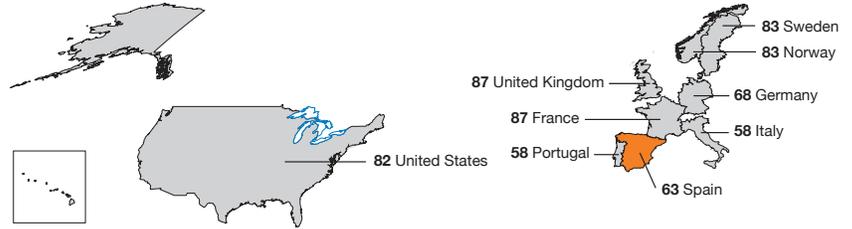
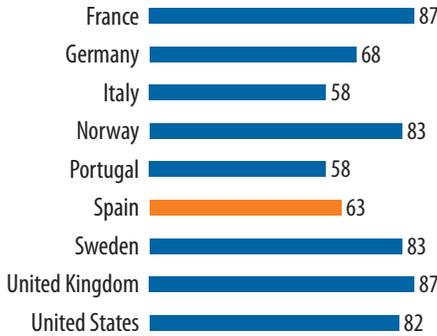




Overall score: **63** (Out of 100) Provides significant information to the public in its budget documents during the year.

How Does Spain 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).

Spain’s OBI 2010 score of 63 shows that the government provides the public with significant (albeit incomplete) information on the central government’s budget and financial activities during the course of the budget year.

Spain’s score is lower than the average score of 76 for the United States and the other countries assessed in Western Europe. For example, France achieves a score of 87 and Norway a score of 83.

Information on Public Budget Documents

Adequacy & Availability of Eight Key Budget Documents

Document	Level of Information Grade*	Publication Status
Pre-Budget Statement	E	Produced, Not Published
Executive’s Budget Proposal	B	Published
Enacted Budget	A	Published
Citizens Budget	E	Not Produced
In-Year Reports	C	Published
Mid-Year Review	E	Not Produced
Year-End Report	C	Published
Audit Report	C	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 Spain the Executive's Budget Proposal is fairly comprehensive, but it lacks detailed information on certain fiscal activities, including quasi-fiscal activities and earmarked revenues.

A **Pre-Budget Statement** sets forth the broad parameters that will define the government's forthcoming budget. Spain produces a Pre-Budget Statement, but it is not made available to the public.

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. Spain 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. Spain 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. Spain publishes In-Year Reports, but they are not sufficiently comprehensive. They do not, for example, include information on all expenditures and the composition of government debt.

A **Mid-Year Review** provides a comprehensive overview of the budget's effects at the midpoint of a budget year and discusses any changes in economic assumptions that affect approved budget policies. Information in this report allows the government, legislature, and the public to identify whether or not adjustments related to revenues, expenditures, or borrowing should be made for the remainder of the budget year. Spain does not produce a Mid-Year Review.

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. Spain publishes a Year-End Report, but it is not sufficiently comprehensive. For example, it does not explain the difference between the original performance indicators and the actual outcome for expenditure programs.

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. Spain publishes an Audit Report, but it is not sufficiently comprehensive, and it is released more than twelve months after the end of the fiscal year.

OPEN BUDGET SURVEY 2010

Spain

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:

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Public Participation and Institutions of Accountability

Beyond improving the availability and comprehensiveness of key budget documents, there are other ways in which Spain's budget process could be made more open. These include ensuring the existence of a strong legislature and SAI that provide effective budget oversight.

Are oversight bodies effective in their budget role?

Oversight Institution	Strength**
Legislature	Moderate
SAI	Moderate

** Legislature and SAI strengths are calculated from the average scores received for a subset of questions from the Open Budget Survey. An average score between 0-33 is graded as weak, 34-66 as moderate, and 67-100 as strong.

According to the Open Budget Survey, budget oversight provided by Spain's legislature is inadequate because it does not:

1. have full powers to amend the Executive's Budget Proposal at the start of the year;
2. have full powers to approve any changes made to the budget over the course of the fiscal year; and
3. hold public hearings on budget discussions that allow the public to be present.

According to the Open Budget Survey, budget oversight provided by Spain's SAI is inadequate because it does not:

1. issue timely Audit Reports on the final expenditures of national departments;
2. have proper channels of communication with the public;
3. issue reports on the follow-up steps taken by the executive to address audit recommendations.

Recommendations

Spain should:

- publish its Pre-Budget Statement;
- produce and publish a Citizens Budget and the Mid-Year Review;
- improve the comprehensiveness of the In-Year Reports, the Year-End Report, and the Audit Report;
- provide opportunities for the public to attend legislative hearings on the budget; and
- increase the powers of the legislature and SAI to provide more comprehensive oversight of the budget.