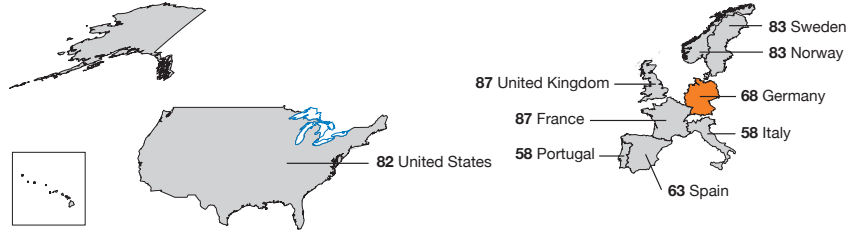
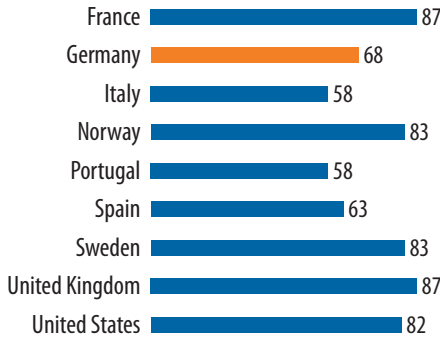


**Overall score: 68** (Out of 100) Provides significant information to the public in its budget documents during the year.

### How Does Germany Compare to Its Neighbors?



## Key Findings

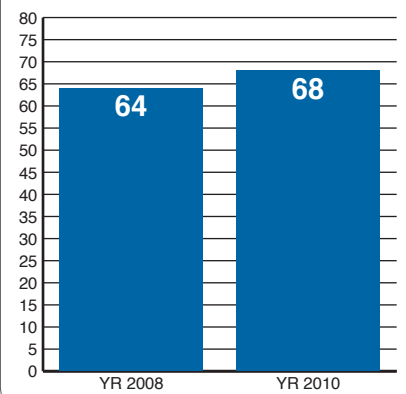
The scores for 92 questions from the Open Budget Survey (see text box) are used to compile objective scores and rankings of the relative transparency of each country's budget process. These scores constitute the Open Budget Index (OBI)

Germany's OBI 2010 score of 68 shows that the government provides the public with significant information on the central government's budget and financial activities during the course of the budget year. While some deficiencies remain, the amount of information published is generally sufficient for citizens to assess how their governments are managing public funds.

Germany's score, however, is less than the average of 75 for other countries in Western Europe and the United States. France and the United Kingdom both achieved scores of 87.

Germany's score slightly increased from 64 in OBI 2008 to 68 in 2010 because it has increased the comprehensiveness of the Mid-Year Review and In-Year Reports.

### OBI Scores Over Two Surveys



**Adequacy & Availability of Eight Key Budget Documents**

| Document                    | Level of Information Grade* | Publication Status |
|-----------------------------|-----------------------------|--------------------|
| Pre-Budget Statement        | E                           | Not Produced       |
| Executive's Budget Proposal | B                           | Published          |
| Enacted Budget              | A                           | Published          |
| Citizens Budget             | E                           | Not Produced       |
| In-Year Reports             | A                           | Published          |
| Mid-Year Review             | C                           | Published          |
| Year-End Report             | C                           | Published          |
| Audit Report                | B                           | Published          |

\* Grades for the comprehensiveness and accessibility of the information provided in each document are calculated from the average scores received on a subset of questions from the Open Budget Survey. An average score between 0-20 (scant information) is graded as E; 21-40 (minimal) is graded as D; 41-60 (some) is graded as C; 61-80 (significant) is graded as B; and 81-100 (extensive) is graded as A.

An **Executive's Budget Proposal** is the government's most important policy instrument. It presents the ways the government plans to raise revenues and where these funds are allocated, thus transforming policy goals into action. In Germany, the Executive's Budget Proposal is fairly comprehensive, but it lacks, for instance, information on outputs and outcomes, thus making it more difficult to monitor the budget's impact.

A **Pre-Budget Statement** provides information that links government policies and budgets. This statement should be published before the Executive's Budget Proposal and typically sets forth the broad parameters that will define the government's forthcoming budget. Germany does not produce a Pre-Budget Statement.

An **Enacted Budget** becomes a country's law and provides the baseline information for all budget analyses conducted during the budget year. In general terms, the Enacted Budget should provide data the public can use to assess the government's stated policy priorities and hold it to account. Germany publishes a comprehensive Enacted Budget.

A **Citizens Budget** is a nontechnical presentation of a government's budget that is intended to enable the public — including those who are not familiar with public finance — to understand a government's plans for raising revenues and spending public funds. Germany does not produce a Citizens Budget.

**In-Year Reports** provide a snapshot of the budget's effects during the budget year. They allow for comparisons with the Enacted Budget figures and thus facilitate adjustments. Germany publishes comprehensive In-Year Reports.

A **Mid-Year Review** provides an overview of the budget's effects at the midpoint of a budget year. Information in this report allows a government's fiscal performance to be assessed against the plan laid out in the original budget. It allows the government, legislature, and the public to identify whether or not adjustments related to revenues, expenditures, or borrowing should be made during the last six months of the year. Germany's Monatsbericht des BMF (Mid-

# OPEN BUDGET SURVEY 2010

## Germany

The International Budget Partnership's Open Budget Survey assesses the availability in each country assessed of eight key budget documents, as well as the comprehensiveness of the data contained in these documents. The Survey also examines the extent of effective oversight provided by legislatures and supreme audit institutions (SAI), as well as the opportunities available to the public to participate in national budget decision-making processes.

Research to complete this country's Open Budget Survey was undertaken by:

Dr. Michael Thöne  
 Laura Diekmann  
 FiFo Institute for Public Economics, University of Cologne  
 Postfach 420 520 D-50899 KOELN, Germany  
 +49 221 426 979  
 thoene@fiffo-koeln.de  
 Diekmann@fiffo-koeln.de

Year Review) is insufficiently comprehensive. It does not, for example, provide a comprehensive narrative on the changes in economic outlook since the budget was enacted.

A **Year-End Report** compares the actual budget execution to the Enacted Budget. The Year-End Report can inform policymakers on tax policies, debt requirements, and major expenditure priorities, thus facilitating modifications for upcoming budget years. Germany's Haushalts und Vermögensrechnung des Bundes für das Haushaltsjahr 2008 (Year-End Report) is insufficiently comprehensive. It does not, for example, include explanations for the difference between the original performance indicators and the actual outcomes.

An **Audit Report** is an evaluation of the government's accounts by the country's supreme audit institution (SAI). It reports whether the government has raised revenues and spent national revenue in line with the authorized budget, whether the government's bookkeeping is balanced and accurate, and whether there were problems in the management of public funds. Germany publishes a fairly comprehensive Audit Report.

## *Public Participation and Institutions of Accountability*

### **Are oversight bodies effective in their budget role?**

| Oversight Institution | Strength** |
|-----------------------|------------|
| Legislature           | Strong     |
| SAI                   | Strong     |

\*\* Grades for the comprehensiveness and accessibility of the information provided in each document are calculated from the average scores received on a subset of questions from the Open Budget Survey. An average score between 0-20 (scant information) is graded as E; 21-40 (minimal) is graded as D; 41-60 (some) is graded as C; 61-80 (significant) is graded as B; and 81-100 (extensive) is graded as A.

An open budget system includes ensuring the existence of a strong legislature and SAI that provide effective budget oversight, as well as providing opportunities for the public to participate in the budget process.

According to the Open Budget Survey, budget oversight provided by Germany's legislature, while generally strong, is deficient in that the legislature does not hold open budget discussions at which the public can testify.

According to the Open Budget Survey, budget oversight provided by Germany's SAI is also generally strong. The executive, however, does not report on steps it has taken to address audit findings.

## **Recommendations**

### **Germany should:**

- produce and publish a Citizens Budget and a Pre-Budget Statement;
- increase the comprehensiveness of the Executive's Budget Proposal, Mid-Year Review, and Year-End Report; and
- provide opportunities for the public to testify at legislative hearings on the budget.