag, Valpovo, Varaždin, Varaždinske Toplice, Virovitica, Vodice, Vodnjan, Vrbovec, Vrbovsko, Vrgorac, Vukovar, Zabok, Zadar, Zagreb, Zlatar
5	Municipalities
	Andrijaševci, Antunovac, Bale, Barban, Barilović, Baška, Bebrina, Bedekovčina, Bednja, Berek, Beretinec, Bibinje, Biskupija, Bistra, Bizovac, Bosiljevo, Erela, Brestovac, Breznica, Brtonigla, Budinščina, Bukovlje, Cernik, Cijljane, Crnac, Čačinci, Čadavica, Čaglin, Čavle, Čepin, Dekanovec, Desinić, Donji Vidovec, Draganić, Draž, Drnje, Dubravica, Dubrovačko Primorje, Dugopolje, Đelekovec, Đulovac, Đurđenovac, Đurmanec, Fažana, Ferdinandovac, Funtana, Garčin, Gola, Gornja Vrba, Gornji Kneginec, Gračac, Gračišće, Gradec, Gradište, Grožnjan, Gunja, Hercegovac, Hlebina, Hrašćina, Hum na Sutli, Jakovlje, Jakšić, Jarmina, Jasenovac, Jelenje, Josipdol, Kalinovac, Kalnik, Kamanje, Kaptol, Karojba, Kaštelir - Labinci, Kistanje, Klana, Klenovnik, Klis, Kneževi Vinogradi, Konavle, Koprivnički Bregi, Kostrena, Koška, Kotoriba, Kravarsko, Križ, Kula Norinska, Kumrovec, Lasinja, Lečevica, Levanjska Varoš, Lobar, Lovas, Lovinac, Lovran, Luka, Lukač, Mače, Mala Subotica, Mali Bukovec, Malinska-Dubašnica, Marčana, Marija Bistrica, Marija Gorica, Marijanci, Martijanec, Matulji, Mihovljan, Mikleuš, Molve, Mrkopalj, Muć, Nedelišće, Netretić, Nova Bukovica, Nova Rača, Novigrad Podravski, Novo Virje, Nuštar, Omišalj, Oprisavci, Orehovica, Pašman, Perušić, Peteranec, Petrijanec, Petrijevi, Pirovac, Pisarovina, Podcrkavlje, Podgora, Podravske Sesvete, Polača, Posedarje, Preko, Prgomet, Primošten, Privlaka (Vukovar-Srijem C.), Promina, Punat, Pušća, Radoboj, Rakovec, Rakovica, Rasinja, Ribnik, Rogoznica, Rovišće, Rugvica, Ružić, Selca, Selnica, Sibinj, Sikirevci, Slavonski Šamac, Smokvica, Sopje, Stankovci, Stara Gradiška, Starigrad, Strizivojna, Stubičke Toplice, Stupnik, Sukošan, Sveta Marija, Sveti Đurd, Sveti Ilija, Sveti Ivan Žabno, Sveti Lovreč, Svetvinčenat, Šenkovec, Šolta, Štrigova, Tinjan, Tkon, Tompojevci, Tovarnik, Tribunj, Trnovec Bartolovečki, Tučepi, Tuhelj, Udbina, Velika, Velika Kopanica, Velika Ludina, Velika Pisanica, Velika Trnovitica, Veliki Bukovec, Veliki Grđevac, Veliko Trojstvo, Vidovec, Vinica, Virje, Visoko, Viškovci, Viškovo, Vojnić, Vratišinec, Vrpolje, Vuka, Zlatar Bistrica, Zmijavci, Žakanje, Župa dubrovačka
Counties	Međimurje, Virovitica-Podravina
Cities	Benkovac, Čakovec, Čazma, Donja Stubica, Garešnica, Hvar, Ivanić-Grad, Knin, Komiža, Kraljevica, Kutina, Lipik, Nin, Novi Vinodolski, Ogulin, Omiš, Otočac, Petrinja, Popovača, Sinj, Slunj, Solin, Stari Grad, Velika Gorica, Vis, Zaprešić
4	Municipalities
	Babina Greda, Baška Voda, Bedenica, Belica, Bilje, Bol, Brckovljani, Brdovec, Brodski Stupnik, Cerovlje, Cista Provo, Davor, Dežanovac, Dicmo, Dobrinj, Domašinec, Donja Dubrava, Donji Andrijevi, Donji Kraljevec, Drenovci, Dubrava, Dugi Rat, Dvor, Farkaševac, Generalski Stol, Goričan, Gornja Rijeka, Gornja Stubica, Gornji Mihaljevec, Gradac, Hrvatska Dubica, Ivankovo, Ivanska, Jagodnjak, Jasenice, Jesenje, Kali, Kanfanar, Kapela, Kijevo, Kloštar Ivanić, Končanica, Konjščina, Koprivnički Ivanec, Krapinske Toplice, Kršan, Legrad, Lekenik, Lipovljani, Ližnjan, Lokve, Lokvičići, Lopar, Ljubešćica, Marina, Martinska Ves, Maruševec, Mošćenička Draga, Murter, Nijemci, Novi Golubovec, Okrug, Orle, Pićan, Pitomača, Plaški, Plitvička Jezera, Podstrana, Podturen, Poličnik, Postira, Preseka, Primorski Dolac, Privlaka (Zadar C.), Ražanac, Rešetari, Runovići, Satnica Đakovačka, Semeljci, Sirač, Sokolovac, Stari Jankovci, Stari Mikanovci, Ston, Sunja, Sveta Nedelja, Sveti Juraj na Bregu, Sveti Križ Začretje, Sveti Martin na Muri, Sveti Petar u Šumi, Šandrovac, Špišić Bukovica, Štitar, Tar-Vabriga, Tisno, Topusko, Tounj, Trpanj, Unešić, Vinodolska općina, Vir, Višnji, Vižinada, Vladislavci, Voćin, Vrbanja, Vrbnik, Vrhovine, Zazažlje, Žminj, Žumberak
Cities	Belišće, Donji Miholjac, Kutjevo, Novi Marof, Obrovac, Opuzen, Orahovica, Vinkovci, Vrlika, Županja
3	Municipalities
	Blato, Borovo, Breznički Hum, Brinje, Brod Moravice, Cestica, Cetingrad, Darda, Donji Kukuruzari, Dragalić, Drenje, Erdut, Ernestinovo, Ervenik, Feričanci, Fužine, Gvozd, Hrvace, Klakar, Klinča Sela, Kloštar Podravski, Krašić, Kukljica, Lastovo, Lumbarda, Lupoglav, Magadenovac, Majur, Medulin, Milna, Mljet, Motovun, Nova Kapela, Okučani, Oprtalj, Orebić, Oriovac, Petlovac, Podgorač, Pokupsko, Popovac, Pribislavec, Raša, Saborsko, Sali, Skrad, Slivno, Sračinec, Staro Petrovo Selo, Suhopolje, Sutivan, Šodolovci, Tordinci, Trnava, Trpinja, Vodinci, Vrsar, Zagorska Sela
Cities	Hrvatska Kostajnica, Ilok, Senj, Trilj
2	Municipalities
	Bošnjaci, Cerna, Čeminac, Donja Motičina, Donji Lapac, Gornji Bogičevci, Gradina, Gundinci, Jalžabet, Janjina, Jelsa, Krnjak, Lišane Ostrovičke, Negoslavci, Otok, Pakoštane, Petrovsko, Proložac, Pučišća, Ravna Gora, Seget, Severin, Strahoninec, Sveti Petar Orehovec, Šestanovac, Škabrnja, Štefanje, Veliko Trgovišće, Viljevo, Vrsi, Zadvarje, Zagvozd, Zemunik Donji
Cities	Križevci
1	Municipalities
	Bilice, Bogdanovci, Donja Voća, Kraljevec na Sutli, Lanišće, Lovreć, Markušica, Nerežišća, Novigrad, Podravska Moslavina, Pojezerje, Poveljana, Punitovci, Sućuraj, Vela Luka, Zdenci, Zrinski Topolovac
o	Municipalities
	Galovac, Gorjani, Karlobag, Kolan, Podbablje, Sveti Filip i Jakov, Vrbje

Map D1

Levels of budget transparency in Croatian counties, cities and municipalities in 2015 and 2020

