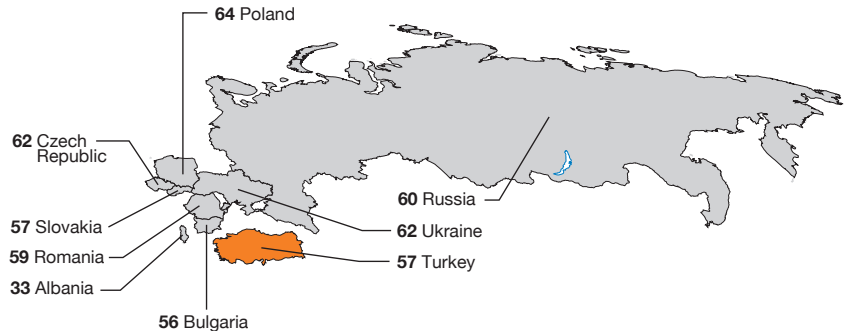
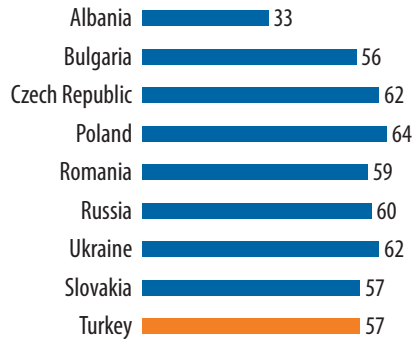


**Overall score: 57** (Out of 100) Provides some information to the public in its budget documents during the year.

### How Does Turkey Compare to Its Neighbors?

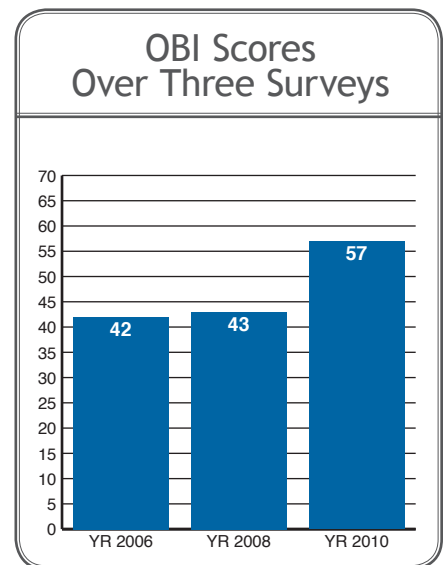


## Key Findings

The scores for 92 questions from the Open Budget Survey 2010 (see text box) are used to compile objective scores and rankings of each country's relative transparency. These scores constitute the Open Budget Index (OBI).

Turkey's OBI 2010 score is 57 out of 100, which is the same as the average score for all surveyed countries in Central & Eastern Europe. Turkey's score indicates that the government provides the public with only some information on the central government's budget and financial activities during the course of the budget year. This makes it challenging for citizens to hold the government accountable for its management of the public's money.

Turkey's OBI score increased substantially from 2008 to 2010. It rose from 43 to 57 largely because the government now publishes a relatively more comprehensive Executive's Budget Proposal, Pre-Budget Statement, Year-End Report and Audit Report.



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

Document	Level of Information Grade*	Publication Status
Pre-Budget Statement	B	Published
Executive's Budget Proposal	C	Published
Enacted Budget	B	Published
Citizens Budget	E	Not Produced
In-Year Reports	A	Published
Mid-Year Review	E	Produced, Not Published
Year-End Report	C	Published
Audit Report	D	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 2010. 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 how the government plans to raise revenues and where these funds are allocated, thus transforming policy goals into action. In Turkey, the Central Government Budget Proposal for the Year 2009 is not sufficiently comprehensive. Major gaps in information in the budget proposal are found in the following areas:

- It lacks information on certain fiscal activities that can have a major impact on the government's ability to meet its fiscal and policy goals, including information on extra-budgetary funds, quasi-fiscal activities, tax expenditures, contingent and future liabilities, and financial and other assets. Absent this information, the public does not know the government's true fiscal position.
- It lacks information that can help explain the relationship between the government's revenue and expenditure plans and its policy and macroeconomic goals. This information is important if the executive wishes to facilitate a broader debate about planned expenditures.
- It lacks information on outputs and outcomes.

A **Pre-Budget Statement** sets forth the broad parameters that will define the government's forthcoming budget. Turkey publishes a fairly comprehensive 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 the public with the data it can use to assess the government's stated policy priorities and hold it to account. Turkey publishes a fairly comprehensive Enacted Budget, but it does not present the approved budget for all programs.

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. Turkey does not produce a Citizens Budget.

# OPEN BUDGET SURVEY 2010

## Turkey

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:

Oyku Ulucay  
 Turkish Economic and Social  
 Studies Foundation  
 Bankalar Cad. Minerva Han.  
 No:2, Kat: 3 Karakoy  
 Istanbul, Turkey 34420  
 +90 212 292 89 03  
 oyku.ulucay@tesev.org.tr

**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. Turkey publishes comprehensive In-Year Reports, but they lack information on the specific characteristics of external debt, such as maturity, interest rate and currency denomination.

A **Mid-Year Review** provides an 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 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. Turkey produces a Mid-Year Review but does not make it available to the public.

A **Year-End Report** compares the actual budget execution to the Enacted Budget. Year-End Reports can inform policymakers on tax policies, debt requirements, and major expenditure priorities, facilitating modifications for upcoming budget years. Turkey publishes a Year-End Report, but it is not sufficiently comprehensive. It does not, for example, include actual outcomes on extra-budgetary funds.

An **Audit Report** is an independent evaluation of the government's accounts by the country's supreme audit institution (SAI). It reports whether the government has raised revenues and spent monies in line with the authorized budget, and whether the government's accounts of its revenues and expenses are accurate and can be relied upon to provide a reliable picture of the fiscal situation. The Audit Report also provides information on any problems identified by the auditors in the management of public funds during the budget year. Turkey publishes an Audit Report that is far from comprehensive.

### *Public Participation and Institutions of Accountability*

Beyond improving the availability and comprehensiveness of key budget documents, there are other ways in which Turkey's budget process could be made more open. These include ensuring the existence of a strong legislature and supreme audit institution (SAI) that provide effective budget oversight and providing greater opportunities for the public to participate in the budget process.

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

Oversight Institution	Strength**
Legislature	Weak
SAI	Moderate

\*\* Legislature and SAI strengths are calculated from the average scores received for a subset of questions from the Open Budget Survey 2010. 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 2010, budget oversight provided by Turkey's legislature is weak because it does not:

1. have full powers to approve any changes made to the budget over the course of the fiscal year; and
2. hold public hearings on budget discussions at which the public can testify.

According to the Open Budget Survey 2010, budget oversight provided by Turkey's SAI is inadequate because it does not:

1. have sufficient resources to meaningfully exercise its mandate; and
2. have proper channels of communication with the public.

## Recommendations

### **Turkey should:**

- improve the comprehensiveness of the Executive's Budget Proposal, Year-End Report and Audit Report;
- publish a Mid-Year Review;
- produce and publish a Citizens Budget;
- provide opportunities for the public to testify at legislative hearings on the budget;
- increase the powers of the legislature to provide more comprehensive oversight not only when the budget is being approved but also during the budget execution period; and
- empower SAIs to publish comprehensive Audit Reports.