Open Budget Survey 2025

Questionnaire

Hungary

March 2026

International Budget Partnership

Country Questionnaire: Hungary

PBS-1. What is the fiscal year of the PBS evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:
FY 2025

Source:
N/A

Comment:
We evaluated FY 2025 because at the time of cut-off date the government still had time to publish documents before the submission of the budget proposal for FY 2026
No evaluated document satisfied the requirements of Pre-Budget Statement.

The government did not publish a fiscal and macroeconomic outlook for FY 2025 or FY 2024. The last version was „Makrogazdasági és költségvetési előrejelzés 2023-2027" (Macroeconomic and fiscal outlook 2023-2027). This was published in December 2023, but the EBP was submitted in December 2024, so this document would be way too early as a Pre-Budget Statement. The document did not contain any narrative discussion. In the tables on pp. 3-5 the expenditure and revenue numbers are a forecast and the expenditures are not detailed by ministries or functions, so without the planned policies we did not assessed them as a proposal for the upcoming budget. The document is part of the medium-term EU budgetary framework that requires the government to make biannual macroeconomic and fiscal forecasts.
URL to the Macroeconomic and fiscal outlook:
https://cdn.kormany.hu/uploads/document/3/30/309/30994348ca1ade182556c0a35e09b2fef18167ea.pdf

In the previous years the government published a resolution to determine the main revenue and expenditure numbers at ministry level for the upcoming three years.
In 2021 based on the additional rights granted by the state of danger the government exempted itself from this requirement and did the same in the subsequent years.
The document for FY 2023 should have been published in December 2021 or January 2022 if the government had not exempted itself.
In 8. § (2) of resolution 814/2021 (XII. 28.) the government references this requirement as the resolution required by 29.§ (1) of act CXCV of 2021 on the public finances.
The second cited resolution is the same for 2022 (that is affecting FY 2024). In 8. § the government modified the previous resolution to expand it to 2022.
The government maintained this practice in the subsequent years. In 2024 it exempted itself from preparing this document in resolution 370/2024 (XI. 28). In 2.§ the resolution states that the government was not required to publish the medium-term fiscal numbers at the end of the year in 2024.
URL to resolution 814/2021 (XII. 28.):
http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK21244.pdf#page=5
URL to resolution 357/2022 (IX. 19.):
http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22152.pdf#page=8
URL to resolution 370/2024 (XI. 28.):
https://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK24119.pdf#page=193

URL to act on public finances
https://net.jogtar.hu/jogszabaly?docid=a1100195.tv

The Ministry of Finance also published a technical document for the budgetary institutions for the planning of the budget for FY 2025. In the document the government informs the institutions about the assumptions that must be used to plan each institutions' own budget and the deadlines for submitting the individual budgetary plans to the Ministry of Finance. No new policies were presented in the document.
URL to the planning guide for FY 2025:
https://ngmszakmaiteruletek.kormany.hu/download/a/f8/33000/2025_Tervez%C3%A9si%20T%C3%A1j%C3%A9koztat%C3%B3.pdf

Peer Reviewer Opinion:

Government Reviewer

Opinion:

PBS-2. When is the PBS made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for a PBS to be considered publicly available, it must be made available to the public one month before the Executive's Budget Proposal is submitted to the legislature for consideration. If the PBS is not released to the public at least one month before the Executive's Budget Proposal is submitted to the legislature for consideration, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the PBS.

Answer:
d. The PBS is not released to the public, or is released less than one month before the Executive's Budget Proposal is introduced to the legislature

Source:

Comment:
We did not find a document that fulfilled the requirements of a Pre-Budget Statement.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

PBS-3a. If the PBS is published, what is the date of publication of the PBS?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2024 should be entered as 05/09/2024. If the document is not published or not produced, leave this question blank.

Answer:

Source:
n/a

Comment:

Peer Reviewer
Opinion:

Government Reviewer

Opinion:

PBS-3b. In the box below, please explain how you determined the date of publication of the PBS.

If the document is not published at all, researchers should mark this question "n/a."

Answer:
n/a

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

PBS-4. If the PBS is published, what is the URL or weblink of the PBS?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

PBS-5a. If the PBS is not publicly available, is it still produced?

If the PBS is not considered publicly available under the OBS methodology (and thus the answer to Question PBS-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question PBS-2)
Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in

soft electronic copy but is not available online.
Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.
Option "d" applies if the document is not produced at all.
Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:
c. Produced for internal purposes/use only

Source:
In Hungarian: Makrogazdasági és költségvetési előrejelzés 2023-2027
In English: Macroeconomic and fiscal outlook 2021-2025
URL: https://kormany.hu/dokumentumtar/makrogazdasagi-es-koltsegvetesi-elorejelzes-2021-2025

Email from the Ministry of Finance.

Comment:
The government published the macroeconomic and fiscal outlook, but that document did not satisfy the requirements of the PBS.
We asked the Ministry of Finance about the existence of other documents that were used for the exempted resolution. The Ministry confirmed in its reply that the documents had been prepared for internal use only.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

PBS-5b. If you selected option "c" or "d" in question PBS-5a, please specify how you determined whether the PBS was produced for internal use only, versus not produced at all.

If option "a,""b," or "e" was selected in question PBS-5a, researchers should mark this question "n/a."

Answer:
Email from the Ministry of Finance.

Source:
In Hungarian: Makrogazdasági és költségvetési előrejelzés 2021-2025
In English: Macroeconomic and fiscal outlook 2021-2025
URL: https://kormany.hu/dokumentumtar/makrogazdasagi-es-koltsegvetesi-elorejelzes-2021-2025

Comment:
The government published the macroeconomic and fiscal outlook, but that document did not satisfy the requirements of the PBS.
In previous years, we asked the Ministry of Finance about the existence of other documents that were used for the exempted resolution. The Ministry confirmed in its reply that the documents had been prepared for internal use only.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

PBS-6. If the PBS is produced, please write the full title of the PBS.

For example, a title for the Pre-Budget Statement could be "Proposed 2025 State Budget" or "Guidelines for the Preparation of Annual Plan and Budget for 2024/25."

If the document is not produced at all, researchers should mark this question "n/a."

Answer:
n/a

Source:
n/a

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

EBP-1a. What is the fiscal year of the EBP evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:
FY 2025

Source:
N/A

Comment:
The latest EBP until 31 December 2024 was for FY 2025.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

EBP-1b. When is the EBP submitted to the legislature for consideration?

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2024 should be entered as 05/09/2024. If the document is not published or not produced, leave this question blank.

Answer:
11/11/2024

Source:
The EBP on the webpage of the Parliament:
https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=TxAGarWt&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D9894

Comment:
The EBP consists of two parts: a first (main) volume and supplements. The date of submission of the first (main) volume – 11/11/2024 - is shown in the line „Benyújtva", while the date of submission for the supplements (21/11/2024) is shown in the line "Megjegyzés"..
In order to search on the webpage navigate to "Irományok lekérdezése" or "Irományok egyszerűsített lekérdezése" under the "Irományok" menu. Type in "Magyarország 2025" in the "Cím" (Title) and select "2024" as "Benyújtás éve" (Year of submission) in case of using "Irományok egyszerűsített lekérdezése" menu. The EBP has the title "Magyarország 2025. évi központi költségvetéséről". Clicking on its number ("T/9894") the cited page appears. It shows the data of the bill, the link to the EBP and its supporting documents and the events during the legislative process.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

EBP-2. When is the EBP made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an EBP to be considered publicly available, it must be made available to the public <u>while the legislature is still considering it and before the legislature approves (enacts) it</u>. If the EBP is not released to the public before the legislature approves it, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the EBP.

The OBS definition of an Executive's Budget Proposal is a document(s) that (i) the executive submits to the legislature as a formal part of the budget approval process and (ii) the legislature either approves or on which it approves proposed amendments.

The OBS will treat the Executive's Budget Proposal as "Not Produced," in the following cases:

- *The executive does not submit the draft budget to the legislature; or*
- *The legislature receives the draft budget but does not approve it or does not approve recommendations on the draft budget;*
- *The legislature rejects the draft budget submitted by the executive, but the executive implements it without legislative approval; or*
- *There is no legislature, or the legislature has been dissolved.*

Answer:
c. Less than two months in advance of the budget year, but at least in advance of the budget being approved by the legislature

Source:
The EBP on the webpage of the Parliament:
https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=TxAGarWt&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D9894

Comment:
The date of publication is not stated explicitly on the webpage, but the Parliament has a legal obligation to publish all submitted documents on the webpage immediately. The first (main) volume of the EBP was submitted on 11 November 2024, while the supplements were added on 21 November.
The date of submission for the first (main) volume and the supplements are in the row „Benyújtva" and "Megjegyzés" respectively.
As further confirmation we can cite the article of the portal 444.hu (independent from the government), which published an article on 11th November with the links to the parliament's webpage. We consider this as a proof that the relevant files were already publicly available at that time.
https://444.hu/2024/11/11/hat-akkor-igy-fogunk-elni-nyilvanos-a-jovo-evi-koltsegvetes

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

EBP-3a. If the EBP is published, what is the date of publication of the EBP?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2024 should be entered as 05/09/2024. If the document is not published or not produced, leave this question blank.

In the comment boxes below, researchers should also list any supporting documents to the EBP and their date of publication.

Answer:
11/11/2024

Source:
The EBP on the webpage of the Parliament:
https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=TxAGarWt&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D9894

Comment:
The date of publication is in the row „Benyújtva". This is date of the submission of the first volume of the EBP, the supplements were added on 21 November 2024, as it is shown in "Megjegyzés".
As further confirmation we can cite the article of the portal 444.hu (independent from the government), which published an article on 11th November with the links to the parliament's webpage. We consider this as a proof that the relevant files were already publicly available at that time.
https://444.hu/2024/11/11/hat-akkor-igy-fogunk-elni-nyilvanos-a-jovo-evi-koltsegvetes

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

EBP-3b. In the box below, please explain how you determined the date of publication of the EBP.

If the document is not published at all, researchers should mark this question "n/a."

Answer:
We used the date on the webpage of the Parliament where the line "Benyújtva" shows the date of the first (main) volume and the line "Megjegyzés" shows the date of the supplements.
Both the date of submission and the publication of the supporting documents are confirmed by the javascript time stamp: 11/11/2024 and 21/11/2024 17:56:59 respectively

Source:
When opening the supporting document at
https://www.parlament.hu/irom42/09894/09894KIEGSZ002.pdf
one has to type into the address line of the search engine (e.g. Chrome) the following command:
javascript:alert(document.lastModified)
and the site will show in a separate pop-up window the time stamp

Comment:
As further confirmation we can cite the article of the portal 444.hu (independent from the government), which published an article on 11th November with the links to the parliament's webpage. We consider this as a proof that the relevant files were already publicly available at that time.
https://444.hu/2024/11/11/hat-akkor-igy-fogunk-elni-nyilvanos-a-jovo-evi-koltsegvetes.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

EBP-4. If the EBP is published, what is the URL or weblink of the EBP?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

In the comment boxes below, researchers should also list any supporting documents to the EBP and their URL or weblink.

Answer:
https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=TxAGarWt&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.onind_html%3Fp_ckl%3D42%26p_izon%3D9894

Source:
The EBP on the webpage of the Parliament:
https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=TxAGarWt&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.onind_html%3Fp_ckl%3D42%26p_izon%3D9894

Comment:
Theoretically, the documents are available in two editions: the first part leads to the EBP and its supplements individually while the second group of links lead to the same documents edited into three volumes. Their contents are the same. However, for the moment the html link in the first edition does not show the individual elements of the group of supplementary documents (like it did in 2023. – under the last point in "Iromány adatai"), but instead, it just brings the reader directly to the second edition. This might change in the future as soon as the parliament discovers the error and corrects it.

Peer Reviewer

Opinion:

Government Reviewer
Opinion:

EBP-5a. If the EBP is not publicly available, is it still produced?

If the EBP is not considered publicly available under the OBS methodology (and thus the answer to Question EBP-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question EBP-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:
e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

EBP-5b. If you selected option "c" or "d" in question EBP-5a, please specify how you determined whether the EBP was produced for internal use only, versus not produced at all.

If option "a,""b," or "e" was selected in question EBP-5a, researchers should mark this question "n/a."

Answer:
n/a

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

EBP-6. If the EBP is produced, please write the full title of the EBP.

For example, a title for the Executive's Budget Proposal could be "Draft Estimates of Revenue and Expenditure for BY 2024-25, produced by the Ministry of Finance, Planning and Economic Development."

If there are any supporting documents to the EBP, please enter their full titles in the comment box below.

If the document is not produced at all, researchers should mark this question "n/a."

Answer:
T/9894. számú törvényjavaslat Magyarország 2025. évi központi költségvetéséről

Source:

Comment:
T/9894. számú törvényjavaslat Magyarország 2025. évi központi költségvetéséről (Bill on the Central Budget of Hungary for FY 2025)

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

EB-1a. What is the fiscal year of the EB evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:
FY 2025

Source:

Comment:
The latest Enacted Budget until 31 December 2024 was for FY 2025.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

EB-1b. When was the EB approved (enacted) by the legislature?

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2024 should be entered as 05/09/2024. If the document is not published or not produced, leave this question blank.

Answer:
20/12/2024

Source:
The EBP on the webpage of the Parliament:
https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=TxAGarWt&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D9894

Comment:
The date of approval of the EBP is in the section „Szavazások az irományról" (Votes on the bill) in the row „önálló indítvány elfogadva" (individual bill approved). It is 20 December 2024.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

EB-2. When is the EB made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an EB to be considered publicly available, it must be made available to the public three months after the budget is approved by the legislature. If the EB is not released to the public at least three months after the budget is approved by the legislature, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the EB.

Answer:
a. Two weeks or less after the budget has been enacted

Source:
The Enacted Budget was published in the Hungarian Journal under the title "2024. évi XC. törvény Magyarország 2025. évi központi költségvetéséről" (Act XC on the Central Budget of Hungary for FY 2025)
URL: https://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK24136.pdf
pp. 10606-10814

Comment:
The Enacted Budget was published on 30 December 2024 (as shown on the first page of the cited document) that is less than two weeks after the approval on 20 December 2024.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

EB-3a. If the EB is published, what is the date of publication of the EB?

Note that the date of publication is not necessarily the same date that is printed on the document.
Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2024 should be entered as 05/09/2024. If the document is not published or not produced, leave this question blank.

Answer:
30/12/2024

Source:
The Enacted Budget was published in the Hungarian Journal under the title "2024. évi XC. törvény Magyarország 2025. évi központi költségvetéséről" (Act XC on the Central Budget of Hungary for FY 2025)
URL: https://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK24136.pdf
pp. 10606-10814

Comment:
The date on the first page of the document under the subtitle "Magyarország hivatalos lapja" (Official Journal of Hungary) is the date of the print publication and it shows 30 December. The last modification date of the cited webpage is also 30 December, so this date can be confirmed when the document was publicly available for free. To check the last modification date we used the javascript:alert(document.lastModified) command in the browser.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

EB-3b. In the box below, please explain how you determined the date of publication of the EB.

If the document is not published at all, researchers should mark this question "n/a."

Answer:
We checked the last modification timestamp of the pdf document on the cited webpage with the javascript:alert(document.lastModified) command in the browser. This can be confirmed as publicly available for free, because the date on the cover page of the document refers to the publication date of the print version.

Source:
The Enacted Budget was published in the Hungarian Journal under the title "2024. évi XC. törvény Magyarország 2025. évi központi költségvetéséről" (Act XC on the Central Budget of Hungary for FY 2025)
URL: https://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK24136.pdf
pp. 10606-10814

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

EB-4. If the EB is published, what is the URL or weblink of the EB?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:
https://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK24136.pdf

Source:
The Enacted Budget was published in the Hungarian Journal under the title "2024. évi XC. törvény Magyarország 2025. évi központi költségvetéséről" (Act XC on the Central Budget of Hungary for FY 2025)
URL: https://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK24136.pdf
pp. 10606-10814

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

EB-5a. If the EB is not publicly available, is it still produced?

If the EB is not considered publicly available under the OBS methodology (and thus the answer to Question EB-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question EB-2)
Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.
Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.
Option "d" applies if the document is not produced at all.
Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:
e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

EB-5b. If you selected option "c" or "d" in question EB-5a, please specify how you determined whether the EB was produced for internal use only, versus not produced at all.

If option "a,""b," or "e" was selected in question EB-5a, researchers should mark this question "n/a."

Answer:
n/a

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

EB-6. If the EB is produced, please write the full title of the EB.

For example, a title for the Enacted Budget could be "Appropriation Act n. 10 of 2025."

If the document is not produced at all, researchers should mark this question "n/a."

Answer:
2024. évi XC. törvény Magyarország 2025. évi központi költségvetéséről

Source:
The Enacted Budget was published in the Hungarian Journal under the title "2024. évi XC. törvény Magyarország 2025. évi központi költségvetéséről" (Act XC on the Central Budget of Hungary for FY 2025)
URL: https://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK24136.pdf
pp. 10606-10814

Comment:
2024. évi XC. törvény Magyarország 2025. évi központi költségvetéséről (Act XC on the Central Budget of Hungary for FY 2025)

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

CB-1a. Which of the seven publicly available budget documents have a corresponding "citizens' version?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: https://www.internationalbudget.org/publications/citizens-budgets/.

To answer the following questions, researchers should draw their answers from the Citizen's Budgets that are available to the public. In order to be considered publicly available by the Open Budget Survey methodology, the Citizens Budget must be released at the same time as the "publicly available" budget document the Citizens Budget corresponds to.

Please select all that apply.

Answer:
Executive's Budget Proposal

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

CB-1b. If the CB is produced, please indicate which budget document it corresponds to.

If multiple Citizens Budgets are produced, please only select the corresponding budget document for the most comprehensive and recently released version (the Executive's Budget Proposal or the Enacted Budget).

Your selection will determine the Citizens Budget document used to answer the following questions, including Questions 64-67.

Answer:
Executive's Budget Proposal

Source:
"Polgárok Költségvetése" (Citizens' Budget)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
pp. 479-484

Comment:
The document was published as a supplement for the EBP for FY 2025 and was referring to that document.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

CB-2. What is the fiscal year of the CB evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Please answer this question based on your response to CB-1b, the most comprehensive and recently released version.

Answer:
FY 2025

Source:

Comment:
The latest Citizens' Budget until 31 December 2024 was for FY 2025

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

CB-3a. For the fiscal year indicated in CB-2, what is the public availability status of the CB?

Please answer this question based on your response to CB-1b, the most comprehensive and recently released version.

Remember that publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified by the OBS methodology and that all citizens are able to obtain free of charge. This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology
Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.
Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.
Option "d" applies if the document is not produced at all.
Option "e" applies if the document is publicly available.

Answer:
e. Not applicable (the document is publicly available)

Source:
„Polgárok Költségvetése" (Citizens' Budget) among the supplements of the EBP:
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
pp. 479-484

Comment:
The EBP contained a document named „Polgárok Költségvetése" (Citizens' Budget) that visualized the revenues and expenditures of the budget on pie charts and summarized some of the budgetary data and policies. However the document was not actively disseminated and important information was missing about the EBP like the budget goals.
The document is only available among the supplements of the EBP at the end of a 500-page-long document. Apart from this no announcement was published about the document, the document was not mentioned in any of the interviews with the Finance Minister or disseminated any other way to the public.
The Citizens' Budget is on pp. 479-484 of the following document:
https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf

On the first two pages the government presents the main macroeconomic forecasts and the planned policies. In the first table the GDP-growth ("Gazdasági növekedés"), the budget deficit as percent of GDP ("Államháztartási hiány (a GDP arányában)"), the government debt as percent of GDP ("Államadósság (a GDP arányában)") and the inflation rate ("Infláció mértéke") are shown as forecasts for the fiscal year. Under that table the adopted policies are listed but this is not a comprehensive list of all the planned policies. The policies are grouped under the term "Új Gazdaságpolitikai Akcióterv" and the government describes its goal to increase the GDP-growth rate. The main subgroups are increasing the purchasing power of the wages ("A jövedelmek vásárlóerejének növelése"), improving the housing opportunities ("A megfizethető lakhatással és az országos lakhatási feltételek fejlesztésével kapcsolatos intézkedések") and the programs for small enterprises ("Demján Sándor Program").

On the next pages two pie charts show the distributions of the revenues and expenditures of the budget as percentages of the total amount.
On page 483 the expenditures categorized as family supports are presented. The chart uses broad categories and some of expenditures may not be strictly related to family support: like the „nők korhatár alatti nyugellátása"(meaning „pensions for women below age limit") or "25 év alattiak személyi jövedelemadó-mentessége" ("tax exemption of persons under the age of 25 years") is not strictly related to childcare supports.
The last page shows the different deficit categories to differentiate the operational and investment balances. "Hazai működési egyenleg" shows the "domestic operational balance", "Hazai felhalmozási egyenleg" shows the "domestic investment balance" and "Európai uniós fejlesztési költségvetés egyenlege" shows the "Balance of developments from EU funds". The goal of the table to show that the operational balance is zero and the total deficit comes only from the investments and developments.

The distributions of the revenues and expenditures can be useful, but the other charts may be selective. Only one goal is stated ("improving the economic growth"), however the subgroups define other ones like developing the housing opportunities that could be regarded as social goals. The charts on page 483 are somewhat misleading because the planned expenditures for 2025 were compared to numbers for 2010 and many progammes did not even exist at that time not mentioning the inflation effect that makes the comparison of absolute expenditures irrelevant. Also the table of balances can be seen as misleading since the zero value of the operational balance is achieved by certain balancing items that can only be seen from the detailed numbers. The missing information is other interesting topics like the state of the government debt or the revenues from EU funds could have been included in a more detailed way.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

CB-3b. If you selected option "c" or "d" in question CB-3a, please specify how you determined whether the CB was produced for internal use only, versus not produced at all.

If option "a,""b," or "e" was selected in question CB-3a, researchers should mark this question "n/a."

Answer:
n/a

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

CB-4a. If the CB is published, what is the date of publication of the CB?

Note that the date of publication is not necessarily the same date that is printed on the document.
Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2024 should be entered as 05/09/2024. If the document is not published or not produced, leave this question blank.

If more than one Citizens Budget is published, please complete this question for one of them (response to CB-1b.), specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and its dates of publication.

Answer:
21/11/2024

Source:
The supplements of the EBP on the webpage of the Parliament:
https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf

Comment:
The Citizens' Budget was published among the supplements of the EBP on the webpage of the Parliament. The upload date of the document was verified by the last modification timestamp of the pdf document.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

CB-4b. In the box below, please explain how you determined the date of publication of the CB.

If the document is not published at all, researchers should mark this question "n/a."

Answer:
We used the last modification timestamp of the uploaded pdf document available with the javascript:alert(document.lastModified) command in the browser and verified it by a news article about the publication of the supplements that included the Citizens' Budget.

Source:
"Polgárok Költségvetése" (Citizens' Budget)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
pp. 479-484

Comment:
The Citizens' Budget was published among the supplements of the EBP on the webpage of the Parliament. The upload date of the document was verified by the last modification timestamp of the pdf document.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

CB-5. If the CB is published, what is the URL or weblink of the CB?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

If more than one Citizens Budget is published, please complete this question for one of them (response to CB-1b.), and – in the comment box – which other Citizens Budget is produced and its URL or weblink.

Answer:
https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf

Source:
"Polgárok Költségvetése" (Citizens' Budget)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
pp. 479-484

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

CB-6. If the CB is produced, please write the full title of the CB.

For example, a title for the Citizens Budget could be "Budget 2024 People's Guide" or "2025 Proposed Budget in Brief: A People's Budget Publication."

If the document is not produced at all, researchers should mark this question "n/a."

If multiple Citizens Budgets are produced, answer this question based on your response to CB-1b. In the comment box, include any additional Citizens Budgets, the corresponding budget document, and their full titles.

Answer:
Polgárok Költségvetése

Source:
"Polgárok Költségvetése" (Citizens' Budget)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
pp. 479-484

Comment:
"Polgárok Költségvetése" (Citizens' Budget)

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

IYRs-1. What is the fiscal year of the IYRs evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:
FY 2024

Source:

Comment:
The latest In-Year Reports until 31 December 2024 was for FY 2024.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

IYRs-2. When are the IYRs made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for IYRs to be considered publicly available, IYRs must be made available to the public no later than three months after the reporting period ends. If at least seven of the last 12 monthly IYRs, or at least three of the last four quarterly IYRs are not released to the public at least three months after the reporting period ends, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the IYRs.

Answer:
a. At least every month, and within one month of the period covered

Source:

Comment:
The In-Year Reports are published monthly and about 20 days after the end of the covered period.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

IYRs-3a. If the IYRs are published, what are the dates of publication of the IYRs?

Specifically: if quarterly In-Year Reports are published, indicate the dates of publication of at least three of the last four IYRs that were publicly available. If monthly IYRs are published, indicate the dates of publication of at least seven of the last 12 IYRs that were publicly available.

Note that the date of publication is not necessarily the same date that is printed on the document.
Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2024 should be entered as 05 September 2024. If the document is not published or not produced, please mark this question "n/a."

Answer:
The IYR for November 2024: 20 December 2024
The IYR for October 2024: 22 November 2024
The IYR for September 2024: 22 October 2024
The IYR for August 2024: 23 September 2024
The IYR for July 2024: 23 August 2024
The IYR for June 2024: 22 July 2024
The IYR for May 2024: 24 June 2024
The IYR for April 2024: 23 May 2024
The IYR for March 2024: 22April 2024

Source:
IYR for November 2024: https://cdn.kormany.hu//uploads/sheets//9/95/952/9526b9b328ec8c7cea5401b94236878.docx
IYR for October 2024: https://cdn.kormany.hu//uploads/sheets//b/b0/b0c/b0ce1e5392bac5a930a735f4ea0311f.docx
IYR for September 2024: https://cdn.kormany.hu//uploads/sheets//2/20/203/203313a1576e95eef2a81b1ce7d0fa7.docx
IYR for August 2024: https://cdn.kormany.hu//uploads/sheets//1/19/19c/19c8eae403d7a96897715ce5b9edc80.docx
IYR for July 2024: https://cdn.kormany.hu//uploads/sheets//9/9d/9d5/9d56b0d17855c5e176f49f867ceead1.docx
IYR for June 2024: https://cdn.kormany.hu//uploads/sheets//5/59/59e/59ee13ba12d12528c3b63c426feba37.docx
IYR for May 2024: https://cdn.kormany.hu//uploads/sheets//1/1d/1d6/1d69dbdaf63e4d6eab43545059a8b0d.docx
IYR for April 2024: https://cdn.kormany.hu//uploads/sheets//c/cf/cf6/cf6526b45d0d7bf4094d8ec38f56fb8.docx
IYR for March 2024: https://cdn.kormany.hu//uploads/sheets//3/3e/3e5/3e52fe1b28b3b4d098856d11a6961c4.docx

Comment:
The In-Year Reports are published in a drop-down menu on the Ministry for National Economy's webpage. The URL leads to the archive webpage of the Ministry of Finance because in 2025 the Ministry of Finance were took over by the Ministry for National Economy. The IYRs until March 2025 are available on the archived webpage, since then the IYRs are published on a new webpage. The publication date was determined by checking the last modification timestamp of the pdf document by clicking one the "részletes ÁHT mérleget itt" link. The timestamp was checked with the javascript:alert(document.lastModified) command in the browser.
The links for the pdf documents are provided in the source section.

The In-Year Reports are available on the below link:
Archive webpage of the Ministry of Finance:
https://kormany.hu/pm/aht-jelentesek
New webpage of the Ministry for National Economy
https://kormany.hu/nemzetgazdasagi-miniszterium/ahtjelentesek
The narrative explanation is published under the link in "mellékelt tájékoztató pedig ezen a linken", while the monthly balance sheet in pdf under the link in "részletes ÁHT mérleget itt".
The narrative explanation shows the referenced month and year on the starting page, but not the exact publication date.

The government stopped announcing the In-Year Reports in the news, so the publication dates cannot be confirmed by the announcement dates, only by the upload dates.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

IYRs-3b. In the box below, please explain how you determined the date of publication of the IYRs.

If the document is not published at all, researchers should mark this question "n/a."

Answer:
The publication date was determined by checking the last modification timestamp of the pdf documents by clicking one the "részletes ÁHT mérleget itt" link. The timestamps were checked with the javascript:alert(document.lastModified) command in the browser.

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

IYRs-4. If the IYRs are published, what is the URL or weblink of the IYRs?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Researchers should provide the weblink to the most recent In-Year Report in the space below, and – in the comment box underneath – the weblinks to older IYRs.

If the document is not published at all, researchers should leave this question blank.

Answer:
https://kormany.hu/pm/aht-jelentesek

Source:

Comment:
The In-Year Reports are published in a drop-down menu on the Ministry of Finance's webpage. The narrative explanation is published under the link in "mellékelt tájékoztató pedig ezen a linken", while the monthly balance sheet in pdf under the link in "részletes ÁHT mérleget itt". The narrative explanation is in docx, the balance sheet is in pdf format.
As a technical note: in March 2025 the Ministry of Finance were took over by the Ministry for National Economy and the IYRs are published on a new webpage while the previous IYRs are available on the archive webpage linked in the answer.
URL for new webpage:
https://kormany.hu/nemzetgazdasagi-miniszterium/ahtjelentesek

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

IYRs-5a. If the IYRs are not publicly available, are they still produced?

If the IYRs are not considered publicly available under the OBS methodology (and thus the answer to Question IYRs-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question IYRs-2).
Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.
Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.
Option "d" applies if the document is not produced at all.
Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:
e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

IYRs-5b. If you selected option "c" or "d" in question IYRs-5a, please specify how you determined whether the IYRs were produced for internal use only, versus not produced at all.

If option "a,""b," or "e" was selected in question IYRs-5a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

IYRs-6. If the IYRs are produced, please write the full title of the IYRs.

For example, a title for the In-Year Report could be "Budget Monitoring Report, Quarter 1" or "Budget Execution Report January-March 2024."

If In-Year Reports are not produced at all, researchers should mark this question "n/a."

Researchers should provide the full title of the most recent In-Year Report in the space below, and – in the comment box underneath – the full titles of older IYRs.

Answer:
The title follows the format „Report on State of the Central Budget at the end of [month] 2024"
IYR for November 2024: "Részletes tájékoztató az államháztartás központi alrendszerének 2024. november végi helyzetérol"

Source:
The In-Year reports on the webpage of the Ministry of Finance:
https://kormany.hu/pm/aht-jelentesek

Comment:
The title follows the format „Report on State of the Central Budget at the end of [month] 2024"
IYR for November 2024: "Részletes tájékoztató az államháztartás központi alrendszerének 2024. november végi helyzetéről"
IYR for October 2024: "Részletes tájékoztató az államháztartás központi alrendszerének 2024. október végi helyzetéről"
IYR for September 2024: "Részletes tájékoztató az államháztartás központi alrendszerének 2024. szeptember végi helyzetéről"
IYR for August 2024: "Részletes tájékoztató az államháztartás központi alrendszerének 2024. augusztus végi helyzetéről"
IYR for July 2024: "Részletes tájékoztató az államháztartás központi alrendszerének 2024. július végi helyzetéről"
IYR for June 2024: "Részletes tájékoztató az államháztartás központi alrendszerének 2024. június végi helyzetéről"
IYR for May 2024: "Részletes tájékoztató az államháztartás központi alrendszerének 2024. május végi helyzetéről"
IYR for April 2024: "Részletes tájékoztató az államháztartás központi alrendszerének 2024. április végi helyzetéről"
IYR for March 2024: "Részletes tájékoztató az államháztartás központi alrendszerének 2024. március végi helyzetéről"

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

MYR-1. What is the fiscal year of the MYR evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:
FY 2024

Source:
n/a

Comment:
The latest MYR until 31 December 2024 should have been for FY 2024.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

MYR-2. When is the MYR made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an MYR to be considered publicly available, it must be made available to the public no later than three months after the reporting period ends (i.e., three months after the midpoint of the fiscal year). If the MYR is not released to the public at least three months after the reporting period ends, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the MYR.

Answer:
d. The MYR is not released to the public, or is released more than three months after the midpoint

Source:
n/a

Comment:
We did not find any document that satisfied the requirements for Mid-Year Review.
The IYR for June is not different from any other IYR, it did not include additional data or review about the macroeconomic and/or budgetary trends.
The State Audit Office and the National Bank of Hungary published similar documents but they are independent from the government, so these documents were not treated as Mid-Year Review. These documents were prepared for the Fiscal Council and included the review of macroeconomic assumptions, the detailed presentation of the actual outcomes for certain expenditure and revenue items as well as the updated estimates for the year-end.
The government also prepared a regular document on the expected total outstanding debt at the end of the budget year and sent it to the Budgetary Committee of the Parliament but the document was not published. The document contained information about the total outstanding debt of the different sectors of the government, the assessment of the debt rule and the methodology of the assessment. The document is required by 5. § (1) of act CXCIV of 2011 on the economic stability of Hungary. It did not fulfil the requirement of the Mid-Year Review.
We received information about this second document from the Chairman of the Budgetary Committee as the addressee of this document. The details are provided in his reply published on the webpage of the Committee. The contents of the document are described in the first paragraph in the section "A dokumentum tartalmazza többek között…"

"Elemzés a Költségvetési Tanács részére a 2024. I. félévi költségvetési folyamatokról" (Analysis for the Fiscal Council on the budgetary trends in the first half of 2024)
URL: https://www.asz.hu/dokumentumok/Elemzes_KT_2024Ifelev.pdf

"Költségvetési jelentés" (Public Finance Report)
In Hungarian: https://www.mnb.hu/letoltes/koltsegvetesi-jelentes-feleves-jelentes-2024.pdf
In English: https://www.mnb.hu/letoltes/koltsegvetesi-jelentes-2024-i-eng.pdf

IYR for June 2024
URL: https://cdn.kormany.hu//uploads/sheets//5/59/59e/59ee13ba12d12528c3b63c426feba37.docx

In Hungarian: 2011. évi CXCIV. törvény Magyarország gazdasági stabilitásáról
In English: Act CXCIV of 2011 on the economic stability of Hungary
URL: https://net.jogtar.hu/jogszabaly?docid=a1100194.tv

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

MYR-3a. If the MYR is published, what is the date of publication of the MYR?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2024 should be entered as 05/09/2024. If the document is not published or not produced, leave this question blank.

Answer:

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

MYR-3b. In the box below, please explain how you determined the date of publication of the MYR.

If the document is not published at all, researchers should mark this question "n/a."

Answer:
n/a

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

MYR-4. If the MYR is published, what is the URL or weblink of the MYR?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

MYR-5a. If the MYR is not publicly available, is it still produced?

If the MYR is not considered publicly available under the OBS methodology (and thus the answer to Question MYR-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question MYR-2).
Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.
Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.
Option "d" applies if the document is not produced at all.
Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:
c. Produced for internal purposes/use only

Source:
In Hungarian: 2011. évi CXCIV. törvény Magyarország gazdasági stabilitásáról
In English: Act CXCIV of 2011 on the economic stability of Hungary
URL: https://net.jogtar.hu/jogszabaly?docid=a1100194.tv
5. § (1)

Comment:
The government has a legal obligation to review the state of government debt based on the half-year data and inform the Fiscal Council and the Budgetary Committee of the Parliament about the results. If necessary the government has to submit a proposal to modify the central budget. The government prepared the required document but it only contained information on the expected total debt of the different sectors of the government, the assessment of the debt rule and the methodology of the assessment.
To fulfil this obligation and prepare the assessment of the debt rule the government must create a review of the macroeconomic and budgetary trends after mid-year.
We received information about the contents of the document from the Chairman of the Budgetary Committee. The contents of the document are described in the first paragraph in the section "A dokumentum tartalmazza többek között…"

"Válaszlevél a Költségvetési Felelősségi Intézet megkeresésére" (Reply to the inquiry from Fiscal Responsibility Institute)
URL: https://www.parlament.hu/documents/129373/1562331/V%C3%A1laszlev%C3%A9l.pdf/650468f0-5162-3ee8-a7fe-56b29bab4dd9?t=1684739731191

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

MYR-5b. If you selected option "c" or "d" in question MYR-5a, please specify how you determined whether the MYR was produced for internal use only, versus

not produced at all.

If option "a,""b," or "e" was selected in question MYR-5a, researchers should mark this question "n/a."

Answer:
The government has a legal obligation to review the state of government debt based on the half-year data and inform the Fiscal Council and the Budgetary Committee of the Parliament about the results. If necessary the government has to submit a proposal to modify the central budget. The government prepared the required document but it only contained information on the expected total debt of the different sectors of the government, the assessment of the debt rule and the methodology of the assessment.
To fulfill this obligation and prepare the assessment of the debt rule the government must create a review of the macroeconomic and budgetary trends after mid-year.
The legal obligation is in the Act CXCIV of 2011 on the economic stability of Hungary in 5. § (1).

Source:
In Hungarian: 2011. évi CXCIV törvény Magyarország gazdasági stabilitárásól
In English: Act CXCIV of 2011 on the economic stability of Hungary
URL: https://net.jogtar.hu/jogszabaly?docid=a1100194.tv
5. § (1)

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

MYR-6. If the MYR is produced, please write the full title of the MYR.

For example, a title for the Mid-Year Review could be "Semi-annual Budget Performance Report, FY 2023/24" or "Mid-Year Report on the 2024 National Budget."

If the document is not produced at all, researchers should mark this question "n/a."

Answer:
n/a

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

YER-1. What is the fiscal year of the YER evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:
FY 2023

Source:

Comment:
The latest Year-End Report until 31 December 2024 was for FY 2023

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

YER-2. When is the YER made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an YER to be considered publicly available, it must be made available to the public no later than one year after the fiscal year to which it corresponds. If the YER is not released to the public within one year after the end of the fiscal year to which it corresponds, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the YER.

Answer:
b. Nine months or less, but more than six months, after the end of the budget year

Source:
In Hungarian: 2011. évi CXCV törvény az államháztartásról
In English: Act CXCV on the State Budget
URL: https://net.jogtar.hu/jogszabaly?docid=A1100195.TV
The submitted YER for FY 2023 on the webpage of the Parliament:
https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=TxAGarWt&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D9346

Comment:
The legal rules (in 90. § of the cited act) oblige the Government to submit the YER to the Parliament until 30 September (or until 10 November in election years) in the year after the fiscal year. The deadline for the election years was introduced in another act in 2022.
On the webpage of the Parliament the row „Benyújtva" shows that the YER was submitted to the Parliament on 30 September 2024.
Because the government published the YER in nine months after the end of the budget year, we selected answer "b".

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

YER-3a. If the YER is published, what is the date of publication of the YER?

Note that the date of publication is not necessarily the same date that is printed on the document.
Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2024 should be entered as 05/09/2024. If the document is not published or not produced, leave this question blank.

Answer:
30/9/2024

Source:
The submitted YER for FY 2023 on the webpage of the Parliament:
https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=TxAGarWt&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D9346

Comment:
The date of publication is shown in the row „Benyújtva" on the webpage of the Parliament. It was verified by the last modification timestamp of the uploaded pdf documents using the javascript:alert(document.lastModified) command in the browser.
The Parliament has a legal obligation to publish all documents immediately after they are submitted, so the date of submission and publication are the same.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

YER-3b. In the box below, please explain how you determined the date of publication of the YER.

If the document is not published at all, researchers should mark this question "n/a."

Answer:
We used the date on the webpage of the Parliament, because there was no announcement from the government or any other news articles about the submission. It was also verified by the last modification timestamp of the uploaded pdf documents using the javascript:alert(document.lastModified) command in the browser.

Source:
The submitted YER for FY 2023 on the webpage of the Parliament:
https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=TxAGarWt&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D9346

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

YER-4. If the YER is published, what is the URL or weblink of the YER?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:
https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=TxAGarWt&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.onind_html%3Fp_ckl%3D42%26p_izon%3D9346

Source:
The YER on the webpage of the Parliament:
https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=TxAGarWt&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.onind_html%3Fp_ckl%3D42%26p_izon%3D9346

Comment:
The link presents the YER with its supplements edited to seven volumes.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

YER-5a. If the YER is not publicly available, is it still produced?

If the YER is not considered publicly available under the OBS methodology (and thus the answer to Question YER-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question YER-2)
Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.
Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.
Option "d" applies if the document is not produced at all.
Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:
e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

YER-5b. If you selected option "c" or "d" in question YER-5a, please specify how you determined whether the YER was produced for internal use only, versus not produced at all.

If option "a,""b," or "e" was selected in question YER-5a, researchers should mark this question "n/a."

Answer:
n/a

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

YER-6. If the YER is produced, please write the full title of the YER.

For example, a title for the Year-End Report could be "Consolidated Financial Statement for the Year Ended 31 March 2024" or "Annual Report 2023 Published by the Ministry of Finance and Planning." If the document is not produced at all, researchers should mark this question "n/a."

Answer:
T/9346. számú törvényjavaslat a Magyarország 2023. évi központi költségvetéséről szóló 2022. évi XXV. törvény végrehajtásáról

Source:
The YER on the webpage of the Parliament:
https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=TxAGarWt&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.onind_html%3Fp_ckl%3D42%26p_izon%3D9346

Comment:
T/9346. számú törvényjavaslat a Magyarország 2023. évi központi költségvetéséről szóló 2022. évi XXV. törvény végrehajtásáról
(Bill No. T/9346 on the Execution of Act XXV of 2022 on the Central Budget of Hungary for FY 2023)

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

AR-1. What is the fiscal year of the AR evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:
FY 2023

Source:

Comment:
The latest Audit Report until 31 December 2024 was for FY 2023.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

AR-2. When is the AR made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an AR to be considered publicly available, it must be made available to the public no later than 18 months after the end of the fiscal year to which it corresponds. If the AR is not released to the public at least 18 months after the end of the fiscal year to which it corresponds, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the AR.

Answer:
b. 12 months or less, but more than six months, after the end of the budget year

Source:
In Hungarian: 2011. évi CXCV törvény az államháztartásról
In English: Act CXCV on the State Budget
URL: https://net.jogtar.hu/jogszabaly?docid=A1100195.TV

The Audit Report on webpage of the State Audit Office:
In Hungarian: https://www.asz.hu/dokumentumok/24163.pdf
List of reports on the webpage of the State Audit Office (the Audit Report is number 24163 in the "Sorszám" column):
In Hungarian: https://www.asz.hu/jelentesek

The Audit Report on the webpage of the Parliament
URL: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=TxAGarWt&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_madat%3Fp_ckl%3D42%26p_izon%3D9346%26p_alsz%3D1

Comment:

According to the legal rules (in 90. § of the cited act) the Audit Report has to be submitted alongside the Year-End Report to the Parliament. The YER shall be submitted until 30 September (10 November in election years) in the year after the period covered.
The date of publication can be checked in the row “Benyújtva” on the webpage of the Parliament or in the list of reports checking the date of document “24163 - 2023. évi zárszámadás – Magyarország 2023. évi központi költségvetése végrehajtásának ellenőrzése“.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

AR-3a. If the AR is published, what is the date of publication of the AR?

Note that the date of publication is not necessarily the same date that is printed on the document.
Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: “DD/MM/YYYY.” For example, 5 September 2024 should be entered as 05/09/2024. If the document is not published or not produced, leave this question blank.

Answer:
11/10/2024

Source:
The Audit Report on webpage of the State Audit Office:
In Hungarian: https://www.asz.hu/dokumentumok/24163.pdf
List of reports on the webpage of the State Audit Office (the Audit Report is number 24163 in the “Sorszám” column):
In Hungarian: https://www.asz.hu/jelentesek

The Audit Report on the webpage of the Parliament
URL: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=TxAGarWt&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_madat%3Fp_ckl%3D42%26p_izon%3D9346%26p_alsz%3D1

Comment:
On the webpage of the Parliament the row „Benyújtva” shows the date of submission. The Parliament uploads to its webpage and publishes all submitted documents immediately.
The date is also shown in the list of reports in the column “Közzététel dátuma” (Publication date). Document “24163 - 2023. évi zárszámadás – Magyarország 2023. évi központi költségvetése végrehajtásának ellenőrzése“ is the Audit Report and it has the same date. We confirmed the upload date by using the javascript:alert(document.lastModified) command in the browser.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

AR-3b. In the box below, please explain how you determined the date of publication of the AR.

If the document is not published at all, researchers should mark this question “n/a.”

Answer:
We checked the date on the webpage of the Parliament and the State Audit Office. Both webpage showed the same date.
The timestamp of the pdf document on the webpage of the SAO showed a later date that may have been caused by the new webpage.

Source:
List of reports on the webpage of the State Audit Office (the Audit Report is number 24163 in the "Sorszám" column):
In Hungarian: https://www.asz.hu/jelentesek

The Audit Report on the webpage of the Parliament
URL: https://www.parliament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=TxAGarWt&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_madat%3Fp_ckl%3D42%26p_izon%3D9346%26p_alsz%3D1

Comment:
On the webpage of the Parliament the row „Benyújtva" shows the date of submission. The Parliament uploads to its webpage and publishes all submitted documents immediately.
The date is also shown in the list of reports in the column "Közzététel dátuma" (Publication date). Document "24163 - 2023. évi zárszámadás – Magyarország 2023. évi központi költségvetése végrehajtásának ellenőrzése" is the Audit Report and it has the same date. We confirmed the upload date by using the javascript:alert(document.lastModified) command in the browser.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

AR-4. If the AR is published, what is the URL or weblink of the AR?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:
https://www.parlament.hu/irom42/09346/09346-0001.pdf

Source:
The document on the webpage of the Parliament: https://www.parlament.hu/irom42/09346/09346-0001.pdf

The document on the webpage of the State Audit Office:
https://www.asz.hu/dokumentumok/24163.pdf

Comment:
The Audit Report is available on the webpage of the Parliament and the State Audit Office. The same document is uploaded to both webpages.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

AR-5a. If the AR is not publicly available, is it still produced?

If the AR is not considered publicly available under the OBS methodology (and thus the answer to Question AR-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question AR-2).
Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.
Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.
Option "d" applies if the document is not produced at all.
Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:
e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

AR-5b. If you selected option "c" or "d" in question AR-5a, please specify how you determined whether the AR was produced for internal use only, versus not produced at all.

If option "a,""b," or "e" was selected in question AR-5a, researchers should mark this question "n/a."

Answer:
n/a

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

AR-6. If the AR is produced, please write the full title of the AR.

For example, a title for the Audit Report could be "Annual General Reports of the Controller and Auditor General." If the document is not produced at all, researchers should mark this question "n/a."

Answer:
Jelentés - 2023. évi zárszámadás – Magyarország 2023. évi központi költségvetése végrehajtásának ellenőrzése

Source:

Comment:
Jelentés - 2023. évi zárszámadás – Magyarország 2023. évi központi költségvetése végrehajtásának ellenőrzése (Report - Year-End Report of FY 2023 - Audit of the Execution of the Central Budget for FY 2023)

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

GQ-1a. Is the numerical data in any of the seven key budget documents available in a machine-readable format?

Material (data or content) is machine-readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx), or HTML files do not qualify as machine-readable. See more at: Open Data Handbook.

Please select a budget document only if it is publicly available according to OBS methodology.

In the comment box below, specify whether the data available is fully or partially machine-readable and provide the URL(s) for the relevant documents.

Please select all that apply:

Answer:
In-Year Reports

Source:
Data on the webpage of the Treasury:
https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/a-kozponti-alrendszer-koltsegvetesi-merlege/merleg-2024.-ev-balance-sheets-2024

Data on the webpage of Debt Management Agency:
In Hungarian: https://www.akk.hu/content/path=havi-jelentesek
In English: https://www.akk.hu/content/path=monthly-reports

Comment:
The monthly balance sheets are published in pdf, but the same data is available on the webpage of the Treasury in Excel format. Previously the webpage of the Treasury was referenced generally in the footnotes of the first page of the narrative discussion of the IYR but it was omitted.
The data related to monthly government debt is available on the webpage of the Debt Management Agency in Excel format. This is not linked in the narrative discussion of the IYR either in the past year or in the previous years.

Additional data is presented in the narrative explanation that can be copied from the docx but they are not available in a separate machine readable format. For example on page 4 the table "Általános forgalmi adó bevétel alakulása" shows details about VAT, or on page 6 the table "Személyi jövedelemadó bevétel alakulása" shows details about revenues from personal income tax. These tables are not published in separate files.

URL for the narrative explanation of IYR for November 2024:
https://cdn.kormany.hu//uploads/sheets//9/95/952/9526b9b328ec8c7cea5401b94236878.docx

Most of the published data are available in Excel files on the webpages of the Treasury and the Debt Management Agency

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

GQ-1b. If the government operates an additional open data portal or platform specifically for sharing fiscal or budgetary information beyond the primary budget website, what features does it offer?

This question assesses the accessibility and quality of government open data portals for fiscal transparency. Open data plays a pivotal role in the development and application of AI technologies, especially in PFM. Accessible and well-documented open datasets enable AI models to be trained on diverse, high-quality information, which improves their accuracy, transparency, and adaptability. To support AI-driven initiatives in public finance, policymakers should prioritize investments in robust open data platforms, ensure strong data documentation practices, and promote machine-readable metadata. These measures will not only enhance the quality of AI models but also increase their accountability and efficiency in the public sector.

Examples of open data portals include:

- *Dedicated open fiscal data portals (e.g., Mexico's https://www.transparenciapresupuestaria.gob.mx/)*
- *Platforms providing performance indicators linked to budget outcomes (e.g., Norway's https://statsregnskapet.dfo.no/)*
- *Open data portal providing extensive visualizations and graphs and incorporating an interactive user experience (e.g, Germany's https://www.bundeshaushalt.de/DE/Bundeshaushalt-digital/bundeshaushalt-digital.html)*

Researchers should provide links only to the relevant open data portal along with a brief description of its content and features. If an open data portal exists but does not offer any of the listed features, select "None of the above." If no additional open data portal is available, select "Not applicable."

Please select all that apply:

Answer:
Provides all data in downloadable machine-readable formats (e.g., .csv, .json)
Includes budget data for multiple years

Source:
The fiscal information on the webpage of the Treasury:

"Közpénzügyi Portál" (Public Finance Portal)
https://kpp.tcs.allamkincstar.gov.hu/

Other reports on different websites:
Webpage of the State Treasury
Balance sheet of the central budget as bilingual excel files: https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/a-kozponti-alrendszer-koltsegvetesi-merlege

Balance sheet of the cnetral budget in the structure of the 1st appendix (reports before 2023)
https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai

Balance sheet of the social security funds as bilingual excel files:
https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/tb-alapok-merlege
Balance sheet of separated state funds as bilingual excel files:
https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/elkulonitett-penzalapok-merlege
Balance sheet information in functional classification:
https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/funkcionalis-merlegek

Webpage of the Debt Management Agency
Information related to government debt on the webpage of Debt Management Agency:

Monthly reports on the government debt:
In Hungarian: https://www.akk.hu/content/path=havi-monitoring
In English: https://www.akk.hu/content/path=monthly-report-debt-transactions-analysis
Statistics on the government debt:
In Hungarian: https://www.akk.hu/statisztika/allamadossag-finanszirozas
In English: https://www.akk.hu/statistics/public-debt-finance

The budget documents are available on the webpage of the Parliament, Ministry of Finance and State Audit Office:
Search on the webpage of the Parliament for the budget documents in the current election cycle:
https://www.parlament.hu/web/guest/iromanyok-lekerdezese?
p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=http%3A%2F%2Fwww.parlament.hu%2Finternet%2Fcplsql%2Fogy_irom.irom_lekerd%3FP_TIP%3Dnull%26P_CKL%3D42%26P_PARAM%3DI%26P_CIM%3Dk%25C3%25B6lts%25C3%25A9gvet%25C3%25A9s%26P_FOTIP%3Dnull%26P_FOTIP%3DT&p_auth=xcYodpsP

Reports of the State Audit Office on the EBP and YER (All the reports are shown in one list. The second link points to the reports archive. The documents related to budgetary documents have the title "Vélemény a xxxx. évi központi költségvetésről" or "xxxx. évi zárszámadás" and can be filtered by keywords like “vélemény” or “zárszámadás” in the box “Keresés” (Search)):
https://www.asz.hu/jelentesek
https://www.asz.hu/jelentesek-archivum
Analyses about the budgetary trends can be found among the documents related to the Fiscal Council:
https://www.asz.hu/koltsegvetesi-tanacs

The archived monthly reports are published on the webpage of Ministry of Finance:
https://kormany.hu/penzugyminiszterium/aht-jelentesek
The current monthly reports are available on the webpage of the Ministry for National Economy:
https://kormany.hu/nemzetgazdasagi-miniszterium/ahtjelentesek
Other budget documents on the webpage of Ministry of Finance (these are the planning guidelines for the budgetary institutions):
https://ngmszakmaiteruletek.kormany.hu/koltsegvetes

Additional information are available on the webpage of the Fiscal Council:
Webpage of the Fiscal Council:
http://www.parlament.hu/web/koltsegvetesi-tanacs

Comment:
Since the last Survey the government launched a new portal called “Közpénzügyi Portál” (Public Finance Portal) in May 2023. The Treasury publishes some of the regular monthly reports on this site. For example the monthly reports in the structure of 1st appendix are published on this new portal (under the “Központi költségvetés végrehajtásának adatai” line in the menu) but the earlier reports before 2023 are still on the webpage of the Treasury.
The monthly balance sheets of the cnetral budget are published both on the webpage of the Treasury and on the Public Finance Portal. On the Portal they are available under the menu “Központi alrendszer költségvetési mérlege”.
For the two mentioned reports the reported month can be changed in the mentu “Vonatkozási nap”, while the data can be downloaded in excel or csv format by clicking on the three dots under the “Fájl” menu.
The data are available from January 2023 for both reports.
The Portal also offers a bit of interactivity. By clicking on some of the charts the data can be filtered. For example in the case of “Központi költségvetés végrehajtásának adatai” the treemap and the bar chart to the right of the treemap are interactive but the other charts are not and it constraints what trends or details can be analyzed with it.
The portal only presents data published by the Treasury, hence it it not a comprehensive source of budgetary data.
Additionally the arrears of the budgetary institutions are published in the menu “Központi költségvetési szervek tartozásai”. The data is only available for the latest month. The other repots on the Portal are yearly reports. The report “Központi költségvetés végrehajtása az éves költségvetési bszámolók alapján” shows the yearly expenditure and revenues by functions and by administrative classification (at ministry level). The report “Központi alrendszer intézményeinek éves költségvetési beszámolói” shows the yearly balance sheets of the individual budgetary institutions.
The interactivity of the Portal is limited, so we did not select that answer. The data is available in machine-readable format, but it depends on the selected file format and the type of data source. For the charts the Portal inserts an image in the Excel, not the data behind the chart. In csv format the file encoding could cause some misinterpretation. As a summary the data is available but one may need to take several attempts to downaload the the data in proper format. It is also notable that the data is available only for the last two years, however that can be explained by the recent launch of the Portal.

Despite the launch of the Public Finance Portal the budgetary data is still dispersed among many sites, especially the budgetary documents. We listed these websites for the comprehensive answer.

The documents on the webpage of the Parliament can be searched under the “Irományok” -> “Irományok lekérdezése” menu by selecting “törvényjavaslat” in the box “Főtípus” (Main category) and typing “költségvetés” (budget) in the “Cím” (Title). This lists all the bills submitted to the Parliament with the budget in its title.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

GQ-1c. How does the Ministry of Finance apply AI in specific areas of Public Financial Management?

This question assesses the extent and application of artificial intelligence (AI) in Public Financial Management (PFM) by the Ministry of Finance (or related government entity). As AI technologies become more prevalent, their integration into PFM can significantly enhance efficiency, accuracy, and transparency in financial operations. Understanding the areas where AI is applied provides insight into a government's digital maturity and its commitment to leveraging technology for improved fiscal management.

For more insight into where to find this information please refer to the 2025 OBS Guide and Questionnaire (GQ questions).

Please select all that apply:

Answer:
Tax compliance and/or administration

Source:
https://nav.gov.hu/mimcs

Comment:
in Hungarian:
Nemzeti Adó- és Vámhivatal és a Kormányzati Társintézmények Mesterséges Intelligencia Munkacsoport (MIMCS)
in English:
National Tax and Customs Administration and the Governmental Associate Institutions Artificial Intelligence Working Group (MIMCS)

Further information might come if the ministry answers the questions sent.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

GQ-1d. Are AI-driven fiscal models, forecasts, or decisions subject to transparency and oversight?

This question assesses whether governments ensure transparency and accountability in the use of AI-driven fiscal models and forecasts in public financial management (PFM). As AI increasingly informs budgetary decisions, tax policies, and economic forecasts, ensuring transparency is essential for maintaining public trust, preventing biases, and safeguarding against potential misuse of AI in financial governance (See ODI's handbook for Data-centric AI policy https://theodi.cdn.ngo/media/documents/Global_Policy_Observatory_for_Data-centric_AI.pdf).

For more insight into where to find this information please refer to the 2025 OBS Guide and Questionnaire (GQ questions).

Answer:
c. AI models are used without public disclosure or external oversight

Source:

"A Nemzeti Adó- és Vámhivatal (a továbbiakban: NAV) adatvagyonában meglévő értékek kiaknázása és ennek révén a tudományos módszertanok és az adózási, adóztatási tapasztalatok szinergiájának a közteherviselés szolgálatába állítása, továbbá a más, jelentős adatvagyonnal rendelkező állami szervek és adatvagyonok jobb, összehangoltabb hasznosítása érdekében a Kormány javaslattevő, véleményező, tanácsadó tevékenységet végző testület"

Further information might come if the ministry answers the questions sent.

Comment:
The MIMCS working group's main task is to
1. facilitate efficient taxation through exploiting synergies in the database maintained by the tax authority, scientific methodologies and empirical knowledge in taxation, as well as
2. providing consultancy services to the government in order to coordinate the efficient use of database maintained by other government agencies.
(This is the approximate meaning of the above cited, grammatically bad Hungarian sentence.)

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

GQ-2. What Gender-Responsive Budgeting (GRB) practices are implemented across the budget cycle in your country?

This question aims to assess the extent to which technical mechanisms for gender-responsive budgeting (GRB) are implemented across the budget cycle by any and/or all the institutions involved in the budget process (e.g. Ministry of Finance, Legislature, Supreme Audit Institution). It focuses on tools and methodologies that governments use to integrate gender considerations into public financial management, with an emphasis on budget tracking, impact assessments, and accountability mechanisms.

If a government has announced gender-budgeting efforts but lacks concrete implementation mechanisms, researchers should not mark them.

If a country is piloting gender budgeting in select ministries, it can be counted but note the scope and limitations in the comments.

For insight into where to find this information and descriptions (with examples) of the different types of gender-responsive budgeting initiatives please refer to the 2025 OBS Guide and Questionnaire.

Please select all that apply:

Answer:
None of the above

Source:

Comment:
Further information might come if the ministry answers the questions sent.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

GQ-3. What green budgeting initiatives or tools does the government use to track climate and environmental expenditures and/or revenues?

This question evaluates whether a government integrates climate and environmental considerations into its budget process through green budgeting tools. Green budgeting is not a separate budget but an approach that ensures fiscal policies incorporate environmental priorities. It helps governments track climate-related revenues and expenditures, assess environmental impacts, and align budgetary decisions with climate goals (For more information see the OECD's Green Budgeting: Governing Green Through the Budget Cycle https://one.oecd.org/document/GOV/SBO(2023)12/en/pdf).

If a government has announced green/climate budgeting efforts but lacks concrete implementation mechanisms, researchers should not mark them.

If a country is piloting climate budgeting in select ministries, it can be counted but note the scope and limitations in the comments.

For insight into where to find this information and descriptions (with examples and definitions) of the different types of green budgeting initiatives please refer to the 2025 OBS Guide and Questionnaire.

Please select all that apply:

Answer:
None of the above

Source:

Comment:
Further information might come if the ministry answers the questions sent.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

1. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year that are classified by administrative unit (that is, by ministry, department, or agency)?

GUIDELINES:

Question 1 addresses the presentation of expenditure by administrative unit. This information indicates which government entity (ministry, department, or agency, or MDAs) will be responsible for spending the funds and, ultimately, held accountable for their use.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all administrative units, accounting for all expenditures, in the budget year. To answer "b," the administrative units shown individually, in the Executive's Budget Proposal or its supporting documentation, must account for at least two-thirds of all expenditures in the budget year. In other words, the sum of the expenditures assigned to the individual MDAs (education, health, infrastructure, interior, defense, etc.) must account for at least two-thirds of the total expenditure budgeted for that particular year. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents administrative units that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by administrative unit.

Answer:
a. Yes, administrative units accounting for all expenditures are presented.

Source:
In Hungarian: 1. melléklet a 2024. évi ..... törvényhez
In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/09894/09894.pdf
pp. 41-103

In Hungarian: Magyarország Alaptörvénye
URL: https://njt.hu/jogszabaly/2011-4301-02-00
36. cikk (2)
In English: Fundamental Law of Hungary
URL: https://njt.hu/jogszabaly/en/2011-4301-02-00

Article 36 (2)

Comment:
Appendix 1 of the EBP lists all the expenditures and revenues by institutions and chapter-administered appropriations.
The budget of each institutions are separated to “Működési költségvetés” (Operational budget) and “Felhalmozási költségvetés” (Capital expenditures), but presented in a strange way: the operational budget is detailed to „Személyi juttatások” (Personal costs) and „Egyéb működési kiadások” (Other operation costs) are presented in separate lines, while capital expenditures are presented in the column „Felhalmozási kiadások” and not as a clearly understandable, separate line under the institution. The chapter-administered appropriations are collected under “Fejezeti kezelésű előirányzatok” in each chapter.
The appendix contains the expenditures for all the institutions. However not each budgetary institution is shown in a separate line and the level of details is not consistent throughout the appendix. For example, state run universities and colleges are grouped as “Egyetemek, főiskolák” on page 71. Five institutions are aggregated in this line and they spend around 100 billion HUF, while institutions with smaller budget are shown separately like “Magyarságkutató Intézet” or „Veritas Történetkutató Intézet és Levéltár” on the same page that spend less than 1 billion HUF. Subsidies to universities previously run by the state but recently reorganized and run by so called foundations (“Nem állami felsőoktatási intézmények támogatása” on page 72) amount to 531bn HUF without any further breakdown. The Fundamental Law of Hungary (in Article 36 (2)) requires that the budget shall present the expenditures in reasonable detail and in this case, it is not satisfied.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

2. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year by functional classification?

GUIDELINES:

Question 2 addresses the presentation of expenditure by functional classification. This classification indicates the programmatic purpose, sector, or objective for which the funds will be used, such as health, education, or defense. Administrative units are not necessarily aligned with functional classifications. For instance, in one country all functions connected with water supply (which fall into the “Housing” function) may be undertaken by a single government agency, while in another country they may be distributed across the Ministries of Environment, Housing, and Industrial Development. In the latter case, three ministries have programs addressing water supply, so three ministries contribute to one function. Similarly, some administrative units may conduct activities that cut across more than one function. For instance, in the example above, some programs of the Ministry of Environment would also be classified in the “environmental protection” function.

To answer “a,” the Executive’s Budget Proposal or its supporting documentation must present expenditures for the budget year organized by functional classification.

Answer:
a. Yes, expenditures are presented by functional classification.

Source:
In Hungarian: Az államháztartás funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The functional expenditures of the general government (cash-flow based)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 17
In Hungarian: Az államháztartás konszolidált funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The consolidated functional expenditures of the general government (cash-flow based)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 18
In Hungarian: A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 33
In Hungarian: A központi alrendszer konszolidált funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The consolidated functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 34

In Hungarian: A kormányzati funkciók osztályozásának kategóriái (COFOG)
In English: COFOG – Classification of the Functions of the Government (selecting COFOG in the left side menu)
URL: https://unstats.un.org/unsd/classifications/Econ/Structure
In Hungarian: Államkincstár - Államháztartási funkcionális bontás szerinti anyagok - Funkcionális megfeleltetés
In English: State Treasury - Documents in Hungarian classification of government functions - Bridge between Hungarian and COFOG classification
URL: https://www.allamkincstar.gov.hu/pfile/file?path=/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/funkcionalis-merlegek/Allamhaztartasi_funkcionalis_bontas_szerinti_anyagok/Funkcionalis_megfeleltetes.xls&inline=true

Comment:
The EBP presents the expenditures in functional classification for both the general government and the central government. The tables present both the gross and consolidated numbers. The gross numbers are on pages 17 and 33, the consolidated numbers on pages 18 and 34.
The functional categories are similar but not strictly comparable with the COFOG categories. An excel file published by the State Treasury shows the mapping between the international system and the system presented to the Hungarian parliament. At 3-digit levels the mapping is perfect, but it is not presented. 2-digit and 1-digit categories can be perfectly mapped in some cases (e.g. at 1-digit level "Education" exists in both systems, just in the Hungarian it is F04, while in the international it is G9). In some other cases one international 1-digit category is split into several 1-digit categories in the Hungarian system (e.g. in the international system G4 covers all "economic affairs", while in the Hungarian version it is split into "F09 fuel and energy", "F10 agriculture, forestry, fishing and hunting", "F11 mining", and "F12 transport".

Another drawback of the Hungarian methodology is that it classifies entire institutions, and does not allocate their spending among different functions. E.g. the university of medicine spends both on education, healthcare and basic research. In the international methodology the university's spending is allocated among the three different functions, while in the Hungarian system all the expenditures are categorized into the dominant function (probably healthcare, but this may even change over time!
For the appropriations no other functional classification is available in Hungary.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

3. If the Executive's Budget Proposal or any supporting budget documentation presents expenditures for the budget year by functional classification, is the functional classification compatible with international standards?

GUIDELINES:

Question 3 asks whether a country's functional classification meets international standards. To answer "a," a country's functional classification must be aligned with the OECD and the UN's Classification of the Functions of Government (COFOG), or provide a cross-walk between the national functional presentation and COFOG.

The OECD Best Practices for Budget Transparency can be viewed at https://internationalbudget.org/wp-content/uploads/OECD-Best-Practices-for-Budget-Transparency.pdf.

COFOG can be viewed at https://unstats.un.org/unsd/publication/SeriesM/SeriesM_84E.pdf or at https://www.imf.org/external/Pubs/FT/GFS/Manual/2014/gfsfinal.pdf (pg. 142).

Answer:
a. Yes, the functional classification is compatible with international standards.

Source:
In Hungarian: Az államháztartás funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The functional expenditures of the general government (cash-flow based)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 17
In Hungarian: Az államháztartás konszolidált funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The consolidated functional expenditures of the general government (cash-flow based)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 18
In Hungarian: A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)

In English: The functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 33
In Hungarian: A központi alrendszer konszolidált funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The consolidated functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 34
In Hungarian: A kormányzati funkciók osztályozásának kategóriái (COFOG)
In English: COFOG – Classification of the Functions of the Government (selecting COFOG in the left side menu)
URL: https://unstats.un.org/unsd/classifications/Econ/Structure
In Hungarian: Államkincstár - Államháztartási funkcionális bontás szerinti anyagok - Funkcionális megfeleltetés
In English: State Treasury - Documents in Hungarian classification of government functions - Bridge between Hungarian and COFOG classification
URL: https://www.allamkincstar.gov.hu/pfile/file?path=/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/funkcionalis-merlegek/Allamhaztartasi_funkcionalis_bontas_szerinti_anyagok/Funkcionalis_megfeleltetes.xls&inline=true

Comment:
The EBP presents the expenditures in functional classification for both the general government and the central government. The tables present both the gross and consolidated numbers. The gross numbers are on pages 17 and 33, the consolidated numbers on pages 18 and 34.
The functional categories are similar but not strictly comparable with the COFOG categories. An excel file published by the State Treasury shows the mapping between the international system and the system presented to the Hungarian parliament. At 3-digit levels the mapping is perfect, but it is not presented. 2-digit and 1-digit categories can be perfectly mapped in some cases (e.g. at 1-digit level “Education” exists in both systems, just in the Hungarian it is F04, while in the international it is G9). In some other cases one international 1-digit category is split into several 1-digit categories in the Hungarian system (e.g. in the international system G4 covers all “economic affairs”, while in the Hungarian version it is split into “F09 fuel and energy”, “F10 agriculture, forestry, fishing and hunting”, “F11 mining”, and “F12 transport”.

Another drawback of the Hungarian methodology is that it classifies entire institutions, and does not allocate their spending among different functions. E.g. the university of medicine spends both on education, healthcare and basic research. In the international methodology the university’s spending is alloated among the three different functions, while in the Hungarian system all the expenditures are categorized into the dominant function (probably healthcare, but this may even change over time!
For the appropriations no other functional classification is available in Hungary.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

4. Does the Executive’s Budget Proposal or any supporting budget documentation present expenditures for the budget year by economic classification?

GUIDELINES:

Question 4 asks whether the Executive’s Budget Proposal or its supporting documentation presents expenditures for the budget year organized by economic classification. Economic classification provides information on the nature of the expenditure, such as whether funds are being used to pay for wages and salaries, capital projects, or social assistance benefits. Please note that a presentation of expenditures by current and capital expenditures without additional disaggregation or detail will not qualify as an economic classification.

To answer “a,” the Executive’s Budget Proposal or its supporting documentation must present expenditures for the budget year organized by economic classification.

Answer:
a. Yes, expenditures are presented by economic classification.

Source:
In Hungarian: Az államháztartás mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: The balance sheet of the general government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 14
In Hungarian: Az államháztartás konszolidált kiadásai (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)

In English: The consolidated expenditures of the general government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 15
In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdsági osztályozás szerint)
In English: The balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 30
In Hungarian: A központi alrendszer konszolidált kiadásai (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: The consolidated expenditures of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 31

Comment:
The EBP presents the expenditures by economic classification for both the general and central government and both the gross and consolidated numbers.
The expenditures are presented in section "1 Kiadások" of the tables. It divides the expenditures to operational ("Működési költségvetés") and capital ("Felhalmozási költségvetés") expenditures. Below the operational expenditures the wages, the social contributions, use of goods and services, social transfers and other operational expenditures are listed. Under the capital expenditures the investments, refurbishments and other capital expenditures are shown.
The included lines in the economic classification:
Expenditures („Kiadások")
- Wages („Személyi juttatások")
- Social contributions and social tax related to wages („Munkaadókat terhelő járulékok és szociális hozzájárulási adó")
- Use of goods and services („Dologi kiadások")
- Monetary transfers (this consists of monetary social benefits, subsidies and grants to households) („Ellátottak pénzbeli juttatásai")
- Other current expenditures (this includes any other transfers to corporations, international organisations or other budgetary institutions) („Egyéb működési célú kiadások")
- Investments („Beruházások")
- Refurbishments („Felújítások")
- Other capital expenditures (this includes all kinds of transfers for capital expenditures for all sectors) („Egyéb felhalmozási célú kiadások")

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

5. If the Executive's Budget Proposal or any supporting budget documentation presents expenditures for the budget year by economic classification, is the economic classification compatible with international standards?

GUIDELINES:

Question 5 asks whether a country's economic classification meets international standards. To answer "a," a country's economic classification must be consistent with the International Monetary Fund's (IMF) 2014 Government Finance Statistics (GFS). The GFS economic classification is presented here: http://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf. To learn more about Government Finance Statistics also refer to the entire IMF 2014 GFS manual (https://www.imf.org/external/Pubs/FT/GFS/Manual/2014/gfsfinal.pdf).

Answer:
a. Yes, the economic classification is compatible with international standards.

Source:
In Hungarian: Az államháztartás mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: The balance sheet of the general government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 14
In Hungarian: Az államháztartás konszolidált kiadásai (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: The consolidated expenditures of the general government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf

page 15
In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdsági osztályozás szerint)
In English: The balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 30
In Hungarian: A központi alrendszer konszolidált kiadásai (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: The consolidated expenditures of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 31

Comment:
There was no change in the presentation since the previous survey.
The economic classification of the expenditures is cash-flow based, hence the non-monetary transactions (e.g. consumption of fixed capital) is not included, while some other cash-flow transactions (e.g. gross capital formation) without effect on net wealth are included. The Hungarian version shows separately the investments, refurbishments and other capital expenditures, so the purchase of nonfinancial assets cannot be separated. Similarly, the sales of nonfinancial assets are included in the line capital revenues. Differences in the time of recording of transactions also cause differences in the total amount in interest expenditures and possibly in social benefits as well as wages (if certain payments are scheduled for the next year or brought forward).
The presented version is more aggregated than the IMF GFSM structure. As noted above the investments, refurbishments and other capital expenditures include all the expenditures related to capital formation both financial and nonfinancial assets. The interest expenditures, subsidies and grants (as payments to enterprises or other general government units, international organizations) are not separated, but aggregated into the "other current expenditures" line.
It is a further problem that indirect budget users finance their wages, purchase of goods and services or capital expenditure out of transfers from direct budget users. These expenditures are classified as transfers instead of wages, purchase of goods and services, etc. Unfortunately, current budgeting standards do not produce information as clear as required by the IMF GFSM's.
The presentation is similar to the IMF GFSM structure, but neither the method nor the actual output are compatible with it.

Items in the economic classification according to the Hungarian budgeting system:
Expenditures („Kiadások")
- Wages („Személyi juttatások")
- Social contributions and social tax related to wages („Munkaadókat terhelő járulékok és szociális hozzájárulási adó")
- Use of goods and services („Dologi kiadások")
- Monetary transfers (this consists of monetary social benefits, subsidies and grants to households) („Ellátottak pénzbeli juttatásai")
- Other current expenditures (this includes any other transfers to corporations, international organisations or other budgetary institutions) („Egyéb működési célú kiadások")
- Investments („Beruházások")
- Refurbishments („Felújítások")
- Other capital expenditures (this includes all kinds of transfers for capital expenditures for all sectors) („Egyéb felhalmozási célú kiadások")
Revenues
- Current transfers from other budgetary institutions („Működési célú támogatások államháztartáson belülről")
- Capital transfers from other budgetary institutions („Felhalmozási célú támogatások államháztartáson belülről")
- Current transfers from outside the government („Működési célú átvett pénzeszközök")
- Capital transfers from outside the government („Felhalmozási célú átvett pénzeszközök")
- Income taxes („Jövedelemadók")
- Social contributions and social tax related to wages („Szociális hozzájárulási adó és járulékok")
- Taxes related to wages and employment („Bérhez és foglalkoztatáshoz kapcsolódó adók")
- Taxes on capital structures („Vagyoni típusú adók")
- Taxes on products and services („Termékek és szolgáltatások adói")
- Other taxes („Egyéb közhatalmi bevételek")
- Current revenues (this includes fees for governmental services) („Működési bevételek")
- Capital revenues („Felhalmozási bevételek")

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

6. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for the budget year?

GUIDELINES:

Question 6 asks whether expenditures are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should treat the term "program" as meaning any level of detail below an administrative unit — that is, any programmatic grouping that is below the ministry, department, or agency level. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care,""hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, in the budget year. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures in the budget year. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Budget decisions for the upcoming year can also affect the parameters of future budgets. It is therefore useful to estimate revenues and expenditures for multi-year periods, understanding that these estimates might be revised as circumstances change. Sometimes referred to as a Medium Term Expenditure Framework (MTEF), a three-year period — that is, the budget year plus two more years — is generally considered an appropriate horizon for budgeting and planning.

Answer:
a. Yes, programs accounting for all expenditures are presented.

Source:
In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/09894/09894.pdf
pp. 41-103

In Hungarian: 2011. évi CXCV törvény az államháztartásról
In English: Act CXCV on the State Budget
URL: https://net.jogtar.hu/jogszabaly?docid=A1100195.TV
6/A. § (3)

Comment:
The Hungarian budget is primarily institution-based, but has some elements similar to a program-based approach.
At the top level the budget is divided into chapters (which in most cases are equivalent to Ministries). The number of the chapter is indicated in the header with Roman numbers before „Fejezet".
Below the chapter, the next level is called "Cím" (in English: Title). The first title shows the institutions that are direct budget users (i.e. they have their own appropriations) and are under the supervision of the ministry heading the chapter. All these institutions are typically under the first title (1. Cím). Their budgets are further broken into personal costs („Személyi juttatások"), etc. The remaining titles are so called chapter-administered appropriations. The chapter-administered appropriations may be interpreted as "programs", but only in a very loose sense, because (1) their narrative discussion in the supplementary part of the budget proposal generally does not clarify the aim of the line item, (2) they don't have a dedicated program manager (3) no output or outcome performance indicators are attached to them, (4) let alone set performance targets measured by those indicators. (5) Beyond own revenues, indirect budget users are financed through chapter administered appropriations. In practice, many of these "programs" finance one single budgetary institution without any performance consideration.

According to the act on the state budget (in article 6/A § (3)) the aim of chapter-administered appropriations is to ensure a separate account for special expenditures and revenues related to the professional area of the Ministry or one of its institutions.
To preserve cross-country consistency of the OBS we interpreted the definition of "program" as details below ministries. Consequently, we treated all the detailed institutions and chapter-administered appropriations as "programs" because the aim of these items can usually be defined to some extent.
It is due to this interpretation why we claim all the expenditures to be presented at program-level in Appendix 1 of the EBP.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

7. Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two years beyond the budget year) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:
Question 7 asks if multi-year expenditure estimates are presented by any one of the three expenditure classifications — by administrative, economic, and functional classifications — which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative classification indicates who spends the money; functional classification indicates what purpose is the money spent; and economic classification displays what the money is spent on.

Answer "None of the above" applies if multi-year expenditure estimates are not presented by any of the three classifications.

Select all that apply:

Answer:
None of the above

Source:
In Hungarian: Az államháztartás mérlege (2024-2028)
In English: Balance sheet of the general government (2024-2028)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
page 472 (according to the pdf reader, because there is no page numbering in the document)

Comment:
Only one table presents the expenditures for multiple years in a coherent and complete manner, but that cannot be treated as any of the classifications.
The second page of the table under the title "Kiadás" shows the expenditures in a special classification. A handful of appropriations are shown individually like „Közszolgálati műsorszolgáltatás támogatása" (Subsidy for public media) or „Babaváró támogatások" (Subsidy for parents expecting a baby), but most of the institutions (for example all the Ministries) are aggregated to one row called "Költségvetési szervek kiadásai". The table is not detailed enough to classify as administrative, because the Ministries or other larger groups who spend the funds cannot be identified.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

8. Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two-years beyond the budget year) by program?

GUIDELINES:
Question 8 asks if multi-year expenditure estimates are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care,""hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries:*"Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for at least two years beyond the budget year. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures over the multi-year period. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents multi-year estimates for programs that account for less than two-thirds of expenditures. Answer "d"

applies if multi-year estimates are not presented by program.

Revenues generally are separated into two major categories: "tax" and "non-tax" revenues. Taxes are compulsory transfers that result from government exercising its sovereign power. The largest sources of tax revenue in some countries are taxes on personal and business income and taxes on goods and services, such as sales or value-added taxes. The category of non-tax revenues is more diverse, ranging from grants from international institutions and foreign governments to funds raised through the sale of government-provided goods and services. Note that some forms of revenue, such as contributions to social security funds, can be considered either a tax or non-tax revenue depending on the nature of the approach to these contributions. Particularly because different revenues have different characteristics, including who bears the burden of paying the tax and how collections are affected by economic conditions, it is helpful when estimates for revenues are disaggregated and displayed based on their sources.

For more information, please refer to the 2014 GFS manual, in particular Appendix 8 (pg. 385) (https://www.imf.org/external/Pubs/FT/GFS/Manual/2014/gfsfinal.pdf).

Answer:
c. Yes, multi-year estimates for programs accounting for less than two-thirds of expenditures are presented.

Source:
In Hungarian: Az államháztartás mérlege (2024-2028)
In English: Balance sheet of the general government (2024-2028)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
page 472 (according to the pdf reader, because there is no page numbering in the document)

Comment:
As explained under Q6, we considered as program all the detailed budgetary institutions and appropriations that are below the ministries. In this sense some of the items presented in the cited table can be treated as programs, for example Subsidy for public media ("Közszolgálati műsorszolgáltatás támogatása"), Subsidy for transport fares ("Szociálpolitikai menetdíj támogatás"), Subsidy for public transport („Helyközi személyszállítás támogatása") or Housing subsidies ("Lakásépítési támogatások"). Some of the social benefits listed under "Nemzeti Család- és Szociálpolitikai Alap" (National Family and Social Policy Fund), and other areas can be identified in broad categories like Expenditures related to state assets ("Állami vagyonnal kapcsolatos kiadások"), Pandemic related expenditures ("Járványügyi kiadások") or Interest payments on state debt ("Adósságszolgálati kamatkiadások").
However, all the budgetary institutions and many of the other appropriations are aggregated to a handful of lines. The line "Költségvetési szervek kiadásai" contains all the budgetary institutions, while the lines "Szakmai fejezeti kezelésű előirányzatok kiadásai" and "Uniós programok kiadásai" aggregate the expenditures of the chapter-administered appropriations and expenditures financed out of EU-funds respectively.
The individually presented line items are clearly less than two-thirds of the total expenditures.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

9. Does the Executive's Budget Proposal or any supporting budget documentation present the individual sources of tax revenue (such as income tax or VAT) for the budget year?

GUIDELINES:
Question 9 assesses the degree to which the individual sources of "tax" revenue are disaggregated in the budget. The largest sources of tax revenue in some countries are taxes on personal and business income and taxes on goods and services, such as sales or value-added taxes.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present all individual sources of tax revenue for the budget year, and "other" or "miscellaneous" revenue must account for three percent or less of all tax revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present individual sources of tax revenue that when combined account for at least two-thirds of all tax revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents individual sources of tax revenue that account for less than two-thirds of tax revenues. Answer "d" applies if individual sources of tax revenue are not presented.

Answer:
a. Yes, individual sources of tax revenue accounting for all tax revenue are presented.

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
pp. 26-27

In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
https://www.parlament.hu/irom42/09894/09894.pdf
pp 41-103

Comment:
The individual tax revenues are presented in two main tables.
In the balance sheet (on page 26) the revenues are shown by main categories, like revenues from corporations ("Gazdálkodó szervek befizetései"), taxes on consumption ("Fogyasztáshoz kapcsolt adók"), revenues from households ("Lakosság befizetései"). In some cases, non-tax revenues are also included in these groups, for example fees for certain services („Illeték befizetések"). Some taxes are shown at other parts of the table, like social contribution tax ("Szociális hozzájárulási adó") is included in the Pension Insurance Fund ("Nyugdíjbiztosítási Alap") but the fat tax ("Népegészségügyi termékadó") in the Health Insurance Fund ("Egészségbiztosítási Alap") is under the line other revenues ("Egyéb bevételek"). The list is not complete because minor taxes like part of the gambling tax is tied to the National Cultural Fund („Nemzeti Kulturális Alap") or the above-mentioned fat tax are not listed separately.

The same logic applies to appendix 1 of the EBP. The bulk of the tax revenues are included in "chapter XLII Direct revenues and expenditures of the budget" ("XLII. A költségvetés közvetlen bevételei és kiadásai") on page 89, but the other mentioned taxes (the taxes directed to Pension Insurance Fund and Health Insurance Fund) are on pages 101-103. The tax revenues of the National Cultural Fund („Játékadó NKA-t megillető része") is shown on page 100. In the balance sheet each relevant tax revenue is listed individually, but in minor cases the individual source is hidden and can only be discovered by looking through appendix 1.
There is a difference in the classification between the balance sheet and appendix 1 and the revenue sources have been rearranged. In the past it happened that the tax on retails sector („Kiskereskedelmi adó") and tax on vehicles („Gépjárműadó") were categorised in the Health Insurance Fund („Egészségbiztosítási Alap") but in the balance sheet they were listed as part of revenues from corporations and revenues from households, while now they are among the direct revenues. There are two funds created relatively recently: Energy Tariff Protection Fund ("L. Rezsivédelmi Alap") and National Defense Fund ("LI. Honvédelmi Alap") where certain tax revenues were allocated. The first one received the revenues from energy sector and mining, the second one the revenues from the financial sector. Previously these were in the direct revenues group. As a side note these new funds are not listed in the balance sheet table like other separated funds under "Elkülönített Állami Pénzalapok".
The balance sheet presents nearly all the tax sources individually and only minor taxes (less than 0.5% ot the total revenues) are not listed separately. A complete list can only be obtained by looking through Appendix 1.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

10. Does the Executive's Budget Proposal or any supporting budget documentation present the individual sources of non-tax revenue (such as grants, property income, and sales of government-produced goods and services) for the budget year?

GUIDELINES:
Question 10 assesses the degree to which the individual sources of "non-tax" revenue are disaggregated in the budget. The category of non-tax revenues is diverse, and can include revenue ranging from grants from international institutions and foreign governments to funds raised through the sale of government-provided goods and services.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present all individual sources of non-tax revenue for the budget year, and "other" or "miscellaneous" revenue must account for three percent or less of all non-tax revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present individual sources of non-tax revenue that when combined account for at least two-thirds of all non-tax revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents individual sources of non-tax revenue that account for less than two-thirds of non-tax revenues. Answer "d" applies if individual sources of non-tax revenue are not presented.

Answer:
b. Yes, individual sources of non-tax revenue accounting for at least two-thirds of, but not all, non-tax revenues are presented.

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
pp. 26-27

In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
https://www.parlament.hu/irom42/09894/09894.pdf
pp 41-103

Comment:
The balance sheet of the central budget on page 26 categorises the revenues by their sources and mainly concentrates on tax revenues, hence the type of the revenues is more difficult to identify.
The main non-tax revenues in the table are revenues of the budgetary institutions ("Költségvetési szervek és fejezeti kezelésű előirányzatok bevételei"), revenues related to public assets ("Állami vagyonnal kapcsolatos bevételek"), interests received ("Kamatbevételek"), transfers from the European Union ("Uniós programok bevételei"). The table shows the gross revenues, for example the revenue of „Bethlen Gábor Alap" is 72 217 billion HUF, but on page 98 the same amount (65 669.6+ 6 547.4=72 217.0) is support from the budget („Eseti támogatás") meaning it is not a revenue from outside the government.
Appendix 1 contains all the revenue lines individually, but in some cases the revenue lines are still aggregated. For example, the institutions can have revenue from several sources, but they are still presented as the total revenue of the institution irrespectively to its sources. Using Appendix 1 also means the reader has to classify all the revenue sources individually and that is not a transparent presentation.
The listed categories can be too broad in some cases. For example, the revenues related to public assets can be dividends, rents or sale of assets. These details can only be known from the narrative discussion of the appropriate chapters in varying quality. The 754 396,2 billion HUF amount in the line "Állami vagyonnal kapcsolatos befizetések" is aggregated from several sources in different chapters: 14 billions from agricultural land sale ("Ingatlan értékesítéséből származó bevételek" in chapter "XLIV. A Nemzeti Földalappal kapcsolatos bevételek és kiadások" on page 94), 200 billion HUF from selling emission quotas ("Kibocsátási egységek értékesítéséből származó bevételek" in chapter "XVII. Technológiai és Ipari Minisztérium" on page 66), 42 114.016 billion HUF from dividends ("Osztalékbevétel" in chapter "XXI. Miniszterelnöki Kabinetiroda" on page 75) and further items in chapter "XLIII. Az állami vagyonnal kapcsolatos bevételek és kiadások" on page 92. By its name the last one should contain all the revenues and expenditures related to public assets but in practice these revenue items are dispersed among several chapters, ministries.
The revenues of the budgetary institutions are varying and not detailed by types. Some of the institutions handle the collected fines and fees, while other institutions receive rather market-based fees like the tuition fees of the universities. These categories cannot be distinguished based on the published summary tables and in most cases neither based on the narrative discussion.
In the balance sheet table all the non-tax revenues are presented, but in many cases they cannot be classified easily, thus the answer stayed on "b".

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

11. Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for a multi-year period (at least two-years beyond the budget year)?

GUIDELINES:
Question 11 evaluates whether revenue estimates are presented for a multi-year period (at least two years beyond the budget year) by "category;" that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of revenues classified by category for at least two years following the budget year in question.

Answer:
a. Yes, multi-year estimates of revenue are presented by category.

Source:
In Hungarian: Az államháztartás mérlege (2024-2028)
In English: Balance sheet of the general government (2024-2028)

URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
page 472 (according to the pdf reader, because there is no page numbering in the document)

Comment:
In the cited table the column “Bevétel” lists the revenues.
The table uses special categories like the revenues from corporations (“Gazdálkodó szervezetek befizetései”), taxes on consumption (“Fogyasztáshoz kapcsolt adók”), revenues from households (“Lakosság befizetései”), and lists other revenue sources individually like interests received (“Kamatbevételek”) or social contribution tax and social contributions (“Szociális hozzájárulási adó és járulékok”).
The non-tax revenues are not listed separately and can be only estimated as a total, because many of them presented in an aggregated line. For example the revenues related to state assets (“Állami vagyonnal kapcsolatos bevételek”) can include dividends, rents and sale of assets as well. Other notable categories are the grants from EU (“Uniós programok bevételei”) and the revenues of the budgetary institutions (“Költségvetési szervek bevételei”).
Some of the minor revenue sources related to separated funds may be missing because in the block under startCash balances ("Egyenlegek pénzforgalmi szemléletben ") the balance of the separated funds ("Elkülönített állami pénzalapok egyenlege"), their share of social contribution tax ("Szociális hozzájárulási adó és járulékok") and the expenditures for unemployment social benefits ("Passzív ellátások") and public work programme ("Start munkaprogram") are listed, but these funds have other revenue sources like gambling tax or payment from nuclear power plant. As a whole these omitted items are less than 3% of the total revenues.
The revenues are presented in broad categories, but not classified strictly by tax and non-tax types. However, the tax and non-tax categories can be calculated by the rearrangement of the used categories. The table shows the revenues for the budget year in column "2025. évi előirányzat" and three years beyond the budget in the next three columns, plus the plan (not the current expectation!) for the year 2024.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

12. Does the Executive's Budget Proposal or any supporting budget documentation present estimates for individual sources of revenue presented for a multi-year period (at least two-years beyond the budget year)?

GUIDELINES:
Question 12 evaluates whether revenue estimates for individual sources of revenue are presented for a multi-year period (at least two years beyond the budget year). The question applies to both tax and non-tax revenue.

To answer “a,” the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of all sources of revenue individually, accounting for all revenue, and “other” or “miscellaneous” revenue must account for three percent or less of all revenue. To answer “b,” the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A “c” answer applies if the Executive's Budget Proposal or its supporting documentation presents multi-year estimates of individual revenue sources that account for less than two-thirds of revenue. Answer “d” applies if individual sources of revenue are not presented for a multi-year period.

Answer:
b. Yes, multi-year estimates for individual sources of revenue accounting for at least two-thirds of, but not all, revenue are presented.

Source:
In Hungarian: Az államháztartás mérlege (2024-2028)
In English: Balance sheet of the general government (2024-2028)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
page 472 (according to the pdf reader, because there is no page numbering in the document)

Comment:
The cited table lists individually most of the tax revenues, like VAT (“Általános forgalmi adó”), corporate income tax (“Társasági adó”) or personal income tax (“Személyi jövedelemadó”). In the first three blocks of the table the most important taxes are presented individually and in the lower part of the table social contribution tax and social contributions (“Szociális hozzájárulási adó és járulékok”) is also shown separately.

The main deficiency is that individually significant sources are aggregated in some cases. For example, 663 billion HUF revenue from road tolls are added into the line „Egyéb központosított bevételek” (Other centralised revenues). The individual lines for FY 2023 on page 89 in the document at https://www.parlament.hu/irom42/09894/09894.pdf are „Megtett úttal arányos útdíj” (545bn HUF) and „Időalapú útdíj” (118bn HUF). On the same

page the environment protection fees („Környezetvédelmi termékdíjak") has a revenue estimate of 15 billion HUF, more than other individually presented sources in the balance sheet table (for example "Gyógyszergyártói adó" with 2.8 billion HUF or "Légitársaságok hozzájárulása" with 3 billion HUF).

The revenues of the budgetary institutions ("Költségvetési szervek bevételei") consists of various types like fines, administrative fees or market-based services (for example tuition fees of state-run universities). In this latter case the list of individual sources would be too long, but at least the types could be detailed below the aggregated line. Similarly, the revenues related to public assets aggregates different revenue sources like agricultural land sale, sale of emission quotas, dividends, rents and some of these have significant amounts.

The individually presented revenues account for more than two-third of the total revenues. The presentation could be improved by presenting aggregated data for minor revenue sources like revenues from fees, fines or income from services in separate categories.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

13. Does the Executive's Budget Proposal or any supporting budget documentation present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

GUIDELINES:
Question 13 asks about three key estimates related to borrowing and debt that the budget should include:

- *the amount of net new borrowing required during the entire budget year;*
- *the central government's total debt burden at the end of the budget year; and*
- *the interest payments on the outstanding debt for the entire budget year.*

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens and banks and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the IMF.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

Answer "None of the above" applies if no information on borrowing and debt is presented for the entire budget year.

Select all that apply:

Answer:
The central government's total debt burden at the end of the budget year
The interest payments on outstanding debt for the budget year

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
pp. 26-27

In Hungarian: A központi költségvetés bruttó adósságának alakulása 2023-2025 között
In English: The evolution of the gross debt of the central government between 2023 and 2025
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf

page 49

Comment:
The table about the evolution of the gross debt shows the composition of the debt by currency denomination (under „1. Devizában fennálló adósság" for foreign denomination and „2. Forintban fennálló adósság" for domestic denomination) and type of debt [like FX loans („Devizahitelek"), FX bonds ("Devizakötvények"), HUF loans („Forinthitelek"), HUF bonds („Államkötvények") and T-bill („Kincstárjegyek")]. The gross debt is shown in the line called "A központi költségvetés bruttó adóssága mindösszesen". The debt is published for the end of year 2023, 2024 and 2025.
The sum of interest payment is shown in several places of the EBP. We used the balance sheet of the central budget: the interests paid is in the line "Kamatkiadások", while the interests received in the row "Kamatbevételek".

Concerning the net new borrowing requirement, the EBP for 2025 only contains some qualitative statements and the following sentence: "Az államháztartás központi alrendszere hiányának finanszírozását és a lejáró adósság megújítását tartalmazó éves finanszírozási terv a fenti benchmarkok és alapelvek figyelembe vételével készült." (in English: "The annual financing plan for funding the deficit of the central subsystem of the public finance and refinancing the maturing debt has been prepared with the consideration of the above benchmarks and principles.")

More information about the financing plan is generally published in the Debt Management Agency's Yearly Outlook (For 2025: https://akk.hu/download?path=c5f3b269-d2ba-4b48-ac27-6ec86ac66274.pdf).
It provides a guidance that the net new borrowing requirement is based on the cash-flow based deficit of the central budget plus other items like the balance of EU transfers. (This is in paragraph „1. Net financing requirements in 2025" on page 3 of the Yearly Outlook linked below.) The net financing requirement for the budget year is usually not equal in the Debt Managemennt Agency's financing plan and the planned cash-based deficit in the budget The difference can be explained by the different publication dates (the EBP was published in June, the Outlook in December). The significant difference prohibits the use of fiscal deficit as a proxy for the net new borrowing requirement because the Debt Management Agency calculated with a fundamentally different requirement in its plan than what could have been derived from the EBP.
As a result, we maintained answer 'b'.

The Yearly Outlook of the Debt Management Agency for 2023:
In Hungarian:
https://akk.hu/download?path=6dc00156-dc7d-4807-8b6b-92b3cce24cc8.pdf
In English:
https://akk.hu/download?path=6df7606d-cb68-4202-8803-8fcc233105da.pdf

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

14. Does the Executive's Budget Proposal or any supporting budget documentation present information related to the composition of the total debt outstanding at the end of the budget year?

(The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)

GUIDELINES:
Question 14 focuses on the composition of government debt at the end of the budget year, asking whether "core" information related to its composition is presented. These core components include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

The interest rates affect the amount of interest that must be paid to creditors. The maturity profile indicates the final payment date of the loan, at which point the principal (and all remaining interest) is due to be paid; government borrowing typically includes a mix of short-term and long-term debt. As discussed in Question 13, domestic debt is held by a country's citizens, banks, and businesses, while external debt is held by foreigners. These factors related to the composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable.

Beyond these core elements, a government may also provide additional information related to the composition of its debt, including for instance: whether interest rates are fixed or variable; whether debt is callable; the currency of the debt; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); an analysis of the risk associated with the debt; and where appropriate, what the debt is being used to finance. Please make sure to specify in the comments.

Answer "None of the above" applies if no information is presented on the composition of the debt outstanding at the end of the budget year.

Select all that apply:

Answer:
Whether the debt is domestic or external

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 274-275

In Hungarian: A központi költségvetés bruttó adósságának alakulása 2021-2023 között
In English: The evolution of the gross debt of the central government between 2021 and 2023
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 297

Comment:
The balance sheet of the central budget presents the interest payments in the row "Kamatkiadások", although for the total cost of debt the revenue from interests ("Kamatbevételek") ought to be subtracted. This absolute amount and the total amount of debt can be used to calculate an approximate interest rate for the total debt. The interest rates for each debt element/type or for the total debt are not published explicitly in the EBP.
The table about the evolution of the gross debt divides the debt by currency denomination (under „1. Devizában fennálló adósság" for foreign denomination and „2. Forintban fennálló adósság" for domestic denomination) and type of debt (like loans („Hitelek"), T-bill („Kincstárjegyek"), bonds („Kötvények")). This serves only as an estimate for domestic and external debt because foreign investors can hold bonds in domestic currency that would alter this data.
The maturity profile is not presented completely in the EBP, only the amount of T-bills can provide some information about it. However using only the T-bill may seriously underestimate the expiring amount, resulting in a misleading estimate. The data for maturity profile is readily available on the webpage of the Debt Management Agency, so they could have been included in the document.

We accepted only the composition of the debt (domestic or external), as it provides a sufficient basis for assessing certain risks—such as foreign exchange exposure or reliance on foreign loans. In contrast, other key elements like interest rates and maturity profiles can only be roughly estimated using proxy data, which may offer a general overview but are inadequate for detailed analysis.

The Debt Management Agency published more information about the total debt, but this information is omitted from the EBP.

The maturity profile of the debt is available here:
In Hungarian:
https://www.akk.hu/content/path=kozponti-koltsegvetes-adossaganak-lejarati-szerkezete
In English:
https://www.akk.hu/content/path=maturity-profile-debt-annual-quarterly
The ownership of securitized debt by the different sectors:
In Hungarian:
https://www.akk.hu/statisztika/hozamok-indexek-forgalmi-adatok/befektetoi-szektorok-masodpiaci-allampapir-pozicioja
In English:
https://www.akk.hu/statistics/yields-indices-market-turnover/mainvestor-groups-net-buying-position-secondary-market
The ownership structure of government securities in domestic denomination
In Hungarian:
https://www.akk.hu/statisztika/allamadossag-finanszirozas/forintban-denominalt-allampapirok-befektetoi-szektoronkenti-megoszlasa
In English:
https://www.akk.hu/statistics/public-debt-finance/ownership-structure-huf-government-securities

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

15. Does the Executive's Budget Proposal or any supporting budget documentation present information on the macroeconomic forecast upon which the budget projections are based?

(The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)

GUIDELINES:
Question 15 focuses on the macroeconomic forecast that underlies the budget's revenue and expenditure estimates, asking whether "core" information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:

- *nominal GDP level;*
- *inflation rate;*
- *real GDP growth; and*
- *interest rates*

While the core macroeconomic information should be a standard feature of the Executive's Budget Proposal, the importance of some types of macroeconomic assumptions may vary from country to country. For example, the budget estimates of some countries are particularly affected by changes in the price of oil and other commodities.

Beyond these core elements, some governments also provide additional information related to the economic outlook, including for instance: short and long-term interest rates; rate of employment and unemployment; GDP deflator; price of oil and other commodities; current account; exchange rate; and composition of GDP growth. Please specify in the comments.

Answer "None of the above" applies if no information on the macroeconomic forecast is presented.

Select all that apply:

Answer:
Nominal GDP level
Inflation rate
Real GDP growth
Interest rates
Information beyond the core elements (please indicate in the comments)

Source:
In Hungarian: A gazdasági fejlődés főbb jellemzői
In English: The main characteristics of the economic development
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 9

In Hungarian: A gazdasági fejlődés főbb jellemzői
In English: The main characteristics of the economic development
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
page 469

Comment:
The cited tables present all the main macroeconomic assumptions for the budget. The second presents the data until 2028 while the first one only until 2025. There is no other difference between the tables.
Real GDP growth – "GDP növekedése"
Nominal GDP level – "GDP értéke folyó áron"
GDP deflator – „GDP deflátor"
Inflation rate – "Fogyasztói árindex változása"
Increase of labour productivity – „Munkatermelékenység növekedési üteme"
Increase of gross total wages – „Bruttó bér- és keresettömeg"
Investment rate as percent of GDP - "Beruházási hányad (a GDP %-ában)"
Consumption of households - "Háztartások fogyasztása"
Consumption of government – „Közösségi fogyasztás"
Gross capital formation – „Bruttó állóeszköz-felhalmozás"
Domestic consumption - „Belföldi felhasználás"
Export of products and services - "Termékek és szolgáltatások exportja"
Import of products and services - "Termékek és szolgáltatások importja"
Balance of current account (billion EUR and as percent of GDP) - "Folyó fizetési mérleg egyenlege (milliárd euró és a GDP%-ában)"
Change in employment (in %) - "Foglalkoztatottak számának növekedése, %"
Change in gross average wage (in %) - "Bruttó átlagkereset növekedése, %"
Change in net average wage (in %) - "Nettó átlagkereset növekedése, %"

Exchange rate of EURHUF and EURUSD -"HUF/EUR árfolyam" and "HUF/USD árfolyam"
Brent oil price (USD/barrel, yearly average) – „Brent olajár (USD/hordó, éves átlag)"
Interest rates are shown only as the base rate of the central bank in the line "Jegybanki alapkamat".

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

16. "Does the Executive's Budget Proposal or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget?

(The core information must include estimates of the impact on expenditures, revenue, and debt of different assumptions for the inflation rate, real GDP growth, and interest rates.)"

GUIDELINES:

Question 16 focuses on the issue of whether the Executive's Budget Proposal shows how different macroeconomic assumptions affect the budget estimates (known as a "sensitivity analysis"). It asks whether "core" information related to a sensitivity analysis is presented, estimating the impact on expenditures, revenue, and debt of different assumptions for:

- *inflation rate;*
- *real GDP growth; and*
- *interest rates.*

A sensitivity analysis shows the effect on the budget of possible changes in some macroeconomic assumptions, and is important for understanding the impact of the economy on the budget; for instance, what would happen to revenue collections if GDP growth were slower than what is assumed in the budget proposal? Or what would happen to expenditure if inflation were higher than estimated? Or how will revenue be affected by a decrease in the price of oil?

As noted for Question 15, changes in certain macroeconomic assumptions, such as the price of oil and other commodities, can have a significant impact on the budget estimates. As a result, some sensitivity analyses may also examine the impact on the budget estimates of changes in assumptions such as the price of oil that are beyond the core elements of the inflation rate, real GDP growth, and interest rates.

For an example of how a sensitivity analysis may be presented in the Executive's Budget Proposal, see the following:

- *The United States in its 2023 Budget Analytical Perspectives includes a section titled Sensitivity of the Budget to Economic Assumptions along with Table 2-4, that shows the impact of each economic scenario on revenues, spending, and the deficit (see pages 25-27, https://www.govinfo.gov/content/pkg/BUDGET-2023-PER/pdf/BUDGET-2023-PER.pdf).*
- *The Philippines in its 2023 Budget of Expenditures and Sources of Financing (BESF) presents the impact of different macroeconomic assumptions on expenditures, revenue, and debt (see BESF F.Y. 2023, Table A6 Budget Sensitivity to Macroeconomic Parameters, 2023 https://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2023/A6.pdf, Technical Notes on the 2023 Proposed National Budget, https://www.dbm.gov.ph/images/pdffiles/Technical-Notes-on-the-2023-Proposed-National-Budget.pdf).*

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to a "sensitivity analysis" as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to a "sensitivity analysis" is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on "sensitivity analysis" is presented.

Answer:
d. No, information related to different macroeconomic assumptions is not presented.

Source:
N/A

Comment:
The EBP did not contain any sensitivity analysis. There was no change since the previous survey, so the answer remained 'd'.

An analysis was published in the Convergence Programme submitted to the European Commission:
In Hungarian:
https://cdn.kormany.hu//uploads/sheets//d/d0/d01/d01083d8c20e7821fa71edad692e996.pdf
In English:
https://commission.europa.eu/system/files/2022-07/convergence_programme_of_hungary_2022_en.pdf (THIS IS FOR 2022!!!. The English version for 2024 has to be found)
On page 42 in table 5.1 the effects of the different scenarios were presented for some of the main budgetary items, like major taxes, expenditures and general government balance. The Convergence Programme is not part of the budgetary documents, since it was published on 30 April, well before the submission of the EBP.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

17. Does the Executive's Budget Proposal or any supporting budget documentation present information for at least the budget year that shows how new policy proposals, as distinct from existing policies, affect expenditures?

GUIDELINES:
Questions 17 and 18 ask about new policy proposals in the budget. In any given year, most of the expenditures and revenues in the budget reflect the continuation of existing policies. However, much of the attention during the budget debate is focused on new proposals — whether they call for eliminating an existing program, introducing a new one, or changing an existing program at the margins. Typically, these new proposals are accompanied by an increase, a decrease, or a shift in expenditures or revenues. Because these changes may have different impacts on people's lives, the budget proposal should present sufficient detail about new policies and their budgetary impact.

Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18) and a narrative discussion of the impact of these new policies. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion of the impact of the new policies, or if it includes estimates that show the impact of only some, but not all, policy proposals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on the impact of new policy proposals.

Answer:
d. No, information that shows how new policy proposals affect expenditure is not presented.

Source:
In Hungarian: Az általános indokolás
In English: The General Justification
URL: https://www.parlament.hu/irom42/09894/09894.pdf
pp. 221-228

In Hungarian: Új Gazdasági Akcióterv (21 lépés) elemei
In English: Elements of the New Economic Action Plan (21 steps)
https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
p.5

Comment:
The document presents the main policies in the General Justification of the EBP, but the ongoing and new policies are mixed together, making impossible separation. (This fact is expressed in the sentence on page 223: "Mindezen intézkedések közvetlen költségvetési hatását és a makropályára gyakorolt közvetett hatását a 2025-ös költségvetés tartalmazza." (in English:"The direct budgetary effects and the indirect macroeconomic effects of these measures are aleady contained by the 2025 budget.
The presentation of the new policies varies over time: minimal information was presented in the OBS2017 and OBS2021, but no effect was included in the EBP since the 2019 Survey.
The table with the title "Elements of the New Economic Action Plan (21 steps)" only names a number of measures, but without any specific content and without quantified macro-fiscal effect whatsoever.

The only sentence that contains some sort of information about fiscal effects of policy measures is on page 227: “A honvédelemre tervezett kiadások 2025-ben is elérik a GDP 2%-át.” in English: “Planned defense spending reaches 2% of the GDP in 2025.”
Beyond this, EBP provided no information about any new policy, so the answer is „d”.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

18. Does the Executive's Budget Proposal or any supporting budget documentation present information for at least the budget year that shows how new policy proposals, as distinct from existing policies, affect revenues?

GUIDELINES:
Questions 17 and 18 ask about new policy proposals in the budget. In any given year, most of the expenditures and revenues in the budget reflect the continuation of existing policies. However, much of the attention during the budget debate is focused on new proposals — whether they call for eliminating an existing program, introducing a new one, or changing an existing program at the margins. Typically, these new proposals are accompanied by an increase, a decrease, or a shift in expenditures or revenues. Because these changes may have different impacts on people's lives, the budget proposal should present sufficient detail about new policies and their budgetary impact.

Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18) and a narrative discussion of the impact of these new policies. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion of the impact of the new policies, or if it includes estimates that show the impact of only some, but not all, policy proposals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on the impact of new policy proposals.

Prior-year information constitutes an important benchmark for assessing the proposals for the upcoming budget year. Estimates of prior years should be presented in the same formats (in terms of classification) as the budget year to ensure that year-to-year comparisons are meaningful. For example, if the budget proposes shifting responsibility for a particular program from one administrative unit to another — such as shifting responsibility for the training of nurses from the health department to the education department — the prior-year figures must be adjusted before year-to-year comparisons of administrative budgets can be made.

Typically, when the budget proposal is submitted, the year prior to the budget year (BY-1), also known as the current year, has not ended, so the executive will provide estimates of the anticipated outcome for BY-1. The soundness of these estimates is directly related to the degree to which they have been updated to reflect actual expenditures to date, legislative changes that have occurred, and anticipated changes in macroeconomic, caseload, and other relevant factors for the remainder of the year.

The first year that can reflect actual outcomes, therefore, is generally two years before the budget year (BY-2). Thus the OECD recommends that data covering at least two years before the budget year (along with two years of projections beyond the budget year) are provided in order to assess fully the trends in the budget.

Answer:
d. No, information that shows how new policy proposals affect revenues is not presented.

Source:
In Hungarian: Az általános indokolás
In English: The General Justification
URL: https://www.parlament.hu/irom42/09894/09894.pdf
pp. 221-228

In Hungarian: Gazdaság- és költségvetés-politikai kitekintés - Az államháztartás helyzete
In English: Economic and budgetary policy outlook - State of the budget
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
pp. 466-468

Comment:

The general justification did not mention any new policies affecting the revenues, only some of the already existing policies, like the tax expenditure on the income tax for families.
The medium-term outlook shortly mentions some tax changes (e.g. the abolition of a profit tax on pharmaceutical producers and the surcharge tax on telecom companies, as well as the doubling of the PIT credit for some categories of families.) but nowhere are quantified fiscal effects mentioned.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

19. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:
Question 19 asks if expenditure estimates for the year prior to the budget year (BY-1) are presented by one of the three expenditure classifications — by administrative, economic, and functional classifications. Each of the classifications answers a different question: administrative classification indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. (See Questions 1-5 above.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates for BY-1 by all three of the expenditure classifications. To answer "b," expenditure estimates for BY-1 must be presented by two of these three classifications. A "c" answer applies if expenditure estimates for BY-1 are presented by one of the three classifications. Answer "d" applies if expenditure estimates for BY-1 are not presented by any of the three classifications.

Answer:
b. Yes, expenditure estimates for BY-1 are presented by two of the three expenditure classifications.

Source:
In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/09894/09894.pdf
pp. 41-103
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
pp. 26-27

Functional classification
In Hungarian: A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 33
In Hungarian: A központi alrendszer konszolidált funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The consolidated functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 34

Economic classification
In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 30
In Hungarian: A központi alrendszer konszolidált kiadásai (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Consolidated expenditures of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 31

Comment:
The EBP presents the planned (not expected!) expenditures for the previous year (FY2024) in functional and economic classification for both the gross and consolidated expenditures. They are in the column „2024. évi előirányzat" in the cited tables.
The data presented in administrative classification do not present the expenditures for the previous year. Appendix 1 shows the expenditures in four columns for the budget year detailing the current and capital expenditures and revenues (the header says „2025. évi előirányzat" and under it „Működési kiadás", „Működési bevétel", „Felhalmozási kiadás", „Felhalmozási bevétel").
The balance sheet of the budget presents the data for FY2024 (in the column "2024. évi előirányzat"), but the classification used for the table is not administrative because only some of the programs are presented individually while all the budgetary institutions and majority of chapter-administered appropriations are aggregated.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

20. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for the year preceding the budget year (BY-1)?

GUIDELINES:
Question 20 asks if expenditure estimates for the year before the budget year (BY-1) are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care,""hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries:*"Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-1. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures for BY-1. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for only less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Answer:
c. Yes, programs accounting for less than two-thirds of expenditures are presented for BY-1.

Source:
In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/09894/09894.pdf
pp. 41-103
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
pp. 26-27

Comment:
Appendix 1 of the EBP presents the data at program level (that is for institutions and appropriations below ministries), but only for FY 2025. The header „2025. évi előirányzat" shows this.
Expenditures data for BY-1 is presented in the so called balance sheet of the central government in the column „2024. évi előirányzat" on page 27. Some of the expenditures can be treated as programs for example the subsidy for public media ("Közszolgálati műsorszolgáltatás támogatása"), consumer price subsidy ("Szociálpolitikai menetdíj támogatás"), housing subsidies ("Lakásépítési támogatások") or the family social benefits ("Családi támogatások"). All budgetary institutions (ministries and institutions under them) and other chapter-administered appropriations are aggregated to the lines „Költségvetési szervek kiadásai" and „Szakmai fejezeti kezelésű előirányzatok kiadásai" respectively. (These two items account for nearly half of total expenditures.)

The total amount of the individually listed items is less than two-third of the total expenditures.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

21. In the Executive's Budget Proposal or any supporting budget documentation, have expenditure estimates of the year prior to the budget year (BY-1) been updated from the original enacted levels to reflect actual expenditures?

GUIDELINES:
Question 21 asks whether the expenditure estimates for the year before the budget year (BY-1) have been updated from the original enacted levels. Updates can reflect actual experience to date; revised estimates due to shifting of funds by the executive, as permitted under the law; enactment of supplemental budgets; and revised assumptions regarding macroeconomic conditions, caseload, and other relevant factors for the remainder of the year.

Answer "a" applies if the estimates have been updated; answer "b" applies if the original estimates are still being used.

Answer:
b. No, expenditure estimates for BY-1 have not been updated from the original enacted levels.

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
pp. 26-27

In Hungarian: A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 33

In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 31

Comment:
The data for FY2024 were not updated. It shows the originally enacted numbers.
The main numbers in the cited tables are nearly the same as in the EBP for FY2024. The slight changes are the modifications made by the legislation between the EBP and Enacted Budget for FY2024. In the EBP for FY2025 the numbers refer to the Enacted Budget, but since these supporting tables were not published for the Enacted Budget, it can only be deducted from the main numbers.
The total expenditures ("Kiadások") in the EBP for FY 2024 was 40,775,568.4 million HUF with a -2,514,785.9 million HUF fiscal deficit ("Egyenleg") and in the Enacted Budget the total expenditures was 40,755,101.1 million HUF with the same fiscal deficit. This latter total expenditure appears in the EBP for FY2025.
The total expenditures in the Enacted Budget is shown in 1.§ (1) a).
URL: https://njt.hu/jogszabaly/2023-55-00-00
The total expenditure in the 2024 Executive Budget Proposal is shown in 1.§ (1) a).
URL: https://www.parlament.hu/irom42/04181/04181.pdf

The data for FY2024 in functional and economic classification was published in the tables of the EBP for FY2024 in the columns „2022. évi előirányzat", however these tables should have been updated with the minor modification made by the legislature.
URL: https://www.parlament.hu/irom42/04181/adatok/2024kv_altindmell.pdf
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
pp. 22-23
In Hungarian: A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The functional expenditures of the central government (cash-flow based)

page 29
In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
page 26

Another validation source is the balance sheet for the enacted budget for FY 2024 that is published in the monthly reports of the Hungarian State Treasury (this file is linked below).
On the worksheet „HAVI" column C presents the numbers of the enacted budget for FY2022, while on worksheet „MERLEG" column F contains the data. Thel files are bilingual here and the numbers are the same from January to December proving that these are the original enacted numbers. The data in these file exactly matches with the numbers in column "2024. évi előirányzat" in the balance sheet in the EBP for FY2025 on page 27.
URL for the monthly balance sheets:
https://kpp.tcs.allamkincstar.gov.hu/BOE/OpenDocument/2211041035/OpenDocument/opendoc/openDocument.jsp?logonSuccessful=true&shareId=1
Since all the data sources verify that the originally enacted numbers are presented in the tables in the EBP for FY2025, the data for FY2024 were not updated.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

22. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure for more than one year prior to the budget year (that is, BY-2 and prior years) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:
Question 22 asks if expenditure estimates for more than one year prior to the budget year (BY-2 and prior years) are presented by any of the three expenditure classifications — by administrative, economic, and functional classifications. Each of the classifications answers a different question: administrative classification indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. (See Questions 1-5 above.)

To answer, the Executive's Budget Proposal or its supporting documentation must present expenditure estimates for BY-2 and prior years. Answer "None of the above" applies if expenditure estimates for BY-2 and prior years are not presented by any of the three classifications.

Select all that apply:

Answer:
None of the above

Source:
Administrative classification
In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/09894/09894.pdf
pp. 41-103

In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
pp. 26-27

Functional classification
In Hungarian: A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 33

Economic classification

In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 30

Comment:
The administrative classification only contains the data for the budget year, while the functional and economic classifications start at BY-1. Earlier years are not included in any of the tables.
The budget year is in the columns „2025. évi előirányzat", the previous year in the column „2024. évi előirányzat".

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

23. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for more than one year preceding the budget year (that is, BY-2 and prior years)?

GUIDELINES:
Question 23 asks if expenditure estimates for more than one year before the budget year (BY-2 and prior years) are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care,""hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

***A note for francophone countries**: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-2 and prior years. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures for BY-2 and prior years. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for only less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Answer:
d. No, expenditures are not presented by program for BY-2 and prior years.

Source:
In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/09894/09894.pdf
pp. 41-103

In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
pp. 26-27

Comment:
Appendix 1 of the EBP presents data only for the budget year.
The balance sheet of the central budget contains data for the budget year and the year before it. The budget year is in the columns „2025. évi előirányzat", the previous year in the column „2024. évi előirányzat".
No data is presented for BY-2 at program level.

Peer Reviewer

Opinion:

Government Reviewer
Opinion:

24. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which all expenditures reflect actual outcomes?

GUIDELINES:
Question 24 asks for which year the actual outcomes for expenditures are shown. In most cases, the most recent year for which budget data on actual outcomes are available will be BY-2, as BY-1 is generally not yet finished when the budget proposal is drafted. So a government that has updated all its expenditure data for BY-2 to reflect what actually occurred, as opposed to estimating the outcome for that year, shows good public financial management practice.

For an "a" answer, a country must meet the good practice of having the figures for BY-2 reflect actual outcomes.

Answer:
d. No actual data for all expenditures are presented in the budget or supporting budget documentation.

Source:
In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/09894/09894.pdf
pp. 41-103

In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
pp. 26-27

Functional classification
In Hungarian: A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 33

Economic classification
In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 30

Comment:
None of the tables in the EBP contain data for BY-2 (FY 2021) that could reflect actual outcomes for the latest closed year.
At the time of submission of the EBP the actual outcomes for FY 2023 were available in other publications, but were not included in the document.
For example, the data for December 2023 were published on 25 February 2022 on the webpage of the State Treasury (as shown in the filename) and these could have been included as actual outcomes.
URL for the webpage of the State Treasury: https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/kozponti-koltsegvetes-vegrehajtasanak-adatai/a-2021.-evi-kozponti-koltsegvetes-vegrehajtasanak-adatai

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

25. Does the Executive's Budget Proposal or any supporting budget documentation present revenue by category (such as tax and non-tax) for the year preceding the budget year (BY-1)?

GUIDELINES:
Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:
a. Yes, revenue estimates for BY-1 are presented by category.

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
pp. 26-27

In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 30

Comment:
There are two tables that present the revenues by broad categories.
The table by economic classification presents the main tax types by categories like income taxes ("Jövedelemadók"), taxes on wages and other taxes related to employment ("Bérhez és foglalkoztatáshoz kapcsolódó adók"), taxes on assets ("Vagyoni típusú adók"), but the non-tax revenues are aggregated into the lines other revenues based on power of state ("Egyéb közhatalmi bevételek"), operational revenues („Működési bevételek") and capital revenues („Felhalmozási bevételek"). These are broad categories, but contain all the revenues.
The balance sheet of the central budget presents the revenues in more detail on page 26. It classifies the revenues by revenues from corporations ("Gazdálkodó szervek befizetései"), taxes on consumption ("Fogyasztáshoz kapcsolt adók"), revenues from households ("Lakosság befizetései") and lists other revenue sources individually like social contribution tax and social contributions ("Szociális hozzájárulási adó és járulékok"). These categories include mostly tax revenues. The non-tax revenues are not listed separately and can only be estimated as a total, because many of them are presented in an aggregated line. For example, revenues related to state wealth ("Állami vagyonnal kapcsolatos bevételek") can include dividends, rents and sale of assets. Other notable categories are the interests received ("Kamatbevételek"), the revenues from the European Union ("Uniós programok bevételei") and the revenues of the budgetary institutions ("Költségvetési szervek bevételei"). While the categories are not readily classified as tax and non-tax revenues, most of the used categories include only one type, hence the estimate for tax and non-tax revenues can be calculated.
Both tables show the estimates for BY-1 in the column "2024. évi előirányzat".
Appendix 1 contains the estimates of the individual sources, but only for the budget year, thus the estimates for BY-1 have to be looked up in the enacted budget for the previous year.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

26. Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for the year preceding the budget year (BY-1)?

GUIDELINES:
Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:
b. Yes, individual sources of revenue accounting for at least two-thirds of, but not all, revenue for BY-1 are presented.

Source:
In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/09894/09894.pdf
pp. 41-103

In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
pp. 26-27

Comment:
Appendix 1 of the EBP presents all the individual revenue sources, but only for the budget year.
The balance sheet of the central budget contains the main revenue sources for the previous year individually on page 26. The data for BY-1 is in column “2024. évi előirányzat”.
Many of the taxes are presented in separate lines like VAT (“Általános forgalmi adó”), corporate tax (“Társasági adó”), personal income tax (“Személyi jövedelemadó”), social contribution tax and other contributions („Szociális hozzájárulási adó és járulékok”), excise duties („Jövedéki adó”) or even minor taxes like tax for small enterprises (“Kisvállalati adó”).
The non-tax revenues are similar but presented with less details. The estimate for EU grants is shown separately in the row “Uniós programok bevételei”. Other non-revenue sources (like fees, rents or income from property) cannot be identified individually. The fees are aggregated with other incomes in the line “Költségvetési szervek bevételei” that presents all the revenues of the budgetary institutions. The income from public assets is presented in the line “Állami vagyonnal kapcsolatos befizetések” that includes dividends from corporations, income from selling assets and rents.
The line "Egyéb központosított bevételek" aggregates road tolls, penalties, environment protection fees and they could have been presented individually as their amounts are significant on their own.
The individually presented revenue sources account for more than two-third of the total revenue.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

27. In the Executive’s Budget Proposal or any supporting budget documentation, have the original estimates of revenue for the year prior to the budget year (BY-1) been updated to reflect actual revenue collections?

GUIDELINES:
Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:
b. No, revenue estimates for BY-1 have not been updated from the original enacted levels.

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
pp. 26-27

Total revenues in the Enacted Budget are shown in 1.§ (1) b).
URL: https://njt.hu/jogszabaly/2023-55-00-00

Total revenues in the 2024 Executive Budget Proposal are shown in 1.§ (1) b).
URL: https://www.parlament.hu/irom42/04181/04181.pdf
page 2

Comment:
The data for BY-1 presented in the EBP are those approved by the legislature as the enacted budget for 2024, thus they show the original estimates.

The main aggregates (total revenues, total expenditures) are also the same as in the Enacted Budget for FY 2024. The EB did not include this table, but the balance sheet for the enacted budget for FY 2024 is published in the monthly reports by the State Treasury.
The data are available on a webpage of the State Treasury:
https://kpp.tcs.allamkincstar.gov.hu/
under the subpage "Központi költségvetés végrehajtásának adatai" (in English: data on the execution of the central budget)
By clicking on "Tovább" a file opens containing 6 sheets: (1) Áttekintő (Overview), (2) Kiadások (Expenditures), (3) bevételek (Revenues), (4) Kiadások -Administratív bontásban (Expenditures by administrative break-down), (5) Bevételek – Adminisztratív bontásban (Revenues by administrative break-down) and (6) Bevételek és kiadások részletesen (Revenues and expenditures in details. Out of this menu the last element (Revenues and expenditures in details) has to be selected. In the top left corner there is the cell "Vonatkozási nap" (Day of reference). Here one has to select from the pop-up menu 12/31/2024 and then jump to page 36 (out of the total 51), where the data start with "Társasági adó (Corporate income tax). It is clear from the table that revenue estimates haven't been updated throughout the whole year of 2024 as the numbers in the column Eredeti előirányzat (Original appropriation) and "Aktuális előirányzat" (Current appropriation) are equal for all tax revenues.

Furthermore, the total revenues of the central government and other separated funds can be compared with the Enacted Budget for FY 2024. The amount there is 38,260,782.5 million HUF
The amount referred to as "2024. évi előirányzat" (Appropriation for year 2024) is 38,240,315.2 million HUF in the table "A központi alrendszer mérlege"
in the EBP for FY2025. The difference of some 20.5 bn HUF is far too small for an update, given the fact that the (preliminary) final outcome was lower by 200bn HUF.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

28. Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for more than one year prior to the budget year (that is, BY-2 and prior years)?

GUIDELINES:
Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:
b. No, revenue estimates for BY-2 and prior years are not presented by category.

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
pp. 26-27

In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 30

In Hungarian: A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 33

Comment:
The summary tables only present the numbers for BY-1 (in column „2024. évi előirányzat").
No data is presented for BY-2 in the EBP.
As the BP was submitted to the parliament on 11/11/2024, even the audited numbers for 2023 could have been included as reference.
(The final accounts on the 2023 budget was officially published on 14/11/2024: https://net.jogtar.hu/jogszabaly?docid=a2400048.tv)

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

29. Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for more than one year prior to the budget year (that is, BY-2 and prior years)?

GUIDELINES:
Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:
d. No, individual sources of revenue are not presented for BY-2 and prior years.

Source:
In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/09894/09894.pdf
pp. 41-103

In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
pp. 26-27

Comment:
The tables in the EBP only contain the data for BY (in column „2025. évi előirányzat") or BY-1 (in column „2024. évi előirányzat").
For previous years neither the actual outcome nor the original/updated estimates were presented.

Appendix 1 presents all the individual sources but only for BY.
The balance sheet presents most of the revenue sources individually but only for BY-1 and BY.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

30. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?

GUIDELINES:
Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:
d. No actual data for all revenues are presented in the budget or supporting budget documentation.

Source:
In Hungarian: A költségvetési törvényjavaslat 1. melléklete
In English: Appendix 1 of the EBP
URL: https://www.parlament.hu/irom42/09894/09894.pdf
pp. 41-103

In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
pp. 26-27

In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 30

In Hungarian: A központi alrendszer funkcionális kiadásai (pénzforgalmi szemléletben)
In English: The functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 33

Comment:
No table in the EBP presented the actual outcomes for any previous year. The tables in the EBP only present estimates for FY 2024 (that is BY-1) as the earliest data.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

31. "Does the Executive's Budget Proposal or any supporting budget documentation present information on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1)?

(The core information must include the total debt outstanding at the end of BY-1; the amount of net new borrowing required during BY-1; interest payments on the debt; interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)"

GUIDELINES:
Question 31 focuses on prior-year debt information, rather than on prior-year expenditures or revenues, asking whether "core" information is provided on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1).

The "core" information includes:

- *total debt outstanding at the end of BY-1;*
- *amount of net new borrowing required during BY-1;*
- *interest payments on the debt;*
- *interest rates on the debt instruments;*
- *maturity profile of the debt; and*
- *whether it is domestic or external debt.*

This core information for BY-1 is consistent with the budget year information for borrowing and debt, which is examined in Questions 13 and 14. Please note that for the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

In addition, some governments provide information beyond the core elements, such as gross new borrowing required during BY-1; currency of the debt; whether the debt carries a fixed or variable interest rate; whether it is callable; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); where appropriate, what the debt is being used to finance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to government borrowing and debt, including its composition, for BY-1 as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or

supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to government borrowing and debt, including its composition, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on government borrowing and debt for BY-1.

Answer:
c. Yes, information is presented, but it excludes some core elements.

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
pp. 26-27

In Hungarian: A központi költségvetés bruttó adósságának alakulása 2023-2025 között
In English: The evolution of the gross debt of the central government between 2023 and 2025
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
page 49

In Hungarian: XLI. Adósságszolgálattal kapcsolatos bevételek és kiadások
In English: Chapter XLI Revenues and expenditures related to debt services
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
pp. 327-335

Comment:
The interest payments on the debt are presented in the so called balance sheet of the central government in the line „Kamatkiadások" on page 27 in the column „2024. évi előirányzat". Interests received are in the line „Kamatbevételek" on page 26 in the column „2024. évi előirányzat". The net interest payments also mentioned in the narrative discussion on page 329: in the paragraph
"Az adósságkezelés nettó kamatköltsége 2025-ben így 3 549 237,0 millió forintot tesz ki, ami a 2024. évi előirányzathoz képest 843 900,5 millió forint növekedést jelent" means that the net interest cost of debt management will be 3 549 237,0 million HUF in 2025 that is 843 900,5 million HUF higher than the 2024 estimate.
The increase is explained by higher nominal debt amount and the higher interest rates due to longer maturities mostly on household securities.
The composition of the debt is presented in the evolution of the gross debt table on page 49. The total debt is in the line „A központi költségvetés bruttó adóssága mindösszesen", and the data for BY-1 is in the column „2024.12.31 állomány". The currency denomination is divided by domestic and foreign currency: the block „Devizában fennálló adósság" contains the data for debt instruments in foreign currency, while the block „Forintban fennálló adósság" contains the debt in domestic currency (HUF). The maturity profile of the debt is only broadly presented by the different instrument types in the table. The loans are shown in the lines „Devizahitelek" and „Forinthitelek", the bonds in the lines „Devizakötvények" and „Államkötvények", the T-bills in the line „Kincstárjegyek". The duration of the different estimates can be guessed, but the exact structure (for example if the bonds will expire in the next year or in 5-10 years) is not presented.
Other core elements (net new borrowing, interest rates) are not presented in the EBP but available in other documents. The net new borrowing requirement for the previous year is in the Yearly Outlook of the Debt Management Agency for 2024 on page 3, while a more detailed maturity profile of the debt or whether the debt is external or domestic are available on the webpage of Debt Management Agency. These are referenced below.
The Yearly Outlook of the Debt Management Agency for 2024:
In Hungarian:
https://akk.hu/download?path=c186a9a1-f842-4a48-8b72-84e739971285.pdf
In English:
https://akk.hu/download?path=0bf23eea-02ce-4d4d-a6f1-cd410390dda1.pdf
The maturity profile of the debt is available here:
In Hungarian:
https://www.akk.hu/content/path=kozponti-koltsegvetes-adossaganak-lejarati-szerkezete
In English:
https://www.akk.hu/content/path=maturity-profile-debt-annual-quarterly
The ownership of securitized debt by the different sectors:
In Hungarian:
https://www.akk.hu/statisztika/hozamok-indexek-forgalmi-adatok/befektetoi-szektorok-masodpiaci-allampapir-pozicioja
In English:
https://www.akk.hu/statistics/yields-indices-market-turnover/mainvestor-groups-net-buying-position-secondary-market
The ownership structure of government securities in domestic denomination
In Hungarian: https://www.akk.hu/statisztika/allamadossag-finanszirozas/forintban-denominalt-allampapirok-befektetoi-szektoronkenti-megoszlasa
In English: https://www.akk.hu/statistics/public-debt-finance/ownership-structure-huf-government-securities

Peer Reviewer

Opinion:

Government Reviewer
Opinion:

32. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which the debt figures reflect actual outcomes?

GUIDELINES:
Question 32 asks for which year the actual outcome for total debt outstanding is shown. In most cases, the most recent year for which budget data on actual outcomes are available will be BY-2, as BY-1 is generally not yet finished when the budget proposal is drafted. So a government that has updated its debt data for BY-2 to reflect what actually occurred, as opposed to estimating the outcome for that year, shows good public financial management practice.

For an "a" answer, a country must meet the good practice of having the figures for BY-2 reflect actual outcomes.

It is essential that all government activities that may have an impact on the budget — in the current budget year or in future budget years — be fully disclosed to the legislature and the public in budget documents. In some countries, for instance, entities outside central government (such as public corporations) undertake fiscal activities that could affect current and future budgets. Similarly, activities that can have a significant impact on the budget, such as payment arrears and contingent liabilities, sometimes are not properly captured by the regular presentations of expenditure, revenue, and debt.

Answer:
a. Two years prior to the budget year (BY-2).

Source:
In Hungarian: A központi költségvetés bruttó adósságának alakulása 2021-2023 között
In English: The evolution of the gross debt of the central government between 2021 and 2023
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 49

Comment:
The most recent year is 2023 (BY-2) for which the actual outcome is shown. The data is presented in the column „2023.12.31 állomány" on page 49.
The data is the same as published on the webpage of the Debt Management Agency.
In Hungarian:
https://www.akk.hu/statisztika/allamadossag-finanszirozas/kozponti-koltsegvetes-adossaga
In English:
https://www.akk.hu/statistics/public-debt-finance/central-government-gross-debt
The data is also published on the webpage of the National Bank of Hungary that is responsible for monetary statistics. The Excel file the worksheet ÁKK MNB bridge („ÁKK MNB átvezetés") in the row „Total gross debt of the central government maintained by the ÁKK".
In Hungarian:
https://statisztika.mnb.hu/timeseries/adossag_hu.xlsx
In English:
https://statisztika.mnb.hu/timeseries/adossag_en.xlsx

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

33. "Does the Executive's Budget Proposal or any supporting budget documentation present information on extra-budgetary funds for at least the budget year?

(The core information must include a statement of purpose or policy rationale for the extra-budgetary fund; and complete income, expenditure, and financing data on a gross basis.)"

GUIDELINES:

Question 33 focuses on extra-budgetary funds, asking whether "core" information related to these funds, which exist outside the budget, are presented. These core components include:

- *a statement of purpose or policy rationale for the extra-budgetary fund (i.e., why was a particular fund set up? what is it used for?); and*
- *estimates of its income, expenditure, and financing. (These estimates should be presented on a gross basis so that it is possible to tell how much money flows through each extra-budgetary fund.)*

In most countries, governments engage in certain budgetary activities that are not included in the central government's budget. Known as extra-budgetary funds, they can range in size and scope. For example, countries frequently set up pension and social security programs as extra-budgetary funds, where the revenues collected and the benefits paid are recorded in a separate fund outside the budget. Another example of an extra-budgetary fund can be found in countries dependent on hydrocarbon/mineral resources, where revenues from producing and selling those resources are channeled through systems outside the annual budget.

In some cases, the separation engendered by an extra-budgetary fund serves a legitimate political purpose, and the finances and activities of these funds are well documented. In other cases, however, this structure is used for obfuscation, and little or nothing is known about a fund's finances and activities.

The availability of information related to extra-budgetary funds is essential for a comprehensive understanding of the government's true fiscal position. In addition to the core information, other information about extra-budgetary funds is also desirable. Such information includes a discussion of the risks associated with the extra-budgetary fund; expenditures classified by economic, functional, or administrative unit; and the rules and procedures that govern the operations and management of the extra-budgetary fund.

For more information about extra-budgetary funds, see the Guide to Transparency in Public Finances: Looking Beyond the Core Budget (http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf) and Principle 2.1.1 of the IMF's Fiscal Transparency Handbook (2018) (https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to extra-budgetary funds as well as some additional information beyond the core elements . A "b" answer applies if the Executive's Budget Proposal or supporting documentation presents all of the core information. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to extra-budgetary funds is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on extra-budgetary funds. Finally, answer "e" can be used if there is clear evidence that extra-budgetary funds do not exist. However, if such funds do exist but are not reported, the appropriate answer would be "d," not "e."

Please provide in the comments a list of all known extra-budgetary funds.

Answer:
d. No, information related to extra-budgetary funds is not presented.

Source:
In Hungarian: I. Országgyűlés – Társadalmi szervezetek és média támogatása - 11. cím: Közszolgálati médiaszolgáltatás támogatása
In English: Chapter I. National Assembly – Support of social organizations and media – Article 11 Support of public media
URL: https://www.parlament.hu/irom42/00152/T_152_I_fejezeti.pdf
page 345

In Hungarian: LXVI. Központi Nukleáris Pénzügyi Alap
In English: Chapter LXVI Central Nuclear Financial Fund
URL: https://www.parlament.hu/irom42/00152/T_152_II_fejezeti.pdf
pp. 1263-1271

Comment:
In the Hungarian classification the word "alap" is used for funds, but in practice the funds in the EBP are not separate entities with their own rules. For example, the Pension Insurance Fund (called "Nyugdíjbiztosítási Alap") or the Health Insurance Fund (called "Egészségbiztosítási Alap") are only separated to their own chapters, but their funds can be reallocated to other ministries or they can receive additional funds if it is needed. Additionally, even their revenue sources can change year-by-year, because the social contribution tax has been allocated among the funds in different distributions in the recent years. This means there are no stable rules that define the exact revenues of the funds between years. Furthermore, they are not "extra-budgetary", they are part of the central budget and the same rules apply to them, even if their name contains "elkülönített" ("separated").
Not all the important details are included in the EBP about the separated intra-budgetary funds. The Central Nuclear Financial Fund was created to handle nuclear waste management and accumulate the funds for the decommission of Paks Nuclear Power Plant. Because this latter task will only be used at the end of the life of the power plant, it is important to present the current amount for this purpose. The narrative discussion on pp. 1263-1271 does not include this information and it is only published in a table on the webpage of State Treasury. In the cited preliminary balance sheet „KNPA-mérleg" in row 34 (titled „Closing balance" in column A) the closing balance of the fund shows the amount collected for this purpose.
The bilingual file is available on the webpage of the Hungarian State Treasury:

In Hungarian: A Központi Nukleáris Alap költségvetésének előzetes teljesítése
In English: Preliminary balance of central nuclear fund's budget
URL: https://www.allamkincstar.gov.hu/pfile/file?path=/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/elkulonitett-penzalapok-merlege/merleg-2024.-evbalance-sheets-2024/merleg-2024.-12.-ho&inline=true

One extra-budgetary fund is the Media Services and Support Trust („Médiaszolgáltatás-támogatás és Vagyonkezelő Alap"). The trust receives a yearly subsidy from the budget, but the details of the support or the aim of the trust is not presented in the EBP. The budget of the trust and the National Media and Infocommunications Authority that supervises the trust is also discussed and approved by the legislature, but in a separate process. Last year the budget of the trust was submitted to the Parliament on 21 October 2024 and approved by it on 4 December 2024. Even without exact details about the use of the funds the aim and role of the trust and its yearly activities could have been included in the EBP and the EB to provide a comprehensive picture.
The budget of the Media Fund is in the following bill:
In Hungarian: T/9614 A Nemzeti Média- és Hírközlési Hatóság 2025. évi egységes költségvetéséről
In English: Bill No. T/9614 on the budget for FY 2025 of the National Media and Infocommunications Authority
URL: https://www.parlament.hu/irom42/09614/09614.pdf
Similar to these are the newly created asset management foundations (in Hungarian „vagyonkezelő alapítvány"). The government funded these institutions to outsource the universities from budgetary institutions with the aim of improving their performance. Though the universities will still receive budgetary funds to finance their activities, though theoretically on a declining path. The funds received a significant portfolio of shares as initial assets. The EBP did not provide any information about the foundations because the government handles the institutions as independent entities and not part of the government sector.
However, as their type shows in the act these are foundations serving public interest („közfeladatot ellátó közérdekű vagyonkezelő alapítványok"). The foundations are listed in appendix 1 act IX of 2021 on the asset management foundations serving public interest:
https://njt.hu/jogszabaly/2021-9-00-00
The organisations with mandatory membership and fees are further examples for extra-budgetary funds. One of them is the Hungarian Hydrocarbon Stockholding Alliance („Magyar Szénhidrogén Készletező Szövetség"). All companies that import hydrocarbons are obliged to be member of the organization, and pay the mandatory fees that are calculated based on the amount of the imported goods. For this reason, the Statistical Office (and Eurostat) treats these fees as tax in its list (in line D214I_08 Hydrocarbons stockholding fee). Logically this could be an extra-budgetary fund because the revenues and membership is assured in an act to provide a public task, namely the safe stockholding of contingency reserves. Moreover, any use of the contingency reserves financed out of the tax-like compulsory contribution of the members is strictly regulated by a ministerial decree, which can be changed by the minister at any time.
List of taxes on the webpage of Central Statistics Office:
https://www.ksh.hu/stadat_files/gdp/en/gdp0025.html
The mandatory membership is stated in 10.§ (1) of act XLIX of 1993 on the safety stockholding of imported oil and hydrocarbons and the fees are required in 37. § (1).
URL: https://mkogy.jogtar.hu/jogszabaly?docid=99300049.TV
A similar case is the 50% share from the fees on the payments with recreation electronic cards (called "SZÉP-kártya" that may be given to the employees as cafeteria). The payment provider deducts a 3,6% fee after each payment and 50% of the fees must be transferred to the Hungarian Tourism Alliance Foundation ("Magyar Turisztikai Szövetség Alapítvány"). This is essentially a tax-like revenue ensured by the government to an organisation outside the budget. The foundation is not controlled by the government, so the use of funds is not monitored.
The compulsory share is in 12. § (4) b) in government decree 76/2018. (IV. 20.).
URL: https://net.jogtar.hu/jogszabaly?docid=a1800076.kor

There are extra-budgetary funds or elements that can be treated as extra-budgetary funds, but none of these are presented in the EBP.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

34. Does the Executive's Budget Proposal or any supporting budget documentation present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year?

GUIDELINES:
Question 34 asks whether the Executive's Budget Proposal or supporting documents present the finances of the central government on a consolidated basis, showing both its budgetary and extra-budgetary activities. Virtually all of the questions in the OBS questionnaire focus on budgetary central government — the activities of the ministries, departments, or agencies of central government. In addition, Question 33 asks about extra-budgetary funds, such as social security funds that are not included in the budget.

Coverage is an important aspect of fiscal reporting. Budget documents should cover the full scope of government's financial activity. In many countries, extra-

budgetary activities are substantial, and can represent a sizable share of the central government's activities. To get a full picture of the central government's finances, therefore, it is necessary to examine both activities that are included in the budget and those that are extra-budgetary. This question asks whether such a consolidated presentation of central government finances, including both revenues and expenditures, is provided.

The central government is only one component of the overall public sector. The public sector also includes other levels of government, such as state and local government, and public corporations. (See Box 2.1 under Principle 1.1.1 of the IMF's Fiscal Transparency Handbook (2018): https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml. For the purpose of answering this question, please consider only the central government level.

In order to answer "a," the Executive's Budget Proposal or supporting documentation must present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year.

Answer:
b. No, central government finances are not presented on a consolidated basis.

Source:
In Hungarian: A központi alrendszer konszolidált kiadásai (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Consolidated expenditures of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 31
In Hungarian: A központi alrendszer konszolidált funkcionális kiadásai (pénzforgalmi szemléletben)
In English: Consolidated functional expenditures of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 34
In Hungarian: Az államháztartás konszolidált kiadásai (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Consolidated expenditures of the general government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 15
In Hungarian: Az államháztartás konszolidált funkcionális kiadásai (pénzforgalmi szemléletben)
In English: Consolidated functional expenditures of the general government (cash-flow based)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 18

Comment:
The consolidated tables present the figures for the central government and the general government (the central government and the local governments). The extra-budgetary funds or any additional activities (including the public corporations) are not included in the consolidation. The consolidation nets out the transactions inside the central government and between the central and local governments as well. This means the consolidated numbers of the central governments do not include the subsidies to local governments.
Because the question asks about the consolidation of extra-budgetary funds and in question 33 these were not included, we selected answer 'b'.

The rules of the consolidation:
In Hungarian: 4/2013. (I. 11.) Korm. rendelet az államháztartás számviteléről
In English: Decree 4/2013. (I. 11.) on the accounting of public finances
URL: https://net.jogtar.hu/jogszabaly?docid=a1300004.kor
38. §

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

35. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of intergovernmental transfers for at least the budget year?

GUIDELINES:
Question 35 asks about intergovernmental transfers. In many cases, the central government supports the provision of a good or service by a lower level of government through an intergovernmental transfer of funds. This is necessary because, independent from the level of administrative decentralization that

exists in a given country, the capacity for revenue collection of a local government is unlikely to be sufficient to pay for all its expenses. However, because the activity is not being undertaken by an administrative unit of the central government, it is unlikely to receive the same level of review in the budget. Thus it is important to include in the budget proposal a statement that explicitly indicates the amount and purposes of these transfers.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all intergovernmental transfers and a narrative discussing these transfers. If a narrative discussion is not included, but estimates for all intergovernmental transfers are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, intergovernmental transfers (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of intergovernmental transfers are presented.

Answer:
a. Yes, estimates of all intergovernmental transfers are presented, along with a narrative discussion.

Source:
In Hungarian: 1. melléklet – IX. fejezet Helyi önkormányzatok támogatásai
In English: Appendix 1 - Chapter IX Supports of local governments
URL: https://www.parlament.hu/irom42/09894/09894.pdf
page 51

In Hungarian: 2. melléklet A települési önkormányzatok általános működésének és ágazati feladatainak támogatása
In English: Appendix 2 The supports for the general operation and sectoral tasks of local governments
URL: https://www.parlament.hu/irom42/09894/09894.pdf
pp 105-156
In Hungarian: 3. melléklet A helyi önkormányzatok kiegészítő támogatásai
In English: Appendix 3 Supplemental supports for the local governments
URL: https://www.parlament.hu/irom42/09894/09894.pdf
pp157-169
In Hungarian: IX. Helyi önkormányzatok támogatásai
In English: Chapter IX Supports of the local governments
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ002.pdf
pp 137-146
In Hungarian: Önkormányzati alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the local governments (cash-flow based) (in economic classification)
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 53

Comment:
The appropriations for local governments are presented mainly in Chapter IX Subsidy to the local governments in appendix 1 on page 49. The details of the subsidies are discussed in further appendices. For example, appendix 2 contained the detailed rules on how the subsidy is allocated among different tasks, like subsidy for operating the municipalities' offices, maintaining public lights, parks, kindergartens, nurseries and other social services. Some of them are based on the wages, per employee, number of citizens or usage of the service. Appendix 3 presented similar rules, but for special subsidies (like about the vis mayor subsidy or funds for county-level local governments). The mentioned ones are dedicated appropriations for the general operation and certain tasks of the local governments, but the local governments may receive other funds from the central budget. For example, the expenses of healthcare services provided by the local governments are paid by the Health Insurance Fund that is presented in chapter LXXII on pages 451-460 in the EBP (https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf), but the amount paid to the local governments is not shown separately. Another notable example is the fund from the European Union that is presented in chapter XIX and part of it gets to the local governments through tenders but the estimated amount to be paid to local governments is not disclosed. The local governments may receive subsidy for certain tasks from ministries through tenders or occasional reliefs.
The recurring transfers can be easily identified, but many occasional and hidden supports are mixed into other expenditures of the central budget. Additional information can be derived from the expenditures in economic classification on page 53. The rows "21 Működési célú támogatások államháztartáson belülről" and "22 Felhalmozási célú támogatások államháztartáson belülről" shows the revenues of the local governments received as subsidy from the central government or other local governments. Their total is about 1987 billion HUF, higher than the 906 billion HUF in chapter IX on page 51. This is not consolidated revenue. Because it also includes the cash transactions between local governments this can only be treated as an estimate of intergovernmental transfers.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

36. Does the Executive's Budget Proposal or any supporting budget documentation present alternative displays of expenditures (such as by gender, by age, by income, or by region) to illustrate the financial impact of budget policies on different groups of citizens, for at least the budget year?

GUIDELINES:
Question 36 asks about "alternative displays" of expenditures that highlight the financial impact of policies on different groups of citizens. As discussed above, expenditures are typically presented by at least one of three classifications — administrative, functional, and economic classifications (see Questions 1-5) — and by individual program (Question 6). In addition, governments can provide alternative displays to emphasize different aspects of expenditure policies and to show who benefits from these expenditures.

For the purpose of answering this question, the alternative presentation must differ from the presentations (such as administrative, functional, or economic classifications or presentation by program) used to answer other questions. The alternative display can cover all expenditures or only a portion of expenditures. For instance, it can show how all expenditures are distributed according to geographic region or it can show how selected expenditures (such as the health budget or the agriculture budget) are distributed to different regions. But such a geographic display must be something different than the presentation of intergovernmental transfers used to answer question 35. One exception is when a country includes a special presentation of all policies intended to benefit the most impoverished populations (and is used to answer Question 52) then that can be considered an alternative display for purposes of answering this question as well. Finally, brief fact sheets showing how proposals in the budget benefit particular groups would be insufficient; only more detailed presentations would be considered.

The IBP Budget Brief, "How Transparent are Governments When it Comes to Their Budget's Impact on Poverty and Inequality?" (https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf) includes a discussion of the importance of alternative displays of budget information and provides a number of examples. For instance,

- *Bangladesh in its 2017-18 Budget included a detailed supplementary Gender Budgeting Report, which presents the spending dedicated to advancing women across various departments. (https://mof.portal.gov.bd/site/page/3bb14732-b5b1-44df-9921-efedf1496295).*
- *The UK's 2017 budget included a supplementary analysis that provided a distributional analysis of the budget by households in different income groups (see https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/661465/distributional_analysis_autumn_budget_2017.pdf)*
- *South Africa's 2017 Budget Review goes beyond the standard presentation of intergovernmental transfers, discussing the redistribution that results from national revenue flowing to the provinces and municipalities and presenting the allocations on a per capita basis (see chapter 6, http://www.treasury.gov.za/documents/national%20budget/2017/review/FullBR.pdf).*

To answer "a," the Executive's Budget Proposal or supporting documentation must include at least three different presentations that illustrate the financial impact of policies on different groups of citizens for at least the budget year. To answer "b," the Executive's Budget Proposal or supporting documentation must include at least two different alternative displays of expenditures. A "c" applies is only one type of alternative display of expenditure is presented. Answer "d" applies if no alternative display of expenditure is presented.

Answer:
None of the above

Source:
In Hungarian: Családpolitikai célú kiadások, kedvezmények a 2025. évi központi költségvetésben
In English: Expenditures and allowances related to family supports in the central budget for FY 2023
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
pp. 59-64

Comment:
The government included one table that collected appropriations related to a specific policy goal, namely subsidizing families.
The table listed all the expenditures and tax reliefs on family-related policies. The aim of the table was to present how much the government spends on families and the table eases its communication. Some of the lines are not strictly related to family policies (like „Nők korhatár alatti nyugellátása" on page 63 that is the pension of women who have 40 service years and retired before they reached the retirement age).

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

37. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of transfers to public corporations for at least the budget year?

GUIDELINES:

Question 37 asks about transfers to public corporations. It is often the case that governments have a stake in enterprises that manage resources that are particularly relevant for the public good (such as electricity, water, and oil). While these public corporations can operate independently, in some cases the government will provide direct support by making transfers to these corporations, including to subsidize capital investment and operating expenses.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all transfers to public corporations and a narrative discussing the purposes of these transfers. If a narrative discussion is not included, but estimates for all transfers to public corporations are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, transfers to public corporations (regardless of whether it also includes a narrative discussion). Answer "c" also applies if estimates of transfers to public corporations are presented as a single line item. Answer "d" applies if no estimates of transfers to public corporations are presented.

Please provide in the comments a list of all known public corporations.

Answer:
c. Yes, estimates of some but not all transfers to public corporations are presented.

Source:
In Hungarian: 1. melléklet – XLIII. fejezet Az állami vagyonnal kapcsolatos bevételek és kiadások
In English: Appendix 1 – Chapter XLIII Revenues and expenditures related to public assets
URL: https://www.parlament.hu/irom42/09894/09894.pdf
pp. 64, 67, 90, 92
In Hungarian: XLIII. fejezet Az állami vagyonnal kapcsolatos bevételek és kiadások – 1. cím Az MNV Zrt. rábízott vagyonával kapcsolatos bevételek és kiadások - 1/2/2. jogcímcsoport: Társaságokkal kapcsolatos kiadások
In English: Chapter XLIII Revenues and expenditures related to public assets – Article 1 Expenditures and revenues related to assets entrusted to MNV Zrt. – 1/2/2 Expenditures related to companies
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
pp. 374-375
In Hungarian: XVII. fejezet L. Energiaügyi minisztérium - 21. cím: Központi kezelésű előirányzatok – 23. alcím: Lakossági Rezsivédelmi Alap
In English: Chapter XVII Ministry of Energy - Title 21 Centrally managed appropriations – Subtitle 23: Household energy cost protection fund
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ002.pdf
on page 497

Comment:
The EBP presents all the transfers to public corporations as legally required, but these transfers are not easily identifiable or presented in a transparent way, like in a summary table.
Previously direct transfers to public corporations owned directly by the state were presented primarily in Chapter XLIII Revenues and expenditures related to public assets ("XLIII. fejezet Az állami vagyonnal kapcsolatos bevételek és kiadások"). In the EBP for FY2025 only the strategic public corporations were presented in this chapter and many other transfers were shown in other chapters. The transfers to these corporations were detailed on page 374-375, i.e. which public corporations receive capital transfers. For example, on page 375 it is stated that „Nemzeti Filmintézet Közhasznú Nonprofit Zrt." received 11.8619 billion HUF and "MNV Zrt." received 9.6 billion HUF.
Numerous other transfers with higher amounts were dispersed through other chapters. For example, the transfer to Paks II Nuclear Power Plant Constructing company ("Paks II Zrt. tőkemelése") is under Ministry of Foreign Affairs and Foreign Economy on page 67. The Paks II nuclear power plant is a government investment, but executed through a public corporation and the funds are provided through capital transfers. The support for the Eximbank for interest rate subsidy ("Eximbank Zrt. kamatkiegyenlítése") is presented on page 76 under the Ministry of National Economy. Nearly all of the ministries have an expenditure item called "...tulajdonosi joggyakorlásával kapcsolatos kiadások" that contains all the transfers to public corporations governed or supervised by that ministry.
Another case is the subsidy to the public railway company, which receives public funds from two appropriations that are in two separate chapters: once as a revenue for the discounted railway tickets for certain social groups ("Szociálpolitikai menetdíj támogatás") on page 90 in the chapter of direct revenues and expenditures and as a support for its operational costs ("Vasúti személyszállítási közszolgáltatások költségtérítése") on page 64 under the Ministry of Construction and Transport. Theoretically, the first item (Szociálpolitikai…) is meant to compensate for the reduced ticket prices that the company has to offer to specific social groups (e.g. people above the age of 65 travel on MAV for free, public servants get 50% off, etc.), hence this could be interpreted as transfer to private persons, while the second is meant to compensate the company for the losses due to regulated prices and regulated service levels.
Most of the above items were relocated in the institutional presentation of the law since the previous survey and there is a loosely defined expenditure item in the newly created Energy tariff protection fund ("Lakossági Rezsivédelmi Alap"). On page 497 it is described that 880 billion HUF

is allocated to provide subsidy for the reduced energy tariffs for the households and the appropriation can be overspent with the approval of the government (i.e. without ex ante parliamentary approval). Technically the low energy tariffs are maintained through the state energy company MVM Zrt., so the expenditure item is mostly a transfer to this public corporation as a compensation for its loss, but this is not explained in the narrative discussion.
The contents of each transfer are briefly described in the narrative discussion of the relevant chapter.
While all the transfers to public corporations are presented in the EBP as legally required, these have to be collected one-by-one and in many cases even the title of the appropriation can be misleading, hence the narrative discussion also has to be inspected for identifying the transfers. Because of these omissions we selected answer 'c' as some of the transfers can be found, but the total amount is not presented in a transparent way.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

38. Does the Executive's Budget Proposal or any supporting budget documentation present information on quasi-fiscal activities for at least the budget year?

(The core information must include a statement of purpose or policy rationale for the quasi-fiscal activity and the intended beneficiaries.)

GUIDELINES:
Question 38 focuses on quasi-fiscal activities, asking whether "core" information related to such activities is presented. These core components include:

- *A statement of purpose or policy rationale for the quasi-fiscal activity (i.e., what is the reason for engaging in this activity?);*
- *The identification of intended beneficiaries of the quasi-fiscal activity.*

The term "quasi-fiscal activities" refers to a broad range of activities that are fiscal in character and could be carried out through the regular budget process but are not. For example, a quasi-fiscal activity could take place if, instead of providing a direct subsidy through the budget for a particular activity, a public financial institution provides an indirect subsidy by offering loans at below-market rates for that activity. Similarly, it is a quasi-fiscal activity when an enterprise provides goods or services at prices below commercial rates to certain individuals or groups to support the government's policy goals.

The above examples are policy choices that may be approved by the government and legislature. However, quasi-fiscal activities can also involve activities that violate or circumvent a country's budget process laws or are not subject to the regular legislative approval process for expenditures. For example, the executive may issue an informal order to a government entity, such as a public commercial enterprise, to provide the executive with goods and services that normally would have to be purchased with funding authorized by the legislature. All quasi-fiscal activities should be disclosed to the public and subject to public scrutiny.

Beyond the core information, some governments may also provide other information about quasi-fiscal activities, including for example: the anticipated duration of the quasi-fiscal activity; a quantification of the activity and the assumptions that support these estimates; and a discussion of the fiscal significance and potential risks associated with the activity, including the impact on the entity carrying out the activity. Principle 3.3.2 of the IMF's Fiscal Transparency Handbook (2018) (https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml) provides examples of quasi-fiscal activities that can be consulted as needed. And more details on quasi-fiscal activities can be found in the Guide to Transparency in Public Finances: Looking Beyond the Core Budget (http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to all quasi-fiscal activities for at least the budget year as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to quasi-fiscal activities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on quasi-fiscal activities.

If quasi-fiscal activities do not represent a significant problem in your country, please mark "e."." However, please exercise caution in answering this question.

Answer:
d. No, information related to quasi-fiscal activities is not presented.

Source:
In Hungarian: Az általános indokolás – A kormány gazdaságpolitikájának fő vonásai, az államháztartás alakulása a – II. Az államháztartás célja és keretei – 1. Költségvetés-politikai keretek
In English: The General Justification – Main characteristics of the economic policy of the government, the state of the budget – II. Goals and settings

of the state finances – 1. Settings of the budgetary policy
URL: https://www.parlament.hu/irom42/09894/09894.pdf
page 222

In Hungarian: XVII. fejezet L. Energiaügyi minisztérium - 21. cím: Központi kezelésű előirányzatok – 23. alcím: Lakossági Rezsivédelmi Alap
In English: Chapter XVII Ministry of Energy - Title 21 Centrally managed appropriations – Subtitle 23: Household energy cost protection fund
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ002.pdf
on page 497

Comment:
The government occasionally engages in quasi-fiscal activities, but these are not always presented in the EBP.
In the EBP for FY 2025 there is an indirect reference for the energy tariff reduction in which case the state energy provider (MVM Zrt.) was ordered to set a lower energy tariff for the households. This policy was kept even during the elevated energy prices and the government was forced to provide compensation for the public corporation to cover the losses. In the previous years it was solved with ad hoc decisions, but in the EBP for FY 2025 the government keeps alive the 2023-created "Lakossági Rezsivédelmi Alap" ("Household Energy tariff protection fund", before the name was without "Household") to present how much was spent as compensation for maintaining the low energy tariffs for the households. The narrative discussion only described that the fund protects the low energy tariffs, but not the details behind it, not even the public corporation was mentioned. On its own, the fact that the government tries to compensate the company for the losses due to regulated prices could imply that there was no quasi-fiscal activities, but there is no information whatsoever to assess, to what extent the subsidy from the budget was even approximately equal to the implicit burden caused by the regulation.

Besides the public corporations the government has the authority to impose unfunded mandates on non-public corporations. To some degree this could also be interpreted as quasi-fiscal activities, because without the mandate these companies would pay more to the budget (e.g. profit tax). Previously there was the suspension of loan repayments and the capping of total cost of loans on the financial institutions. Similarly, the price of gasoline was also fixed for a certain period. In 2022 the government decided on a food price fixing in which case the prices of selected articles were fixed at a previous date and all companies had to sell the articles at that price. The government stated that the food price inflation had been very high and the basic foods should be affordable for everyone. The companies did not receive any compensation for this policy.
This means the government engages in quasi-fiscal activities but those activities are not limited to the public corporations. When planning the 2025 budget law, officially the government did not envisage any price regulation, beyond the capping of interest on specific household loans.

Yearly Report of MVM
https://mvm.hu/-/media/MVMHu/Documents/Befektetoknek/Jelentesek/2021/MVM_Zrt_2021_evi_eves_beszamolo.pdf
page 29 - közhasznú szervezeteknek adott támogatás

in Hungarian: 782/2021. (XII. 24.) Korm. rendelet a fogyasztónak nyújtott hitelről szóló 2009. évi CLXII. törvény veszélyhelyzetben történő eltérő alkalmazásáról
in English: 782/2021 (24. December) Government decree on the modified implementation of the "Law Nr.162/2009 on household loans" under emergency conditions.
https://net.jogtar.hu/jogszabaly?docid=a2100782.kor

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

39. Does the Executive's Budget Proposal or any supporting budget documentation present information on financial assets held by the government for at least the budget year?

(The core information must include a listing of the assets, and an estimate of their value.)

GUIDELINES:
Question 39 focuses on financial assets held by the government, asking whether "core" information related to these assets is presented. These core components include:

- *A listing of the financial assets; and*
- *An estimate of their value.*

Governments own financial assets such as cash, bonds, or equities. Unlike private sector businesses, however, few governments maintain balance sheets that show the value of their assets and liabilities.

Beyond the core information, some governments may also provide other information about financial assets, including for example: a discussion of their purpose; historical information on defaults; differences between reported values and market values; and a summary of financial assets as part of the government's balance sheet.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year all of the core information related to all financial assets held by the government as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to financial assets is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on financial assets held by the government.

Answer:
d. No, information related to financial assets is not presented.

Source:
N/A

Comment:
The amount, composition or any other information about the financial assets held by the government is not included in the EBP. Contrary to the previous survey we did not even find any reference to the financial assets held by the government.
For statistical purposes the National Bank of Hungary published the total value of different financial assets held by the government. The publication is available here: https://statisztika.mnb.hu/timeseries/ahtszla_en.xlsx

As a sidenote the list of public corporations and the value of their shares are listed on a separate webpage called National Inventory ("Országleltár"). This only lists the state-owned shares where the state exercises the owner's rights and the latest year is now (!) 2023 (it is not clear what the situation was when the 2025 EBP was submitted to the parliament). The state may have shares in other corporations, bonds or other financial assets and those are not included in this list.
In Hungarian: https://orszagleltar.gov.hu/hu/adatok/tarsasagok/attekintes
In English: https://orszagleltar.gov.hu/en/adatok/tarsasagok/attekintes

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

40. Does the Executive's Budget Proposal or any supporting budget documentation present information on nonfinancial assets held by the government for at least the budget year?

(The core information must include a listing of the assets by category.)

GUIDELINES:
Question 40 focuses on nonfinancial assets held by the government, asking whether "core" information related to these assets is presented. The core information is a listing of nonfinancial assets, grouped by the type (or category) of asset.

Nonfinancial assets are things of value that the government owns or controls (excluding financial assets) such as land, buildings, and machinery. The valuation of public nonfinancial assets can be problematic, particularly in cases where the asset is not typically available on the open market (such as a government monument). In these cases, it is considered acceptable to provide summary information in budget documents from a country's register of assets. But, in some cases, governments are able to value their nonfinancial assets; some present a summary of nonfinancial assets as part of their balance sheets. For an example of how nonfinancial assets are presented in one of the many supporting documents to the New Zealand Executive's Budget Proposal, see the Forecast Financial Statement 2011, Notes to the Financial Statements (Continued), Note 14, accessible here: https://treasury.govt.nz/sites/default/files/2011-05/befu11-pt6of8.pdf.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year a listing by category of all nonfinancial assets held by the government as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to nonfinancial assets is presented, but some nonfinancial assets are not included. Answer "d" applies if no information is presented on nonfinancial assets held by the government.

Answer:
d. No, information related to nonfinancial assets is not presented.

Source:
In Hungarian: XLIII. fejezet Az állami vagyonnal kapcsolatos bevételek és kiadások – 1. cím Az MNV Zrt. rábízott vagyonával kapcsolatos bevételek és kiadások - 1/1/1. jogcímcsoport: Ingatlanokkal és ingóságokkal kapcsolatos bevételek
In English: Chapter XLIII Revenues and expenditures related to public assets – Article 1 Expenditures and revenues related to assets entrusted to MNV Zrt. – 1/1/1 Revenues related to real estates and goods
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
pp. 373-374

In Hungarian: XLIV. A Nemzeti Földalappal kapcsolatos bevételek és kiadások – 1. cím: A Nemzeti Földalappal kapcsolatos bevételek – 1. alcím: Ingatlan értékesítéséből származó bevételek
In English: Chapter XLIV. Revenues and expenditures related to National Land Fund – Article 1 Revenues related to National Land Fund – Subarticle 1 Revenues from selling real estates
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
page 381

Comment:
The EBP contains only information about the changes in the value of nonfinancial assets held by the government due to transactions.
On page 373 in the narrative discussion of chapter XLIII Revenues and expenditures related to public assets the government describes the revenues related to selling of real estates and other goods, when states that 21 billion HUF is expected from selling real estates (in the sentence "Az Ingatlan értékesítéséből származó bevételek 21000,0 millió forintra tervezett előirányzata"). Besides the amounts no physical information is provided.
On page 381 in the chapter of National Land Fund similar information is presented about the selling of agricultural land. 14 billion HUF revenue is planned from selling 187 500 hectares at an average price of 1,6 million HUF per hectare. This in the paragraphs "Az Ingatlan értékesítéséből származó bevételek alcím 2023. évi előirányzata 300 000,0 millió forint. Az ingatlan értékesítési bevételek tervezett összege – átlagosan 1 600 000 forint/hektár vételár alapul vételével – összesen 187 500 hektár terület tulajdonjogának átruházásával számol, figyelemmel arra is, hogy folyamatosan zajlik a Nemzeti Földalapba tartozó portfólió tisztítása."
The stock of nonfinancial assets is not included in the EBP and only available in other sources. There is one exception: The chapter on the National Land Fund states in the explanatory part of its budget (page 381) that “A Nemzeti Földalapba tartozó földrészletek száma és területnagysága folyamatosan változik, 2024. november elején 1 673 852 hektárt foglal magában, amelynek bekerülési, nyilvántartott értéke 468 896 063 031 forint volt, ennek tényleges piaci értéke azonban sokszorosára tehető.” in English: “the number and size of land plots managed by the National Land Fund continuously changes, at the beginning of Novembet 2024 it covered 1 673 852 hectar, the book value of which was 468 896 063 031 HUF, but its real value can be the multiple of this.”

Other sources are (1) the appendix of act CXCVI on National Assets, and (2) the National Inventory. The latter presents the data for real estates and other assets (machines, vehicles, works of fine art, etc.) but only up to 2023.
Since the listing of the assets is a core information and that is not included (only transactions are presented in a minimal form), we maintained answer 'd' from the previous survey.
In Hungarian: 2011. évi CXCVI törvény a nemzeti vagyonról
In English: Act CXCVI of 2011 on National Assets
URL: https://net.jogtar.hu/jogszabaly?docid=A1100196.TV
In Hungarian: Országleltár
In English: National Inventory
Real estates
In Hungarian: https://orszagleltar.gov.hu/hu/adatok/ingatlanok/attekintes
In English: https://orszagleltar.gov.hu/en/adatok/ingatlanok/attekintes
Other assets:
In Hungarian: https://orszagleltar.gov.hu/hu/adatok/eszkozok/attekintes
In English: https://orszagleltar.gov.hu/en/adatok/eszkozok/attekintes

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

41. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure arrears for at least the budget year?

GUIDELINES:
Question 41 asks about estimates of expenditure arrears, which arise when government has entered into a commitment to spend funds but has not made the payment when it is due (For more information see sections 3.71 (page 50) and 7.247 (page 209) of the IMF's GFS Manual 2014 https://www.imf.org/external/Pubs/FT/GFS/Manual/2014/gfsfinal.pdf). Though equivalent to borrowing, this liability is often not recorded in the budget, making it difficult to assess fully a government's financial position. Moreover, the obligation to repay this debt affects the government's ability to pay for other activities.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all expenditure arrears and a narrative discussing the arrears. If a narrative discussion is not included, but estimates for all expenditure arrears are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, expenditure arrears (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of expenditure arrears are presented. Answer "d" also applies if information is only available for the changes in arrears, and not the stock or balance of arrears.

If expenditure arrears do not represent a significant problem in your country, please mark "e." However, please exercise caution in answering this question. Public expenditure management laws and regulations often will allow for reasonable delays, perhaps 30 or 60 days, in the routine payment of invoices due. Expenditure arrears impacting a small percentage of expenditure that are due to contractual disputes should not be considered a significant problem for the purpose of answering this question.

Answer:
d. No, estimates of expenditure arrears are not presented.

Source:
N/A

Comment:
The EBP did not disclose any information about arrears.
The Hungarian State Treasury publishes a monthly report about arrears by institutions and composition on its website:
Arrears by Type/Institution/Chapter:
https://kpp.tcs.allamkincstar.gov.hu/BOE/OpenDocument/2211041035/OpenDocument/opendoc/openDocument.jsp?logonSuccessful=true&shareId=0

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

42. Does the Executive's Budget Proposal or any supporting budget documentation present information on contingent liabilities, such as government loan guarantees or insurance programs, for at least the budget year?

(The core information must include a statement of purpose or policy rationale for each contingent liability; the new guarantees or insurance commitments proposed for the budget year; and the total amount of outstanding guarantees or insurance commitments (the gross exposure) at the end of the budget year.)

GUIDELINES:

Question 42 focuses on contingent liabilities, asking whether "core" information related to these liabilities is presented. These core components include:

- *a statement of purpose or policy rationale for each contingent liability;*
- *the new contingent liabilities for the budget year, such as new guarantees or insurance commitments proposed for the budget year; and*
- *the total amount of outstanding guarantees or insurance commitments at the end of the budget year. This reflects the gross exposure of the government in the case that all guarantees or commitments come due (even though that may be unlikely to occur).*

Contingent liabilities are recognized under a cash accounting method only when the contingent event occurs and the payment is made. An example of such liabilities is the case of loans guaranteed by the central government, which can include loans to state-owned banks and other state-owned commercial enterprises, subnational governments, or private enterprises. Under such guarantees, government will only make a payment if the borrower defaults. Thus a key issue for making quantitative estimates of these liabilities is assessing the likelihood of the contingency occurring.

In the budget, according to the OECD, "[w]here feasible, the total amount of contingent liabilities should be disclosed and classified by major category

reflecting their nature; historical information on defaults for each category should be disclosed where available. In cases where contingent liabilities cannot be quantified, they should be listed and described."

Beyond the core information, some governments may also provide other information about contingent liabilities, including for example: historical default rates for each program, and likely default rates in the future; the maximum guarantee that is authorized by law; any special financing associated with the guarantee (e.g., whether fees are charged, whether a reserve fund exists for the purpose of paying off guarantees, etc.); the duration of each guarantee; and an estimate of the fiscal significance and potential risks associated with the guarantees.

For more details on contingent liabilities, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf) and page 59 (Box 11) and Principle 3.2.3 of the IMF's Fiscal Transparency Handbook (2018) (https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml).

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year all of the core information related to contingent liabilities as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to contingent liabilities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on contingent liabilities.

Answer:
c. Yes, information is presented, but it excludes some core elements or some contingent liabilities.

Source:
https://www.parlament.hu/irom42/09894/09894.pdf
page 33

In Hungarian: XLII. fejezet A költségvetés közvetlen bevételei és kiadásai – 33. cím Állam által vállalt kezesség és viszontgarancia érvényesítése
In English: Chapter XLII Direct revenues and expenditures of the budget – Title 33 Warrants and guarantees taken by the state
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
pp. 352-354

In Hungarian: Az állam által vállalt kezességek/garanciák/viszontgaranciák 2022. év és 2023. év végi állományi adatai
In English: Data on the liabilities/guarantees/counter-guarantees undertaken by the state as of the end of 2022 and 2023.
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ001.pdf
page 391

Comment:
In the cited section of the EBP the government discusses the standard guarantee programs and the estimated expenditures for each of them.
The aim of the guarantees is described or can be guessed from the name of the program.
For example, in the section „33/3. alcím: Eximbank Zrt. által vállalt garanciaügyletekből eredő fizetési kötelezettség" it is described that the guarantee is for export loans or other export related transactions (in the sentence „...amely tartalmazza mind az export-hitel, mind az egyéb exportcélú garanciaügyletekhez kötődő kifizetéseket").
Similarly, the section „33/5. alcím: Garantiqa Hitelgarancia Zrt. garanciaügyleteiből eredő fizetési kötelezettség" presents that the guarantee is mainly for bank loans of small- and medium enterprises (in the sentence „alapfeladatként a bankok finanszírozási ügyleteihez vállalt készfizető kezesség vállalásával segíti elő a kis- és középvállalati szektor hitelhez jutását"). Other information is not presented in the narrative discussion.
The expenditure estimates are the payment obligations after the transactions, but the total liabilities are not discussed, therefore the default rate cannot even be calculated.
The total actual stock of contingent liabilities is not presented in the EBP for any program. The law sets limits for some programs in terms of the amount of new guaranties, and in the case of some other programs in terms of upper limit of the stock either at the end of the year or on any day of the year. However, there are some programs (e.g. student loans) which don't have any legal limit. Data on the actual stock of liabilities are presented in the Year End Report. E.g. the YER for 2023 did contain a table listing these stock data for the end of 2023, hence they could have been included in the EBP for 2025. However, these were only the last available fact figures, not estimates for the budget year.

Since the guarantees for loans of state-owned corporations are not presented in the EBP and the presentation does not include all the core information for all the guarantee programs we chose answer 'c'.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

43. Does the Executive's Budget Proposal or any supporting budget documentation present projections that assess the government's future liabilities and the sustainability of its finances over the longer term?

(The core information must cover a period of at least 10 years and include the macroeconomic and demographic assumptions used and a discussion of the fiscal implications and risks highlighted by the projections.)

GUIDELINES:

Question 43 focuses on government's future liabilities and the sustainability of its finances over the longer-term, asking whether "core" information related to these issues is presented. These core components must include:

- *Projections that cover a period of at least 10 years.*
- *The macroeconomic and demographic assumptions used in making the projections.*
- *A discussion of the fiscal implications and risks highlighted by the projections.Good public financial management calls for budgets to include fiscal sustainability analyses.*

The IMF's Fiscal Transparency Handbook (2018) (https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml) recommends that governments regularly publish the projected evolution of the public finances over the longer term (see Principle 3.1.3.). Future liabilities are a particularly important element when assessing the sustainability of public finances over the long term. Future liabilities are the result of government commitments that, unlike contingent liabilities, are virtually certain to occur at some future point and result in an expenditure. A typical example consists of government obligations to pay pension benefits or cover health care costs of future retirees. Under a cash accounting system, only current payments associated with such obligations are recognized in the budget. To capture the future impact on the budget of these liabilities, a separate statement is required.

Beyond the core information, some governments may also provide other information about the sustainability of their finances, including for example: projections that cover 20 or 30 years; multiple scenarios with different sets of assumptions; assumptions about other factors (such as the depletion of natural resources) that go beyond just the core macroeconomic and demographic data; and a detailed presentation of particular programs that have long time horizons, such as civil service pensions.

For more details on future liabilities, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to future liabilities and the sustainability of government finances over the longer term as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to future liabilities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on future liabilities and the sustainability of government's finances

Answer:
c. Yes, information is presented, but it excludes some core elements.

Source:
In Hungarian: A költségvetés hosszú távú fenntarthatósága
In English: Long-term sustainability of the budget
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
page 487-488

In Hungarian: LXXI. fejezet Nyugdíjbiztosítási Alap – 1. számú táblázat 50 éves demográfiai előrejelzés
In English: Chapter LXXI Pension Insurance Fund – Table 2 50-year demographic projection
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
pp. 449-450

Comment:
The government included a long-term projection about the sustainability of the budget for the 2023-2070 period on page 487. This is a baseline projection based on certain assumptions that are not discussed in the narrative section. The table present the results for the pension expenditures („Állami nyugdíjkiadások") and selected expenditures: health expenditures („Egészségügyi kiadások"), social care for elder people („Hosszú távú ápolási kiadások") and education („Oktatási kiadások") as percent of GDP. The exact assumptions are not detailed behind the projections, only certain elements. For example, the government assumed a fertility ratio of 2.1, and a dynamic GDP and wage growth during the period. Other assumptions were that the expenditures are based on the relevant population and the per capita expenditures will increase by the GDP growth rate, along with the already adopted policies like increasing the retirement age to 65 years and introducing the 13th month pension.

At the end the results are described as the changes in the expenditures as percent of GDP. The EBP certainly includes a long-term projection that covers more than 10 years, but the demographic and macroeconomic assumptions are vague because it is unknown what the "dynamic GDP and wage growth" means. Also, the narrative discussion does not highlight the fiscal implications and risks of the projection, so it misses core elements (discussion of fiscal implications and risks, macroeconomic assumptions).
The longest macroeconomic projection is on page 1307 of the EBP, but that only presents the data until FY 2026 (BY+3).
Another long-term projection in the EBP is the 50-year demographic projection used by the Pension Insurance Fund on pages 449-450. The source of the projection is not entirely known. In the EBP there is no reference to the source, but maybe it is based on the projections of the Central Statistical Office, though at the time of the submission of the EBP no updated CSO-projection was available (it was published later).
In Hungarian:
Őri Péter – Szabó Laura: A népesség szerkezete és jövője
https://www.demografia.hu/kiadvanyokonline/index.php/demografiaiportre/article/view/2888/2782
Obádovics Csilla, Tóth G. Csaba: A népesség szerkezete és jövője
https://www.demografia.hu/kiadvanyokonline/index.php/demografiaiportre/article/view/2836/2726
Table 2 on page 259
As no macroecnomic projection for at least 10 years is presented in the EBP, we opted for answer "c".

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

44. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of the sources of donor assistance, both financial and in-kind, for at least the budget year?

GUIDELINES:
Question 44 asks about estimates of donor assistance, both financial and in-kind assistance. Such assistance is considered non-tax revenue, and the sources of this assistance should be explicitly identified. In terms of in-kind assistance, the concern is primarily with the provision of goods (particularly those for which there is a market that would allow goods received as in-kind aid to be sold, thereby converting them into cash) rather than with in-kind aid like advisors from a donor country providing technical assistance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all donor assistance and a narrative discussing the assistance. If a narrative discussion is not included, but estimates for all donor assistance are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, donor assistance (regardless of whether it also includes a narrative discussion). Answer "c" also applies if the sources of donor assistance are not presented, but the total amount of donor assistance is presented as a single line item. Answer "d" applies if no estimates of donor assistance are presented. Select answer "e" if your country does not receive donor assistance.

Answer:
a. Yes, estimates of all sources of donor assistance are presented, along with a narrative discussion.

Source:
In Hungarian: Európai uniós költségvetési kapcsolatok
In English: Budgetary relations with the European Union
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
pp. 37-46

In Hungarian: XIX. Uniós fejlesztések
In English: Chapter XIX Developments financed from EU funds
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
pp. 27-76

In Hungarian: XLII. A költségvetés közvetlen bevételei és kiadásai – 6. cím: Uniós programok bevételei
In English: Chapter XLII Direct revenues and expenditures of the budget – Article 6 Revenues of EU programmes
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
pages 346-348

Comment:

The donor assistance mainly consists of the development funds received from the European Union. These are summarised in the table on page 39 where both the funds going through the budget (in table „Költségvetésben megjelenő EU támogatások") and outside the budget (in the table „Költségvetésen kívüli EU támogatások"). In the tables the column „Kiadások" shows the expenditures financed by the funds, the column „Bevétel" shows the donor funds received from the EU. (In the previous survey the non-EU funds, the part financed from other sources of the budget, were also presented in this table.) The row „EU források mindösszesen" shows the total of donor funds including funds in the budget and outside of it. The remaining tables on pages 40-45 list the exact appropriations where the donor funds appear in the budget.
The revenues described on pages 346-348 tell what programs that state will finance from the received funds.
The expenditures related to operative programmes are described in a more detailed way on pages 27-76 in Chapter XIX Developments financed from EU funds. This chapter explains the goals of the programmes but no performance indicator is attached for these goals.
There is no other significant donor assistance besides the EU funds.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

45. Does the Executive's Budget Proposal or any supporting budget documentation present information on tax expenditures for at least the budget year?

(The core information must include a statement of purpose or policy rationale for each tax expenditure, the intended beneficiaries, and an estimate of the revenue foregone.)

GUIDELINES:
Question 45 focuses on tax expenditures, asking whether "core" information related to these tax preferences is presented. These core components must include for both new and existing tax expenditures:

- *a statement of purpose or policy rationale;*
- *a listing of the intended beneficiaries; and*
- *an estimate of the revenue foregone.*

Tax expenditures arise as a result of exceptions or other preferences in the tax code provided for specified entities, individuals, or activities. Tax expenditures often have the same impact on public policy and budgets as providing direct subsidies, benefits, or goods and services. For example, encouraging a company to engage in more research through a special tax break can have the same effect as subsidizing it directly through the expenditure side of the budget, as it still constitutes a cost in terms of foregone revenues. However, expenditure items that require annual authorization are likely to receive more scrutiny than tax breaks that are a permanent feature of the tax code.

Beyond the core information, some governments may also provide other information about tax expenditures, including for example: the intended beneficiaries by sector and income class (distributional impact); a statement of the estimating assumptions, including the definition of the benchmark against which the foregone revenue is measured; and a discussion of tax expenditures as part of a general discussion of expenditures for those program areas that receive both types of government support (in order to better inform policy choices). For more details on tax expenditures, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf) and Principle 1.1.4 of the IMF's Fiscal Transparency Handbook (2018) (https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml).

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, all of the core information related to tax expenditures as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to tax expenditures is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on tax expenditures.

Answer:
c. Yes, information is presented, but it excludes some core elements or some tax expenditures.

Source:
In Hungarian: Főbb adó- és járulékkedvezmények
In English: Main tax and contribution exemptions
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ001.pdf
page 50

In Hungarian: XLII. fejezet A költségvetés közvetlen bevételei és kiadásai

In English: Chapter XLII Direct revenues and expenditures of the budget
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
pp. 337-370

Comment:
The EBP presents the foregone revenues for many tax exemptions in the cited summary table on page 50. The first column presents the lower estimate ("alsó becslés"), the second the upper bound ("felső becslés") of the estimate. Apart from the summary table further information is included about tax exemptions in some of the explanatory tables on pages 361 (Corporate Income Tax) and 368 (Personal Income Tax) In the case of CIT the line is called "5. Érvényesített adókedvezmények" (in English: 5. Tax credits used), while in the case of PIT lines 3a-3f give some details. The narrative discussion only references the tax expenditure in one case. On page 340 a 50% exemption is provided from the environmental pollution tax ("Környezetterhelési díj") for the environmentally friendly investments. This is in the sentence "A környezetkímélő beruházást végzők 50%-os díjkedvezményt vehetnek igénybe…". Essentially no information is presented in the narrative discussion about the policy rationale or the intended beneficiaries.
This additional information is mainly defined in other documents like the appropriate law or government press releases.
Because only the estimates of the revenue foregone is included in the EBP, the answer 'c' was maintained.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

46. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of earmarked revenues for at least the budget year?

GUIDELINES:
Question 46 asks about estimates of earmarked revenues, which are revenues that may only be used for a specific purpose (for example, revenues from a tax on fuel that can only be used for building roads). This information is important in determining which revenues are available to fund the government's general expenses, and which revenues are reserved for particular purposes.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all individual earmarked revenues and a narrative discussing the earmarks. If a narrative discussion is not included, but estimates for all individual earmarked revenues are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, earmarked revenues (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of earmarked revenues are presented. An "e" response applies if revenue is not earmarked or the practice is disallowed by law or regulation.

Answer:
c. Yes, estimates of some but not all earmarked revenues are presented.

Source:
In Hungarian: 1. melléklet
In English: Appendix 1
URL: https://www.parlament.hu/irom42/09894/09894.pdf
pages 63 and 91-93
In Hungarian: XVII. Energiaügyi Minisztérium - 20/35/4 jogcímcsoport Energia- és klímapolitikai modernizációs rendszer
In English: Chapter XVII Ministry of Energy – 20/35/4 Energy and climate policy modernisation
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ002.pdf
pp. 479-480

Comment:
Generally, the budget is globally financed, that means any revenue can be used to finance any expenditure. There are revenue sources that were levied for financing other related activities while reducing unwanted or detrimental effects.
In practice the authority responsible for planning makes an estimate for the revenue and similar expenditure items, but it is not clearly regulated to what extent the expenditure has to be increased/cut in the case of a revenue windfall/shortfalls. For example, the social contribution tax has the purpose of financing pensions, but the extra revenues may be taken by the central government to finance other expenditures, while deficits in the fund have to be compensated from general tax revenues.
The rules of earmarked revenues are not very strong.
One example is the revenue from selling CO2 quotas that has to be spent on „green goals". On page 479 of the EBP the text states that "Az előirányzat a kibocsátási egységek értékesítéséből származó bevételek zöldítési célra fordítandó forrásainak elkülönített kezelésére szolgál." (in

English: The appropriation serves the separate management of funds from the sale of emission units intended for greening purposes." Later in the text there is a list of more specific purposes, but without amounts, hence the bridge between revenues and expenditures cannot be established.

Some of the chapters might be treated as earmarked revenues and their related expenditures. For example, the Pension Insurance Fund and the social contribution tax as its revenue source on page 101, the Health Insurance Fund and social contributions as its revenue on pp. 102-103. These revenues finance broadly the linked purposes like pensions and healthcare services. For example, the fat tax („népegészségügyi termékadó") was levied to facilitate healthy diet and make unhealthy foods costly and to finance public health programs. However, in the budget this link is not clear: the revenue is added with other sources and is not linked to specific expenditures.
The justification for fat tax is in the first paragraph below the title of act CIII of 2011 on the fat tax:
https://net.jogtar.hu/jogszabaly?docid=a1100103.tv

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

47. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for the budget year?

GUIDELINES:
Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget — that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-21 of New Zealand's 2024 Strategic Intentions (https://www.treasury.govt.nz/publications/corporate-documents/strategic-intentions), one of the many documents supporting its budget.

In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.

Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.

Answer:
c. Yes, information that shows how the proposed budget is linked to some but not all of the government's policy goals for the budget year is presented.

Source:
In Hungarian: Az általános indokolás – A kormány gazdaságpolitikájának fő vonásai, az államháztartás alakulása
In English: The General Justification – Main characteristics of the economic policy of the government, the state of the budget
URL: https://www.parlament.hu/irom42/09894/09894.pdf
pp. 221-226

Comment:
"A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion)."
To prove the applicability of answer "c" we have to show that there are examples of government policies for which the EBP provides estimates, and there are examples, for which it doesn't.
Positive example:
- On page 222 of the General Justification "2024. októberben a Kormány … Új Gazdaságpolitikai Akciótervet fogadtott el… három pillére 21 pontban kívánja megvalósítani a jövedelmek vásárlóerejének növelését, az országos lakhatási feltételek javítását, valamint a hazai vállalkozások méretének

növelését (Demján Sándor Program).” [in English: In October 2024, the Government... adopted a New Economic Policy Action Plan... which aims to implement the increase in the purchasing power of incomes, improve national housing conditions, and increase the size of domestic businesses (Demján Sándor Program) through three pillars in 21 points.]
- On page 223 of the General Justification some measures are mentioned as surving the goals of the New Economic Policy Action Plan. E.g. „Kiemelendő ... a Széchenyi Kártya Program beruházási típusú hiteltermékei esetében a fizetendő éves kamat 3,5%-ra csökkentése” (in English: Noteworthy ... in the case of the investment-type loan products of the Széchenyi Card Program, the reduction of the annual interest rate to 3.5%.)
- On page 206 of the Detailed Justification: „A 2025. évre biztosított források a determinációkra, ..., továbbá a determinációkon felül a 2025. évben létrejövő új konstrukciók (tervezetten 49 554,3 millió forint) támogatására szolgálnak.” [in English: The resources provided for 2025 are intended for the determinations, ..., as well as for the support of new schemes that will be created in 2025 beyond the determinations (planned at 49,554.3 million forints).]
- Hence here we get an estimate (49.5 bn HUF) that is supposed to finance some specific new SME loans, that serve the government’s core policy goal to help doubling the size of SMEs.

Negative example:
- On page 222 of the General Justification “jövőre is kiemelten kezeli Magyarország biztonságának megőrzését, a honvédelmi kiadások GDParányos szintjének megtartását …” However,
- on page 35 in the functional classification of government expenditures as a percent of GDP we see that spending on defence (F02) as a share of total spending (not GDP!) is falling from the 5.6% in 2024 to 4.9% in 2025.
- There is no explanation to resolve this contradiction and to reestablish the bridge between the budget numbers and the policy goals.

Links for the supporting documents
In Hungarian: A 2023-as költségvetési törvényjavaslat I. fejezeti kötete
In English: Volume I of the supporting documents for the EBP for FY 2023
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ002.pdf

In Hungarian: A 2023-as költségvetési törvényjavaslat II. fejezeti kötete
In English: Volume II of the supporting documents for the EBP for FY 2023
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

48. Does the Executive’s Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government’s policy goals for a multi-year period (for at least two years beyond the budget year)?

GUIDELINES:
Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government’s policy goals. The budget is the executive’s main policy document, the culmination of the executive’s planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget — that is, an explicit explanation of how the government’s policy goals are reflected in its budget choices. For an example of a discussion of a government’s policy goals in the budget, see New Zealand’s 2022 Summary of Initiatives in Budget and Wellbeing Budget 2022: A Secure Future 2022 (https://www.treasury.govt.nz/publications/budgets/budget-2022), a few of the many documents supporting its budget.

In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive’s Budget Proposal. So the question is examining whether government policy plans are “translated” into revenue and expenditure figures in the actual budget documents.

Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer “a,” the Executive’s Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government’s policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer “b” for either question, the Executive’s Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government’s policy goals, but no narrative discussion is included. A “c” response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government’s policy goals (regardless of whether it also includes a narrative discussion). Answer “d” applies if no information is presented on how the budget is linked to government’s policy goals.

Answer:
d. No, information on the link between the budget and the government's stated policy goals for a multi-year period is not presented.

Source:
In Hungarian: Az általános indokolás – A kormány gazdaságpolitikájának fő vonásai, az államháztartás alakulása – II. Az államháztartás célja és keretei
In English: The General Justification – Main characteristics of the economic policy of the government, the state of the budget – II. Goals and settings of the state finances
URL: https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf
pp. 222-227

Comment:
The narrative discussion mentions goals only for FY 2025 and the EBP only contains information on medium term spending only in the case of a very limited number of budgetary programs (see question 8), but even in those cases there is no information about the estimated effect of new policy measures for the out-years, not even the requirements for the answer "c" can be met.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

49. Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on inputs to be acquired for at least the budget year?

GUIDELINES:
Question 49 asks about the availability of nonfinancial data on inputs for the budget year. (Nonfinancial data on outputs and outcomes are addressed in Question 50.)

The budget should disclose not only the amount of money that is being allocated on a program but also any information needed to analyze that expenditure. Nonfinancial data and performance targets associated with budget proposals are used to assess the success of a given policy. For example, even when allocated funds are spent according to plan, there remains the question of whether the policy delivered the results that it aimed to achieve.

Nonfinancial data can include information on:

Inputs - These are the resources assigned to achieve results. For example, in regards to education, nonfinancial data on inputs could include the number of books to be provided to each school or the materials to be used to build or refurbish a school.
Outputs - These are products and services delivered as a result of inputs. For example, the number of pupils taught every year; the number of children that received vaccines; or the number of beneficiaries of a social security program.
Outcomes - These are the intended impact or policy goals achieved. For example, an increase in literacy rates among children under 10, or a reduction in rates of maternal mortality.

In addition, governments that set performance targets must use nonfinancial data for outputs and outcomes to determine if these targets have been met.

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on inputs for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on inputs for each individual program is organized by functions. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on inputs for all administrative units or all functions, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on inputs are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on inputs is presented.

Answer:
b. Yes, nonfinancial data on inputs are presented for all administrative units (or functions) but not for all (or any) programs.

Source:
In Hungarian: XIV. Belügyminisztérium – 9. cím 2. alcím Gyógyító-megelőző ellátás intézetei

In English: Chapter XIV Ministry of Interior – Title 9 Subtitle 2 Institutions of Curative-Preventive Care
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ002.pdf
pp. 343-344

In Hungarian: XLI. Adósságszolgálattal kapcsolatos bevételek és kiadások
In English: XLI. Revenues and Expenditures Related to Debt Management
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ002.pdf
pp. 89

Comment:
The chapter-level narrative discussions generally present the allowed number of employees for each institution. hospitals
the allowed number of employees is 83,493 persons as shown in the column "Átlagos statisztikai állományi létszám (fő)" on page 343.
This mainly explains the expenditure of the compensation of employees (Wages + social contributions).
Such data are only available for direct budget users and only for the number of employees. Non-financial data for not all indirect budget users are presented. E.g. on page 89 in the chapter on debt management there is a line called "Adósságkezelés költségei" (in English: Cost of managing the debt) The appropriated 2482.5 mHUF mainly finances the Government Debt Management Agency (ÁKK Zrt.), which is a government agency classified by Eurostat as part of the general government, but its legal form is not a "budgetary institution", but rather a limited company 100% owned and controlled by the government. In the EBP there is no information about the number of employees in this agency.
Beyond the number of employees there is no other input indicator published for budget users. E.g. office space used by the institutions is not presented.

For other cases there is sporadic information about nonfinancial data on inputs. Compared to the previous Survey we only found one case where the nonfinancial data can be interpreted as input.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

50. Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on results (in terms of outputs or outcomes) for at least the budget year?

GUIDELINES:
Question 50 asks about the availability of nonfinancial data on results for the budget year. Nonfinancial data on results can include data on both outputs and outcomes, but not on inputs (which are addressed in Question 49).

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on results for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on results for each individual program is organized by functional classification. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on results for all administrative units or all functional classifications, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on results are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on results is presented.

Answer:
c. Yes, nonfinancial data on results are presented for some programs and/or some administrative units (or functions).

Source:
In Hungarian: XX. Kulturális és Innovációs Minisztérium – 6. cím Szakképzési Centrumok
In English: Chapter XX Ministry for Culture and Innovation – Title 6 Centers of technical vocational training
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
pp. 94-95

In Hungarian: XII. Agrárminisztérium - 6. cím Mezőgazdasági középfokú szakoktatás intézményei
In English: Chapter XII Ministry for Agriculture – Title 6 Agricultural secondary schools
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ002.pdf
pp. 211-213

In Hungarian: XII. Agrárminisztérium - 21/2 Uniós programok kiegészítő támogatása - Igyál tejet program
In English: Chapter XII Ministry for Agriculture – 21/2 Supplementary support of EU programs - "Drink milk" program
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ002.pdf
page 236

In Hungarian: XIII. Honvédelmi Minisztérium - 21. Sport feladatokhoz kapcsolódó fejezeti kezelésű előirányzatok cím - 21/4 Sportegészségügy, sporttudomány támogatása
In English: Chapter XIII Ministry for National Defence – 21 Chapter-administered appropriations related to sport tasks - 21/4 Support for sport healthcare, sport science
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ002.pdf
page 278-279

Comment:
The narrative discussion describes the aim of the appropriations mostly in legal terms, sometimes in practical terms, but does not attach to it numerical expected results systematically. There are sporadic examples for nonfinancial results but in most of the cases these is only the number of beneficiaries.
In the cases of the Centers of technical vocational training and the Agricultural secondary schools the number of students is presented. The former is in the sentence "A 2023/2024. tanév tanulólétszáma és a felnőttképzési jogviszonyban részt vevő személyek száma együttesen meghaladta a 231 ezer főt." (The number of students and the number of persons involved in the trainings in the 2023/2024 year exceeded 231 thousand.) on page 95, while the latter is in the sentence "Az AM a teljes országot lefedő iskolahálózattal rendelkezik, ahol több mint 16 000 diák tanul." (The Ministry has a country-wide school network where more than 16 thousand students are learning.) on page 212.
In the case of the "Igyál tejet" program the number of beneficiaries is shown in the sentence "A 2024/2025. tanévben már 2753 oktatási intézmény 426 530 tanulója jut rendszeresen friss tejhez, tejtermékhez." (In the 2021/2022 year 442 143 students from 2751 institution received regularly fresh milk and dairy products) on page 565.
There are also outputs where the nonfinancial data cannot be linked with the exact amount. On page 279 it is described that the anti-doping organisation must conduct between 1800-2000 samples a year, but the item covers other expenditure like health checks of athletes, thus the cost efficiency of the anti-doping task cannot be evaluated.
For some programs minimal information about the number of beneficiaries were presented in the EBP but this was not systematic throughout the documents. The presentation is ad hoc but since it provides more information than the documents in the previous Survey we selected answer 'c'.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

51. Are performance targets assigned to nonfinancial data on results in the Executive's Budget Proposal or any supporting budget documentation?

GUIDELINES:
Question 51 asks about performance targets assigned to nonfinancial data on results for the budget year. The question applies to those nonfinancial results shown in the budget, and that were identified for purposes of Question 50.

To answer "a," the Executive's Budget Proposal or supporting documentation must assign performance targets to all nonfinancial data on results shown in the budget for at least the budget year. To answer "b," the Executive's Budget Proposal or supporting documentation must assign performance targets to a majority (but not all) of the nonfinancial data on results shown in the budget. A "c" response applies performance targets are assigned only to less than half of the nonfinancial data on results. Answer "d" applies if no performance targets are assigned to nonfinancial data on results shown in the budget, or the budget does not present nonfinancial results.

Answer:
d. No, performance targets are not assigned to nonfinancial data on results, or the budget does not present nonfinancial data on results.

Source:
In Hungarian: XIV. Belügyminisztérium - 20. cím Fejezeti kezelésű előirányzatok - 20. cím 33. alcím Egészségügyi ágazati előirányzatok - 20. cím 33. alcím 1. jogcímcsoport Egészségügyi ellátási és fejlesztési feladatok
In English: Chapter XIV Ministry of Interior – Title 20 Chapter-administered appropriations - Title 20 Subtitle 33 Appropriations for healthcare sector - Title 20 Subtitle 33 Article 1 Healthcare and development tasks
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ002.pdf
pp. 380-382

In Hungarian: I. Országgyűlés – 21. cím Nemzeti Adatvédelmi és Információszabadság Hatóság
In English: Chapter I Parliament – Title 21. National Authority of Data Protection and Freedom of Information
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ002.pdf
page 35

Comment:
There are no systemic performance targets since there are no regular performance indicators in the EBP either at chapter or functional level. In some cases, there are determined goals, but those are sporadic in the document. The below mentioned examples are either vague or not used to measure the effective use of funds, so we did not evaluate them as performance goals.
On pages 381 the EBP states that "a Kormány által megfogalmazott célkitűzések (pl. lakosság motiválás a szűrővizsgálatokon való részvételre, illetve az egészséges életévek számának további növelése)" [in English: the goals set by the Government (e.g., motivating the population to participate in screening tests, as well as further increasing the number of healthy years lived)]
On page 35 the National Authority of Data Protection and Freedom of Information states that its EU-financed project aims to increase GDPR-awareness among micro enterprises. "A Hatóság a CERV-2024 DATA uniós pályázati felhívás keretében 2024-ben benyújtott és az Európai Bizottság által sikeresnek ítélt két éves futamidejű „AWARE" projekt keretében szeretné megszólítani a mikrovállalkozásokat a GDPR-ral kapcsolatos tudatosság növelése céljából. "
[in English: The Authority aims to reach out to micro-enterprises under the framework of the CERV-2024 DATA EU funding call with the two-year 'AWARE' project, submitted in 2024 and deemed successful by the European Commission, to raise awareness about GDPR.]
Typically EU-financed projects require performance indicators, and the program is already beyond the preparatory phase, still the EBP does not provide any information about the definition and the targeted value of the output/outcome indicator attached.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

52. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations in at least the budget year?

GUIDELINES:
Question 52 asks whether the budget highlight policies, both new and existing, that benefit the poorest segments of society. This question is intended to assess only those programs that directly address the immediate needs of the poor, such as through cash assistance programs or the provision of housing, rather than indirectly, such as through a stronger national defense. This information is of particular interest to those seeking to bolster government's commitment to anti-poverty efforts. For purposes of answering this question, a departmental budget (such for the Department of Social Welfare) would not be considered acceptable. In general, this question is asking whether the EBP includes a special presentation that pulls together estimates of all the relevant policies in one place. However, if the country uses "program budgeting," where programs are presented as expenditure categories with specific and identified objectives, and it identifies anti-poverty programs within each administrative unit, then that is also acceptable for this question.

The IBP Budget Brief, "How Transparent are Governments When it Comes to Their Budget's Impact on Poverty and Inequality?" (https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf) includes a discussion of countries that have provided information on how its policies affect the poor.

For instance, Pakistan provides a detailed breakdown of pro-poor expenditure as part of its 2017-18 budget proposal. In one document, the government sets out policy priorities, expected outputs, and estimates of past and future spending for several programs aimed at poverty alleviation. Another supporting document provides a comprehensive overview of ongoing policies, including a chapter on social safety nets, covering both financial and performance information of poverty alleviation schemes over a period of eight years. (http://www.finance.gov.pk/budget/mtbf_2018_21.pdf and http://www.finance.gov.pk/survey_1718.html).

To answer "a," the Executive's Budget Proposal or supporting documentation must for at least the budget year both present estimates covering all policies that are intended to benefit the most impoverished populations and include a narrative discussion that specifically addresses these policies. (For countries using program budgeting that breaks out individual anti-poverty programs, there should be a separate narrative associated with each such program.) Answer "b" if a narrative discussion is not included, but estimates for all policies that are intended to benefit the most impoverished populations are presented. Answer "c" if the presentation includes estimates covering only some, but not all, policies that are intended to benefit the most impoverished populations (regardless of whether it also includes a narrative discussion). Answer "d" if no estimates of policies that are intended to benefit the most impoverished populations are presented.

Answer:
c. Yes, estimates of some but not all policies that are intended to benefit directly the country's most impoverished populations are presented.

Source:
In Hungarian: XIV. Belügyminisztérium – 20/5 Társadalmi felzárkózást segítő programok
In English: Chapter XIV Ministry of Interior – 20/5 Programs for social integration
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ002.pdf
pp. 354-357

In Hungarian: XIX. Uniós fejlesztések - 03/09 Kohéziós politikai operatív programok 2021-2027 alcím - 03/09/03 Emberi Erőforrás Fejlesztési OP Plusz (EFOP Plusz) jogcímcsoport
In English: Chapter XIX Union developments – 03/09 Cohesion politics operational programmes 2021-2027 – 03/09/03 Operational programmes for Human Resource Development
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
pp. 64-65

In Hungarian: XIV. Belügyminisztérium – 20/34 Megváltozott munkaképességű munkavállalók foglalkoztatásának támogatása
In English: Chapter XIV Ministry of Interior – 20/34 Employment programs for disabled persons
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ002.pdf
pp. 384-385

In Hungarian: LXIII. Nemzeti Foglalkoztatási Alap - 6. Start-munkaprogram
In English: Chapter LXIII National Employment Fund - 6 Start labour program
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
page 416-417

In Hungarian: XV. Pénzügyminisztérium - 26/5 Nemzeti Család- és Szociálpolitikai Alap
In English: Chapter XV Ministry of Finance - 26/5 National Family and Social Policy Fund
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ002.pdf
pp. 420-422

Comment:
The policies or expenditures intended for the most impoverished population are included fully in the EBP, i.e. no public money to be spent at least partly on this social group is outside ethe budget (except for eventual quasi-fiscal operation already mentioned under question 38), but the exact amount allocated for this group cannot be determined.
Similarly to the previous Survey these expenditures were dispersed among several chapters in the EBP. The cited examples are presented separately and explicitly, but there are other expenditures in the EBP that are not shown separately.
- The programs for social integration include expenditures for social integration, scholarships and educational programs for the most impoverished.
- The operational programme for the most impoverished (these funds are donations from the European union) provides food and basic goods for the most deprived, like poor families, homeless persons, disabled persons and elder persons with low income.
- The third cited example is the wage support and related expenditures for the employment of disabled persons.
- An additional example is the Start labour program, a public labour program for those who have minimal chance for other employments because of lack of skills or other reasons. (The program was launched 12 years ago)
Nearly all of these supports appear in different chapters of the central budget.
The most impoverished can also receive support from the subsidies of local governments and the general social benefits. The local governments can apply for subsidy for providing social services to homeless persons, disabled persons or social catering. This subsidy is presented in the EBP aggregated with other subsidies to local governments as subsidies of social services that also include funds for maintaining nurseries and kindergartens [on pages 449-450 in the appropriation „A települési önkormányzatok egyes szociális és gyermekjóléti feladatainak támogatása" (in English: Subsidy for certain social and child welfare tasks of local governments)].
The same applies to the general social subsidies, because the allocation of the subsidies among different social groups is not presented, hence it is unknown how much of it goes to the most impoverished people. The social subsidies are grouped by legal terms instead (see National Family and Social Policy Fund on pp. 420-422).
While all the policies and expenditures are included in the EBP, most of them are aggregated with other expenditures, hence "melt" in the numbers, so not all the policies and expenditures can be assessed exactly.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

53. Does the executive release to the public its timetable for formulating the Executive's Budget Proposal (that is, a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation)?

GUIDELINES:
Question 53 asks about the budget timetable. An internal timetable is particularly important for the executive's management of the budget preparation process, in order to ensure that the executive accounts for the views of the different departments and agencies in the proposed budget. The timetable would, for instance, set deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. So that civil society is aware of the various steps in the budget formulation process, and when opportunities may exist to engage the executive, it is essential that this timetable be made available to the public.

To answer "a," the executive must prepare a detailed budget timetable and release it to the public. A "b" answer applies if the timetable is made public, but some details are not included. A "c" response applies if the timetable is made public, but many important details are excluded, reducing its value for those outside government. Answer "d" applies if no timetable is made available to the public. As long as a timetable for formulating the Executive's Budget Proposal is released, answer "a,""b," or "c" may be selected, even if the Executive's Budget Proposal is not made publicly available.

Answer:
d. No, a timetable is not issued to the public.

Source:
In Hungarian: Tájékoztató a 2025. évi költségvetési törvényjavaslat összeállításához szükséges feltételekről és az érvényesítendő követelményekről – I. A tervezés ütemezése, paraméterei
In English: Informant on the assumptions and requirements for the tabling Executive's Budget Proposal for FY 2025 – I. Timetable and parameters for formulating the budget
URL:
For 2025: https://ngmszakmaiteruletek.kormany.hu/download/a/f8/33000/2025_Tervez%C3%A9si%20T%C3%A1j%C3%A9koztat%C3%B3.pdf
For 2023: https://ngmszakmaiteruletek.kormany.hu/download/d/90/f2000/2023_tervezesi_tajekoztato.pdf
page 2

Comment:
Until 2023 the budget circulars (https://kormany.hu/nemzetgazdasagi-miniszterium/koltsegvetes) contained the deadlines for submission of the various interim and final documents of the budget preparation process. From the 2024 budget bill onwards, the circular only describes the process, but without dates.
E.g. in 2023 the sentence in the circular (page 2) was the following:
In Hungarian :"A fejezetgazdák a Tájékoztatóban foglalt elvek és a Pénzügyminisztérium (a továbbiakban: PM) által meghatározott paraméterek alapján elkészítik az összevont költségvetési tervüket. A normaszöveg javaslataikat május 18-ig megküldik a PM-nek. A számszaki levezetések, háttérszámítások beküldési határideje szintén május 18."
In English: "The chapter managers prepare their consolidated budget plan based on the principles outlined in the Information and the parameters defined by the Ministry of Finance (hereinafter: PM). They will send their proposals for the normative text to the PM by May 18. The deadline for submitting numerical justifications and background calculations is also May 18."
In 2025:
In Hungarian: "A fejezetgazdák a Tájékoztatóban foglalt elvek és paraméterek alapján elkészítik az összevont költségvetési tervüket – egységes rovatrend szerint –, és a normaszöveg-javaslataikkal együtt megküldik a Pénzügyminisztérium (PM) költségvetésért felelős helyettes államtitkárának."
In English: "The chapter managers prepare their consolidated budget plan based on the principles and parameters contained in the Guide - according to a unified item classification - and send it to the Deputy State Secretary responsible for the budget at the Ministry of Finance (PM) along with their proposed standard text."

Probably the main reason for this was the fact that the government changed its mind. In December 2023 the government submitted to the parliament the tentative legislative calendar for the first half of 2024, including the budget bill for 2025 (https://jogaszvilag.hu/szakma/jogszabalyfigyelo-2024-1-het/), but in fact the budget bill was submitted to the parliament only in November 2024. In between, probably the administration had to handle the situation, i.e. kick off the process, but without preset deadlines. A clear cut case for the lack of transparency, not only for the outside world, but probably even for the civil servants themselves.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

54. Does the Pre-Budget Statement present information on the macroeconomic forecast upon which the budget projections are based?

(The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)

GUIDELINES:

Question 54 focuses on the macroeconomic forecast that underlies the Pre-Budget Statement, asking whether "core" information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:

- *nominal GDP level;*
- *inflation rate;*
- *real GDP growth; and*
- *interest rates.*

Beyond these core elements, some governments also provide additional information related to the economic outlook, including for instance: short- and long-term interest rates; the rate of employment and unemployment; GDP deflator; price of oil and other commodities; current account; exchange rate; and composition of GDP growth.

To answer "a," the Pre-Budget Statement must present all of the core information related to the macroeconomic forecast as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the macroeconomic forecast is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the macroeconomic forecast is presented.

Answer:
d. No, information related to the macroeconomic forecast is not presented.

Source:
N/A

Comment:
The government did not publish a Pre-Budget Statement.
In the previous years the government published a fiscal outlook. The last version was published in December 2023 with the title „Makrogazdasági és költségvetési előrejelzés 2023-2027" (Macroeconomic and fiscal outlook 2023-2027). This version included a macroeconomic outlook on page 2 but this document could have been evaluated for FY 2024. For this reason we did not asses it as Pre-Budget Statement for FY 2025.

URL to the Macroeconomic and fiscal outlook:
https://cdn.kormany.hu/uploads/document/3/30/309/30994348ca1ade182556c0a35e09b2fef18167ea.pdf

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

55. Does the Pre-Budget Statement present information on the government's expenditure policies and priorities that will guide the development of detailed estimates for the upcoming budget?

(The core information must include a discussion of expenditure policies and priorities and an estimate of total expenditures.)

GUIDELINES:

Question 55 focuses on the government's expenditure policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these

policies is presented. These core components include:

- *a discussion of expenditure policies and priorities; and*
- *an estimate of total expenditures.*

Although a Pre-Budget Statement is unlikely to include detailed programmatic proposals (such detailed information is typically only presented in the budget itself), it should include a discussion of broad policy priorities and a projection of at least total expenditures associated with these policies for the budget year. The Pre-Budget Statement can include some detail, for instance, estimates provided by any of the three expenditure classifications — by administrative, economic, and functional classifications.

To answer "a," the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government's expenditure policies and priorities as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the government's expenditure policies and priorities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the government's expenditure policies and priorities is presented.

Answer:
d. No, information related to the government's expenditure policies and priorities is not presented.

Source:
N/A

Comment:
The government did not publish a Pre-Budget Statement.
In the previous years the government published a fiscal outlook. The last version was published in December 2023 with the title „Makrogazdasági és költségvetési előrejelzés 2023-2027" (Macroeconomic and fiscal outlook 2023-2027). The document did not contain any narrative discussion about the expenditure policies or priorities. The table on page 4 presented the expenditure totals for the upcoming years. Since this document could have been evaluated only for FY 2024 we did not assess it as Pre-Budget Statement for FY 2025.

URL to the Macroeconomic and fiscal outlook:
https://cdn.kormany.hu/uploads/document/3/30/309/30994348ca1ade182556c0a35e09b2fef18167ea.pdf

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

56. Does the Pre-Budget Statement present information on the government's revenue policies and priorities that will guide the development of detailed estimates for the upcoming budget?

(The core information must include a discussion of revenue policies and priorities and an estimate of total revenues.)

GUIDELINES:
Question 56 focuses on the government's revenue policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these policies is presented. These core components include:

- *a discussion of revenue policies and priorities; and*
- *an estimate of total revenue.*

Although a Pre-Budget Statement is unlikely to include detailed revenue proposals, it should include a discussion of broad policy priorities and a projection of at least the total revenue associated with these policies for the budget year. The Pre-Budget Statement can also include more detail, for instance, with estimates provided by revenue category — tax and non-tax — or some of the major individual sources of revenue, such as the Value Added Tax or the income tax.

To answer "a," the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government's revenue policies

and priorities as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the government's revenue policies and priorities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the government's revenue policies and priorities is presented.

Answer:
d. No, information related to the government's revenue policies and priorities is not presented.

Source:
N/A

Comment:
The government did not publish a Pre-Budget Statement.
In the previous years the government published a fiscal outlook. The last version was published in December 2023 with the title „Makrogazdasági és költségvetési előrejelzés 2023-2027" (Macroeconomic and fiscal outlook 2023-2027). The document did not contain any narrative discussion about the revenue policies or priorities. The table on page 3 presented the total revenue estimates by main revenues sources for the upcoming years. Since this document could have been evaluated only for FY 2024 we did not assess it as Pre-Budget Statement for FY 2025.

URL to the Macroeconomic and fiscal outlook:
https://cdn.kormany.hu/uploads/document/3/30/309/30994348ca1ade182556c0a35e09b2fef18167ea.pdf

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

57. Does Pre-Budget Statement present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

GUIDELINES:

Question 57 asks whether the Pre-Budget Statement includes three key estimates related to borrowing and debt:

- *the amount of net new borrowing needed in the upcoming budget year;*
- *the central government's total debt burden at the end of the upcoming budget year; and*
- *the interest payments on the outstanding debt for the upcoming budget year.*

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," the Pre-Budget Statement must present all three estimates of borrowing and debt for at least the upcoming budget year. For a "b" answer, the Pre-Budget Statement must present two of those three estimates. For a "c" answer, the PBS must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the PBS.

Answer:
d. No, none of the three estimates related to government borrowing and debt are not presented.

Source:
N/A

Comment:
The government did not publish a Pre-Budget Statement.
In the previous years the government published a fiscal outlook. The last version was published in December 2023 with the title „Makrogazdasági és költségvetési előrejelzés 2023-2027" (Macroeconomic and fiscal outlook 2023-2027). The document only contained the total of interest payments on page 4 in the line "Adósságszolgálati kamatkiadások". Since this document could have been evaluated only for FY 2024 we did not assess it as Pre-Budget Statement for FY 2025.

URL to the Macroeconomic and fiscal outlook:
https://cdn.kormany.hu/uploads/document/3/30/309/30994348ca1ade182556c0a35e09b2fef18167ea.pdf

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

58. Does the Pre-Budget Statement present estimates of total expenditures for a multi-year period (at least two-years beyond the budget year)?

GUIDELINES:
Question 58 asks about multi-year expenditure estimates in the Pre-Budget Statement.

To answer "a," expenditure estimates for at least two years beyond the upcoming budget year must be presented. The estimates must be for at least total expenditures, but could include more detail than just the aggregate total.

Answer:
b. No, multi-year expenditure estimates are not presented.

Source:
N/A

Comment:
The government did not publish a Pre-Budget Statement.
In the previous years the government published a fiscal outlook. The last version was published in December 2023 with the title „Makrogazdasági és költségvetési előrejelzés 2023-2027" (Macroeconomic and fiscal outlook 2023-2027). The document contained multi-year forecasts for the expenditures on page 4. The line "Kiadási főösszeg" shows the total expenditures, the lines above it shows the expenditures by main groups. The last forecast year was 2027 that was three years beyond the FY 2024. Since this document could have been evaluated only for FY 2024 we did not assess it as Pre-Budget Statement for FY 2025.

URL to the Macroeconomic and fiscal outlook:
https://cdn.kormany.hu/uploads/document/3/30/309/30994348ca1ade182556c0a35e09b2fef18167ea.pdf

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

59. Does the Enacted Budget present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:
Question 59 asks if expenditure estimates in the Enacted Budget are presented by any one of the three expenditure classifications — by administrative, economic, and functional classifications — which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative classification indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

Answer "None of the above" applies if expenditure estimates are not presented by any of the three classifications.

Select all that apply:

Answer:
Administrative classification

Source:
In Hungarian: 1. melléklet a 2024. évi XC. törvényhez
In English: Appendix 1 of the Act XC of 2024
URL: https://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK24136.pdf
pp. 10635-10696

Comment:
The enacted budget only presents the expenditures by administrative classification. Appendix 1 shows nearly all the institutions separately and the broad categories, like Ministries, can be distinguished.
Appendix 1 presents some of the expenditures in economic classification, but only for the institutions. The current expenditures are shown in two lines as personal costs („Személyi juttatások") and other current expenditures („Egyéb működési kiadások"), while the capital expenditures in the column „Felhalmozási kiadások". The chapter-level appropriations ("Fejezeti kezelésű előirányzatok") are not detailed even at this level, so the presentation is not comprehensive.
Economic or functional classification is not made for the enacted budget.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

60. Does the Enacted Budget present expenditure estimates for individual programs?

GUIDELINES:
Question 60 asks if expenditure estimates in the Enacted Budget are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

***A note for francophone countries**: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

To answer "a," the Enacted Budget must present all programs, which account for all expenditures, in the budget year. To answer "b," the Enacted Budget must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if the Enacted Budget presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Enacted Budget.

Answer:
a. Yes, the Enacted Budget presents estimates for programs accounting for all expenditures.

Source:
In Hungarian: 1. melléklet a 2024. évi XC. törvényhez
In English: Appendix 1 of the Act XC of 2024
URL: https://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK24136.pdf
pp. 10635-10696

Comment:
Appendix 1 of the enacted budget presents all the expenditures.
For assessing the question we treated all the details below ministry-level (budgetary institutions and appropriations alike) as “programs”. In this sense all the expenditures are classified to a program and its goal can be derived from the name in nearly all cases.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

61. Does the Enacted Budget present revenue estimates by category (such as tax and non-tax)?

GUIDELINES:
Question 61 asks whether revenue estimates in the Enacted Budget are presented by “category”— that is, whether tax and non-tax sources of revenue are shown separately.

To answer “a,” the Enacted Budget must present revenue estimates classified by category.

Answer:
b. No, the Enacted Budget does not present revenue estimates by category.

Source:
In Hungarian: 1. melléklet a 2024. évi XC. törvényhez
In English: Appendix 1 of the Act XC of 2024
URL: https://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK24136.pdf
pp. 10635-10696

Comment:
The total numbers for the two categories are not presented explicitly in the enacted budget.
The tax and non-tax revenues are presented individually in Appendix 1.
Most of the revenues are presented in chapter XLII Direct revenues and expenditures of the budget (“XLII. A költségvetés közvetlen bevételei és kiadásai”) on pp. 10683-10685. In this chapter the similar tax revenues are grouped together: revenues from corporations (“Vállalkozások költségvetési befizetései”) contain corporate income tax („Társasági adó”), tax on company cars („Cégautóadó”), tax of small enterprises („Kisadózók tételes adója” and „Kisvállalati adó”) and tax on the retail sector ("Kiskereskedelmi adó") among others.
In chapter XLII taxes on consumption (“Fogyasztáshoz kapcsolt adók”) list VAT („Általános forgalmi adó”) or excise tax („Jövedéki adó”). Other notable tax revenues appear in the Pension Insurance Fund (“LXXI. Nyugdíjbiztosítási Alap”) and Health Insurance Fund (“LXXII. Egészségbiztosítási Alap”) in the line “Szociális hozzájárulási adó” on pages 10694 and 10695.
Similarly some of the non-tax revenues are presented in the chapter about assets of the state („XLIII. Az állami vagyonnal kapcsolatos bevételek és kiadások”) as revenues from selling assets („Ingatlan értékesítéséből származó bevételek”) on page 10686. Some of the non-tax revenues are dispersed in other chapters, for example the majority of dividends ("Osztalékbevételek") are presented in chapter XXI Cabinet Office of the Prime Minister ("XXI. Miniszterelnöki Kabinetiroda") on page 10669 and in chapter XVII Ministry of Energy (“XVII. Energiaügyi Minisztérium”) on page 10661 and the revenue from CO2 emission quotas ("Kibocsátási egységek értékesítéséből származó bevételek") also in chapter XVII Ministry of Energy ("XVII. Energiaügyi Minisztérium") on page 10661. At the same time another portion of the non-tax revenues are not presented individually, and the revenues of certain institutions (for example universities) can derive from several sources (tuition fees, research grants).
The different revenue categories can only be identified, if someone assesses individually all the revenue sources for the totals of each categories, because many sources cannot be categorised based solely on the data in appendix 1. The revenue sources are scattered throughout the chapters in the budget and all of them need to be investigated to get a summary about the tax and non-tax revenue categories.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

62. Does the Enacted Budget present individual sources of revenue?

GUIDELINES:
Question 62 asks whether revenue estimates for individual sources of revenue are presented in the Enacted Budget. The question applies to both tax and non-tax revenue.

To answer "a," the Enacted Budget must present all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Enacted Budget must present individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Enacted Budget presents individual sources of revenue that account for less than two-thirds of revenues. Answer "d" applies if individual sources of revenue are not presented.

Answer:
a. Yes, the Enacted Budget presents individual sources of revenue accounting for all revenue.

Source:
In Hungarian: 1. melléklet a 2024. évi XC. törvényhez
In English: Appendix 1 of the Act XC of 2024
URL: https://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK24136.pdf
pp. 10635-10696

Comment:
Appendix 1 includes all the revenue sources and its structure is the same as in the EBP.
Because of the institution-based structure the institutions' own revenues are not detailed and sometimes this revenue may include several different sources. For example the revenues of the universities, high schools ("Egyetemek, főiskolák") on page 10665 include tuition fees and research grants as well, but these are not detailed. This means not all the revenue sources can be identified exactly, but all the revenues are included in some form.
The revenue sources (especially the tax revenues) are more scattered throughout the chapters than in the previous years, thus the whole appendix needs to be investigated to identify all of the revenue sources.
For example at the time of the previous Survey the tax on financial institutions ("Pénzügyi szervezetek befizetései") and tax on energy sector ("Energia ágazat befizetései") appeared in chapter L Energy tariff protection fund ("L. Rezsivédelmi Alap") and chapter LI National Defence Fund ("LI. Honvédelmi Alap") but now they were moved back to chapter XLII Direct revenues and expenditures of the budget ("XLII. A költségvetés közvetlen bevételei és kiadásai") on page 10683.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

63. Does the Enacted Budget present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

GUIDELINES:

Question 63 asks about three key estimates related to borrowing and debt:

- *the amount of net new borrowing required during the budget year;*
- *the total debt outstanding at the end of the budget year;*
- *the interest payments on the outstanding debt for the budget year.*

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," the Enacted Budget must present all three estimates of borrowing and debt. For a "b" answer, the Enacted Budget must present two of those three estimates. For a "c" answer, the Enacted Budget must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the Enacted Budget.

Answer:
b. Yes, two of the three estimates related to government borrowing and debt are presented.

Source:
In Hungarian: 1. melléklet a 2024. évi XC. törvényhez
In English: Appendix 1 of the Act XC of 2024
URL: https://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK24136.pdf
pp. 10635-10696

In Hungarian: I. Fejezet A központi alrendszer kiadásainak és bevételeinek főösszege, a hiány és az államadósság értéke – 2. Az államadósság értéke
In English: Chapter I Main sums of the revenues and expenditures of the central government, the deficit and total debt – 2. The value of total debt
URL: https://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK24136.pdf
page 10609

Comment:
The estimated total debt is stated only as debt-to-GDP ratio in part 2 The value of total debt ("2. Az államadósság értéke") in 3. § of the enacted budget. In 3. § (1) the calculated ratio is 72,6% for the end of 2025 described in the sentence "államadósság-mutató 2025. december 31-ére tervezett mértéke 72,6%".
The interest payments are listed in Appendix 1 of the enacted budget in chapter XLI Revenues and expenditures related to debt services ("XLI. Adósságszolgálattal kapcsolatos bevételek és kiadások") on page 10682. The interests received is in the column „Működési bevétel", while the interests paid is in the column „Működési kiadás" (except the block „Adósság és követeléskezelés egyéb kiadásai" that contains the expenditures related to other debt management costs).
The amount of net new borrowing requirement is not stated explicitly. The fiscal deficit is is 4123 billion HUF (as in 1. § (1) c) point on page 10609) and the Outlook of the Debt Management Agency shows the same amount in its Outlook for FY 2025 (on page 3 of the document linked below). The two numbers do not match in each year (see the answer for this question in the previous Survey), hence it may not be a reliable approximation for the net new borrowing requirement. Since for FY 2025 and FY 2024 they were the same, this time we accepted it. For FY 2024 the fiscal deficit is in 1.§ (1) c) on page 5369 in the cited act below, while the net borrowing requirement is in the Outlook of the Debt Management Agency for FY 2024. The presentation is not easily available because it is dispersed throughout the document. For the survey we accepted the interest payments and the fiscal deficit as proxy for the net new borrowing requirement, because the total outstanding debt is only available as debt-to-GDP ratio.

The Yearly Outlook of the Debt Management Agency for 2025:
In Hungarian:
https://www.akk.hu/download?path=6dc00156-dc7d-4807-8b6b-92b3cce24cc8.pdf
In English:
https://www.akk.hu/download?path=6df7606d-cb68-4202-8803-8fcc233105da.pdf

The Yearly Outlook of the Debt Management Agency for 2024:
In Hungarian:
https://www.akk.hu/download?path=c186a9a1-f842-4a48-8b72-84e739971285.pdf

In English:
https://www.akk.hu/download?path=0bf23eea-02ce-4d4d-a6f1-cd410390dda1.pdf

In Hungarian: I. Fejezet A központi alrendszer kiadásainak és bevételeinek főösszege, a hiány és az államadósság értéke – 1. Az államháztartás központi alrendszerének egyenlege és főösszegei
In English: Chapter I Main sums of the revenues and expenditures of the central government, the deficit and total debt – 2. Balance and total amounts of the central budget
URL: https://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK23104.pdf
page 5369

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

64. What information is provided in the Citizens Budget?

(The core information must include expenditure and revenue totals, the main policy initiatives in the budget, the macroeconomic forecast upon which the budget is based, and contact information for follow-up by citizens.)

GUIDELINES:

Question 64 focuses on the content of the Citizens Budget, asking whether "core" information is presented. These core components include:

- *expenditure and revenue totals;*
- *the main policy initiatives in the budget;*
- *the macroeconomic forecast upon which the budget is based; and*
- *contact information for follow-up by citizens.*

To answer "a," the Citizens Budget or supporting documentation must present all of the above core information as well as some additional information beyond the core elements. To answer "b," the Citizens Budget must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if the Citizens Budget includes some of the core components above, but other core pieces of information are not included. Answer "d" applies if a Citizens Budget is not published.

Answer:
c. The Citizens Budget provides information, but it excludes some core elements.

Source:
In Hungarian: Polgárok költségvetése
In English: Citizens' Budget
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
pp. 479-484

Comment:
The document is only available among the supplements of the EBP at the end of a 500-page-long document.

On the first two pages the government presents the main macroeconomic forecasts and the planned policies. In the first table the GDP-growth ("Gazdasági növekedés"), the budget deficit as percent of GDP ("Államháztartási hiány (a GDP arányában)"), the government debt as percent of GDP ("Államadósság (a GDP arányában)") and the inflation rate ("Infláció mértéke") are shown as forecasts for the fiscal year. Under that table the adopted policies are listed but this is not a comprehensive list of all the planned policies. The policies are grouped under the term "Új Gazdaságpolitikai Akcióterv" and the government describes its goal to increase the GDP-growth rate. The main subgroups are increasing the purchasing power of the wages ("A jövedelmek vásárlóerejének növelése"), improving the housing opportunities ("A megfizethető lakhatással és az országos lakhatási feltételek fejlesztésével kapcsolatos intézkedések") and the programs for small enterprises ("Demján Sándor Program"). In this year the policies are really planned ones as the "Új Gazdaságpolitikai Akcióterv" was announced in October 2024, about two months before the adoption of the budget.

On the next pages two pie charts show the distributions of the revenues and expenditures of the budget as percentages of the total amount. The expenditures are presented by functions on page 481, while the revenues are by individual sources on page 482.
On page 483 the expenditures categorized as family supports are presented. The chart uses broad categories and some of expenditures may not be strictly related to family support: like the „nők korhatár alatti nyugellátása"(meaning „pensions for women below age limit") or "25 év alattiak személyi jövedelemadó-mentessége" ("tax exemption of persons under the age of 25 years") are not strictly related to childcare supports.
The last page shows the different deficit categories to differentiate the operational and investment balances. "Hazai működési egyenleg" shows the "domestic operational balance", "Hazai felhalmozási egyenleg" shows the "domestic investment balance" and "Európai uniós fejlesztési költségvetés egyenlege" shows the "Balance of developments from EU funds". The goal of the table to show that the operational balance is zero and the total deficit comes only from the investments and developments.

The expenditure and revenue totals are mentioned in the header of the two pie charts on pages 481 and 482. These are consolidated numbers, while the expenditure and revenue numbers shown in the table on page 484 are gross totals. This may be confuse the readers but the total numbers were included in the document. The macroeconomic forecasts were also presented. The stated goals on page 479 (increasing the purchasing power of wages, improving housing opportunities) are very general but at least the policies are grouped by these goals. Only the contact information is missing from the core information and the clarification between the consolidated and gross total numbers might be missing for some readers.

Announcement of the "Új Gazdaságpolitkai Akcióterv" on the webpage of the governent:
https://kormany.hu/hirek/a-kormany-uj-gazdasagpolitikai-akciotervrol-dontott

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

65. How is the Citizens Budget disseminated to the public?

GUIDELINES:
Question 65 asks how the Citizens Budget is disseminated to the public. Citizens Budgets should be made available to a variety of audiences. Therefore paper versions and an Internet posting of a document might not be sufficient.

To answer "a," the executive must use three or more different types of creative media tools to reach the largest possible share of the population, including those who otherwise would not normally have access to budget documents or information. Dissemination would also be pursued at the very local level, so that the coverage is targeted both by geographic area and population group (e.g., women, elderly, low income, urban, rural, etc.). Option "b" applies if significant dissemination efforts are made through a combination of two means of communications, for instance, both posting the Citizens Budget on the executive's official website and distributing printed copies of it. Option "c" applies if the Citizens Budget is disseminated through only posting on the executive's official website. Option "d" applies when the executive does not publish a Citizens Budget.

Answer:
c. A Citizens Budget is disseminated only by using one means of dissemination.

Source:
In Hungarian: Polgárok költségvetése
In English: Citizens' Budget
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
pp. 479-484

Comment:
The document is only available among the supplements of the EBP at the end of a 500-page-long document.
We did not find any reference on the webpage of the government for the document or other dissemination methods. The document was only published on the webpage of the Parliament, where it is difficult to find.

Peer Reviewer
Opinion:

Government Reviewer

Opinion:

66. Has the executive established mechanisms to identify the public's requirements for budget information prior to publishing the Citizens Budget?

GUIDELINES:
Question 66 asks whether the executive has established mechanisms to identify the public's requirements for budget information before publishing a Citizens Budget. What the public wants to know about the budget might differ from the information the executive includes in technical documents that comprise the Executive's Budget Proposal or the Enacted Budget; similarly, different perspectives might exist on how the budget should be presented, and this may vary depending on the context. For this reason the executive should consult with the public on the content and presentation of the Citizens Budget.

To answer "a," the executive must have established mechanisms to consult with the public, and these mechanisms for consultation are both accessible and widely used by the public. Such mechanisms can include focus groups, social networks, surveys, hotlines, and meetings/events in universities or other locations where people gather to discuss public issues. In countries where Citizens Budgets are consistently produced and released, it may be sufficient for the government to provide the public with contact information and feedback opportunities, and subsequently use the feedback to improve its management of public resources.

Option "b" applies if the executive has established mechanisms for consultation that are accessible to the public, but that the public nonetheless does not use frequently. That is, the public does not typically engage with the executive on the content of the Citizens Budget, even though the executive has created opportunities for such consultation. Option "c" applies if the executive has established mechanism for consultation with the public, but they are poorly designed and thus not accessible to the public. Option "d" applies if the executive has not created any mechanisms to seek feedback from the public on the content of the Citizens Budget.

Answer:
d. No, the executive has not established any mechanisms to identify the public's requirements for budget information in the Citizen's Budget.

Source:
In Hungarian: Polgárok költségvetése
In English: Citizens' Budget
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
pp. 479-484

Comment:
There is no established mechanism to identify public requirements for the budget information of the Citizens' Budget. There is neither a contact information in the Citizens' Budget to provide any feedback about the document.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

67. Are "citizens" versions of budget documents published throughout the budget process?

GUIDELINES:
Question 67 asks if "citizens" versions of budget documents are published throughout the budget process. While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle.

To answer "a," a citizens version of at least one budget document is published for each of the four stages of the budget process (budget formulation, enactment, execution, and audit) — for a total of at least four citizens budget documents throughout the process. Option "b" applies if a citizens version of a budget document is published for at least two of the four stages of the budget process. Option "c" applies if a citizens version of a budget document is published for at least one of the four stages of the budget process. Select option "d" if no "citizens" version of budget documents is published.

Answer:
c. A citizens version of budget documents is published for at least one stage of the budget process.

Source:
In Hungarian: Polgárok költségvetése
In English: Citizens' Budget
URL: https://www.parlament.hu/irom42/09894/09894KIEGSZ003.pdf
pp. 479-484

Comment:
The only Citizens' Budget were published for the EBP, that is one stage of the budget cycle.

We did not evaluate as citizens version the media announcements of the In-Year Reports, because they are not separate documents about the In-Year Reports, only summaries or leads of the reports.

Example for media announcement of the In-Year Report of November 2024:
https://kormany.hu/hirek/kormany-stabil-palyan-tartja-a-koltsegvetest

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

68. Do the In-Year Reports present actual expenditures by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:
Question 68 asks if expenditure estimates in In-Year Reports are presented by any one of the three expenditure classifications — by administrative, economic, and functional classifications — which were addressed in Questions 1-5 above.

Each of the classifications answers a different question: administrative classification indicates who spends the money; functional classification shows what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

Answer "None of the above" applies if actual expenditures are not presented by any of the three classifications in In-Year Reports.

Select all that apply:

Answer:
Administrative classification

Source:
In Hungarian: 1.melléklet a részletes tájékoztatóhoz – Az államháztartás központi alrendszerének előzetes mérlege
In English: Appendix 1 for the In-Year Report for November 2024 – Preliminary balance sheet of the central government
URL: https://cdn.kormany.hu//uploads/sheets//8/88/88a/88ad84ecac1430ebda02ba483453e85.pdf
page 2

In-Year Report for November 2024
In Hungarian: Tájékoztató az államháztartás központi alrendszerének 2024. november végi helyzetéről
In English: Report on the state of central budget at the end of November 2024
URL: https://cdn.kormany.hu//uploads/sheets//9/95/952/9526b9b328ec8c7cea5401b94236878.docx
Cover page

Comment:
The In-Year Report's supplement (the cited Appendix 1) uses a special classification to present the expenditures: it highlights some chapter-

administered appropriations in the first few lines (for example "Közszolgáltatási műsorszolgáltatás támogatása" means support for public media, "Családügyi és normatív támogatások" is family supports), while aggregates all the others and presents the expenditures of the institutions aggregated to one line item. The sum of the expenditures of the institutions is called “Költségvetési szervek kiadásai”, the sum of chapter-administered appropriations (that can be treated as programs) is called "Szakmai fejezeti kezeléső előirányzatok támogatásai".
There has been some modifications since the previous Survey. For example the line “Állami közlekedési és közüzemi szolgáltatások” (“Public transportation and utility services”) appeared in a separate line but previously it was aggregated into the chapter-administered appropriations. The line “Társadalmi önszerveződések támogatása” (“Support for civil initiatives”) was presented in a separate line previously but now it is aggregated into chapter-administered appropriations.
This balance sheet is also available on the webpage of the Treasury in excel format in Hungarian and in English here:
https://www.allamkincstar.gov.hu/pfile/file?path=/Koltsegvetes/Kozponti_alrendszer_-_Merlegek/a-kozponti-alrendszer-koltsegvetesi-merlege/merleg-2024.-ev-balance-sheets-2024/merleg-2024.11.ho&inline=true
The excel format is published on the webpage of the Treasury. The webpage of the Treasury was referenced in the asterisk footnote on the first page of the In-Year Report but omitted in the inspected report.
Additional monthly reports are available on the Public Finance Portal (another budgetary portal launched in May 2023) and the webpage of the Treasury. We list them below for the comprehensive answer.
A monthly updated version of appendix 1 of the enacted budget (that presents the expenditures and revenues in detailed administrative classification) is available on the link below by selecting “Központi költségvetés végrehajtásának adati” and then selecting the appropriate month in the “Vonatkozási nap” menu on the header bar. The detailed numbers are listed under “6 Bevételek és kiadások részletesen”. The data can be downloaded by clicking on the three dots in the “Fájl” menu and then selecting “Exportálás” and the desired format. This is much more detailed than the balance sheet included in the In-Year Reports, and it can be treated as administrative classification. The report also contains a very broad economic classification for the budgetary institutions in the blocks „Működési” (current expenditures) and „Felhalmozási ” (capital expenditures). The chapter-administered appropriations are not detailed by this classification, so the presentation is not comprehensive, and the user has to add all the lines to create the report, so we did not consider it as economic classification.
Link:
https://kpp.tcs.allamkincstar.gov.hu/

Additionally a monthly report presents the total of the revenues and expenditures of the chapters on the webpage of the Treasury. This is also an administrative classification, but contains only the expenditures of the Ministries.
Link for the reports for 2024
https://www.allamkincstar.gov.hu/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/fejezeti-bevetelek-es-kiadasok/teljesitesi-adatok-2024.-evperformance-data-2024
Link for the report for November 2024
https://www.allamkincstar.gov.hu/pfile/file?path=/Koltsegvetes/Kozponti_alrendszer_-_Reszletezo_adatok/fejezeti-bevetelek-es-kiadasok/teljesitesi-adatok-2024.-evperformance-data-2024/teljesitesi-adatok-2024.11.ho&inline=true

For the survey we assessed the document published on the webpage of the Ministry (cited in the sources) and the additional reports on the webpage of the State Treasury. The monthly updated appendix 1 of the EBP presents a complete administrative classification.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

69. Do the In-Year Reports present actual expenditures for individual programs?

GUIDELINES:
Question 69 asks if expenditure estimates in In-Year Reports are presented by program. There is no standard definition for the term “program,” and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term “program” to mean any level of detail below an administrative unit, such as a ministry or department.

***A note for francophone countries**: “Program” level detail is sometimes referred to as le plan comptable or le plan comptable detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

To answer “a,” In-Year Reports must present actual expenditures for all individual programs, accounting for all expenditures. To answer “b,” In-Year Reports must present actual expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A “c” answer applies if In-Year Reports present actual expenditures for programs that account for less than two-thirds of expenditures. Answer “d” applies if actual expenditures are not presented by program in In-Year Reports.

Answer:
a. Yes, the In-Year Reports present actual expenditures for programs accounting for all expenditures.

Source:
In-Year Report for November 2024
In Hungarian: Tájékoztató az államháztartás központi alrendszerének 2024. november végi helyzetéről
In English: Report on the state of central budget at the end of November 2024
URL: https://cdn.kormany.hu//uploads/sheets//9/95/952/9526b9b328ec8c7cea5401b94236878.docx
Cover page

Comment:
The In-Year Reports do not include any complete presentation directly, but the supplemental documents on the Public Finance Portal contain the expenditures for all the programs and institutions below ministry level. The structure is the same as appendix 1 of the enacted budget.
The report is available on the link below by selecting "Központi költségvetés végrehajtásának adati" and then selecting the appropriate month in the "Vonatkozási nap" menu on the header bar. The detailed numbers are listed under "6 Bevételek és kiadások részletesen". The data can be downloaded by clicking on the three dots in the "Fájl" menu and then selecting "Exportálás" and the desired format.
Previously the webpage of the Treasury was referenced in the narrative discussion of the IYR but not this time.

Link:
https://kpp.tcs.allamkincstar.gov.hu/

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

70. Do the In-Year Reports compare actual year-to-date expenditures with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

GUIDELINES:
Question 70 asks whether In-Year Reports compare actual expenditures to-date with either the enacted levels or actual expenditures for the same period in the previous year.

The OECD recommends that the reports contain the total year-to-date expenditures in a format that allows for a comparison with the budget's forecast expenditures (based on enacted levels) for the same period.

To answer "a," comparisons must be made for expenditures presented in the In-Year Reports

Answer:
a. Yes, comparisons are made for expenditures presented in the In-Year Reports.

Source:
In Hungarian: 1.melléklet a részletes tájékoztatóhoz – Az államháztartás központi alrendszerének előzetes mérlege
In English: Appendix 1 for the In-Year Report for November 2024 – Preliminary balance sheet of the central government
URL: https://cdn.kormany.hu//uploads/sheets//8/88/88a/88ad84ecac1430ebda02ba483453e85.pdf
page 2

In-Year Report for November 2024
In Hungarian: Tájékoztató az államháztartás központi alrendszerének 2024. november végi helyzetéről
In English: Report on the state of central budget at the end of November 2024
URL: https://cdn.kormany.hu//uploads/sheets//9/95/952/9526b9b328ec8c7cea5401b94236878.docx
Cover page

Comment:
The preliminary balance sheet of the In-Year Reports compare the actual expenditures (in column „2024. évi I-XI. hó") to the same period of the previous year („2023. évi I-XI. hó") and the enacted appropriation (in the column „2024. évi előirányzat"). The expenditures are on page 2.

Additionally in the monthly updated appendix 1 of the enacted budget the data is compared to the original and actual appropriations.
The document is available on the Public Finance Portal and its structure is the same as appendix 1 of the enacted budget.
The report is available on the link below by selecting “Központi költségvetés végrehajtásának adati” and then selecting the appropriate month in the “Vonatkozási nap” menu on the header bar. The detailed numbers are listed under “6 Bevételek és kiadások részletesen”. The data can be downloaded by clicking on the three dots in the “Fájl” menu and then selecting “Exportálás” and the desired format.
The actual expenditures are in the column „Teljesítés”, the original estimates are in column „Eredeti előirányzat”, while the modified / updated appropriations are in „Aktuális előirányzat”. The “Kiadások” column shows the expenditures, the “Bevételek” column shows the revenues.
In the lines the data is classified by „Működési” (current) and „Felhalmozási” (capital).
Previously the webpage of the Treasury was referenced in the narrative discussion of the IYR but not this time.

Link:
https://kpp.tcs.allamkincstar.gov.hu/

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

71. Do In-Year Reports present actual revenue by category (such as tax and non-tax)?

GUIDELINES:
Questions 71 asks whether In-Year Reports present actual revenues by “category”— that is, whether tax and non-tax sources of revenue are shown separately.

To answer “a,” In-Year Reports must present revenue estimates classified by category.

Answer:
a. Yes, In-Year Reports present actual revenue by category.

Source:
In Hungarian: 1.melléklet a részletes tájékoztatóhoz – Az államháztartás központi alrendszerének előzetes mérlege
In English: Appendix 1 for the In-Year Report for November 2024 – Preliminary balance sheet of the central government
URL: https://cdn.kormany.hu//uploads/sheets//8/88/88a/88ad84ecac1430ebda02ba483453e85.pdf
page 1

Comment:
The classification of the revenues are not structured by tax and non-tax revenues, but the two categories can be broadly separated.
The revenues are grouped by other categories like revenues from corporations („Gazdálkodó szervezetek befizetései”), taxes on consumption („Fogyasztáshoz kapcsolt adók”) or revenues from households („Lakosság befizetései”). These groups mainly include tax revenues, or in some minor cases fees, like „Illeték befizetések” that contains for example the fees payable at house or car buying. Other tax revenues are not categorized, like social contribution tax („Szociális hozzájárulási adó”) as it is tied to the Pension Insurance Fund and presented at the bottom of the table.
The non-tax revenues are generally aggregated to one line by types. For example interests received („Kamatbevételek”), revenues related to state property („Állami vagyonnal kapcsolatos befizetések”) or donor funds („Uniós programok bevételei” and „Egyéb uniós bevételek”).
The line „Költségvetési szervek és fejezeti kezelésű előirányzatok bevételei” presents the own revenues of the institutions that can be fines, penalties (for example at police departments) or revenue from services (for example tuition fees at universities). This latest revenue item is not categorised but includes mostly non-tax revenues.
Many of the individual revenue sources are also shown in the table: the major tax and non-tax revenues can be identified individually, but minor revenue sources are aggregated into one line. For example VAT („Általános forgalmi adó”), personal income tax („Személyi jövedelemadó”), corporate tax („Társasági adó”) is presented in its own line, while other centralized revenues („Egyéb központosított bevételek”) aggregate several revenue sources.
The table contains enough data to obtain a general view about revenues, but in detail it needs extra efforts to clarify some line items.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

72. Do In-Year Reports present the individual sources of revenue for actual revenues collected?

GUIDELINES:
Question 72 asks whether In-Year Reports present actual collections of individual sources of revenue (such as income taxes, VAT, etc.). The question applies to both tax and non-tax revenue.

To answer "a," In-Year Reports must present actual collections for all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," In-Year Reports must present actual collections for individual sources of revenue that when combined account for at least two-thirds of all revenue collected, but not all revenue. A "c" answer applies if In-Year Reports present individual sources of actual revenue that account for less than two-thirds of all revenue collected. Answer "d" applies if individual sources of actual revenue are not presented.

Answer:
a. Yes, In-Year Reports present individual sources of actual revenue accounting for all revenue.

Source:
In Hungarian: 1.melléklet a részletes tájékoztatóhoz – Az államháztartás központi alrendszerének előzetes mérlege
In English: Appendix 1 for the In-Year Report for November 2024 – Preliminary balance sheet of the central government
URL: https://cdn.kormany.hu//uploads/sheets//8/88/88a/88ad84ecac1430ebda02ba483453e85.pdf
page 1

In-Year Report for November 2024
In Hungarian: Tájékoztató az államháztartás központi alrendszerének 2024. november végi helyzetéről
In English: Report on the state of central budget at the end of November 2024
URL: https://cdn.kormany.hu//uploads/sheets//9/95/952/9526b9b328ec8c7cea5401b94236878.docx
Cover page

Comment:
The direct attachment of the In-Year Reports, the preliminary balance sheet presents a few revenue items individually. The major tax and non-tax revenues are presented in their own line. For example VAT („Általános forgalmi adó"), personal income tax („Személyi jövedelemadó"), corporate tax („Társasági adó") is presented in its own line, while other centralized revenues („Egyéb központosított bevételek") aggregate several revenue sources. Also the line "Költségvetési szervek bevételei" aggregates all the revenues of budgetary institutions, while "Állami vagyonnal kapcsolatos befizetések" collects the revenues related to assets (like selling assets, dividends, rents, concession fees).

On the Public Finance Portal an additional data source presents all the revenue sources individually in the same structure as appendix 1 of the enacted budget.
The report is available on the link below by selecting "Központi költségvetés végrehajtásának adati" and then selecting the appropriate month in the "Vonatkozási nap" menu on the header bar. The detailed numbers are listed under "6 Bevételek és kiadások részletesen". The data can be downloaded by clicking on the three dots in the "Fájl" menu and then selecting "Exportálás" and the desired format.
The actual expenditures are in the column „Teljesítés", the original estimates are in column „Eredeti előirányzat", while the modified / updated appropriations are in „Aktuális előirányzat". The "Kiadások" column shows the expenditures, the "Bevételek" column shows the revenues.
In the lines the data is classified by „Működési" (current) and „Felhalmozási" (capital).
The revenue lines are scattered throughout the report. Most of them on page 36 in the chapter XLII Direct revenues and expenditures of the budget ("42 - A költségvetés közvetlen bevételei és kiadásai") but the revenue lines can be filtered easier if the data is downloaded in excel format.
Previously the webpage of the Treasury was referenced in the narrative discussion of the IYR but not this time.

Link:
https://kpp.tcs.allamkincstar.gov.hu/

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

73. Do the In-Year Reports compare actual year-to-date revenues with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

GUIDELINES:
Question 73 asks whether In-Year Reports compare actual revenues to-date with either the enacted levels or actual revenues for the same period in the previous year.

The OECD recommends that the reports contain the total year-to-date revenues in a format that allows for a comparison with the budget's forecast revenues (based on enacted levels) for the same period.

To answer "a," comparisons must be made for revenues presented in the In-Year Reports.

Answer:
a. Yes, comparisons are made for revenues presented in the In-Year Reports.

Source:
In Hungarian: 1.melléklet a részletes tájékoztatóhoz – Az államháztartás központi alrendszerének előzetes mérlege
In English: Appendix 1 for the In-Year Report for November 2024 – Preliminary balance sheet of the central government
URL: https://cdn.kormany.hu//uploads/sheets//8/88/88a/88ad84ecac1430ebda02ba483453e85.pdf
page 1

In-Year Report for November 2024
In Hungarian: Tájékoztató az államháztartás központi alrendszerének 2024. november végi helyzetéről
In English: Report on the state of central budget at the end of November 2024
URL: https://cdn.kormany.hu//uploads/sheets//9/95/952/9526b9b328ec8c7cea5401b94236878.docx
Cover page

Comment:
The preliminary balance sheet of the In-Year Reports compare the actual revenues (in column „2024. évi I-XI. hó") to the same period of the previous year („2023. évi I-XI. hó") and the actual appropriation (in the column „2024. évi előirányzat"). The revenues are on page 1.

At line item level the comparison can be found on the Public Finance Portal where the data is published in the same structure as appendix 1 of the enacted budget.
The report is available on the link below by selecting "Központi költségvetés végrehajtásának adati" and then selecting the appropriate month in the "Vonatkozási nap" menu on the header bar. The detailed numbers are listed under "6 Bevételek és kiadások részletesen". The data can be downloaded by clicking on the three dots in the "Fájl" menu and then selecting "Exportálás" and the desired format.
The actual revenues are in the column „Teljesítés", the original estimates are in column „Eredeti előirányzat", while the modified / updated appropriations are in „Aktuális előirányzat". The "Bevételek" column shows the revenues.
In the lines the data is classified by „Működési" (current) and „Felhalmozási" (capital).
The revenue lines are scattered throughout the report, so it is easier to download them in excel format and filter for them.
Previously the webpage of the Treasury was referenced in the narrative discussion of the IYR but not this time.

Link:
https://kpp.tcs.allamkincstar.gov.hu/

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

74. Do In-Year Reports present three estimates related to actual government borrowing and debt: the amount of net new borrowing; the total debt outstanding; and interest payments?

GUIDELINES:
Question 74 asks about three key estimates related to borrowing and debt:

- *the amount of net new borrowing so far during the year;*
- *the central government's total debt burden at that point in the year; and*
- *the interest payments to-date on the outstanding debt.*

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens and banks and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," In-Year Reports must present all three estimates of borrowing and debt. For a "b" answer, In-Year Reports must present two of those three estimates. For a "c" answer, IYRs must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in In-Year Reports.

Answer:
a. Yes, all three estimates related to government borrowing and debt are presented.

Source:
In Hungarian: Tájékoztató az államháztartás központi alrendszerének 2024. november végi helyzetéről – II. Az államháztartás központi alrendszerének finanszírozása
In English: Report on the state of central budget at the end of November 2024 – Section II Financing the Central Budget
URL: https://cdn.kormany.hu//uploads/sheets//9/95/952/9526b9b328ec8c7cea5401b94236878.docx
pages 19 and 21

In Hungarian: 1.melléklet a részletes tájékoztatóhoz – Az államháztartás központi alrendszerének előzetes mérlege
In English: Appendix 1 for the In-Year Report for November 2024 – Preliminary balance sheet of the central government
URL: https://cdn.kormany.hu//uploads/sheets//8/88/88a/88ad84ecac1430ebda02ba483453e85.pdf
pp. 1-2

Comment:
The interest payments are presented in the line „Kamatkiadások" on page 2 of the preliminary balance sheet, while the interests received in line „Kamatbevételek" on page 1. The numbers do not contain the additional expenditures related to debt service, like fees and communication expenses.
The total government debt at the end of the month is presented on page 21 of the In-Year Report. The total amount is presented in the row „Mindösszesen" in the column „2024. november előzetes állomány".
The amount of net new borrowing is not presented but can be calculated as the difference between gross borrowing and gross repayment. The former is in column „kibocsátás (növekedés)", the latter in column „törlesztés (csökkenés)". As another solution the deficit may also be used for estimating the net new borrowing requirement. The deficit is presented in the In-Year Report in the table on page 3 in the line „Egyenleg összesen" (in the column "2024. I-XI. hó tény") and in the preliminary balance sheet on page 2 in the line „Központi alrendszer összesen" (in the column "2024. évi I-XI. hó").

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

75. Do In-Year Reports present information related to the composition of the total actual debt outstanding?

(The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)

GUIDELINES:
Question 75 focuses on the composition of government debt, asking whether "core" information related to its composition is presented. These core components include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

The interest rates affect the amount of interest that must be paid to creditors. The maturity profile indicates the final payment date of the loan, at which point the principal (and all remaining interest) is due to be paid; government borrowing typically includes a mix of short-term and long-term debt. As discussed in Question 74, domestic debt is held by a country's citizens and banks and businesses, while external debt is held by foreigners. These factors related to the composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable.

Beyond these core elements, a government may also provide additional information related to the composition of its debt, including for instance: whether interest rates are fixed or variable; whether debt is callable; the currency of the debt; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); an analysis of the risk associated with the debt; and where appropriate, what the debt is being used to finance.

To answer "a," In-Year Reports must present all of the core information related to the composition of government debt to-date as well as some additional information beyond the core elements. To answer "b," In-Year Reports must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the composition of government debt is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on the composition of the debt outstanding in In-Year Reports.

Answer:
c. Yes, information is presented, but it excludes some core elements.

Source:
In Hungarian: Tájékoztató az államháztartás központi alrendszerének 2024. november végi helyzetéről – II. Az államháztartás központi alrendszerének finanszírozása
In English: Report on the state of central budget at the end of November 2024 – Section II Financing the Central Budget
URL: https://cdn.kormany.hu//uploads/sheets//9/95/952/9526b9b328ec8c7cea5401b94236878.docx
page 21

Comment:
The cited table on page 21 of the In-Year Report includes the total debt by currency denomination („Forint" means domestic currency, „Deviza" means foreign denomination), by type („Hitel" means loans, „Állampapír" means bonds and T-bills) and the loans are further differentiated by external („Külföldi") or domestic („Belföldi") origin. The bonds are further detailed into bonds („Kötvény"), T-bills („Diszkont kincstárjegy") and securities intended to households („Lakossági állampapír").
The securitized debt owned by external actors is discussed in the narrative part: on page 22 the paragraph starting with „A külföldi befektetők állampapír állománya" presents the data for the amount held by them. Supplemented with the data for loans in the table ("Külföldi devizahitel") the ownership of the debt can be calculated.
The maturity profile of the debt and the interest rates are not included.
From the core elements only the ownership of the debt can be determined from the In-Year Reports.
As an additional note the maturity profile of the central government debt is available on the webpage of the Debt Management Agency for each quarter.
In Hungarian:
https://www.akk.hu/content/path=kozponti-koltsegvetes-adossaganak-lejarati-szerkezete
In English:
https://www.akk.hu/content/path=maturity-profile-debt-annual-quarterly

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

76. Does the Mid-Year Review of the budget include an updated macroeconomic forecast for the budget year underway?

GUIDELINES:

Question 76 asks whether the Mid-Year Review includes an updated macroeconomic forecast for the budget year underway, and provides an explanation of the update.

Refer to Question 15 for the components of the macroeconomic forecast presented in the Executive's Budget Proposal.

To answer "a," the Mid-Year Review must include an updated macroeconomic forecast and explain all of the differences between the initial forecast presented in the Executive's Budget Proposal and the updated forecast. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the macroeconomic forecast must be updated, but only some of the differences between the initial and updated forecasts are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes an updated macroeconomic forecast, but does not provide an explanation for the revisions. A "d" response applies if the macroeconomic forecast has not been updated.

Answer:
d. No, the estimates for macroeconomic forecast have not been updated.

Source:
N/A

Comment:
The Government did not publish a Mid-Year Review.
The Government prepared a half-year assessment for the Budgetary Committee of the legislature but we did not assess it as a Mid-Year Review and did not include an updated macroeconomic forecast.
Other institutions prepared mid-year reviews about the budgetary trends based on the first half of budget year 2024. The State Audit Office and the National Bank of Hungary published its documents as members of the Fiscal Council.

Examples of Mid-Year Reviews from other institutions:
State Audit Office
In Hungarian: https://www.asz.hu/dokumentumok/Elemzes_KT_2024Ifelev.pdf
National Bank of Hungary
In Hungarian: https://www.mnb.hu/letoltes/koltsegvetesi-jelentes-feleves-jelentes-2024.pdf
In English: https://www.mnb.hu/letoltes/koltsegvetesi-jelentes-2024-i-eng.pdf

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

77. Does the Mid-Year Review of the budget include updated expenditure estimates for the budget year underway?

GUIDELINES:
Question 77 asks whether the Mid-Year Review includes updated estimates of expenditure for the budget year underway, and provides an explanation of the update. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.

To answer "a," the Mid-Year Review must include updated expenditure estimates and explain all of the differences between the initial levels presented in the Executive's Budget Proposal (or the Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. The expenditure estimates must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated expenditure estimates, but does not provide an explanation for the revisions. A "d" response applies if the expenditure estimates have not been updated.

Answer:
d. No, expenditure estimates have not been updated.

Source:
N/A

Comment:
The Government did not publish a Mid-Year Review.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

78. Does the Mid-Year Review of the budget present updated expenditure estimates for the budget year underway by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:
Question 78 asks if expenditure estimates for the budget year underway in the Mid-Year Review are presented by any one of the three expenditure classifications — by administrative, economic, and functional classifications — which were addressed in Questions 1-5 above. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.

Each of the classifications answers a different question: administrative classification indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

Answer "None of the above" applies if expenditure estimates are not presented by any of the three classifications in the Mid-Year Review.

Select all that apply:

Answer:
None of the above

Source:
N/A

Comment:
The Government did not publish a Mid-Year Review.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

79. Does the Mid-Year Review of the budget present updated expenditure estimates for the budget year underway for individual programs?

GUIDELINES:

Question 79 asks if expenditure estimates in the Mid-Year Review are presented by program for the budget year underway. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.

***A note for francophone countries**: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

To answer "a," the Mid-Year Review must present expenditures for all individual programs, accounting for all expenditures. To answer "b," the Mid-Year Review must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if the Mid-Year Review presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Mid-Year Review.

Answer:
d. No, the Mid-Year Review does not present expenditure estimates by program.

Source:
N/A

Comment:
The Government did not publish a Mid-Year Review.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

80. Does the Mid-Year Review of the budget include updated revenue estimates for the budget year underway?

GUIDELINES:

Question 80 asks whether the Mid-Year Review includes updated estimates of revenue for the budget year underway, and provides an explanation of the update. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must include updated revenue estimates and explain all of the differences between the initial levels presented in the Executive's Budget Proposal (or the Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the revenue estimates must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated revenue estimates, but no explanation for the revisions is provided. A "d" response applies if the revenue estimates have not been updated.

Answer:
d. No, revenue estimates have not been updated.

Source:
N/A

Comment:
The Government did not publish a Mid-Year Review.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

81. Does the Mid-Year Review of the budget present updated revenue estimates for the budget year underway by category (such as tax and non-tax)?

GUIDELINES:

Question 81 asks whether revenue estimates for the budget year underway in the Mid-Year Review are presented by "category"— that is, whether tax and non-tax sources of revenue are shown separately. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must present revenue estimates classified by category.

Answer:
b. No, the Mid-Year Review does not present revenue estimates by category.

Source:
N/A

Comment:
The Government did not publish a Mid-Year Review.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

82. Does the Mid-Year Review of the budget present updated individual sources of revenue for the budget year underway?

GUIDELINES:

Question 82 asks whether revenue estimates for individual sources of revenue for the budget year underway are presented in the Mid-Year Review. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must present all sources of revenue individually, accounting for all revenues, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Mid-Year Review must present individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Mid-Year Review presents estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" applies if individual sources of revenue are not presented in the Mid-Year Review.

Answer:
d. No, the Mid-Year Review does not present individual sources of revenue.

Source:
N/A

Comment:

The Government did not publish a Mid-Year Review.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

83. Does the Mid-Year Review of the budget include updated estimates of government borrowing and debt, including its composition, for the budget year underway?

GUIDELINES:

Question 83 asks whether the Mid-Year Review includes updated estimates of borrowing and debt, including its composition, for the budget year underway, and provides an explanation of the update.

Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:

- *The amount of net new borrowing required during the budget year;*
- *The central government's total debt burden at the end of the budget year; and*
- *The interest payments on the outstanding debt for the budget year.*

Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

To answer "a," the Mid-Year Review must include an updated estimates of borrowing and debt, including its composition, and explain all of the differences between the initial estimates presented in the Executive's Budget Proposal (or Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the estimates of borrowing and debt must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated estimates, but no explanation for the revisions is provided. A "d" response applies if the estimates of borrowing and debt have not been updated.

Answer:
d. No, estimates of government borrowing and debt have not been updated.

Source:
N/A

Comment:
The Government did not publish a Mid-Year Review.
As stated by the peer reviewer in the previous Survey the Government prepares a document about the compliance with the debt rule for the Budgetary Committee of the legislature after mid-year. For the current Survey we also obtained this document, called "Tájékoztató az adósságszabály teljesüléséről" (In English: Information on the compliance with debt rule). As noted in question MYR-2 the document is not publicly available, so we did not consider it a Mid-Year Review.
The document contains a table with the estimated total government debt at the end of the year and a narrative explanation about it, but no other core element is mentioned.

Peer Reviewer
Opinion:

Government Reviewer Opinion:

84. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?

GUIDELINES:
Question 84 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual expenditures for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all expenditures, along with a narrative discussion. Answer "b" if estimates of the differences for all expenditures are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all expenditures, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report

Answer:
a. Yes, estimates of the differences between the enacted levels and the actual outcome for all expenditures are presented, along with a narrative discussion.

Source:
In Hungarian: 1. melléklet a zárszámadáshoz
In English: Appendix 1 of the Year-End Report
URL: https://www.parlament.hu/irom42/09346/09346.pdf
pp. 7-88

In Hungarian: A központi alrendszer részletes mérlege
In English: Detailed balance sheet of the central government
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ001.pdf
pp. 205-287

In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ001.pdf
pp. 203-204

In Hungarian: XVI. Építési és Közlekedési Minisztérium – 2023. évi zárszámadás (Összesítő)
In English: Chapter XVI Ministry of Construction and Transport – Year-End Report for 2023 (Summary)
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ005.pdf
pp. 2507-2537

In Hungarian: XVII. Innovációs és Technológiai Minisztérium – 2. cím Magyar Műszaki és Közlekedési Múzeum
In English: Chapter XVII Ministry of Innovation and Technology – 2. Hungarian Museum of Science, Technology and Transport
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ005.pdf
pp. 2441-2446

Comment:
Appendix 1 of the YER includes all the revenue and expenditure items, but the columns present only the actual outcomes (in column „2023. évi teljesítés").
The detailed balance sheet (on pp. 205-287) presents the same lines but it includes the modified level (in column "2023. évi törvényi módosított előirányzat") beside the actual outcome (in column "2023. évi teljesítés") for each line item, hence more useful for this purpose.
The in year-changes presented in the balance sheet of the central government (on pp. 203-204), but in this table many of the expenditure and revenue items are aggregated to a certain level. The actual outcome of the previous year is shown in column „2022. évi teljesítés", followed by the original enacted level „2023. évi előirányzat", then the modification by the legislature in column „Törvényi hatáskör" and the appropriation with the legal
modification in column „2023. évi törvényi módosított előirányzat". The next column „Kormány hatáskör" shows the modification by the government, then „Felügyeleti szervi hatáskör" is the modification by the chapter's owner and „Intézményi hatáskör" is the modification by the budgetary institution. The final two columns show the updated appropriation in column „2023. évi módosított előirányzat" and the actual outcome for the year in column „2023. évi teljesítés". At the expenditures (on page 204 under "Kiadás") all the budgetary institutions and chapter-administered appropriations were aggregated into one line ("Költségvetési szervek kiadásai" and "Szakmai fejezeti kezelésű előirányzatok kiadásai").
The supplemental documents contain the narrative discussion for each chapter and institution. At the end of each chapter (like the cited summary of the Ministry of Contruction and Transport) the expenditure and revenue lines are detailed in the same format as the detailed balance sheet of the

government. The narrative discussions present the causes of modifications (for example the exact legal change or the aim of modification), the financial numbers and in some cases the performed tasks. For example in the case of Hungarian Museum of Science, Technology and Transport the document describes the related legal rules and modifications, the main activities of the institution and the details of the financial numbers (wages, investments, current expenditures, remittances).

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

85. Does the Year-End Report present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:
Question 85 asks if expenditure estimates in the Year-End Report are presented by any one of the three expenditure classifications — by administrative, economic, and functional classifications — which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," the Year-End Report must present expenditure estimates by all three of the expenditure classifications. Answer "b" if expenditure estimates are presented by two of these three classifications. Answer "c" if expenditure estimates are presented by one of the three classifications. Answer "d" if expenditure estimates are not presented by any of the three classifications in the Year-End Report.

Answer:
Administrative classification
Economic classification
Functional classification

Source:
In Hungarian: 1. melléklet a zárszámadáshoz
In English: Appendix 1 of the Year-End Report
URL: https://www.parlament.hu/irom42/09346/09346.pdf
pp. 7-88

In Hungarian: A központi alrendszer részletes mérlege
In English: Detailed balance sheet of the central government
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ001.pdf
pp. 205-287

In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ001.pdf
page 288

In Hungarian: A központi alrendszer funkcionális mérlege (pénzforgalmi szemléletben)
In English: Functional balance sheet of the central government (cash-flow based)
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ001.pdf
page 292

Comment:
The Year-End Report contains all of the three classifications.
The administrative classification is presented in Appendix 1 (pp. 7-88) and in the detailed balance sheet (pp. 205-287) and all the revenue and expenditure items are presented individually.
The economic (on page 288) and functional (on page 292) classifications follow the structure of other budgetary documents and only broadly compatible with international standards.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

86. Does the Year-End Report present expenditure estimates for individual programs?

GUIDELINES:
Question 86 asks if expenditure estimates in the Year-End Report are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

***A note for francophone countries**: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

To answer "a," the Year-End Report must present expenditure estimates for all individual programs, accounting for all expenditures. Answer "b" if the Year-End Report presents expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. Answer "c" if the Year-End Report presents programs that account for only less than two-thirds of expenditures. Answer "d" if expenditures are not presented by program in the Year-End Report.

Answer:
a. Yes, the Year-End Report presents estimates for programs accounting for all expenditures.

Source:
In Hungarian: A központi alrendszer részletes mérlege
In English: Detailed balance sheet of the central government
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ001.pdf
pp. 205-287

Comment:
The detailed balance sheet of the central government presents all the budgetary institutions and chapter-administered appropriations below the ministries. In the column „2023. évi törvényi módosított előirányzat" the modified estimates, in the column „2023. évi teljesítés" the actual outcomes are presented.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

87. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?

GUIDELINES:
Question 87 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual revenues for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all revenues, along with a

narrative discussion. Answer "b" if estimates of the differences for all revenues are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all revenues, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report.

Answer:
a. Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, along with a narrative discussion.

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ001.pdf
pp. 203-204

In Hungarian: XLII. A költségvetés közvetlen bevételei és kiadásai
In English: Chapter XLII Direct revenues and expenditures of the budget
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ007.pdf
pp. 3885-3945

In Hungarian: LXXI. Nyugdíjbiztosítási Alap
In English: Chapter LXXI Pension Insurance Fund
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ008.pdf
pp. 4272-4276

In Hungarian: LXXII. Egészségbiztosítási és Járvány Elleni Védekezési Alap
In English: Chapter LXXII Health Insurance and Anti-Epidemic Protection Fund
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ008.pdf
pp. 4368-4382

Comment:
The balance sheet of the central government presents the outcome for the previous year (in column „2022. évi teljesítés"), the original enacted level (in column „2023. évi előirányzat"), the modified level (in column „2023. évi módosított előirányzat") and the actual outcome (in column „2023. évi teljesítés") for the budget year on page 203. Most of the significant tax revenues are presented individually in this table.
A similar, but more detailed table is also included at the end of each chapter. Most of the revenues are included in chapter XLII, and in that table even the minor taxes are presented. The table is on pp. 3924-3945. For other revenue sources the appropriate chapter includes this information, for example chapter LXXI and LXXII for the social contributions ("szociális hozzájárulási adó") (on pp. 4272-4276 and 4368-4382).
The narrative discussion of the revenues mentions briefly the main causes of the difference between the original enacted level and the actual outcome. For example on page 3888 the lower value-added tax revenues ("Általános forgalmi adó") was explained with the lower nominal dynamics of the macroeconomic effects, temporary and technical effects (like the faster deduction of VAT) and it also mentioned the gray economy as a potential cause. The individual causes are not presented numerically or by macroeconomic effects, only described.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

88. Does the Year-End Report present revenue estimates by category (such as tax and non-tax)?

GUIDELINES:
Question 88 asks whether revenue estimates in the Year-End Report are presented by "category"— that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Year-End Report must present revenue estimates classified by category.

Answer:
a. Yes, the Year-End Report presents revenue estimates by category.

Source:
In Hungarian: A központi alrendszer mérlege
In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ001.pdf
pp. 203-204

In Hungarian: A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Balance sheet of the central government (cash-flow based) (by economic classification)
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ001.pdf
page 288

Comment:
In the table by economic classification the tax revenues are grouped by types like income taxes („Jövedelemadók"), social contribution tax and social contributions („Szociális hozzájárulási adó és járulékok") or taxes on products and services („Termékek és szolgáltatások adói"). The non-tax revenues are grouped into „Other revenues" („Egyéb közhatalmi bevételek"), current revenues („Működési bevételek") and capital revenues („Felhalmozási bevételek"). The table also presents the revenues received from other budgetary institutions and outside the budget (in rows „Működési célú támogatások államháztartáson belülről", „Felhalmozási célú bevételek államháztartáson belülről", „Működési célú átvett pénzeszközök", „Felhalmozási célú átvett pénzeszközök").
The classification of the balance sheet focuses more on grouping the tax revenues. The revenues are presented on page 203 under "Bevételek". It uses categories like revenues from corporations („Gazdálkodó szervezetek befizetései"), taxes on consumption („Fogyasztáshoz kapcsolt adók"), revenues from households („Lakosság befizetései") or social contribution tax and social contributions („Szociális hozzájárulási adó és járulékok"). The non-tax revenues are aggregated at various levels. The interests received are shown individually in the line „Kamatbevételek", while all the revenues related to state property are aggregated in one line („Állami vagyonnal kapcsolatos befizetések"). Other notable categories are the revenues from the EU („Uniós programok bevételei") and the revenues of the budgetary institutions („Költségvetési szervek bevételei"). The structure of the revenues, the ratio of tax and non-tax revenues can be estimated from these groups in spite of the fact that the groups do not strictly follow the tax-non-tax classification.
The table presents non-consolidated data and transfers between institutions appear, for example in the block "Bevételek az államháztartás alrendszereiből" (Revenues from subsectors of the government).

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

89. Does the Year-End Report present individual sources of revenue?

GUIDELINES:

Question 89 asks whether revenue estimates for individual sources of revenue are presented in the Year-End Report. The question applies to both tax and non-tax revenue.

To answer "a," the Year-End Report must present all sources of revenue individually, accounting for all revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. Answer "b" if the Year-End Report presents individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. Answer "c" if the Year-End Report presents estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" if individual sources of revenue are not presented in the Year-End Report.

Answer:
a. Yes, the Year-End Report presents individual sources of revenue accounting for all revenue.

Source:
In Hungarian: 1. melléklet a zárszámadáshoz
In English: Appendix 1 of the Year-End Report
URL: https://www.parlament.hu/irom42/09346/09346.pdf
pp. 7-88

In Hungarian: A központi alrendszer mérlege

In English: Balance sheet of the central government
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ001.pdf
pp. 203-204

Comment:
The Year-End Report includes all revenue sources individually in Appendix 1. The only exception is if a budgetary institution handles different revenues (like the governmental offices that may collect service fees and fines as well), because all of the institutions own revenue are aggregated to one line. However, this is only a minor issue related to the total of the revenues. The drawback of this is that the reader has to go through all the items in the appendix. The revenues are in columns „Működési bevételek" (current revenues) and „Felhamozási bevételek" (capital revenues).
On page 203 the balance sheet of the central government highlights some of the major revenue sources, but still many important revenue sources are presented in an aggregated way. For example, in the line „Állami vagyonnal kapcsolatos bevételek" all kind of revenues are presented related to state property from dividend from corporations to selling of assets and utilization of assets, or the line "Költségvetési szervek bevételei" can include all kinds of revenues of the institutions from fees to revenues from market-based services.
Compared to the previous Survey the sources with very low revenue were grouped together and other relevant sources shown individually, so the presentation became more reasonable. As a result of these changes almost all the sources can be identified individually or at least the type can be determined from the table we revised the answer to 'a'.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

90. Does the Year-End Report present the differences between the original estimates of government borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year?

GUIDELINES:
Question 90 asks whether the Year-End Report includes estimates of the differences between the original estimates and the actual outcome for the fiscal year for borrowing and debt, including its composition, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:

- *the amount of net new borrowing required during the budget year;*
- *the central government's total debt burden at the end of the budget year; and*
- *the interest payments on the outstanding debt for the budget year.*

Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:
c. Yes, estimates of the differences between some but not all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented.

Source:
In Hungarian: A központi költségvetés bruttó adósságának alakulása 2020-2023 között (millió forint)
In English: The evolution of the gross debt of the central government between 2020-2023 (million HUF)

URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ001.pdf
page 375

In Hungarian: A központi költségvetés finanszírozási és adósságműveletei 2023, előzetes adatok alapján
In English: The financing and debt operations of the central budget in 2023 (preliminary data)
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ001.pdf
page 378

In Hungarian: XLI. Adósságszolgálattal kapcsolatos bevételek és kiadások
In English: Chapter XLI Revenues and expenditures related to debt services
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ007.pdf
pp. 3869-3884

In Hungarian: Az indokolás mellékletei – A központi kormányzat 2023. évi előirányzatai – B. Az államháztartási központi alrendszere hiánya, finanszírozása, az államadósság kezelése
In English: Supplements for the Justification – Appropriations of the central budget in 2023 – B. Deficit and financing of the central government, management of the debt
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ001.pdf
pp. 138-146

Comment:
For the total debt of the central government only the actual outcomes are presented, the original estimates are not included. The total debt is shown in the line „A központi költségvetés bruttó adóssága mindösszesen" in the table about the evolution of the debt on page 375. The columns present the data for the end of the years from 2020 to 2023. The composition of the debt is shown by denomination and type (loans, bonds). The instruments in foreign currency is in the block „1. Devizában fennálló adósság", while the instruments in domestic currency in the block „2. Forintban fennálló adósság". The type is in the below lines: „hitel" means loans, „kötvény" means bonds, „kincstárjegyek" are the T-bills.
The net borrowing requirement is presented in the second cited table on page 378 in the line „Nettó finanszírozási igény". This is only the outcome for the budget year, the estimated values are not included.
The narrative discussion of chapter XLI explains the difference of interests paid and received between the modified enacted level and the actual outcome. However in many cases the enacted levels are not presented numerically, but can be calculated. The discussion uses the same structure as in the previous Survey. On page 3871 the interests paid on foreign-denominated debt was 384 788,5 million HUF that was 81 330,6 million HUF more than the enacted level. („A devizában fennálló adósság kamatkiadásai 81 330,6 millió forinttal lettek magasabbak az előirányzatnál, és 384 788,5 millió forintot tettek ki."). The next paragraphs describe the causes of the difference, like the higher-than-planned debt issuance, the increasing euro interest rates and foreign exchange rate. The detailed table on pp. 3880-3884 includes the original estimates for these items. Column „2022. évi teljesítés" shows the actual outcome for the previous year, „2023. évi előirányzat" is the original enacted level, „2023. évi módosított előirányzat" is the modified level and „2023. évi teljesítés" is the actual outcome for the budget year.
The general justification includes additional information about the debt. For example on page 141 the table called „Nettó kibocsátás 2023-ban" compares the amount of the issued debt instruments to the planned amount. The outcome is in column „2023. tény", the planned amount is in „Előirányzat tervezésekor (2022.05.18)", while the column "Az éves finanszírozási kiadványban publikált (2022.12.15)" shows the amount published in the yearly outlook of the Debt Management Agency that was published much later than the adoption of the budget. The planned amount cannot be verified because the EBP for FY 2023 did not include this data. On page 145 the narrative discussion mentions that the outcome of the debt was higher than planned, but does not describe the exact amount of the planned amount. It is in the sentence "Az adósság tervezettnél lényegesen magasabb szintje az orosz-ukrán háború nyomán
bekövetkezett válság miatt megnövekedett nettó finanszírozási igény miatt, a tervet meghaladó forint és deviza kötvénykibocsátásoknak, illetve a hozamemelkedéseknek köszönhető, amelyet tovább erősített a forintnak az euróhoz képest a vártnál nagyobb mértékű gyengülése."
The maturity profile is mentioned on page 140 related to the benchmarks for debt composition as the target value for average maturity was over 5,5 years. The exact outcome is not described, the discussion only states that this benchmark was achieved This is in the sentence " Az átlagos hátralévő futamidő (average time to maturity, ATM) értékének meg kellett haladni az 5,5 évet, amely cél teljesült" (meaning: "The average time to maturity must be over 5,5 years which goal was achieved."). There are further information on average time to maturity in the table on page 144 but the table only presents data for HUF-denominated instruments.
The YER contains information about the debt but the difference between the original estimates and actual outcomes only presented for the interest payments and net new borrowing requirements.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

90b. Based on the response to Question 90, check the box(es) to identify which estimates of government borrowing and debt, including its composition, have

the differences between the original forecast and the actual outcome for the year presented in the Year-End Report:

Answer:
The amount of net new borrowing required during the budget year
The interest payments on outstanding debt for the budget year

Source:
In Hungarian: XLI. Adósságszolgálattal kapcsolatos bevételek és kiadások
In English: Chapter XLI Revenues and expenditures related to debt services
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ007.pdf
pp. 3869-3884

In Hungarian: Az indokolás mellékletei – A központi kormányzat 2023. évi előirányzatai – B. Az államháztartási központi alrendszere hiánya, finanszírozása, az államadósság kezelése
In English: Supplements for the Justification – Appropriations of the central budget in 2023 – B. Deficit and financing of the central government, management of the debt
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ001.pdf
pp. 138-146

Comment:
The narrative discussion presents the interests paid and received for the actual outcome and the difference from the enacted level. The enacted level is only detailed in the table on pp. 3880-3884. Column „2022. évi teljesítés" shows the actual outcome for the previous year, „2023. évi előirányzat" is the original enacted level, „2023. évi módosított előirányzat" is the modified level and „2023. évi teljesítés" is the actual outcome for the budget year.
The general justification includes additional information about the debt. On page 141 the table called „Nettó kibocsátás 2023-ban" compares the amount of the issued debt instruments to the planned amount. The outcome is in column „2023. tény", the planned amount is in „Előirányzat tervezésekor (2022.05.18)", while the column "Az éves finanszírozási kiadványban publikált (2022.12.15)" shows the amount published in the yearly outlook of the Debt Management Agency that was published much later than the adoption of the budget. The planned amount cannot be verified because the EBP for FY 2023 did not include this data.
The interest payments and the net new borrowing are presented but the latter cannot be verified from the original EBP for FY 2023.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

91. Does the Year-End Report present the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?

GUIDELINES:
Question 91 asks whether the Year-End Report includes estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 15 for the components of the macroeconomic forecast in the Executive's Budget Proposal. Core components include estimates of the nominal GDP level, inflation rate, real GDP growth, and interest rates, although the importance of other macroeconomic assumptions, such as the price of oil, can vary from country to country.

To answer "a," the Year-End Report must include estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. Answer "c" if estimates of the differences between some but not all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

b. Yes, estimates of the differences between all the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented, but a narrative discussion is not included.

Source:
In Hungarian: Az indokolás mellékletei – A gazdasági fejlődés főbb jellemzői
In English: Appendices of the justification – The main characteristics of the economic development
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ001.pdf
page 187

In Hungarian: Az általános indokolás – A kormányzat gazdaságpolitikájának fő vonásai, az államháztartás alakulása a 2023. évben – 1. A kormányzat gazdaságpolitikája
In English: The General Justification – The main characteristics of the economic policy of the government and the evolution of the budget in 2023 – Section 1. The economic policy of the government
URL: https://www.parlament.hu/irom42/09346/09346.pdf
pp. 93-95

Comment:
The cited table on page 187 presents the actual outcome for macroeconomic assumptions (in the column „2023 előzetes tény") beside the submitted („2023 benyújtott") and the previous year's outcome („2022 tény"). The data in the submitted column matches the data in the EBP for FY 2023.
The narrative discussion compares the differences between the assumptions and the actual outcomes and describes the main causes of the differences for some of the indicators: real GDP-growth, inflation rate, balance of current account. On page 95 in the first paragraph it is stated that the assumption was 4,1% real GDP-growth but the outcome was 5 percentage point lower because of the energy crisis and the negative effects of the high inflation rate. In the next sentence the inflation rate is only compared to the original assumption. In the third sentence the difference of the balance of current account is explained by the reduced domestic demand, the increasing service export and the regressing energy prices. In the next two paragraphs the assumed economic scenario and the actual outcome are described narratively providing further information about the differences.
Numerically all the differences are presented between the original assumptions and the actual outcomes in a table while the narrative discussion only explains some of them.

The submitted table is on page 257 in the EBP for FY 2023:
https://www.parlament.hu/irom42/00152/T_152_fokotet.pdf

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

91b. Based on the response to Question 91, check the box(es) to identify which elements of the macroeconomic forecast have the differences between the original forecast and the outcome for the year presented in the Year-End Report:

Answer:
Nominal GDP level
Inflation rate
Real GDP growth
Interest rates
Information beyond the core elements

Source:
In Hungarian: Az indokolás mellékletei – A gazdasági fejlődés főbb jellemzői
In English: Appendices of the justification – The main characteristics of the economic development
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ001.pdf
page 187

In Hungarian: Az általános indokolás – A kormányzat gazdaságpolitikájának fő vonásai, az államháztartás alakulása a 2023. évben – 1. A kormányzat gazdaságpolitikája

In English: The General Justification – The main characteristics of the economic policy of the government and the evolution of the budget in 2023 – Section 1. The economic policy of the government
URL: https://www.parlament.hu/irom42/09346/09346.pdf
pp. 93-95

Comment:
The cited table compares the following indicators:
Real GDP growth rate – GDP növekedése
Nominal GDP level in billion HUF – GDP értéke folyó áron (milliárd forint)
GDP deflator – GDP deflátor
Inflation rate – Fogyasztói árindex változása (éves átlag)
Growth rate of labour productivity – Munkatermelékenység növekedési üteme
Gross total wages – Bruttó bér- és keresettömeg
Investment rate as percent of GDP – Beruházási hányad (a GDP %-ában)
Consumption of households – Háztartások fogyasztása
Consumption of the government – Közösségi fogyasztás
Investments – Bruttó állóeszköz-felhalmozás
Domestic consumption – Belföldi felhasználás
Export – Termékek és szolgáltatások exportja
Import – Termékek és szolgáltatások importja
Current account balance (in billion EUR and % of GDP) – Folyó fizetési mérleg egyenlege (milliárd euró és a GDP százalékában)
Change of number of employees as percentage – Foglalkoztatottak számának növekedése, %
Change in average gross wage as percent – Bruttó átlagkereset növekedése, %
Change in average net wage as percent – Nettó átlagkereset növekedése, %
EURHUF exchange rate – HUF/EUR árfolyam, éves átlag
USDHUF exchange rate – HUF/USD árfolyam éves átlag
Brent oil price – Brent olajár (USD/hordó, éves átlag)
Base interest rate of the central bank – Jegybanki alapkamat (Reuters)

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

92. Does the Year-End Report present the differences between the original estimates of nonfinancial data on inputs and the actual outcome?

GUIDELINES:
Question 92 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 49 for the nonfinancial data on inputs included in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on inputs and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:
c. Yes, estimate of the differences between some but not all of the original estimates of nonfinancial data on inputs and the actual outcome are presented.

Source:
In Hungarian: XIV. Belügyminsiztérium – 3. cím 1. alcím Szociális és gyermekvédelmi, gyermekjóléti feladatellátás és irányítás intézményei
In English: Chapter XIV Ministry of Interior – Title 3 Subtitle 1 Institutions of social, child-protection and child-welfare
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ003.pdf
pp. 1639-1640 and 1652-1658

In Hungarian: XIV. Belügyminsiztérium – 9. cím, 2. alcím Gyógyító-megelőző ellátás intézetei
In English: Chapter XIV Ministry of Interior – Title 9 Subtitle 2 Institutions of healthcare and health protection
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ004.pdf
page 1835

In Hungarian: XXXVI. Magyar Kutatási Hálózat
In English: Chapter XXXVI Hungarian Research Network
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ007.pdf
pp. 3829-3830

In Hungarian: XIV. Belügyminsiztérium – 10. cím Országos Mentőszolgálat
In English: Chapter XIV Ministry of Interior – Title 10 National Ambulance Service
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ004.pdf
page 1865

Comment:
The only systematic nonfinancial input in the EBP for 2023 was the number of employees. This data is also included in the year-end report for each institution in a summary table. On page 1647 the row „Létszám (fő)" shows the average number of employees of the institution during the year. The column „2022. évi tény" shows the outcome of the previous year, the column „2023. évi eredeti előirányzat" the originally enacted number, the column „2023. évi törvényi módosított előirányzat" the updated number and „2023. évi tény" the actual outcome for the budget year. The narrative discussion is on page 1652 in the paragraph with the boldfaced „létszámok" expression. The comparison is between the enacted level and actual outcome. In some cases the explanation provides further details about the changes or the composition of the employees. In the first example the changes in the number of employees are explained individually, like the decrease in the number of beneficiaries or the restructuring of the institution caused the change. In the second example the employees of healthcare institutions are presented by degree and the legal category of employment. In the third example the employees of the research institutions are presented by educational degree and in one case by gender.
Related to the specific institutions other nonfinancial inputs may be mentioned throughout the document.
As an example in the table on pages 1639-1640 the capacities are listed by different social services. For example "Ápolást gondozást igénylő ellátás" means social service with nursing or caring, "Rehabilitációs intézmény" means rehabilitation institution and the column "Engedélyezett férőhelyszám" means the allowed capacities, while "Ellátotti létszám összesen" shows the number of beneficiaries.
As an additional exapmle on page 1865 the number of vehicles and number of ambulance stations are presented in the table in the lines "Szervezett járművek száma" and "Mentőállomsok száma", but only the outcome for the actual and previous years are presented, the planned numbers are not described.
The EBP did not contain these data and the originally intended values were not described, hence we only evaluated the number of employees as nonfinancial data for inputs where the comparison is made.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

93. Does the Year-End Report present the differences between the original estimates of nonfinancial data on results and the actual outcome?

GUIDELINES:
Question 93 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion. Nonfinancial data on results can include data on both outputs and outcomes, but not on inputs (which are addressed in Question 92).

Refer to Question 50 for the nonfinancial data on results included in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on results and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

d. No, estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome are not presented.

Source:
In Hungarian: XIV. Belügyminsiztérium – 7. cím Rendőrség
In English: Chapter XIV Ministry of Interior – Title 7 Police departments
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ004.pdf
page 1769

In Hungarian: XIV. Belügyminsiztérium – 10. cím Országos Mentőszolgálat
In English: Chapter XIV Ministry of Interior – Title 10 National Ambulance Service
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ004.pdf
page 1865

In Hungarian: XX. Emberi Erőforrások Minisztériuma – 20/9/6 Fiatalok első sikeres nyelvvizsgájának támogatása
In English: Chapter XX Ministry for Human Capacities – 20/9/6 Support for the first successful language exam of youths
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ004.pdf
pp. 3132-3133

Comment:
Performance indicators and outcomes about the activities are presented ad hoc in the Year-End Report. The nonfinancial indicators are mostly mentioned in the narrative discussion to explain the activities of the budgetary institutions, not to evaluate their performances.
The number of beneficiaries mentioned occasionally. On page 3133 it is stated that 24 386 persons received support and the total amount was 1076,1 million HUF. This is in the sentence "Nyelvvizsga támogatásként 2023-ban 24 386 jogosult részére összesen 1076,1 millió forint került folyósításra"
In other cases the activities are justified by these additional numbers like in the cases of National Ambulance Services. On page 1865 it is stated that 1.227.050 cases were attended in 2023. Further details are provided like the total distance covered and the distribution of activities in the table.
As performance indicators we only found the expected and actual reaction times at the police departments. On page 1769 in the bullet point starting with "A segélyhívásokra reagáló, a rendőri állományt irányító fővárosi/vármegyei tevékenységirányítási központok (TIK)" mentions the actual value for different activities and the allowed maximum time in parenthesis. The average case administration ("átlagos adalapátvételi ideje") was 20 seconds in 2023 and the target was 30 seconds, the average time to act was 3 minutes 57 seconds with a target of 5 minutes and the average time from the emergency call to arriving to the location was 15 minutes 41 seconds and the target was 20 and 25 minutes. The targets were not presented in the submitted EBP, only presented in the Year-End Report.
The performance indicators and outcomes are presented sporadically and only one was presented to the originally expected levels, hence the performance of the institutions cannot be evaluated without this context. As a consequence, there are no explanations of the differences.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

94. Does the Year-End Report present the differences between the enacted level of funds for policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations and the actual outcome?

GUIDELINES:
Question 94 asks whether the Year-End Report includes estimates of the differences between the enacted level of funds for policies that are intended to benefit directly the country's most impoverished populations and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 52 for assistance to the most impoverished populations in the Executive's Budget Proposal.

To answer "a," the Year-End Report must present estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between the enacted level for some but not all of the policies that are intended to benefit the country's most impoverished populations and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:
c. Yes, estimates of the differences between the enacted level for some but not all of the policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are presented.

Source:
In Hungarian: XIV. Belügyminisztérium – 20/5 Társadalmi felzárkózást segítő programok
In English: Chapter XIV Ministry of Interior – 20/5 Support for policy programmes to improve the situation of the most impoverished
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ004.pdf
pp. 2050-2064

In Hungarian: XIV. Belügyminisztérium – 20/32 Szociális, gyermekvédelmi, gyermekjóléti és fogyatékos személyek esélyegyenlőségét elősegítő célelőirányzatok
In English: Chapter XIV Ministry of Interior – 20/32 Targeted programmes for social, child-protection, child-welfare tasks and promoting equal opportunities for handicapped persons
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ004.pdf
pp. 2107-2117

In Hungarian: XIV. Belügyminisztérium – 20/32/2 Egyéb szociális, gyermekjóléti és gyermekvédelmi szolgáltatások sajátos finanszírozása
In English: Chapter XIV Ministry of Interior – 20/32/2 Funds for other social, child-welfare and child protection services
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ004.pdf
pp. 2119-2121

In Hungarian: XIV. Belügyminisztérium – 20/32/4 Egyes szociális, gyermekvédelmi, gyermekjóléti és fogyatékos személyek esélyegyenlőségét elősegítő ágazati szakmai programok támogatása
In English: Chapter XIV Ministry of Interior – 20/32/4 Supporting certain social, child protection, child-welfare tasks and promoting equal opportunities for handicapped persons
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ004.pdf
pp. 2123-2130

In Hungarian: XV. Pénzügyminisztérium – 05. alcím Nemzeti Család- és Szociálpolitikai Alap
In English: Chapter XV Ministry of Finance – Subtitle 5 National Family and Social Fund
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ005.pdf
pp. 2385-2387

In Hungarian: XIX. Uniós fejlesztések – 03/01/08 Rászoruló Személyeket Támogató Operatív Program
In English: Chapter XIX Developments financed by EU grants – 03/01/08 Operational Programme for Impoverished Persons
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ005.pdf
pp. 2831-2832

In Hungarian: XIV. Belügyminisztérium– 15. cím Klebelsberg Központ
In English: Chapter XIV Ministry of Interior – Title 15 Klebelsberg Center
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ004.pdf
page 1975

Comment:
The funds intended for the most impoverished populations are not summarized. They can only found by looking through the explanations. The first four cited examples are appropriations that can be easily identified and appear near to each other but only because the Ministry of Interior received the social tasks. The social benefits and supports were handled by the Ministry of Finance, so those expenditures appear later in the document as shown in the fifth example.
The social benefits are not detailed by beneficiaries, sometimes even the individual benefits are not separated. For example many of the social benefits are discussed on pages 2385-2387 as part of "Nemzeti Család- és Szociápolitikai Alap", but the benefits took over from local governments called „Járási szociális feladatok ellátása" (in the table on page 2387) are not disaggregated, however it contains diverse benefits and some of them is targeted for the most impoverished, while others are general subsidies. For example it contains the "ápolási díj" and "gyermekek otthongondozási díja" (support for persons caring for close relatives with disability or serious illness) and "foglalkoztatást helyettesítő támogatás" (support for persons in active age but not entitled to any other support or benefit) and these have different purposes. Similarly the family support („Családi pótlék" on page 2385) may be a significant income for the most impoverished families but the beneficiaries are not detailed.
The other cited examples are targeted ones but they do not mean the total funds for the most impoverished persons. The support for services for homeless persons, child-welfare services, scholarships are mainly well-defined ones and even donor fund from the European Union can be identified in certain cases. The description in chapter XIX Developments financed by EU grants the cited programme are about supporting impoverished persons. In the utilisation of the funds the exact projects may be mentioned throughout the document. On page 1975 the Klebelsberg Center (responsible for primary and secondary education) mentioned a project about distributing educational-related packages to impoverished families. The same project is also mentioned on page 2117 in the second point beside other similar projects providing in kind support for impoverished persons.
At each example the outcome for the previous year is shown in column "2022. évi tény", the original appropriation in column "2023. évi eredeti előirányzat" and the actual outcome in column "2023. évi tény".

The Year-End Review includes all the subsidies provided to the citizens, but the benefits intended to the most impoverished can only be partially identified. For several but not all examples the actual outcomes, the original and modified appropriations and the outcomes for the previous year are presented.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

95. Does the Year-End Report present the differences between the original estimates of extra-budgetary funds and the actual outcome?

GUIDELINES:
Question 95 asks whether the Year-End Report presents estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 33 for estimates of extra-budgetary funds in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of extra-budgetary funds and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented. As with question 33, answer "e" can be used if there is clear evidence that extra-budgetary funds do not exist. However, if such funds do exist but are not reported, the appropriate answer would be "d," not "e."

Answer:
d. No, estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome is not presented.

Source:
In Hungarian: I. Országgyűlés – 8-11. címek – 11. cím Közszolgálati médiaszolgáltatás támogatása
In English: Chapter I. National Assembly – Titles 8-11 – Title 11 Support of public media
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ002.pdf
page 503

Comment:
In the Hungarian terminology „fund" may refer to some of the chapters in the central budget, like Pension Insurance Fund („Nyugdíjbiztosítási Alap") or Health Insurance Fund („Egészségbiztosítási Alap"). In practice these work like other ministries in the budget: the government can provide extra funds or take the surplus and in this sense they are not separate from the central budget. As they operate similarly to other budgetary institutions we do not consider them extra-budgetary funds.
The only extra-budgetary funds are the Media Service and Support Trust Fund and the foundations of the National Bank of Hungary.
The budget of the media fund is approved in a separate law from the central budget, but it is almost exclusively funded by the central budget, only has minor fees as its own revenues. The details of this fund are omitted from the Year-End Report, only the subsidy provided to it was described on page 503. The Year-End Report of the media fund is cited at the end of the comment.
The foundations of the National Bank of Hungary are not controlled by the government, but as they spend public funds and serve public goals, for a comprehensive report their activities could be included as extra information.
Magyar Szénhidrogén Készletező Szövetség
The subsidy for the media fund is only partial revenue information for the fund, because it has other revenue sources. While both the original estimate and actual outcome were included in the YER, the information must be provided for the total gross data.

In Hungarian: T/8435 A Nemzeti Média- és Hírközlési Hatóság 2023. évi egységes költségvetésének végrehajtásáról
In English: Bill T/8435 on the implementation of the budget of the National Media and Infocommunications Authority in 2023
URL: https://www.parlament.hu/irom42/08435/08435.pdf
pp. 8-9

Peer Reviewer
Opinion:

Government Reviewer Opinion:

96. Is a financial statement included as part of the Year-End Report or released as a separate report?

GUIDELINES:
Question 96 asks whether a financial statement is included as part of the Year-End Report, or whether it is released as a separate report. The financial statement can include some or all of the following elements: a cash flow statement, an operating statement, a balance sheet, and notes on accounting. For purposes of responding to this question, the financial statement in question does not need to be audited. For an example of a financial statement, see the document " Financial Statements of the Government of New Zealand for the Year Ended 30 June 2022" (https://www.treasury.govt.nz/publications/year-end/financial-statements-2022)

To answer "a," a financial statement must either be included in the Year-End Report or must be released as a separate report. Answer "a" applies if a financial statement is released as a separate report, even if the Year-End Report is not publicly available. Answer "b" applies if no financial statement is released either as part of the Year-End Report or as a separate report.

Answer:
a. Yes, a financial statement is part of the Year-End Report or is released as a separate report.

Source:
In Hungarian: Vagyoni adatok – Központi költségvetési szervek, fejezeti kezelésű előirányzatok, valamint EU-s programokhoz kapcsolódó és más egyéb központi kezelésű előirányzatok könyvviteli mérlege
In English: Data on assets – Balance sheet of budgetary institutions, chapter-administered appropriations and centrally-administered appropriations
URL: https://www.parlament.hu/irom42/01877/T_1877_00.pdf
pp. 397-406
In Hungarian: Az államháztartás főbb jellemzői (pénzforgalmi szemléletben)
In English: Main characteristics of the budget of the general government (cash-flow based)
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ001.pdf
page 191
In Hungarian: A központi költségvetés finanszírozási és adósságműveletei 2023, előzetes adatok alapján
In English: The financing and debt operations of the central budget in 2023 (preliminary data)
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ001.pdf
page 378

Comment:
Some elements of the financial statement can be found in separate tables of the YER.
The first cited table on pp. 397-406 is the balance sheet of the central government, presenting the assets (until the row „Eszközök összesen") and liabilities (until the row „Források összesen") for the previous (in column „Előző időszak") and the budget year (in column „Tárgyi időszak").
The second cited table on page 191 is an operating statement presenting revenues and expenditures of the government. The „cash-flow based" type only refers to the method of accounting that all the items are booked when they were received or paid, but because of the treasury system used by the government there is no cash movement for intra-governmental transfers. The presented numbers are not consolidated. This is proved by the table on page 193 that shows the consolidated expenditures and in the row „Kiadások" the amount is different than the „Kiadások" in the block „Államháztartás összesen" (General government total). In the table the rows „bevételek" shows the revenues, the „kiadások" shows the expenditures.
The items are detailed by subsectors (like central government – „központi költségvetés", local governments – „önkormányzatok", pension insurance fund – „Nyugdíjbiztosítási Alap", health insurance fund – „Egészségbiztosítási Alap", separated financial funds – „elkülönített állami pénzalapok") and types (like primary revenues and expenditures – „elsődleges", interest related – „kamat"). The actual outcomes are in the columns „2022. évi tény" and „2023. évi teljesítés", the columns in between show the original and modified estimates.
The closest to the cash flow statement is the summary table of financing and debt transactions on page 378. However the table only presents the cash-flow movements related to debt transactions and omits the received funds from taxes, social contributions and the amount paid for wages, operational costs, investments. It presents only part of the cash flow movements of the cash account of the government. The cash account of the government is called „KESZ", so the rows „KESZ-t érintő devizaadósság felvétel és átvállalás" shows the foreign currency denominated debts affecting the cash account, the row „KESZ likviditásának csökkenése" shows the liquidity decrease of the account, but other movements are not detailed.
The revenues, expenditures and the balance sheet of the government are presented in the document, but these are not linked together to show how the former influenced the changes in assets or debt.

A government decree determines the accounting rules of the financial statements. In point 6. § (2) b) the decree states that the operating statement and the balance sheet must be prepared according to accrual-based accounting, while the other reports according to cash-flow based accounting.
The aggregated balance sheet for the central government is included in the YER, but the operating statement is not, it is only collected and checked

by the State Treasury.
The detailed lines of the balance sheet is in appendix 5, the lines of the operating income in appendix 6 of the decree cited below.
In Hungarian: 4/2013. (I. 11.) Korm. rendelet az államháztartás számviteléről
In English: Government decree 4/2013. (I. 11.) on the accounting of public finances
URL: https://net.jogtar.hu/jogszabaly?docid=a1300004.kor
5. and 6. melléklet (Appendix 5 and 6)

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

97. What type of audits (compliance, financial, or performance) has the Supreme Audit Institution (SAI) conducted and made available to the public?

GUIDELINES:

Question 97 asks about the types of audits conducted by the Supreme Audit Institution (SAI). There are three basic types of audits:

- *Financial audits are intended to determine if an entity's financial information is accurate (free from errors or fraud) and presented in accordance with the applicable financial reporting and regulatory framework. See ISSAI 200 (https://www.issai.org/pronouncements/financial-audit-principles/) for more details.*
- *Compliance audits look at the extent to which the relevant regulations and procedures have been followed. See ISSAI 400 (https://www.issai.org/pronouncements/issai-400-compliance-audit-principles/) for more details.*
- *Performance audits assess whether activities are adhering to the principles of economy, efficiency, and effectiveness. See ISSAI 300 (https://www.issai.org/pronouncements/issai-300-performance-audit-principles/) for more details.*

Financial and compliance audits are more common than performance audits, which usually occur only once a performance framework has been agreed upon. In some countries, the SAI's mandate limits the type of audit it can conduct.

To answer "a," the SAI must have conducted all three types of audit — financial, compliance, and performance — and made all of them available to the public. A "b" response applies if the SAI has conducted two of the three audit types, and a "c" applies if it has conducted only one type of audit. Answers "b" and "c" may be selected even if the Audit Report is not publicly available, as long as the SAI has conducted compliance or performance audits and made them available to the public. A "d" response applies if the SAI has not conducted any of the three types of audits, or has not made them available to the public.

Answer:
a. The SAI has conducted all three types of audits (compliance, financial, or performance) and made them available to the public.

Source:
Compliance audit
In Hungarian: Jelentés – Az államháztartás központi alrendszerébe tartozó költségvetési szerv által teljesített dologi és felhalmozási célú kiadás szabályszerűségének rapid ellenőrzése
In English: Report of the Rapid Audit of certain operative and investment expenditures of budgetary institutions
URL: https://www.asz.hu/dokumentumok/24065.pdf

In Hungarian: Jelentés - A többségi állami tulajdonban lévő gazdasági társaságok által kötött tanácsadási szerződések célzott ellenőrzése
In English: Report of the Audit of the consultancy contracts at the state-owned enterprises
URL: https://www.asz.hu/dokumentumok/24040.pdf

Financial audit
In Hungarian: Jelentés Magyarország 2023. évi központi költségvetése végrehajtásának ellenőrzéséről
In English: Report of the Audit on the Execution of Central Budget of Hungary for the Year 2023
URL: https://www.asz.hu/dokumentumok/24163.pdf

Performance audit
In Hungarian: Jelentés – Ügyfélbarát elektronikus ügyintézés érdekében tett intézkedések értékelése
In English: Report of the assessment of policies toward user-friendly electronic administration

URL: https://www.asz.hu/dokumentumok/24034.pdf

In Hungarian: Jelentés – Foglalkoztatás-felügyelet hatósági tevékenységének ellenőrzése
In English: Report of the Audit on activities of the labour-supervisor institutions
URL: https://www.asz.hu/dokumentumok/24033.pdf

Comment:
In the cited examples the type of the audit is shown on page 6 in the line “Ellenőrzés típusa”. “Megfelelőségi ellenőrzés” means compliance audit, “Teljesítmény ellenőrzés” means performance audit and as a special case the audit of the execution of central budget is categorised as compliance audit but it is a financial audit to confirm if the numbers presented in the Year-End Report are reliable.
The most common type of audits is compliance audit, a very high percentage of the reports fall into this category. These audits check if the institution carried out its tasks according to the relevant legal rules and its own regulation. The first example is a repid audit on selected expenditure items whether the selected institutions complied the relevant rules when they spent the funds on the audited items and booked them to the correct accounts. The second example audited the consultancy contracts of selected state-owned enterprises if the appropriate decisions were made and documented for the contracts, the process of signing the contract were compliant to the legal rules and the payments made for the contract were validated correctly.
The recurring financial audit is the Audit Report on the execution of the budget, whose main goal is to ensure all the numbers in the Year-End Report are reliable and reflect the actual state. On page 6 it shows "Megfelelőségi ellenőrzés" (compliance audit) because it also audits if the Year-End Report was compiled according to the rules beside the reliability of the published numbers.
The cited performance audit inspected the effectiveness of the labour-supervisor institutions, like how many inspections they made during the year, if they had the proper resources to carry out the tasks. The other cited example examined the development of user-friendly electronic adimistration. It checked if the strategic goals were determined according to the relevant strategic documents, whether these goals were broken down to operative indicators, how the responsible institution measured the performance and received used feedbacks, what services were available digitally and even tested the service in real-life examples.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

98. What percentage of expenditures within the mandate of the Supreme Audit Institution (SAI) has been audited?

GUIDELINES:
Question 98 focuses on the coverage of audits by the Supreme Audit Institution (SAI), asking what percentage of expenditures within the SAI’s mandate has been audited.

The SAI’s mandate is typically defined in statute. Only expenditures related to budgetary central government (ministries, departments, and agencies) that are within the SAI’s mandate should be considered for this question. (Question 99 addresses audits of extra-budgetary funds.) Further, the question does not apply to “secret programs” (for example, security-related expenditures that are confidential). Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.

Only the Audit Report identified in Section 1 should be used to answer this question. Financial audits and compliance audits, or a hybrid of the two, can be taken into account to answer this question. Performance audits should not be considered for this question.

To answer “a,” all expenditures within the SAI’s mandate must be audited. A “b” response applies if at least two-thirds, but not all, expenditures within the SAI’s mandate have been audited. A “c” response is appropriate when less than two-thirds of expenditures within the SAI’s mandate have been audited. A “d” response applies when no expenditures have been audited.

Answer:
a. All expenditures within the SAI’s mandate have been audited.

Source:
In Hungarian: Jelentés - Magyarország 2023. évi központi költségvetése végrehajtásának ellenőrzéséről
In English: Report of the Audit on the Execution of Central Budget of Hungary for the Year 2023
URL: https://www.asz.hu/dokumentumok/24163.pdf
Appendix II on pp. 38-43

In Hungarian: Módszertani útmutató a költségvetés végrehajtásának (zárszaámadás) ellenőrzéséhez
In English: Methodological guide for the audit of the Year-End Report
URL: https://www.asz.hu/dokumentumok/Utmutato_zarszamadas_2024.pdf

Comment:
The percent of audited expenditures are not stated explicitly in the document, but according to a former announcement the renewed methodology of the State Audit Office ensures that it audits 100% of the expenditures and revenues. The methodology guidance (linked at the end of the comment) on the webpage of the State Audit Office shows “January 2015” on the cover page and in point 2.1.6 on page 14 the guidance allows the sampling in the audit, so the method is still in effect.
The audited institutions are listed pp. 38-43 in the Audit Report. The table shows if the programs below the institution were audited in the columns “Központi kez. ei.”, “Fejezeti kez. ei” and “Uniós ei.” (meaning central-administered appropriation, chapter-administered appropriation and EU transfer). According to the methodology not all the line items were audited, only selected ones below the ministries.
According to the explanation on pp. 6-7 in the section "Az ellenőrzés módszere" (Method of the audit) the sentenc “Az ÁSZ a 2023. évi pénzforgalmi bevételi és kiadási adatokból statisztikai mintavételezéssel választotta ki az ellenőrizendő tételeket és a zárszámadási törvényjavaslatban szereplő pénzforgalmi bevételi és kiadási adatok megbízhatóságát az ellenőrzött tételek alapján statisztikai módszer alkalmazásával értékelte” means that the SAO took a representative sample from the revenue and expenditure items, checked the reliability and used statistical methods to determine the reliability of the whole Year-End Report. The SAO also audited the processes and IT-systems to ensure the reliability of automatic processes.
The SAO also issued a methodological guide before the audit of the Year_End Report. The guide provides a framework for the audit and describes the allowed methods and criterion but it is a practical document or “regulation” for the auditors, so it does not explain the used methods and their technical details, like how many items are sampled or states exactly the audited percentage.
There is no sign to question the methodology of the SAO, thus we accepted the statement that the methodology ensured the audit of all the expenditures.

The renewal of the methodology is available in the news articles below. (The SAO updated its webpage and as a consequence these announcements are only available in the internet archives, not on the webpage of the SAO.)
In Hungarian: Zárszámadás 2014: megújult módszertan
URL: https://web.archive.org/web/20160704045049/https://www.aszhirportal.hu/hu/hirek/zarszamadas-2014-megujult-modszertan
In English: Final Accounts 2014: Focus on the central budget
URL: https://web.archive.org/web/20191127183338/https://www.aszhirportal.hu/en/highlighted-news/final-accounts-2014-focus-on-the-central-budget
In Hungarian: Módszertani útmutató a költségvetés végrehajtásának (zárszámadás) ellenőrzéséhez
In English: Methodological guide to the audit of the execution of the budget (final accounts)
URL: https://www.asz.hu/dokumentumok/02_modszertani_utmutato_zarszamadas_ellenorzesehez.pdf

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

99. What percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited?

GUIDELINES:

Question 99 focuses on audits of extra-budgetary funds, asking what percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited. These funds, although technically outside the budget, are governmental in nature and thus should be subject to the same audit requirement as other government programs.

The SAI’s mandate is typically defined in statute. Only expenditures related to extra-budgetary funds within the SAI’s mandate should be considered for this question. (Question 98 addresses audits of budgetary central government.) Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.

To answer "a,” all extra-budgetary funds within the SAI’s mandate must be audited. A “b” response applies if extra-budgetary funds accounting for at least two-thirds of, but not all, expenditures associated with extra-budgetary funds within the SAI’s mandate have been audited. A “c” response applies if extra-budgetary funds accounting for less than two-thirds of expenditures associated with extra-budgetary funds within the SAI’s mandate have been audited. A “d” response applies if extra-budgetary funds have not been audited.

Answer:

d. No extra-budgetary funds have been audited.

Source:
In Hungarian: Jelentés - Magyarország 2023. évi központi költségvetése végrehajtásának ellenőrzéséről
In English: Report of the Audit on the Execution of Central Budget of Hungary for the Year 2023
URL: https://www.asz.hu/dokumentumok/24163.pdf
Appendix II on pp. 38-43

Comment:
In the Hungarian context extra-budgetary funds can be the Media Service and Support Trust Fund, the foundations of the National Bank of Hungary or maybe the Hungarian Hydrocarbon Stockholding Alliance.
The separated funds in the central budget (Pension Insurance Fund, Health Insurance Fund, Central Nuclear Financial Fund and similar funds) were audited along the year-end report, but these funds are not extra-budgetary as they are part of the central budget and operate by the same rules. These are marked on pp. 38-43 in Appendix IV of the Audit Report in the columns “ELKA” (“Elkülönített állami pénzalapok és kezelő szerveik" meaning Separated state funds and their managing institutions) and “TB Alapok” (“Társadalombiztosítási alapok" meaning Social insurance funds).

According to our research the latest published report on the Media Fund was the same as in the previous Survey. The report was published in 2023, but the audit was conducted for 2021. The fund is not in the scope of the yearly financial audit of the central budget as the appendix of the audit report does not show the fund as audited institution.
The last published audit report of the Media Fund:
https://www.asz.hu/dokumentumok/23022.pdf

The foundations of the National Bank of Hungary are also audited separately from the financial audit of the central budget. Their last audited year is 2016. The reports were published 21 June 2018 as shown on page 2 of the reports.
The separate reports can be found on the below links:
https://www.asz.hu/dokumentumok/18133.pdf
https://www.asz.hu/dokumentumok/18134.pdf
https://www.asz.hu/dokumentumok/18135.pdf
https://www.asz.hu/dokumentumok/18136.pdf
https://www.asz.hu/dokumentumok/18137.pdf

Since no new audits were conducted since the previous Survey it cannot be confirmed if the extra-budgetary funds are audited regularly. In the previous Survey at least some of the funds were audited recently contrary to the current Survey, thus wer modified the answer to ‘d’.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

100. Does the annual Audit Report(s) prepared by the Supreme Audit Institution (SAI) include an executive summary?

GUIDELINES:
Question 100 asks whether the annual Audit Report includes an executive summary. Only the Audit Report identified in Section 1 should be used to answer this question. The Audit Report can be a fairly technical document, and an executive summary of the report’s findings can help make it more accessible to the media and the public.

To answer "a," the Audit Report must include at least one executive summary summarizing the report’s content. Answer “b” applies if the Audit Report does not include an executive summary, or the Audit Report is not made publicly available.

Answer:
a. Yes, the annual Audit Report(s) includes one or more executive summaries summarizing the report’s content.

Source:
In Hungarian: Jelentés - Magyarország 2023. évi központi költségvetése végrehajtásának ellenőrzéséről
In English: Report of the Audit on the Execution of Central Budget of Hungary for the Year 2023
URL: https://www.asz.hu/dokumentumok/24163.pdf
pp. 9-11

Comment:
The cited pages are the executive summary with the most important findings of the audit.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

101. Does the executive make available to the public a report on what steps it has taken to address audit recommendations or findings that indicate a need for remedial action?

GUIDELINES:
Question 101 asks whether the executive reports to the public on the steps it has taken to address audit recommendations made by the Supreme Audit Institution (SAI). The ultimate purpose of audits is to verify that the budget was executed in a manner consistent with existing law, and to hold the government accountable for this execution and its future improvement. The extent to which audits achieve the latter depends on whether there is adequate and timely follow-up on the recommendations provided in the SAI's audit reports.

To answer "a," the executive must report publicly on the steps it has taken to address all audit findings. A "b" response applies if the executive reports publicly on the steps it has taken to address most, but not all, audit findings. A "c" response applies if the executive reports publicly on the steps it has taken to address only some audit findings. As long as the executive reports publicly on the steps it has taken to address audit finding, answer "a,""b," or "c" may be selected, even if the Audit Report is not made publicly available. A "d" response applies if the executive does not report at all on its steps to address audit findings.

Answer:
d. No, the executive does not report on steps it has taken to address audit findings.

Source:
N/A

Comment:
The government did not publish any document about the findings of the Audit Report and what measures it took to correct them.

Additional note that there is a joint committee with the State Audit Office and the Government Audit Office (the institution under the Prime Minister responsible for the compliant use of public funds) that has the task of tracking audit recommendations, the utilisation of the findings in the audit reports and making proposals for the government. There is no public record about the activity of the committee. The YER mentions that the committee tracks the utilisation of the SAO's findings and makes recommendations to the Government but without any exact detail. Hence we could not consider it in answering this question.
In the YER the paragraph starting with "A Tárcaközi Bizottság ellátja az Állami Számvevőszékkel történő összehangolt kormányzati kapcsolattartás biztosítását…" describes the tasks but without any report on the activities or results.

Year-End Report for FY 2023
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ006.pdf
page 3441

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

102. Does either the Supreme Audit Institution (SAI) or legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?

GUIDELINES:
Question 102 asks whether the Supreme Audit Institution (SAI) or the legislature track actions by the executive to address audit recommendations. After audit results and recommendations are discussed and validated by the legislature, the executive is normally asked to take certain actions to address the audit findings. For accountability purposes, the public needs to be informed about the status of those actions, and steps the executive has taken to address audit recommendations. In addition to the executive reporting on its actions (see Question 101), the SAI and legislature — as the key oversight institutions — have a responsibility to keep the public informed by tracking the executive's progress in addressing audit recommendations.

To answer "a," the SAI or legislature must report publicly on what steps the executive has taken to address all audit findings. A "b" response applies if the SAI or legislature reports publicly on what steps the executive has taken to address most, but not all, audit findings. A "c" response applies if the SAI or legislature reports publicly on what steps the executive has taken to address only some audit findings. As long as the SAI or legislature reports publicly on the steps the executive has taken, answer "a,""b," or "c" may be selected, even if the Audit Report is not made publicly available. A "d" response applies if neither the SAI nor the legislature reports on the executive's steps to address audit findings.

Answer:
d. No, neither the SAI nor legislature reports on steps the executive has taken to address audit recommendations.

Source:
In Hungarian: Jelentés - Magyarország 2023. évi központi költségvetése végrehajtásának ellenőrzéséről
In English: Report of the Audit on the Execution of Central Budget of Hungary for the Year 2023
URL: https://www.asz.hu/dokumentumok/24163.pdf
pages 28 and 47

Comment:
Neither the State Audit Office nor the legislature published a report that tracked the audit recommendations.
The Audit Report did not highlight any recommendation but there were references for minor cases. On page 28 the report mentioned some of the errors like expenditures booked to incorrect accounts or revenues were not booked based on appropriate documents but only ten institutions made these mistakes, so the amount of these errors did not affect the reliability of the Year-End Report. This is in the section " A kiadások tekintetében egyedi megbízhatósági hibaként tárta fel az ellenőrzés nyolc intézménynél…".
On page 47 the report stated that the draft version of the Audit Report had been sent to the Finance Minister, but he did not comment it.
Based on the above the State Audit Office probably made recommendations but these were not listed in the Audit Report and there was no additional report on the webpage that tracked these recommendations.
The State Audit Office regularly prepares post-audit reports in certain topics but none of them was specifically about the Year-End Report, so it cannot be determined which recommendations were made in the Audit Report and how they were resolved.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

103. Is there an Independent Fiscal Institution (IFI) that conducts budget analyses for the budget formulation and/or approval process?

GUIDELINES:
Question 103 examines whether an Independent Fiscal Institution (IFI) exists that contributes budget analyses to the budget formulation and/or approval process. According to the Principles for Independent Fiscal Institutions, adopted by the OECD Council in 2014, "independent fiscal institutions are publicly funded, independent bodies under the statutory authority of the executive or the legislature which provide non-partisan oversight and analysis of, and in some cases advice on, fiscal policy and performance", and with "a forward-looking ex ante diagnostic task". In practice, they come in two main forms:

- *Parliamentary budget offices (also known as PBOs) such as the Congressional Budget Office in the United States (https://www.cbo.gov/), the Parliamentary Budget Office in South Africa (https://www.parliament.gov.za/parliamentary-budget-office), and the Center for Public Finance Studies in Mexico (Centro de Estudios de las Finanzas Públicas, http://www.cefp.gob.mx/); or*
- *Fiscal councils such as the Office for Budget Responsibility in the United Kingdom (https://obr.uk/) and the High Council for Public Finances in France (Haut Conseil des finances publiques, https://www.hcfp.fr/).*

For more information, see von Trapp et al. 'Principles for Independent Fiscal Institutions and Case Studies', OECD Journal on Budgeting 15:2 (special issue, 2016), https://doi.org/10.1787/budget-15-5jm2795tv625.

To answer "a," there must be an IFI, and its independence must be set in law. In addition, it must have sufficient staffing and resources, including funding, to carry out its tasks. Answer "b" applies if an IFI exists, but either its independence is not set in law or its staffing and resources are insufficient to carry out its tasks. Answer "c" applies if an IFI exists, but its independence is not set in law and it lacks sufficient staffing and resources. Answer "d" applies if no IFI exists.

If the answer is "a,""b," or "c," please specify in the comments the name and type of IFI that exists (e.g., parliamentary budget office or fiscal council). If the answer is "a" or "b," identify the law that guarantees its independence, and provide evidence in support of the assessment of the adequacy of its staffing and resources. This can include the IFI's total budget allocation over recent years, any press reports that discuss perceived funding shortfalls, assessments by international organizations, and/or information from interviews with staff of the IFI.

Answer:
a. Yes, there is an IFI, its independence is set in law, and it has sufficient staffing and resources, including funding, to carry out its tasks.

Source:
In Hungarian: 2011. évi CXCIV törvény Magyarország gazdasági stabilitásáról
In English: Act CXCIV of 2011 on the economic stability of Hungary
URL: https://net.jogtar.hu/jogszabaly?docid=A1100194.TV

In Hungarian: Magyarország alaptörvénye
In English: Fundamental Law of Hungary
URL: https://njt.hu/jogszabaly/2011-4301-02-00
URL in English: https://njt.hu/jogszabaly/en/2011-4301-02-00

In Hungarian: A Költségvetési Tanács 2024. évi feladatterve
In English: The yearly plan of the Fiscal Council for FY 2024
URL: https://www.parlament.hu/documents/d/koltsegvetesi-tanacs/3-2024-02-22-a-kt-2024-evi-feladatterve

In Hungarian: Beszámoló a Költségvetési Tanács 2023. évi feladattervének teljesítéséről
In English: The report about the execution of the Fiscal Council's yearly plan for FY 2023
URL: https://www.parlament.hu/documents/d/koltsegvetesi-tanacs/1-2024-01-05-a-koltsegvetesi-tanacs-elnokenek-2023-evi-beszamoloja

In Hungarian: Beszámoló a Költségvetési Tanács 2024. évi feladattervének teljesítéséről
In English: The report about the execution of the Fiscal Council's yearly plan for FY 2024
URL: https://www.parlament.hu/documents/d/koltsegvetesi-tanacs/1-2025-02-24-a-tanacs-elnokenek-2024-evi-beszamoloja-alairasra

Comment:
According to the legal rules and the yearly plan of the Fiscal Council the Council fulfilled its tasks.
Based on the stability act (23. § (1)) the Council scrutinizes the proposed fiscal deficit and government debt in the EBP and makes a decision about approving it. The Council evaluates the fiscal deficit from EU's medium-term target perspective, but only compares the proposed value to the one submitted to the EU in the Convergence Programme. There is no proof the Council makes its own calculations for the fiscal deficit and the structural deficit.
Apart from this the Council evaluates and publishes its opinion about mid-year budgetary trends and may publish its opinion about the legal changes related to the EBP. The Fundamental Law (article 36 (4) and (5)) states that the legislature must not approve a budget proposal that would increase the government debt if the debt-to-GDP ratio is above 50% or approve an EBP that would increase the ratio above 50%.
In its yearly report the Fiscal Council describes that it mainly used documents prepared by the Hungarian National Bank, State Audit Office and other research institutions. This is in point 5 (on pp. 20-21 in the report Y 2023 and on pp. 16-17 in the report for FY 2024) in the report about the execution of the yearly plan. This practice is also mentioned in the yearly plan on pp. 2-3.
The exact budget and staffing of the Council is not published separately but mentioned in other context. The Council is an advisory institution of the legislature and its budget is aggregated into the Office of the Parliament in the Year-End Report. On page 20 in the yearly report for FY 2023 the Chairman of the Fiscal Council described that the current operating model of the Council had an organizing role and relied on research of the National Bank, State Audit Office and other institutions. This is in the part "A Kopits-változatnak 40 fős elemző apparátusa volt,…" where it is explained that the original Fiscal Council had a staff of 40 while the current one operated with six.

We agree that the Council has enough resources to carry out its tasks, but the Council makes it in a minimalistic way. The Council only formulates its opinion in a probabilistic way (the proposed budget is achievable or not) based on other forecasts and researches. The Council does not publish its own forecast, does not formulate its own assessment about budgetary or macroeconomic trends. For example in other countries the Council creates the macroeconomic projection that provides the basis of the budget. Formally the Council carries out its tasks, however the Council makes minimal effort to formulate its opinion on its own.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

104. Does the Independent Fiscal Institution (IFI) publish macroeconomic and/or fiscal forecasts?

GUIDELINES:
Question 104 assesses whether an Independent Fiscal Institution (IFI) has a role in producing the macroeconomic forecast (e.g., GDP growth, inflation, interest rates, etc.) and/or the fiscal forecast (revenues, expenditure, deficits, and debt), and if so, what kind of role it has. Macroeconomic and/or fiscal forecasting is a typical core function across IFIs, but their role in forecasting takes several forms (von Trapp et al. 2016, p. 17 and Table 2). Some IFIs produce just a macroeconomic forecast, while others produce a complete fiscal forecast (which also typically requires an underlying macroeconomic forecast). In some cases, the fiscal forecast reflects continuation of current budget policies; such forecasts can be used by the legislature, the media, or the public to assess the projections in the executive's budget reflecting the government's policy proposals.

Some IFIs produce the official macroeconomic and fiscal forecasts used in the executive's budget. In other cases, IFIs do not prepare their own independent forecasts, but rather produce an assessment of the official estimates, or provide an opinion on, or endorsement of, the government's forecasts. Some others have no role at all in forecasting.

To answer "a", there must be an IFI that publishes both its own macroeconomic AND fiscal forecasts. Answer "b" applies if an IFI publishes its own macroeconomic OR fiscal forecast (but not both). Answer "c" applies if the IFI does not publish a macroeconomic or fiscal forecast, but rather publishes an assessment of the official forecasts produced by the executive and used in the budget. Choose option "d" if there is no IFI; or if there is an IFI that neither publishes its own macroeconomic and/or fiscal forecasts, nor a commentary on the official forecasts for the budget.

Macroeconomic forecasts may include indicators relating to economic output and economic growth, inflation, and the labor market, amongst others. Fiscal forecasts may include estimates of revenues, expenditures, the budget balance, and debt. If the answer is "a" or "b," please specify which indicators and estimates are included in the forecasts and whether the forecast is used by government as the official forecast. If the answer is "c," please describe the nature and depth of the assessment (e.g., the length of the commentary, or whether it covers both economic and fiscal issues).

Answer:
c, No, the IFI does not publish its own macroeconomic or fiscal forecast, but it does publish an assessment of the official macroeconomic and/or fiscal forecasts produced by the executive.

Source:
In Hungarian: A Költségvetési Tanács véleménye Magyarország 2025. évi központi költségvetéséről szóló törvényjavaslat tervezetéről
In English: The Fiscal Council's opinion about the draft of the EBP for FY 2025
URL: https://www.parlament.hu/documents/d/koltsegvetesi-tanacs/kt-vel-2025-os-koltsegvetes-alairasra

In Hungarian: A Költségvetési Tanács honlapján elérhető kutatások
In English: The published researches on the webpage of the Fiscal Council:
URL: https://www.parlament.hu/web/koltsegvetesi-tanacs/2024-2

Comment:
On page 4 of the first cited document the Fiscal Council describes that the Council formulated its opinion based on the macroeconomic forecasts of international institutions (European Commission, IMF, OECD), the Hungarian National Bank, other domestic research institutions and the government's forecast in the EBP and the Convergence Progamme.
In Hungarian: "...Véleménye kialakítása során – eddigi gyakorlatát követve - alapul vette az Állami Számvevőszéknek és a Magyar Nemzeti Banknak a költségvetés folyamatairól készített írásos elemzéseit, megállapításait. Ezen túl áttekintette a KT Titkársága által felkért hazai kutató-elemző intézetek, valamint nemzetközi szervezetek (Európai Bizottság, OECD, IMF, Világbank), valamint más mértékadó piaci elemzők gazdasági előrejelzéseit."

The Council itself did not make its own forecast, only summarized the other forecasts and evaluated if the macroeconomic forecast of the EBP was plausible according to it. The assessment of the government's forecast is quite vague, because only states that the presented macroeconomic forecast is possible or achievable, but does not doubt if it is the most likely scenario, however it mentions some of the risks. This is in point 2 on page 5 of the first cited document: "A Tanács megítélése szerint a kormányzati prognózis szerinti gazdasági növekedés megvalósulhat, de azt kockázatok övezik". In English: "According to the Council's opinion the expected GDP growth may be realized but there are risks."
The researches published on the Council's webpage are the ordered researches from the economic research institutions.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

105. Does the Independent Fiscal Institution (IFI) publish its own costings of new policy proposals, to assess their impact on the budget?

GUIDELINES:
Question 105 assesses whether an Independent Fiscal Institution (IFI) has a costing function that involves assessing the budgetary implications of new policy proposals for both revenues and expenditures, and if so, what kind of role it has. Many IFIs have a costing role, but with substantial diversity in the nature and extent of this work (von Trapp et al 2016, pp. 17-18 and Table 2). Some assess virtually all new policy proposals, while others cost only a selection of new policy proposals. Others only publish opinions on, or scrutinize the costings of, budget measures produced by the executive.

To answer "a," the IFI must publish its own costings of all (or virtually all) new policy proposals. Answer "b" applies if the IFI publishes its own costings, but only for major new policy proposals – for instance, only those proposals that cost or save above a certain amount. Answer "c" applies if the IFI publishes its own costings, but only on a limited number of proposals. This could occur, for instance, if the IFI lacked the capacity to assess proposals dealing with certain sectors. Instead of producing a cost estimate, it can also publish an assessment of the estimates produced by the executive. Answer "d" applies if there is no IFI; or if the IFI does not publish its own costings of new policy proposals or provide an assessment of the official costings of new policy proposals.

Answer:
d. No, there is no IFI; or the IFI does not publish its own costings of new policy proposals.

Source:
In Hungarian: 2011. évi CXCIV törvény Magyarország gazdasági stabilitásáról
In English: Act CXCIV of 2011 on the economic stability of Hungary
URL: https://net.jogtar.hu/jogszabaly?docid=A1100194.TV

In Hungarian: A Költségvetési Tanács véleménye Magyarország 2025. évi központi költségvetéséről szóló törvényjavaslat tervezetéről
In English: The Fiscal Council's opinion about the draft of the EBP for FY 2025
URL: https://www.parlament.hu/documents/d/koltsegvetesi-tanacs/kt-vel-2025-os-koltsegvetes-alairasra

Comment:
The Fiscal Council has the legal opportunity to formulate an opinion about new policy proposals provided by 23. § (d) in the act of economic stability. The legal obligation (in 23. § (a)) is only about assessing if the proposed fiscal deficit and through it the government debt is in line with the law. There is no legal prohibition for making its own costings.
The Council did not publish its own costings for the new policy proposals in EBP for FY 2025, but assesses the risks related to the revenue and expenditure numbers. For example in point 4 on page 5 of the opinion the Council stated that there were risks related to the achievement of the fiscal deficit target for FY 2025. On the revenue side the lower than expected GDP-growth could result in lower revenues. (In Hungarian: "A Tanács megítélése szerint a2025. évi hiánycél megvalósulását kockázatok övezik.")
Even for the major revenue items the Council only described whether the calculations in the EBP had been achievable. For example on page 10 in the paragraph for VAT ("általános forgalmi adó") the Council described the assumptions in the Government's calculations and stated that the calculations were in line with those assumptions. We evaluated this as checking the validity of the calculations but not as an own costing calculation. Also the document did not mention any of the new policy proposals.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

106. In the past 12 months, how frequently did the head or a senior staff member of the Independent Fiscal Institution (IFI) take part and testify in hearings of a committee of the legislature?

GUIDELINES:
Question 106 concerns the interaction between two important oversight actors and assesses how frequently the Independent Fiscal Institution (IFI) made high-level inputs to the work of legislative committees. Almost all IFIs interact with the legislature in some form (von Trapp et al 2016, p. 18), but the intensity of the interaction varies. This question assesses this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the IFI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the IFI staff member in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). As evidence to support your answer, you can refer to official records of legislative committees, websites and annual reports of the IFI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; and "c" for once or twice. Answer "d" should be selected if the head or a senior staff member of the IFI never took part and testified in hearings of a committee of the legislature, or if there is no IFI.

Answer:
d. Never, or there is no IFI.

Source:
In Hungarian: Beszámoló a Költségvetési Tanács 2024. évi feladattervének teljesítéséről
In English: The report about the execution of the Fiscal Council's yearly plan for FY 2024
URL: https://www.parlament.hu/documents/d/koltsegvetesi-tanacs/1-2025-02-24-a-tanacs-elnokenek-2024-evi-beszamoloja-alairasra

In Hungarian: Beszámoló a Költségvetési Tanács 2023. évi feladattervének teljesítéséről
In English: The report about the execution of the Fiscal Council's yearly plan for FY 2023
URL: https://www.parlament.hu/documents/d/koltsegvetesi-tanacs/1-2024-01-05-a-koltsegvetesi-tanacs-elnokenek-2023-evi-beszamoloja

In Hungarian: Jegyzőkönyv az Országgyűlés Költségvetési Bizottságának 2024. október 9-én, szerdán, 9 óra 15 perckor az Országház Széll Kálmán termében (főemelet 64.) megtartott üléséről
In English: Minutes of the Meeting of the Budgetary Committee of the Parliament held at 9:15 on 9 October 2024 in the Kálmán Széll boardroom of the Parliament
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/KVB/2410091.pdf

In Hungarian: A Költségvetési Bizottság üléseinek jegyzőkönyvei
In English: Minutes of the Meeting of the Budgetary Committee of the Parliament
URL: https://www.parlament.hu/web/koltsegvetesi-bizottsag/a-bizottsag-ulesei

In Hungarian: A Gazdasági Bizottság üléseinek jegyzőkönyvei
In English: Minutes of the Meeting of the Economic Committee of the Parliament
URL: https://www.parlament.hu/web/gazdasagi-bizottsag/a-bizottsag-ulesei

In Hungarian: Horváth Gábor, a Költségvetési Tanács elnökének parlamenti felszólalásai
In English: Speeches of Gábor Horváth, the Chairman of the Fiscal Council in the Parliament
URL: https://www.parlament.hu/web/guest/felszolalasok-keresese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=http%3A%2F%2Fwww.parlament.hu%2Finternet%2Fcplsql%2Fogy_naplo.altnaplek%3FP_TECH_SZEREP%3Dnull%26P_DATUM_TOL%3D2024.01.01%26P_CKL%3D42%26P_IFOTIP%3Dnull%26P_SZEREP%3Dnull%26P_KEPV%3Dnull%26P_KEPV%3Dh093%26P_SZEREP_CSOP%3Dnull%26P_FRAK%3Dnull%26P_DATUM_IG%3D2024.12.31%26P_ITIPUS%3Dnull%26P_AKTUS%3Dnull&p_auth=oP8mCEnx

Comment:
In the report about the execution of the yearly plan on pp. 10-16 in the report for 2024 and on pp. 13-20 in the report for 2023 the President of the Council listed the meetings with domestic and international institutions but they were conferences or meetings with credit rating agencies, international organisations.
There was only one meeting of the Budgetary Commitee where the Chairman of the Fiscal Council had been present but only as an attendee. In the cited minutes of the meeting Gábor Horváth is listed as attendee (on page 4 in the section "Megjelent") but did not participate in the debate of the committee as his name is not mentioned in any other part of the transcription. We did not find any other similar occasion.
Other member of the Fiscal Council, the Chairman of the State Audit Office testified in the Economic Committee but not as member of the Fiscal Council hence he did not mention any activity related to it. The occasion was his yearly testimony about the activity of the State Audit Office and he did not receive any questions about the Fiscal Council. The minutes of the meeting is referenced at the end of this comment.
The Chairman of the Fiscal Council spoke twice in the Parliament in 2024. On 27 November he reported the opinion of the Council to the legislation mentioning the risks related the to the EBP, while on 20 December he summarised the opinion of the Fiscal Council on final version of the EBP before the vote. Neither of these were committee hearings and did not provide opportunity for professional debate in budgetary topics. The speeches can be searched in the "Jegyzőkönyvek" - "Felszólalások keresése" menu by selecting "Horváth Gábor" as "Felszólaló" (Speaker) and "2024.01. 01" and "2024.12.31" as "Dátum" (Date).
As a summary there was no testimony from any member of the Fiscal Council.

Additional sources for the minutes of the meetings
In Hungarian: Jegyzőkönyv az Országgyűlés Gazdasági bizottságának 2024. október 29-én, kedden, 10 óra 34 perckor az Országház Tisza Kálmán termében (főemelet 37.) megtartott üléséről

In English: Minutes of the Meeting of the Economic Committee of the Parliament held at 10:34 on 29 October 2024 in the Kálmán Tisza boardroom of the Parliament, pp. 7-8
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/GAB/2410291.pdf

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

107. Does the full legislature and/or a legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal?

GUIDELINES:

Question 107 asks whether the legislature debated budget policies prior to the tabling of the Executive's Budget Proposal for the most recent budget year before the research cut-off date. In general, prior to discussing the Executive's Budget Proposal for the coming year, the legislature should have an opportunity to review the government's broad budget priorities and fiscal parameters. Often times this information is laid out in a Pre-Budget Statement, which the executive presents to the legislature for debate. (See Questions 54-58.)

A number of countries conduct a pre-budget debate in the legislature around six months before the start of the budget year. In some cases, they adopt laws that guide the upcoming budget, for example the Budget Guidelines Law in Brazil and the Spring Fiscal Policy Bill in Sweden. A pre-budget debate can serve two main purposes: 1) to allow the executive to inform the legislature of its fiscal policy intentions by presenting updated reports on its annual and medium-term budget strategy and policy priorities; and 2) to establish "hard" multi-year fiscal targets or spending ceilings, which the government must adhere to when preparing its detailed spending estimates for the upcoming budget year.

To answer "a," the full legislature must debate budget policy prior to the tabling of the Executive's Budget Proposal and approve recommendations for the upcoming budget.

Answer "b" applies if a legislative committee (but not the full legislature) debates budget policy prior to the tabling of the Executive's Budget Proposal, and approves recommendations for the budget. Option "b" also applies if, in addition to the action by the committee, the full legislature also debates budget policy in advance of the budget, but does not approve recommendations.

Answer "c" applies if the full legislature and/or a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, but does not approve recommendations for the budget. Answer "d" applies if neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.

In your comment, please indicate the dates of the budget debate, and if both the full legislature and a legislative committee held a debate. Note that a debate does not need to be open to the public, but a public record of the meeting or a public notice that the meeting occurred is required. In addition, please indicate whether the budget debate was focused on a Pre-Budget Statement published by the Executive. If the Executive did not publish a Pre-Budget Statement, then please indicate what served as the focus of the legislature's debate (for instance, a report released by an IFI or some other institution).

Answer:
d. No, neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.

Source:
In Hungarian: 2011. évi CXCV törvény az államháztartásról
In English: Act CXCV on the State Budget
URL: https://net.jogtar.hu/jogszabaly?docid=A1100195.TV

In Hungarian: Tájékoztató a 2025. évi költségvetési törvényjavaslat összeállításához szükséges feltételekről és az érvényesítendő követelményekről
In English: Handout for the terms and requirements for formulating the budget proposal for FY 2025
URL: https://ngmszakmaiteruletek.kormany.hu/download/a/f8/33000/2025_Tervez%C3%A9si%20T%C3%A1j%C3%A9koztat%C3%B3.pdf

Comment:
The legislature only starts to debate the budget proposal after its submission. Before that no information is provided to the legislature. The government is not required to discuss the upcoming budget with the legislature and does not do so.
The legal rules only orders the government to prepare the timetable and requirements until 30 June and submit the EBP to the Parliament until 15

October or until 31 October in election years. (These are in 13.§ and 22. § (2) in the cited act on the state budget.)

The timetable for tabling of the EBP for FY 2025 did not include any discussion with the legislature. Contrary to the previous practice it even ommited the exact deadlines for the budgetary institutions for tabling their own budget. On page 2 in the section "A tervezés ütemezése, paraméterei" (Parameters and schedule of the planning) it only listed the steps of tabling the EBP without any date. According to the document the Ministry of Finance sends a separate notification about the exact deadlines (This is the sentence “A feladatok végrehajtásának pontos határidejéről a PM az érintetteket külön tájékoztatja.”).
As the start of the process the Ministry of Finance published the document and based on that the administrators of the chapters prepare their own budgets. After that the Ministry of Finance negotiates these budgets with the administrators and prepares the central budget. The Government discusses the budget and asks the opinion of the Fiscal Council about it. Having received the opinion the Government submits the budget to the Parliament. In ten days after the submission the Finance Minister submits the supplements of the budget to the Parliament.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

108. How far in advance of the start of the budget year does the legislature receive the Executive’s Budget Proposal?

GUIDELINES:

Question 108 examines how far in advance of the start of the most recent budget year the legislature receives the Executive’s Budget Proposal. International good practice recommends that the Executive’s Budget Proposal should be submitted to the legislature far enough in advance to allow the legislature time to review it properly, or at least three months prior to the start of the fiscal year. (See, for instance, Principle 2.2.2 of the IMF’s Fiscal Transparency Handbook (2018) (https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml).

For the purposes of responding to this question, if — and only if — the most recent budget submission occurred later than usual as a result of a particular event, such as an election, please use a more normal year as the basis for the response. If, however, delays have been observed for more than one budget year, and the legislature has not received the Executive’s Budget Proposal in a timely manner on more than one occasion in the last three years, then “d” will be the appropriate answer.

To answer “a,” the legislature must receive the Executive’s Budget Proposal at least three months in advance of the start of the budget year. Answer “b” applies if the legislature receives the Executive’s Budget Proposal at least two months, but less than three months, before the start of the budget year. Answer “c” applies if the legislature receives the Executive’s Budget Proposal at least one month, but less than two months, before the start of the budget year. Answer “d” applies if the legislature does not receive the Executive’s Budget Proposal at least one month prior to the start of the budget year, or does not receive it at all.

Answer:
c. The legislature receives the Executive’s Budget Proposal at least one month, but less than two months, before the start of the budget year.

Source:
In Hungarian: A 2025-ös költségvetési törvényjavaslat a Parlament honlapján
In English: The EBP for FY 2025 on the webpage of the Parliament:
URL: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=XHsQOC7B&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D9894

In Hungarian: A 2024-es költségvetési törvényjavaslat a Parlament honlapján
In English: The EBP for FY 2024 on the webpage of the Parliament:
URL: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=XHsQOC7B&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D4181

In Hungarian: 2011. évi CXCV törvény az államháztartásról

In English: Act CXCV on the State Budget
URL: https://net.jogtar.hu/jogszabaly?docid=A1100195.TV

Comment:
The legislature received the EBP about one and half months before the start of the budget year.
The EBP for FY 2025 was submitted to the Parliament on 11 November 2024 as the date in the row 'Benyújtva' shows. The supplements of the EBP were added on 21 November 2024 (this is not shown on the webpage but checked through the upload date of the pdf document).
The EBP for FY 2025 was an outlier compared to the general practice since the EBP is submitted about 6 months before the start of the budget year. This is shown in the summary table of an economic news portal. In the table "A költségvetés tervezési időszaka" (Planning phase of the budget) the column "Benyújtás időpontja" (Date of submission) shows the submission dates for several years.
The legal requirement for submitting the EBP in the year of general elections is 31 October, in other years 15 October. This legal requirement is stated in 22. § (2) in the act on the state budget.
We evaluated specifically the EBP for FY 2025 but as further evidence referenced the EBP for FY 2024 as well.

URL for the summary table:
https://www.portfolio.hu/gazdasag/20250617/megszavaztak-a-2026-os-koltsegvetest-es-mar-latni-mikor-jon-az-igazi-feketeleves-768431

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

109. When does the legislature approve the Executive's Budget Proposal?

GUIDELINES:
Question 109 examines when the legislature approves the Executive's Budget Proposal. International good practice recommends that the Executive's Budget Proposal should be approved by the legislature before the start of the fiscal year the budget proposal refers to. This gives the executive time to implement the budget in its entirety, particularly new programs and policies.

In some countries, the expenditure and revenue estimates of the Executive's Budget Proposal are approved separately; for purposes of this question, at least the expenditure estimates must be approved. Further, approval of the budget implies approval of the full-year budget, not just a short-term continuation of spending and revenue authority.

To answer "a," the legislature must approve the Executive's Budget Proposal at least one month before the start of the budget year. Answer "b" applies if the legislature approves the Executive's Budget Proposal less than one month in advance of the start of the budget year, but at least by the start of the budget year. Answer "c" applies if the legislature approves the Executive's Budget Proposal less than one month after the start of the budget year. Answer "d" applies if the legislature approves the Executive's Budget Proposal more than one month after the start of the budget year, or does not approve the budget.

Answer:
b. The legislature approves the budget less than one month in advance of the start of the budget year, but at least by the start of the budget year.

Source:
In Hungarian: A 2025-ös költségvetési törvényjavaslat a Parlament honlapján
In English: The EBP for FY 2025 on the webpage of the Parliament:
URL: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?
p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=XHsQOC7B
&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p
_izon%3D9894

In Hungarian: A 2024-es költségvetési törvényjavaslat a Parlament honlapján
In English: The EBP for FY 2024 on the webpage of the Parliament:
URL: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?
p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=XHsQOC7B
&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p
_izon%3D4181

Comment:

The EBP for FY 2025 was approved on 20 December 2024 as in the section “Szavazások az irományról” (Votes) the row “önálló indítvány elfogadása” (approval of the bill) shows.
Generally the EBP is approved 5-6 months or more in advance of the start of the budget year. However the EBP for FY 2025 was an exception and approved less than a month before the start of the budget year. The general practice was summarized by Portfolio.hu, an economic news portal. In the cited article the table “A költségvetés tervezési időszaka” (Planning phase of the budget) shows the date of approval in the column “Parlamenti zárószavazás” (Date of legislative approval) for several years.
URL for the summary table:
https://www.portfolio.hu/gazdasag/20250617/megszavaztak-a-2026-os-koltsegvetest-es-mar-latni-mikor-jon-az-igazi-feketeleves-768431

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

110. Does the legislature have the authority in law to amend the Executive's Budget Proposal?

GUIDELINES:

Question 110 examines the legislature's power to amend—as opposed to simply accept or reject—the budget proposal presented by the executive. This question is about legal authority rather than actions the legislature takes in practice. The legislature's powers to amend the budget can vary substantially across countries.

The "a" response is appropriate only if there are no restrictions on the right of the legislature to modify the Executive's Budget Proposal, including its right to change the size of the proposed deficit or surplus. The "b" response would be appropriate if, for instance, the legislature is restricted from changing the deficit or surplus, but it still has the power to increase or decrease funding and revenue levels. The more limited "c" response would apply if, for instance, the legislature can only re-allocate spending within the totals set in the Executive's Budget Proposal or can only decrease funding levels or increase revenues. Finally, response "d" would apply if the legislature may not make any changes (or only small technical changes), or if amendments must first be approved by the executive. In these cases, the legislature is essentially only able to approve or reject the budget as a whole. If the answer is "b" or "c", please indicate the nature of the amendment powers available to the Parliament and how they are limited.

Answer:
a. Yes, the legislature has unlimited authority in law to amend the Executive's Budget Proposal.

Source:
In Hungarian: 2011. évi CXCV törvény az államháztartásról
In English: Act CXCV on the State Budget
URL: https://net.jogtar.hu/jogszabaly?docid=A1100195.TV

In Hungarian: 10/2014. (II. 24.) OGY határozat egyes házszabályi rendelkezésekről
In English: Resolution No. 10/2014 of the Parliament on the rulings of standing orders
URL: https://net.jogtar.hu/jogszabaly?dbnum=1&docid=A14H0010.OGY&mahu=1

Comment:
The Act on State Budget only contains the deadline for submitting the EBP and its mandatory elements in 22. §.
The cited resolution of the Parliament states the legislature's unlimited authority in a reversed way: in 40. § it allows the MPs and committees to propose amendments to the submitted bills but prohibits those amendments that would erase the whole bill. This means the legislature can change anything.
Although the legislature has unlimited authority its members may have less possibility to alter the EBP. For example only the Budgetary Committee can propose amendments that would change the main revenue and expenditure of the EBP (hence change the deficit or surplus), the MPs can only propose amendments that do not change the fiscal balance. This restriction is stated in 91. § (4) in the Parliament's resolution.

Peer Reviewer
Opinion:

Government Reviewer

Opinion:

111. During the most recent budget approval process, did the legislature use its authority in law to amend the Executive's Budget Proposal?

GUIDELINES:
Question 111 assesses whether any formal authority of the legislature to amend the Executive's Budget Proposal is used in practice. The responses to this question should be determined based on action by the legislature related to the Enacted Budget used in the OBS. Choose answer "a" if the legislature used its authority in law to amend the Executive's Budget Proposal during the most recent budget approval process, and amendments were adopted (all, or at least some of them). Answer "a" also applies if the legislature used its authority in law to amend the Executive's Budget Proposal, but the amendments were rejected by executive veto. Answer "b" applies if the legislature used its authority in law to propose amendments to the Executive's Budget Proposal, but none of these amendments were adopted. Answer "c" applies if the legislature has the authority in law to amend the budget, but no amendments were proposed during its consideration. Answer "d" applies when the legislature does not have any authority to amend the budget (that is, Question 110 is answered "d").

If the answer is "a" or "b", please specify in the comments the number of amendments introduced by the legislature (and in the case of an "a" response, the number adopted, or if applicable, information about an executive veto) and describe their nature. For example, did the amendments result in an increase or decrease of the deficit? What were the most significant amendments to revenues and to expenditures in terms of the sums involved? How did amendments affect the composition of expenditures? If the answer is "a," please specify which amendments were adopted, and provide evidence for it.

Answer:
a. Yes, the legislature used its authority in law to amend the Executive's Budget Proposal, and (at least some of) its amendments were adopted.

Source:
In Hungarian: 10/2014. (II. 24.) OGY határozat egyes házszabályi rendelkezésekről
In English: Resolution No. 10/2014 of the Parliament on the rulings of standing orders
URL: https://net.jogtar.hu/jogszabaly?dbnum=1&docid=A14H0010.OGY&mahu=1

In Hungarian: Az országgyűlési képviselők költségvetési törvényjavaslathoz benyújtott módosító indítványai
In English: The list of amendments submitted by the MPs
URL: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?
p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=XHsQOC7B
&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_mod_mind%3Fp_izon%3D
9894%26p_ckl%3D42+%26p_fotipus%3DNULL%26p_kivetel%3DNULL%26p_tipus%3DNULL%26p_tipus%3Dmo%26p_allapot%3DNULL%26P_parlexkiir%3DI

In Hungarian: 9894/392 Összegző módosító javaslat Magyarország 2025. évi központi költségvetéséről
In English: No. 9894/392 Final amendment for the bill on Central Budget of Hungary for FY 2025
URL: https://www.parlament.hu/irom42/09894/09894-0392.pdf

In Hungarian: Az Országgyűlés honlapja - 9894/392 Összegző módosító javaslat Magyarország 2025. évi központi költségvetéséről
In English: The webpage of the Parliament - No. 9894/392 Final amendment for the bill on Central Budget of Hungary for FY 2025
URL: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?
p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=XHsQOC7B
&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_madat%3Fp_ckl%3D42%2
6p_izon%3D9894%26p_alsz%3D392

Comment:
According to the rules of the Parliament all the amendments for the budget proposal end up at the Budgetary Committee of the Parliament (in 91. § (3) and 93. § of the rules of the Parliament). These amendments can be proposed by MPs or other committees that debated the relevant part of the budget proposal. The Budgetary Committee collects all the amendments, debates them and summarizes them in one final amendment. The legislature only vote on this final amendment either approving all the modifications it contains or refusing all of them. Despite the aim of minimizing the votes in the legislature there is a chance to put individual amendments up for vote or vote individually on some points of the final amendment. Every faction of the legislature can propose up to three amendments for individual vote and the legislature will vote one by one about them. If one is approved, the Budgetary Committee has to include that amendment in the final proposal. The other possibility is to ask an individual vote on one of the amendments in the final proposal. If the amendment is refused, it has to be taken out from the final proposal. These latter rules are detailed in 48. § in the rulings of the Parliament. The MPs submitted 372 modifications to the EBP as cited in the list of amendments on the webpage of the Parliament.
For the most recent EBP the legislature approved the final amendment. This is shown in the tab "Szavazások" (Votes) on the webpage of the final amendment in the column "Eredmény" (Result). The status is "Elfogadott" (Approved).
The modifications are listed in the final amendment pdf file from point 23-142 (in Hungarian „Módosítópont sorszáma") on pp. 8-41.
The expenditures were decreased by 10 billion HUF (0,02% of the total expenditures) with same increase in revenues, so the deficit remained unchanged. There were quite significant modifications like decreasing the reserves at the Ministry of Finance by 114 billion HUF (point 82 on page 25), increasing the revenue from asset sales by 60 billion HUF (point 114 on page 34) or decreasing the expenditures of courts (point 30 on page 10)

and these funds were allocated to several other items like social services (point 75 on page 23), expenditures of the legislature (point 23 on page 8) or support for historical movies (point 98 on page 30). There are also reallocations where the expenditure was moved to other ministry, so there are rather technical modifications than amendments.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

112. During the last budget approval process, did a specialized budget or finance committee in the legislature examine the Executive's Budget Proposal?

GUIDELINES:
Question 112 assesses the role of a specialized budget or finance committee during the budget approval stage. Effective committee involvement is an essential condition for legislative influence in the budget process. Specialized committees provide opportunities for individual legislators to gain relevant expertise, and to examine budgets and policy in depth. Yet, the involvement of committees differs across legislatures. Some legislatures have separate committees to examine spending and tax proposals, while others have a single finance committee. Not all legislatures have a specialized budget or finance committee to examine the budget. In addition, there can be differences in the time available for the committee's analysis of the budget.

A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, therefore it must be published before the legislature has adopted the budget.

Response "a" requires that, in the last budget approval process, a specialized budget or finance committee had one month or more to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted. Response "b" applies where such a committee examined the draft budget and published a report, but within a shorter timeframe of less than one month. Response "c" applies if a committee examined the budget (without regard to the time period), but did not publish a report prior to the adoption of the budget. Response "d" applies where a specialized budget or finance committee did not examine the Executive's Budget Proposal.

Please specify in your comment the name of the committee and the number of days it had available to examine the budget. For bicameral legislatures where one house or chamber has greater constitutional authority in budgetary matters, the question applies to the house or chamber (usually the upper or second one) that is decisive. For bicameral legislatures with co-equal houses or chambers, the question should be answered with reference to the one that achieves the higher score for this question. In the case of bicameral legislatures, please note the relevant arrangements in each house or chamber. If applicable, provide a copy of the report. Please note also if a report is published, but only after the budget has been adopted.

Answer:
b. Yes, a specialized budget or finance committee had less than one month to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted.

Source:
In Hungarian: A Költségvetési Bizottság jelentése a törvényjavaslat részletes vitájáról
In English: The report of the Budgetary Committee on the debate of the EBP
URL: https://www.parlament.hu/irom42/09894/09894-0385.pdf

In Hungarian: Jegyzőkönyv az Országgyűlés Költségvetési Bizottságának 2024. december 4-én, szerdán, 14 óra 09 perckor az Országház Széll Kálmán termében (főemelet 64.) megtartott üléséről
In English: Minutes of the Meeting of the Budgetary Committee of the Parliament held at 14:09 on 4 December 2024 in the Kálmán Széll boardroom of the Parliament, pp. 5-37
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/KVB/2412041.pdf

In Hungarian: A költségvetési törvényjavaslatról szóló bizottsági jelentések és összegző módosító javaslat vitája a Parlamentben
In English: The debate of the committee's reports and the final amendment of the EBP in the Parliament
URL: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=XHsQOC7B&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2FcplsqI%2Fogy_naplo.naplo_szoveg%3FP_CKL%3D42%26p_uln%3D134%26p_felsz%3D44%26p_szoveg%3D%26p_stilus%3D
From "Felszólalás" (speech) 44-55

In Hungarian: T/9894 Magyarország 2025. évi központi költségvetéséről az Országgyűlés honlapján

In English: Bill No. T/9894 on the Central Budget of Hungary for FY 2025 (EBP) on the webpage of the legislature
URL: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=XHsQOC7B&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D9894

In Hungarian: A költségvetési törvényjavaslat tárgyalásának ütemezése tervezete
In English: Draft of the timetable for debating the EBP for FY 2025
URL: https://www.parlament.hu/documents/d/guest/9_ktgv_utemezes_2025

Comment:
The Budgetary Committee finished its debate on 4 December 2024 as shown in the line "Az ülés időpontja" in the header of its published report and confirmed by the minutes of the meeting. The report mostly reiterates the summary of the EBP as the opinion of the Fiscal Committee. This is on pp. 1-2 of the first cited document. The text essentially repeats the government's points about the budget. The concerns and risks are detailed mainly in the attached minority opinions starting from page 453. These opinions state that the macroeconomic assumptions might be too optimistic and the risks related to them were also outlined by the Fiscal Council and other institutions. The opinions also proposed different allocation of the funds like prioritising the housing, social or sustainable development goals. The document also lists each modifying proposal (total of 726) for the EBP and the Budgetary Committee's decision about it if it was approved or rejected.
The deadlines were very tight for scrutinizing the EBP and as a result the Committee did not make any clear, detailed recommendations in its report. As the dates related to the EBP (Bill No. T/9894) on the webpage of the EBP shows the EBP was submitted on 11 November 2024 (in the row "Benyújtva") and the detailed debate ended on 6 December 2024 (in the row "részletesvita-szakasz lezárva" in the section "Iromány események"). There was even less time for meaningful debate because the supplements were added to the EBP on 21 November 2024. There was only two weeks for the MPs to scrutinize and evaluate the EBP. This does not allow any meaningful debate .
The final debate of the EBP was on 16 December 2024 as shown in the row „bizottsági jelentések és az összegző módosító javaslat vitája megkezdve" in the section „Iromány események", but it was a general debate in the legislature, not a discussion by a specialized committee.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

113. During the last approval process, did legislative committees, responsible for particular sectors (e.g., health, education, defense, etc.), examine spending in the Executive's Budget Proposal related to the sector for which they are responsible?

GUIDELINES:
Question 113 assesses the role of committees of the legislature that are responsible for particular sectors (e.g., health, education, defense, etc.) during the budget approval stage. The role of sectoral committees differs across legislatures. Some legislatures do not involve them in the budget approval process, while others do. In addition, the time available for committee analysis differs.

A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, so therefore must be published before the legislature has adopted the budget. Response "a" requires that sector committees had one month or more to examine the Executive's Budget Proposal, and published a report with findings and recommendations prior the budget being adopted. Response "b"" applies where such committees examined the draft budget and published a report, but within a shorter timeframe of less than one month. Response "c" applies if sectoral committees examined the budget (without regard to the time period), but did not publish a report prior to the adoption of the budget. Response "d" applies where sectoral committees did not examine the Executive's Budget Proposal.

Please note that the examination of sectoral budgets by a specialized budget or finance committee is assessed in Question 112 and should not be considered for this question.

Please provide in the comments a brief overview of the committee structure and specify the number of days that sectoral committees had available to examine the budget and to publish their reports. For bicameral legislatures where one house or chamber has greater constitutional authority in budgetary matters, the question applies to the house or chamber (usually the upper or second one) that is decisive. For bicameral legislatures with co-equal houses or chambers, the question should be answered with reference to the one that achieves the higher score for this question. In the case of bicameral legislatures, please note the relevant arrangements in each house or chamber. If applicable, provide a sample copy of at least one of the reports. Please note if a report is published, but only after the budget has been adopted.

For purposes of responding to this question, use those sectoral committees that are best performing – that is, the ones that examine the budget the longest and that publish reports.

Answer:
b. Yes, sector committees had less than one month to examine the Executive's Budget Proposal, and they published reports with findings and recommendations prior to the budget being adopted.

Source:
In Hungarian: A Költségvetési Bizottság vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2025 in the Fiscal Committee (pp. 5-36)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/KVB/2412041.pdf

In Hungarian: A Kulturális Bizottság vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2025 in the Cultural Committee (pp. 5-9)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/KOB/2412051.pdf

In Hungarian: A Gazdasági Bizottság vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2025 in the Economic Committee (pp.29-42)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/GAB/2412031.pdf

In Hungarian: A Népjóléti Bizottság vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2025 in the Committee for Social Welfare (pp. 41-48)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/NJB/2412051.pdf

In Hungarian: Az Igazságügyi Bizottság vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2025 in the Committee for Justice (pp. 24-25)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/IUB/2412041.pdf

In Hungarian: A Külügyi Bizottság vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2025 in the Committee for Foreign Affairs (pp. 10-12)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/KUB/2412051.pdf

In Hungarian: A Mezőgazdasági Bizottság vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2025 in the Agricultural Committee (pp. 6-9)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/MGB/2412031.pdf

In Hungarian: A Vállalkozásfejlesztési Bizottság vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2025 in the Committee on Business Development (pp. 5-7)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/VFB/2412031.pdf

In Hungarian: A Fenntartható Fejlődés Bizottságának vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2025 in the Committee for Sustainable Development (pp. 5-15)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/FFB/2412031.pdf

In Hungarian: Az Európai ügyek Bizottságának vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2025 in the Committee of European Affairs (pp. 5-14)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/EUB/2412051.pdf

In Hungarian: A Honvédelmi és rendészeti bizottság vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2025 in the Committee on Defence and Law Enforcement (pp. 29-31)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/HOB/2412051.pdf

In Hungarian: A Nemzeti összetartozás bizottságának vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2025 in the Committee on National Policies Enforcement (pp. 5-7)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/NOB/2412041.pdf

In Hungarian: A Nemzetbiztonsági Bizottság vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2025 in the Committee of National Security (pp. 13-15)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/NBB/2412031.pdf

In Hungarian: A Magyarországi nemzetiségek bizottságának vitája a költségvetési törvényjavaslatról
In English: The debate on the EBP for FY 2025 in the Committee of Minorities in Hungary (pp. 16-19)
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/NEB/2412031.pdf

In Hungarian: A T/9894 Magyarország 2025. évi központi költségvetéséről szóló törvényjavaslathoz kapcsolódó bizottsági jelentések a részletes vitáról
In English: The list of reports of the debates in the Committees related to Bill T/9894 on the Central Budget of Hungary for FY 2025
URL: https://www.parlament.hu/web/guest/iromanyok-egyszerusitett-lekerdezese?

p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=XHsQOC7B&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_mod_mind%3Fp_izon%3D9894%26p_ckl%3D42+%26p_fotipus%3DNULL%26p_kivetel%3DNULL%26p_tipus%3DNULL%26p_tipus%3Drv%26p_allapot%3DNULL%26P_parlexkiir%3DI

Comment:
The listed minutes of the meetings show the debates of the Committees about the EBP for FY 2025. According to the dates of the meetings they were held between 3 - 6 December that means the Committees had less than a month to scrutinise the EBP that was submitted on 11 November 2024.
The time for meaningful assessment was even less because the supplements of the EBP were only published on 21 November 2024. Essentially the committees had two weeks to evaluate the budget.
The other source lists the reports of the debates of the Committees. In each document the opinion of the Committee (formulated by the ruling party) is at the beginning of the document and the minority opinions (formulated by other factions) are at the end of the document. The middle section describes the submitted proposals and the committees' decisions about them. In many cases the Committees did not formulate an opinion and even when they did the opinion reiterated the summary of the budget amended with occasional additional details about the Committee's area.
The narrow timeframe for debate erodes its quality and provides nearly no opportunity for the legislature and the MPs to debate and amend the EBP. The specific committees debated only the relevant parts of the EBP, while a more comprehensive debate was held in the Budgetary and Economic Committees. The debates consisted of two phases: the first part was about the EBP itself, while the second part was about making a decision about each modifying proposal submitted to the committees. This latter should receive more emphasis because modifying proposals can only be submitted through a committee, but not much time is allowed to formulate effective proposals.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

114. In the past 12 months, did a committee of the legislature examine in-year implementation of the Enacted Budget during the relevant budget execution period?

GUIDELINES:
Question 114 is about legislative oversight of budget execution. It assesses whether and how often a committee examined the implementation of the budget during the budget execution period (i.e., financial year) for which it was approved, and whether this resulted in an official report with findings and recommendations. This question does not apply to the ex post review of implementation following the end of the budget year as part of the audit stage, which is assessed separately. Nor does it apply to the legislature's review of the budget that it may undertake as part of the process of considering a supplemental budget during the year. In-year monitoring by the legislature will be affected by the frequency that the executive publishes In-Year Reports.

To answer "a," a committee must have examined in-year implementation of the Enacted Budget at least three times during the course of the relevant budget year and published reports with findings and recommendations. Answer "b" applies where this occurred only once or twice during the year.

Exception: If a legislature is in session only twice during the year, and it examines the implementation of the budget during both sessions, then it would be eligible for an "a" response.

Choose "c" if a committee examined in-year implementation (without regard to frequency), but did not publish any report with findings and recommendations. Answer "d" applies where no committee examined in-year implementation.

If the answer is "a" or "b," please specify the name of the committee and when it reviewed budget implementation, and provide a copy of its report(s). If the answer is "c," please specify the name of the committee and when it reviewed budget implementation.

For purposes of responding to this question, if more than one committee holds in-year reviews of the budget, use the committee that is best performing – that is, the one that examines in-year implementation the most times and that publishes a report.

Answer:
d. No, a committee did not examine in-year implementation.

Source:
Testimonies of Mihály Varga, Finance Minister in the committees of the legislature
In Hungarian: Jegyzőkönyv az Országgyűlés Költségvetési bizottságának 2024. október 9-én, szerdán, 9 óra 15 perckor az Országház Széll Kálmán termében (főemelet 64.) megtartott üléséről

In English: Minutes of the Meeting of the Budgetary Committee of the Parliament held at 9:15 on 9 October 2024 in the Kálmán Széll boardroom of the Parliament, pp. 5-30
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/KVB/2410091.pdf
In Hungarian: Jegyzőkönyv az Országgyűlés Gazdasági bizottságának 2024. október 9-én, szerdán, 9 óra 02 perckor az Országház Tisza Kálmán termében (főemelet 37.) megtartott üléséről
In English: Minutes of the Meeting of the Economic Committee of the Parliament held at 9:02 on 9 October 2024 in the Kálmán Tisza boardroom of the Parliament, pp. 32-52
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/GAB/2410091.pdf

Comment:
No committee examined the in-year implementation of the budget. We checked the minutes of the meetings of the Economic and Budgetary Committees as mainly responsible committees for the budget but there was no point in any agenda about the in-year implementation of the budget. As regular events the testimonies of the Finance Minister can be mentioned. They were held on 9 October in the Budgetary Committee and in the Economic Committee. The testimonies were mainly about the economic perspectives but there were two questions about the budgetary situation. In the minutes of the meeting of the Economic Committee on page 37 Tamás Mellár asked about the technical details about the difference between the modified cash-flow and accrual-based deficit numbers and potential risks of the increasing debt-to-GDP ratio. On page 41 Ferenc Gelencsér asked about the overspent interest expenditures and the frequently revised GDP-growth forecasts. On page 47 the Minister replied briefly to the first question mentioning the asset purchases as main reason for the technical differences.
We did not assess these questions as meaningful examination of the in-year implementation of the budget since the aim of the testimony was a yearly report about the activities and the questions were not answered in a detailed manner to provide a meaningful explanation.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

115. Does the executive seek approval from the legislature prior to shifting funds between administrative units that receive explicit funding in the Enacted Budget, and is it legally required to do so?

GUIDELINES:
Question 115 examines whether the executive seeks approval from the legislature prior to shifting funds between administrative units, and whether it is legally required to do so.

In some countries, the executive has the power in law to adjust funding levels for specific appropriations during the execution of the budget. This question examines rules around shifting funds between administrative units (ministries, departments, or agencies) or whatever funding unit (or "vote") is specified in the Enacted Budget.

The conditions under which the executive may exercise its discretion to shift funds should be clearly defined in publicly available regulations or law. In addition, the amount of funds that the executive is allowed to transfer between administrative units should not be so excessive as to undermine the accountability of the executive to the legislature.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before shifting funds between administrative units, and it does so in practice. Answer "b" applies if the executive obtains legislative approval before shifting funds between administrative units, but is not legally required to do so. Answer "c" applies if the executive is legally required to receive legislative approval before shifting funds, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to shift funds between administrative units and the executive does not obtain legislative approval in practice. Answer "d" also applies if the executive is authorized to shift an amount considered so excessive as to undermine accountability (roughly equal to 3 percent of total budgeted expenditures). A "d" response applies if the legislature only approves the shifting of funds after it has already occurred.

In the comments, please indicate any law or regulation that provides the executive with standing authority to shift funds between administrative units and, if so, describe that authority. Similarly, legislative approval for shifting funds between administrative units typically occurs with the adoption of legislation such as a supplemental budget. But if other formal procedures for gaining approval from the legislature exist, then please provide information about that approval process.

Answer:
d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to shifting funds between administrative units, and in practice the executive shifts funds between administrative units before obtaining approval from the legislature.

Source:
In Hungarian: 2011. évi CXCV törvény az államháztartásról
In English: Act CXCV of 2011 on the State Budget
31-33 §,
URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV

In Hungarian: A 2024-es költségvetésben átcsoportosítást végrehajtó kormányhatározatok
In English: The resolution of the government about shifting funds in the Enacted Budget for FY 2024
URL: http://njt.hu/
Searching for: "Évszám": 2024, "Típus": KORM határozat, "Szavak": átcsoportosítás

In Hungarian: 368/2011. (XII. 31.) Korm. rendelet az államháztartásról szóló törvény végrehajtásáról
In English: Government decree 368/2011. (XII. 31) on the execution of the act on the state budget
URL: http://www.njt.hu/cgi_bin/njt_doc.cgi?docid=143097
Ávr. 150. (4)

Rewriting the budget for FY 2023
In Hungarian: Kormányrendelet a költségvetés módosításáról szóló felhatalmazásról
In English: Government decree on the authorisation for adopting supplementary budget
URL: https://njt.hu/jogszabaly/2022-504-20-22

In Hungarian: Kormányrendelet a költségvetés módosításáról
In English: Government decree on the supplementary budget
URL: https://njt.hu/jogszabaly/2022-613-20-22

In Hungarian: Windisch László az Állami Számvevőszék elnökének felszólalása a 2023-as zárszámadás vitájában
In English: Speech by László Windisch President of the State Audit Office in the general debate of Year-End Report of FY 2021
URL: https://www.parlament.hu/web/guest/felszolalasok-keresese?
p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=oP8mCEnx
&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_naplo.naplo_fadat%3Fp_ckl%3D42%2
6p_uln%3D122%26p_felsz%3D257%26p_szoveg%3D%26p_felszig%3D257

Comment:
In the previous Surveys we indicated that the government received wide authorization from the legislature as state of danger was declared due to the pandemic and the government used this to significantly modify the adopted budget. The state of danger has been maintained since then (the reason for it remained the war in a neighbouring country).

Paragraphs 31-33 § in the cited act on state budget state the rules of shifting funds in the budget. According to it a supplemental budget (and thus the approval of the legislature) is only needed if the main numbers or the text of the budget law need to be modified. The other case when the shifting of funds affects the chapters administered by the legislature (for example the chapter of the National Assembly), so the legislature has to approve the modification of its own budget. However in this case the legislature is an equal partner to the government to receive or provide funds from its own budget, not an approver of the government's actions.
The „pre-authorization" is granted in specific rules in the enacted budget and 33. § (2) of the act on state budget. The latter allows the government to shift funds between appropriations if the yearly budget or the act on state budget does not dispose otherwise and the appropriations are managed by the government. This gives the government a prior authorization to shift funds without almost any constraints, but at the same time this „pre-authorization" makes the controlling role of the legislature void. The yearly budget and the act on state budget also include several other rules for shifting funds between specific appropriations, giving „pre-authorization" for the government.

We searched for "shifting funds" in the government resolutions and found 56 resolutions that reallocated a total amount of 3,884 billion HUF (about 9% of the total expenditures) during the implementation of the budget in FY 2024. The search on the cited webpage lists all the resolutions of the government from 2024 that contain the words "shifting funds". More results are shown but some of them contain the words in other contexts.
There were several types of shifting funds: reallocating unspent appropriations, spending reserves or allocating expenditures that were not specified in details in the budget. Reallocating unspent appropriations means that the funds that were provided to an institution but unspent at the end of the year became a „remain" and the government has the right to reallocate it to other expenditures. To facilitate the administration of these items a modification in 2017 centralised the use of unspent appropriations because the unspent amounts have to be allocated to the line „Központi Maradványelszámolási Alap" (Central Remnant Clearing Fund) and the government can reallocate it from there. This is in the cited government decree 368/2011 in paragraph „Ávr. 150 (4)". Reserves are contingency funds, but the government may spend them if the rules allow it and the reserves are not needed for reaching the deficit goal. The third mentioned expenditure items are loosely defined lines and the government specified the exact expenditures by reallocating them. For example investment support for municipalities, funds for wage increases or energy-price protecting expenditures ("rezsivédelmi kiadások"). In the budget these lines appear as a general line and during the reallocation the government specifies which institution receives funding from them for what kind of expenditures.
The third one can be justified by taking the operative tasks or "micro-management" of deciding the exact utilization of the funds and relieving the legislature from low-level decisions.
The second one shows the lack of legislative supervision because originally the legislature adopted the fiscal deficit as 2,514 billion HUF and at the end of the year it was 4,095 billion HUF while the government spent the contingency funds during the year. It is probable that the government would have missed the deficit goal even with keeping the contingency funds, however the government did not take into account the basic goal of these reserves. Also the legislature did not examined the in-year implementation of the budget and did not warn the government about this.

The first type of shifting and its effect on the implementation of the budget was presented by the President of the State Audit Office in his speech in the debate of the Year-End Report for FY 2023. In the part starting with “Szeretnék a módosítások fő összetevőiről tájékoztatást adni.” he explained that the unspent appropriations had provided flexibility to the budgetary institutions as they could elevate their budget with it in the next year, however in a budget with fiscal deficit there is no real “remnant”. Furthermore it poses a risk for achieving the deficit target as the institutions can overspend except they recreate the same “remnant”. He also mentioned that the ad-hoc allocation of supports (for example from the contingency funds) caused a difficulty for them since they had not known the exact budget. As a result the institutions can exceed their original budget, their budget changes significantly during the year, so the Enacted Budget loses its orientating role as main constraints of expenditures.

As a side note from the previous survey we reiterate that the government is legally capable of rewriting the complete enacted budget by decree. Utilising the state of danger the government showed that it could completely modify the budget. In December 2022 the government issued a supplementary budget for FY 2023 with a government decree (613/2022. (XII.29) after the government authorized itself with decree (504/2022. (XII. 8.))). The government also submitted this supplementary budget to the legislature that adopted it in March, so the decree was in effect until April 2023. From budget transparency perspective it means the government can adopt a budget without any approval from the legislature.

As a summary of all of the above effects we maintained answer “d”.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

116. Does the executive seek approval from the legislature prior to spending excess revenue (that is, amounts higher than originally anticipated) that may become available during the budget execution period, and is it legally required to do so?

GUIDELINES:
Question 116 examines whether the executive receives approval from the legislature prior to spending excess revenue, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if additional revenue is collected unexpectedly during the year, which often happens in oil/mineral-dependent countries, and it was not accounted for in the Enacted Budget, there should be a procedure in place to ensure that the legislature approves any proposed use of these “new” funds. If such requirements are not in place, the executive might deliberately underestimate revenue in the budget proposal it submits to the legislature, in order to have additional resources to spend at the executive’s discretion, with no legislative control.

To answer “a,” the executive is required by law or regulation to obtain prior legislative approval before spending any funds resulting from higher-than-expected revenues, and it does so in practice. Answer “b” applies if the executive obtains legislative approval before spending excess revenue, but is not legally required to do so. Answer “c” applies if the executive is legally required to receive legislative approval before spending excess revenue, but does not do so in practice. Answer “d” applies if prior legislative approval is not legally required for the executive to spend excess revenue and the executive does not obtain legislative approval in practice. A “d” response applies if the legislature only approves the additional spending after it has already occurred.

Typically, legislative approval of additional spending beyond what was reflected in the Enacted Budget would occur with the adoption of a supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.

Answer:
d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to spending excess revenues, and in practice the executive spends these funds before obtaining approval from the legislature.

Source:
In Hungarian: 2011. évi CXCV törvény az államháztartásról
In English: Act CXCV of 2011 on the State Budget
5. § (2), 30. § (4), 31. §
URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV

In Hungarian: 368/2011. (XII. 31.) Korm. rendelet az államháztartásról szóló törvény végrehajtásáról
In English: Government decree 368/2011. (XII. 31) on the execution of the act on the state budget
URL: http://www.njt.hu/cgi_bin/njt_doc.cgi?docid=143097
Ávr. 35. §, 36. §

In Hungarian: T/9346. Számú törvényjavaslat Magyarország 2023. évi központi költségvetéséről szóló 2022. évi XXV. törvény végrehajtásáról – Az indokolás mellékletei
In English: Bill T/9346 on the execution of act XXV of 2022 on the central budget of Hungary for FY 2023 - Supplements of the justification
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ001.pdf
page 236

In Hungarian: T/9346. Számú törvényjavaslat Magyarország 2023. évi központi költségvetéséről szóló 2022. évi XXV. törvény végrehajtásáról – Az indokolás mellékletei – A központi alrendszer mérlege (pénzforgalmi szemléletben) (közgazdasági osztályozás szerint)
In English: Bill T/9346 on the execution of act XXV of 2022 on the central budget of Hungary for FY 2023 - Supplements of the justification - Balance sheet of the central government (cash-flow based) (economic classification)
URL: https://www.parlament.hu/irom42/09346/09346KIEGSZ001.pdf
page 288

Comment:
According to 5. § of the act on state budget the Finance Minister decides about the utilization of fiscal surplus. This rule is valid only for the final total balance of the budget. Other rules apply for excess revenues at item level.
Paragraph 30. § (3) of the same act states that the revenue items may be increased if there is excess revenue, and shall be decreased if the actual revenues are lower than planned. Paragraph 31. § (1) requires that the revenue items of centralised revenues and the social security funds shall be modified if the related laws change during the year. In essence only the latter one is obligatory, the first one is optional. Apart from these there is no requirement for the government to seek the approval of the legislature. Paragraph 30. § (4) even bestows the government to determine the rules for excess revenues in government resolutions.

The related resolution („368/2011. (XII. 31.) Korm. rendelet") in paragraph 35. § (1) states that the excess revenues of a budgetary institution or chapter-administered appropriations (even the centralised taxes) can only be spent after the appropriations have been modified. This modification can be approved by the minister responsible for the institution or chapter, but above certain thresholds the Finance Minister also has to approve the modification and the use of excess revenues.
The act was approved by the legislature, hence these rules mean a very broad prior authorization for the government to decide about the excess revenues in its own competence.
The use of excess revenues can be spent on a modified expenditure of the institution that achieved it or the Finance Minister may collect these revenues and the government may allocate it to other expenditures. There are certain restrictions for the use, for example personal costs can only be increased if the excess revenues are permanent.

In FY 2023 there was no significant excess revenue as shown in the economic classification of the central budget in Year-End Report. In the table section "Bevételek" shows the revenues, and "Közhatalmi bevételek" shows the taxes and tax-like revenues, while "Működési bevételek" shows the operating revenues like fees. The column "2023. évi eredeti előirányzat" shows the original estimates, the column "2023. évi teljesítés" shows the outcomes. The outcome for operating revenue is higher than originally estimated but the transfers between budgetary institutions are also higher in the lines "Működési célú támogatások államháztartáson belülről" and "Felhalmozási célú támogatások államháztartáson belülről", so it is unknown whether the additional operating revenues came from outside the government. The tax revenues fell short of the original estimates and there was no excess revenue.

The government generally uses the "top open" appropriations to spend the excess revenues. In many cases these are driven by external factors (like the pensions or childcare supports by demographic factors or the guarantees and foreign exchange rate variations by unexpected economic causes or the contingency funds for judicial decisions), but some of them can be planned like the appropriations for managing mass migration or measures for preventing terror. This practice continued as on page 236 of the supplements of the justification the line "Tömeges bevándorlás kezeléséhez kapcsolódó kiadások" had an original estimate for 1 billion HUF and the outcome was 26 billion HUF and the line item is categorised as "top open". As the budget is globally financed, these overspent items can be financed by excess revenues.
There were no legal changes since the previous Survey but in FY 2023 there were no excess revenues to measure if the government changed its practice.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

117. Does the executive seek approval from the legislature prior to reducing spending below the levels in the Enacted Budget in response to revenue shortfalls (that is, revenues lower than originally anticipated) or other reasons during the budget execution period, and is it legally required to do so?

GUIDELINES:
Question 117 examines whether the executive receives approval from the legislature prior to cutting spending below the levels in the Enacted Budget in

response to revenue shortfalls or for any other reason, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if less revenue is collected unexpectedly during the year, the legislature should approve or reject any proposed reductions in expenditures that are implemented as a result. If such requirements are not in place, the executive might substantially change the composition of the budget at the executive's discretion, with no legislative control.

Typically, legislative approval of proposals to reduce spending below the levels reflected in the Enacted Budget would occur as part of the supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before implementing spending cuts in response to revenue shortfalls or for other reasons, and it does so in practice. Answer "b" applies if the executive received legislative approval before implementing such cuts, but is not legally required to do so. Answer "c" applies if the executive is legally required to obtain legislative approval before implementing such cuts, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to implement such cuts and the executive does not obtain such approval in practice. A "d" response applies if the legislature only approves the spending cuts after they have already occurred.

Answer:
d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to reducing spending below enacted levels, and in practice the executive implements these spending cuts before seeking prior approval from the legislature.

Source:
In Hungarian: 2011. évi CXCV törvény az államháztartásról
In English: Act CXCV of 2011 on the State Budget
40. §
URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100195.TV

News article on the announcement of the investment deferral
URL:https://www.szabadeuropa.hu/a/kormanyinfo-675-milliard-forintnyi-beruhazast-halaszt-el-a-kormany/32901096.html

In Hungarian: 1291/2024. (IX. 19.) Korm. határozat a kormányhatározatok felülvizsgálatáról
In English: Government resolution 1291/2024 (IX. 19.) on the supervision of government resolutions
URL: http://www.kozlonyok.hu/nkonline/MKPDF/hiteles/MK22093.pdf
pp. 6665-6676

Comment:
In the Hungarian law the appropriations approved in the budget are only rights to spend that amount, but it is not mandatory to spend wholly that amount. The budget only means an upper constraint on the expenditures, the institutions can spend less than their estimates. (In these cases the unspent appropriations are carried over to the next year or if there are no financial obligations taken against it the government can reallocate it to other expenditure items.) The government has the right to lock some part of the estimates if the current budget deficit is worse than planned. The only exceptions are the appropriations that are controlled by the legislature and not under the execution of the government. After the lockup the government has to decide if the budget deficit improved enough to erase the lock or if it is necessary to retain it to achieve its deficit target. There is no legal rule that obliges the government to seek approval from the legislature for reducing expenditures and does not do so in practice.
The government used an alternative method instead of the lockup in 2024. In April 2024 the Minister of Finance announced that investments with the total amount of 675 billion HUF would be deferred to later years. This can be assessed as reducing spending, however it was not clearly announced which investments were deferred. In September 2024 the government issued a resolution on the supervision of previous decision on investment support but it was not confirmed whether this resolution detailed the deferred investments. This means the details of the measure remained unknown.
As shown in question 115 the government may reduce the spending on certain expenditures with reallocating the unspent appropriations to other expenditure items. Essentially these can also be considered as spending reductions without the approval of the legislature.
Based on the deferral in 2024 the government can reduce spending items on its own, so we maintained answer "d".

In May 2025 another information came to light about the lockups: Kornél Kisgergely, the State Secretary responsible for the budget told in interview that there had been a significant lockup in the budget ("az idei évben sor került egy jelentős zárolásra, vagyis a fiskális politika képes volt ezúttal is gyorsan reagálni a külső környezetből fakadó változásokra"). No further information was disclosed about this in any government resolution or other document. Since it happened after the research cut-off date we only noted this as further information.

Interview with Kornél Kisgergely, State Secretary responsible for the budget
"Jelentős zárolás történt az idei évben", Portfolio.hu, 12 May 2025
URL: https://www.portfolio.hu/gazdasag/20250512/jelentos-koltsegvetesi-zarolas-tortent-az-idei-evben-760317

Peer Reviewer
Opinion:

Government Reviewer

Opinion:

118. Did a committee of the legislature examine the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI)?

GUIDELINES:
Question 118 is about ex post oversight following the implementation of the budget. It probes whether a committee examined the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI), and whether this resulted in an official report with findings and recommendations. A key issue is how soon after the SAI releases the report does it legislature review it. This question does not apply to the legislative scrutiny of in-year implementation of the Enacted Budget during the relevant budget execution period, which is assessed separately. Also, the question is asking specifically about the SAI's annual report on the execution of the budget, not about other audit reports that the SAI may produce. (This is the Audit Report used for responding to Question 98.)

To answer "a," a legislative committee must have examined the annual Audit Report within three months of it being released by the SAI, and then published a report (or reports) with findings and recommendations. (Note that the three-month period should only take into account time when the legislature is in session.)

Answer "b" applies when the committee examines it within six months of it being released (but more than three months), and then published a report with its findings and recommendations. Choose "c" if a committee examined the annual Audit Report more than six months after it became available or it did not publish any report with findings and recommendations. Answer "d" applies where no committee examined the annual Audit Report.

If the answer is "a" or "b," please specify the name of the committee and when it reviewed the Audit Report, and provide a copy of its report(s). If the answer is "c," please specify the name of the committee and when it reviewed budget implementation. Answers "a,""b," or "c" may be selected if the Audit Report is produced by the SAI but not made publicly available.

Answer:
d. No, a committee did not examine the Audit Report on the annual budget.

Source:
In Hungarian: Jegyzőkönyv az Országgyűlés Költségvetési bizottságának 2024. október 30-án, szerdán, 10 óra 04 perckor az Országház Széll Kálmán termében (főemelet 64.) megtartott üléséről
In English: Minutes of the Meeting of the Budgetary Committee of the Parliament held at 10:04 on 30 October 2024 in the Kálmán Széll boardroom of the Parliament
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/KVB/2410301.pdf
on pp. 7-24

In Hungarian: Windisch László az Állami Számvevőszék elnökének felszólalása a 2023-as zárszámadás vitájában
In English: Speech by László Windisch President of the State Audit Office in the general debate of Year-End Report of FY 2021
URL: https://www.parlament.hu/web/guest/felszolalasok-keresese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=oP8mCEnx&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_naplo.naplo_fadat%3Fp_ckl%3D42%26p_uln%3D122%26p_felsz%3D257%26p_szoveg%3D%26p_felszig%3D257

Comment:
The Budgetary Committee did not discuss the report in a separate point, but it was indicated in the debate of the Year-End Report that the Audit Report was available on the Parliament's website. This is on page 7 of the cited minutes of the meeting saying „Az Állami Számvevőszék kapcsolódó jelentése a parlament honlapján a törvényjavaslat mellett megtalálható." (The Audit Report is available on the Parliament's website beside the bill.) The Report was not mentioned during the session of the Committee. In technical terms the Audit Report was discussed, but essentially it was only an opportunity that none of the committee members used. No report was published by the committee about the findings.

The Audit Report was not debated in the general debate of the Year-End Report for FY 2023. The President of the State Audit Office presented the summary of the Audit Report that the audits had not found any significant error in the Year-End Report. The Audit Report or its findings were not utilised in the debate, however some parts of the speech was referenced in later speeches in the debate. Also the general debate is not a committee of the legislation, hence we did not evaluate it as a detailed discussion.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

119. Was the process of appointing (or re-appointing) the current head of the SAI carried out in a way that ensures his or her independence?

GUIDELINES:
Question 119 concerns the appointment process of the current head of the Supreme Audit Institution (SAI). Appointment procedures vary greatly across countries, as well as across different types of SAIs. Moreover, conventions and informal practices can greatly affect the de facto independence of the head of the SAI. While these factors make it difficult to devise a single metric against which all SAIs can be assessed with regard to this particular aspect, this question focuses on whether the legislature or judiciary must appoint or approve the appointment of the head of the SAI as a way to ensure the SAI's independence from the executive. However, if the appointment is carried out in another way that nonetheless ensures the independence of the SAI head, then that approach could be also considered.

To answer "a," the legislature or judiciary must appoint (or re-appoint) the head of the SAI, or approve the recommendation of the executive, as a way that ensure his or her independence from the executive. (As noted above, alternative approaches may also be acceptable.) Choose "b" if the appointment process does not ensure the independence of the head of the SAI, e.g. the executive may appoint the head of the SAI without the final consent of the legislature or judiciary.

Irrespective of which answer you selected, provide a description of how the head of the SAI is appointed.

Answer:
a. Yes, the head of the SAI may only be appointed by the legislature or judiciary, or the legislature or judiciary must give final consent before the appointment takes effect.

Source:
In Hungarian: 2011. évi LXVI. törvény az Állami Számvevőszékről
In English: Act LXVI of 2011 on the State Audit Office
Hungarian version:
URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV
9. § and 11. §

In Hungarian: Alaptörvény
43. Cikk
URL: https://njt.hu/jogszabaly/2011-4301-02-00
In English: Fundamental Law of Hungary
Article 43
URL: https://njt.hu/jogszabaly/en/2011-4301-02-00

The appointment of the head of the SAO
In Hungarian: Az Állami Számvevőszék elnökének megválasztásáról (dr. Windisch László)
In English: Decision on the president of the State Audit Office
URL: https://www.parlament.hu/web/guest/szavazasok-elozo-ciklusbeli-adatai?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&p_auth=0B6Gwk9h&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=%2Finternet%2Fcplsql%2Fogy_irom.irom_adat%3Fp_ckl%3D42%26p_izon%3D435

Comment:
According to the law (in article 9 of the act on State Audit Office and article 43 of the Fundamental Law) the current process of appointing the president of the SAO is the following:
- a committee is formed with members of the Parliament that makes recommendations for the persons (the persons who were member of the government or held executive position in any party in the previous four years are excluded from the candidates)
- the committee responsible for the audit holds a hearing of the candidate(s)
- the Parliament elects the president of the SAO with two-thirds of the votes of the members of the legislature
The new law about the State Audit Office has been in effect since 1 July 2011 and the current president was appointed based on this law.
The president was elected for 12 years on 4 July 2022 as the column "Dátum" (Date) shows in the block „Szavazások az irományról" (Votes on the proposal) in the citation about the vote in the legislature.
The Fundamental Law governs the term in Article 43 where it is stated that the president of SAO is elected for 12 years.
The rules are also strict on removing the president of the SAO, only the legislature can initiate it and decide on it. This is in 11. § of the cited law on the State Audit Office. Points (3) and (5) state that the in case of conflict of interest with other mandates, not fulfilling its tasks or serious crime the legislature can initiate and decide about the removal of the president of State Audit Office.
Since the previous Survey the president of the SAO remained the same person, hence the answer about his appointment is unchanged.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

120. Must a branch of government other than the executive (such as the legislature or the judiciary) give final consent before the head of the Supreme Audit Institution (SAI) can be removed from office?

GUIDELINES:

Question 120 covers the manner in which the head or senior members of the SAI may be removed from office. This question draws on best practices identified in the Lima Declaration of Guidelines on Auditing Precepts (http://internationalbudget.org/wp-content/uploads/LimaDeclaration.pdf), including measures intended to guarantee the office's independence from the executive.

To answer "a," the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before the head of the SAI is removed. For example, the legislature or judiciary may give final consent following a certain external process, such as a criminal proceeding. So while the executive may initiate a criminal proceeding, the final consent of a member of the judiciary — or a judge — is necessary to render a verdict of wrongdoing that may lead to the removal from office of the head of the SAI. Answer "b" applies if the executive may remove the head of the SAI without the final consent of the judiciary or legislature.

Answer:
a. Yes, the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before he or she is removed.

Source:
In Hungarian: 2011. évi LXVI. törvény az Állami Számvevőszékről
In English: Act LXVI of 2011 on the State Audit Office
Hungarian version: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV
11. §

Comment:
The president of the State Audit Office can only be removed by the legislature.
There are strict rules in which cases he can be removed as listed in 11.§ (3)-(5) of the cited act. These cases are when the President of the SAO breaches the conflict of interest („összeférhetetlenség") by taking a position at an institution that receives funding from the government, by being member of the Parliament or representative of a local government or other lobby organization, by accepting any remuneration for his work apart from the SAO, or having a relative in the government or in the legislative committee responsible for the audit. Other case when the legislature can initiate the removal is when the president of the SAO is not able to or does not fulfil its duty, or stand convicted. Other automatic cases for the removal is when the term of the commission expires, the president resigns or dies.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

121. Who determines the budget of the Supreme Audit Institution (SAI)?

GUIDELINES:

Question 121 asks who determines the budget of the Supreme Audit Institution (SAI). To ensure objective audits of government budgets, another important component of the SAI's independence from the executive is the extent to which the SAI's budget is determined by a body other than the executive, and whether

the SAI has adequate resources to fulfill its mandate.

Answer "a" applies if the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate, AND either the SAI determines its own budget and then submits it to the executive (which accepts it with little or no change) or directly to the legislature, or the budget of the SAI is determined directly by the legislature or judiciary (or some independent body). Answer "b" applies if the SAI's budget is determined by the executive (absent a recommendation from the SAI), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate. Answer "c" applies if the legislature or judiciary (or some independent body) determines the SAI's budget, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Answer "d" applies if the executive determines the SAI's budget, and the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Please provide evidence in support of the assessment that the funding level is or is not broadly consistent with the resources the SAI needs to fulfill its mandate.

Answer:
a. The SAI determines its own budget (i.e., submits it to the executive, which accepts it with little or no change, or directly to the legislature), or the budget of the SAI is determined by the legislature or judiciary (or some independent body), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.

Source:
In Hungarian: 2011. évi LXVI. törvény az Állami Számvevőszékről
In English: Act LXVI of 2011 on the State Audit Office
Hungarian version: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV
2. §

Comment:
The fiscal independence of the SAO is secured in article 2 of the act on the State Audit Office. The SAO has its own chapter in the budget and its resources are managed by the president of the SAO. In the budgeting the SAO determines its own budget, sends it to the executive who has to implement it to the budget without any change. The legislature slightly modified the rules for the funding level. It is secured that the allocated operational funds cannot be less than in the previous year. Furthermore the wage expenditures cannot be less than the previous year's expenditure corrected with the official statistical wage increase. The one-time investment funds can be decreased between years. These new rules provide a sufficient funding level for the operation. The previous requirement only prohibited the decrease of the total amount.
The funding level is consistent with the mandates of the SAO because the institution can audit the budgetary institutions, create additional analysis and there is no news about missed tasks.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

122. Does the Supreme Audit Institution (SAI) have the discretion in law to undertake those audits it may wish to?

GUIDELINES:
Question 122 explores the scope of the investigative powers of the Supreme Audit Institution (SAI) as prescribed in law.

Question 97 asks which of the three types of audits — financial, compliance, and performance — the SAI conducts. This question asks if the SAI is constrained by law (rather than by a lack of capacity or an inadequate budget) from undertaking any form of audit or investigating irregularities in any program or activity.

There are numerous examples of limitations. For instance, some SAIs are not permitted by their legal mandate to audit joint ventures or other public-private arrangements. Others are only allowed to undertake financial audits, precluded from conducting performance or value-for-money audits. The SAIs in some countries do not have the legal mandate to review arrangements involving oil or stabilization funds, or other types of special or extra- budgetary funds. The SAI may also not have the ability to audit commercial projects involving the public and private sector.

To answer "a," the SAI must have full discretion in law to decide which audits to undertake. Answer "b" applies if some limitations exist, but the SAI enjoys significant discretion to undertake those audits it wishes to. Answer "c" applies if the SAI has some discretion, but significant legal limitations exist. Answer "d" applies if the SAI has no power at all to choose which audits to undertake

Consulting the Lima Declaration of Guidelines on Auditing Precepts (http://internationalbudget.org/wp-content/uploads/LimaDeclaration.pdf) may be useful in answering this question as its provisions serve to define the appropriate scope of a SAI's legal mandate and jurisdiction.

Answer:
a. The SAI has full discretion to decide which audits it wishes to undertake.

Source:
In Hungarian: 2011. évi LXVI. törvény az Állami Számvevőszékről
In English: Act LXVI of 2011 on the State Audit Office
URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV
3. § and 23. § (2)

In Hungarian: 1989. évi XXXIII. törvény a pártok működéséről és gazdálkodásáról
In English: Act XXXIII of 1989 on the operation and management of the parties
URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=98900033.TV
10. §

In Hungarian: Alaptörvény
43. Cikk (1)
URL: https://njt.hu/jogszabaly/2011-4301-02-00
In English: Fundamental Law of Hungary
Article 43 (1)
URL: https://njt.hu/jogszabaly/en/2011-4301-02-00

Comment:
The yearly plan of the SAO is approved by the president of the SAO. According to articles 3 and 23 of the act on State Audit Office the SAO is obliged to conduct audits upon the resolution of the legislature and may conduct audits upon the request of the government or the notifications of the people. This rule was amended and since 2023 the SAO may conduct audits not in the yearly plan and must include these in its yearly report.
In other acts there are additional obligations for the SAO like article 10 in the act on political parties that requires the SAO to audit all the parties that receive funds from the central budget biannually. These are legal obligations and adopted by the legislature, thus does not influence the independence of the SAO.
A more general rule is stated in the Fundamental Law (article 43 (1)). According to it the SAO shall audit not only the implementation of budget or administration of public finances but the use of funds from public finances and the management of national assets. Based on this companies, foundations and other organisations can also be audited how they use the public funds.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

123. Are the audit processes of the Supreme Audit Institution (SAI) reviewed by an independent agency?

GUIDELINES:
Question 123 assesses whether and to what extent the audit processes of the Supreme Audit Institution (SAI) are subject to review by an independent agency. The latter could be a peer SAI, an international organization, an academic institution with relevant expertise, or an independent domestic agency with quality assurance functions in the area of financial reporting.

To answer "a," an independent agency must conduct and publish a review of the audit processes of the SAI on an annual basis. Answer "b" applies if a review was carried out within the past five years, and published, but it is not conducted annually, but. Choose answer "c" if the SAI has an internal unit that reviews the audit processes of the SAI on a regular basis, but an independent agency does not conduct such a review. Answer "d" applies if the audit processes of the SAI are reviewed neither by an independent agency nor by a unit within the SAI.

If the answer is either "a" or "b," please specify the name of the independent agency and when last it conducted such a review, and provide a copy of the published report. If the answer is "c," please specify the name of the unit within the SAI that is tasked with conducting such reviews.

Answer:
c. No, but a unit within the SAI conducts a review of the audit processes of the SAI on a regular basis.

Source:

In Hungarian: Tájékoztató az Állami Számvevőszék 2023. évi szakmai tevékenységéről és beszámoló az intézmény működéséről az Országgyűlés részére
In English: Summary report for the National Assembly on the Professional Activity and Operation of the State Audit Office of Hungary in 2023
URL for Hungarian version: https://www.asz.hu/files/ASZ_orszaggyulesi_beszamolo_2024.pdf
URL for English version: https://www.asz.hu/dokumentumok/SAO_Annual_Report_2023.pdf
pp. 35-38, 92 and 98-99 in both versions

In Hungarian: 2011. évi LXVI. törvény az Állami Számvevőszékről
In English: Act LXVI of 2011 on the State Audit Office
URL: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1100066.TV
2. § (4) and 24. §

Comment:
We have not found any information whether the audit processes had been reviewed by an independent agency.
The use of funds of the SAO is audited by an independent auditor appointed by the Chairman of the National Assembly as required in 2. § (4).
The report of the audit can be found on pages 98-99 in the Hungarian and English version of the yearly report of the SAO. However this report does not evaluate the audit processes of the institution, only how the SAO managed the use of public funds.
According to 24. § (2) of the Act on State Audit Office the SAO must operate a quality assurance to fulfil the audit requirements determined in 24. § (1), like the audit must be conducted by the legal, methodological and ethical rules, the auditor must have the required competences and experience, the findings of the audit must be proven, etc. On page 92 of the yearly report the SAO described that it "operates a process-based quality assurance system", but no further information were provided in the report. Additionally on pp. 35-38 the report presented the international activities of the SAO. However the SAO were active in the international organizations and in renewing the methodologies, the report did not mention any international audit or other similar tasks.
The SAO conducts checks of its audit activities internally and answer „c" was selected based on this.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

124. In the past 12 months, how frequently did the head or a senior staff member of the Supreme Audit Institution (SAI) take part and testify in hearings of a committee of the legislature?

GUIDELINES:
Question 124 concerns the interaction between two important oversight actors and assesses how frequently the Supreme Audit Institution (SAI) made high-level inputs to the work of legislative committees. Many SAIs interact with the legislature in some form, but the nature and intensity of the interaction varies. This question probes this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the SAI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the SAI representative in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). You can refer to official records of legislative committees, websites and annual reports of the SAI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; "c" for once or twice, and "d" for never.

Answer:
c. Rarely (i.e., once or twice).

Source:
In Hungarian: Jegyzőkönyv az Országgyűlés Gazdasági bizottságának 2024. október 29-én, kedden, 10 óra 34 perckor az Országház Tisza Kálmán termében (főemelet 37.) megtartott üléséről
In English: Minutes of the Meeting of the Economic Committee of the Parliament held at 10:34 on 29 October 2024 in the Kálmán Tisza boardroom of the Parliament, pp. 7-8
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/GAB/2410291.pdf
pp. 7-8

In Hungarian: Tájékoztató az Állami Számvevőszék 2023. évi szakmai tevékenységéről és beszámoló az intézmény működéséről az Országgyűlés részére
In English: Summary report for the National Assembly on the Professional Activity and Operation of the State Audit Office of Hungary in 2023
URL for Hungarian version: https://www.asz.hu/files/ASZ_orszaggyulesi_beszamolo_2024.pdf

URL for English version: https://www.asz.hu/dokumentumok/SAO_Annual_Report_2023.pdf
pp. 27-29

In Hungarian: Windisch László, az Állami Számvevőszék elnökének felszólalásai az Országgyűlésben 2024-ben
In English: Speeches of László Windisch, President of the State Audit Office in the National Assembly in 2024
URL: https://www.parlament.hu/web/guest/felszolalasok-keresese?p_p_id=hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8&p_p_lifecycle=1&p_p_state=normal&p_p_mode=view&_hu_parlament_cms_pair_portlet_PairProxy_INSTANCE_9xd2Wc9jP4z8_pairAction=http%3A%2F%2Fwww.parlament.hu%2Finternet%2Fcplsql%2Fogy_naplo.altnaplek%3FP_TECH_SZEREP%3Dnull%26P_DATUM_TOL%3D2024.01.01%26P_CKL%3D42%26P_IFOTIP%3Dnull%26P_SZEREP%3Dnull%26P_KEPV%3Dnull%26P_KEPV%3Dw007%26P_SZEREP_CSOP%3Dnull%26P_FRAK%3Dnull%26P_DATUM_IG%3D2024.12.31%26P_ITIPUS%3Dnull%26P_AKTUS%3Dnull&p_auth=oP8mCEnx

Comment:
The President of the State Audit Office held its yearly testimony in the Economic Committee of the Parliament on 29 October 2024 as proved by the cited minutes of the meetings. This was the only case where we found evidence that a representative of the SAO actively participated in the public hearings of a committee of the legislature. During the testimony the president summarised the activities of the SAO in 2023 and since it is a legal requirement to present the yearly activities to the legislature we did not assess it as a supporting activity.
The President of the SAO spoke twice in the National Assembly during 2024: at the first occasion he summarised the findings of the Audit Report in the general debate on the Year-End Report, at the second occasion he presented the SAO's opinion in the general debate of the EBP. The general debates in the National Assembly is not a committee of the legislature and provides less opportunity for professional debates, hence we did not evaluate them as testimonies.
The yearly report on the operation of the SAO described how the findings of the audits affect the legislation. On pp. 27-29 on the yearly report of the SAO there are detailed cases what was changed in the drafts based on the SAO's recommendation. On page 28 it is mentioned there were three written questions toward the SAO from MPs.
The question is about active participation in the committee sessions, so we could evaluate only the yearly testimony of the president as taking part in a hearing of a committee of the legislature.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

125. Does the executive use participation mechanisms through which the public can provide input during the formulation of the annual budget (prior to the budget being tabled in parliament)?

GUIDELINES:
This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:
https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf

Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in the formulation of the annual budget, including annual pre-budget discussions. Participation mechanisms used exclusively by line ministries should not be considered when answering this question.

If there is clear evidence that subnational engagements influence the national budget, these may be included. For instance, some countries have established local or regional councils that engage citizens in budget discussions, and if there is documented evidence that feedback from these consultations is reflected in the National Budget, they can be considered. For example, in the Dominican Republic, Provincial Development Councils facilitate citizen engagement in budget discussions. The executive's budget documents, such as Annex I, include a chapter on citizen participation that details the efforts made in preparation of the 2023 budget to enhance public participation in fiscal policy (https://www.digepres.gob.do/wp-content/uploads/2023/03/8.-Participaci%C3%B3n-Ciudadana-en-la-Formulaci%C3%B3n-del-PGE-20231.pdf).

If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as spending and tax policy, funding and revenue levels, and macro-fiscal planning.

To answer "a," the executive must use open participation mechanisms that involve the public in the formulation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their

opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government officials. Examples include public meetings and online deliberative exchanges.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input in the formulation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include surveys, focus groups, published policy consultation exercises, and online consultation platforms that government officials ***actively manage*** *to solicit inputs.*

Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to participate in the budget formulation phase, but:

1) The mechanisms are not structured and happen only on ad-hoc basis, or not regularly.

and/or

2) The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", there should be some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and individual members of the public can have knowledge of the meeting, who participated, and what was discussed.

Examples of mechanisms that might qualify as a "c" response include hotlines, Facebook announcements, and one-off meetings with NGOs in which there is a public record.

The researcher must present evidence to support selection of a "c" response.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:
d. The requirements for a "c" response or above are not met.

Source:
In Hungarian: A Nemzeti Gazdasági és Társadalmi Tanács közzétett jegyzőkönyvei
In English: Documents of the National Economic and Social Council (NGTT)
URL: https://ngtt.hu/ngtt/hu/dokumentumtar/index.html

Comment:
There are several consultation forums that include the government and other organisations, but no official public records can be found about the meetings of these forums or they do not hold meetings dedicated to budgetary topics. The consultation forums may discuss topics that have budgetary implications like the minimal wage or the decrease of taxes (like social contribution tax), but there was no dedicated meeting to discuss the upcoming budgetary plans or topics before the budget was submitted to the legislature.
We did not identify any of the below forums as a public participation mechanism because no official records were found about the meetings or there were no dedicated meetings to discuss the budget yearly or at regular intervals.
One such forum is the Versenyszféra és Kormány Állandó Konzultációs Fóruma (VKF, Standing Consultative Forum for the Private Sector and the Government) that involves the trade unions and the representatives of the employers beside the government. It generally discusses labour and related tax topics (mainly the minimum wage). There were only media articles about the results of the meetings but no official record were available. According the the first cited article below wage related topics were discussed in October 2023 like minimum wage negotiations for 2024, EU directive about minimum wage regulation or the state of regulation on immigrant workers. The list of participants is unknown and at the end of the briefing it was suggested that the minister should participate in the meeting. Due to the ad hoc briefings we did not find any information about the next meetings. The second cited article is a summary of a meeting in October 2024, however it references another article (in the sentence "értesült a Portfolio" meaning according to Portfolio news portal), so it is not an official summary of the meeting. The article described the opinions of the different sides about the minimum wage increase for the next year and how it should be determined.
The Nemzeti Gazdasági és Társadalmi Tanács (NGTT, National Economic and Social Council) discussed a topic each quarter, but those were rather long-term strategy discussions (like energy prices, agriculture sector, small enterprises, education, etc.). On 13 December 2024 the Council had a meeting where the representative of the Ministry of Finance presented the submitted EBP and according to the summary the council members could share their opinion and ask their questions. However the summary of the meeting did not contain any detail about these opinions and questions. The timing of the meeting was also late because at this time the EBP had already been submitted and debated, hence the received inputs could not affect the EBP. Furthermore, it is not assured that the EBP is discussed each year.
Related to other forums (for example Országos Közszolgálati Érdekegyeztető Tanács, involving the government and trade unions of public services)

there was a meeting during the formulation of the budget but other topics were discussed like minimum wage increase for 2025 and the implementation of the EU directive on minimum wages, changes in the mandatory medical checks of workers and compensation of travelling to work. The meeting was held during the budget formulation phase but a few days earlier before the submission of the EBP (that was on the 11 November 2024 while the meeting was held on 7 November) and since the EBP was not published at the time of the meeting it was not discussed.

There was other form of consultation during the budget formulation phase called National Consultation ("Nemzeti Konzultáció"). This is an ad hoc questionnaire sent out in mail to every citizen and available online. The topic of the consultation is always different like migration and terrorism in 2015, family supports in 2017, pandemic and reopening after it in 2021 or energy tariffs in 2022. The latest one in 2024 was about economic policy with eleven questions covering economic neutrality in foreign trade, capital support for small and middle enterprises, wage increase, state-supported loans, pensions and family supports. These were already adopted or decided policies at the time of consultation and the questions were framed whether the policy was required or not with no other option, the majority of the replies were supportive. The consultation was closed on 18 December 2024, so it is unlikely that the answers had any influence on the EBP in the budget formulation phase because the EBP was submitted on 11 November 2024 and its debate in the National Assembly ended on 16 December 2024.
Also it is not assured that the consultation about the budget is held regularly because the topic of the consultation varies and in many cases it is not related to the budget and / or not scheduled to be used in the budget formulation.

Articles about VKF
In Hungarian: Tájékoztató a VKF Monitoring Bizottság üléséről, 2023. október 12.
In English: Briefing on the meeting of the Monitoring Committee of the VKF, 12 October 2023
URL: https://munkastanacsok.hu/tajekoztato-a-vkf-monitoring-bizottsag-uleserol/

In Hungarian: Nagy Márton nemzetgazdasági miniszter kedden egyeztetett a VKF tagjaival, 2024. október 24.
In English: Márton Nagy, Minister for National Economy consulted with the members of he VKF, 24 October 2024
URL: https://munkastanacsok.hu/nagy-marton-nemzetgazdasagi-miniszter-kedden-egyeztetett-a-versenyszfera-es-a-kormany-allando-konzultacios-forumanak-vkf-tagjaival/

Article about OKÉT
In Hungarian: Beszámoló az Országos Közszolgálati Érdekegyeztető Tanács plenáris üléséről, 2024. november 7.
In English: Report on meeting of the National Public Service Consultation Council, 7 November 2024
URL: https://munkastanacsok.hu/beszamolo-az-orszagos-kozszolgalati-erdekegyezteto-tanacs-oket-plenaris-uleserol/

Articles about National Consultation
Announcement of National Consultation on economic policy
In Hungarian: Online is kitölthető a nemzeti konzultáció, 2024. október 28.
In English: The National Consultation is available online, 28 October 2024
URL: https://kormany.hu/hirek/hetfotol-indul-a-nemzeti-konzultacio-ime-a-kerdesek?fbclid=IwY2xjawGmietleHRuA2FlbQIxMAABHfx_f-zhzjQJO02h3-9BMwWJNozb1d3MGnw43i9GUcFVtcZZm4YYJ5q2pQ_aem_Mcx1zWMz1MHlgLXxRdNYMw

Announcement
In Hungarian: Lezárult az új gazdaságpolitikáról szóló nemzeti konzultáció, 2024. december 18.
In English: The National Consultation on the new economic policy has ended, 18 December 2024
URL: https://kormany.hu/hirek/lezarult-az-uj-gazdasagpolitikarol-szolo-nemzeti-konzultacio

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

125b. Based on the response to question 125, select the option that best describes the public engagement mechanism used by the executive to involve citizens during the budget formulation stage.

GUIDELINES:

- *Pre-Budget Consultations*
  - *Organized meetings, workshops, or forums where citizens, civil society, and experts provide input before the budget is finalized or formatted.*
  - *Helps identify public priorities and address concerns before decisions are made.*
- *Participatory Budgeting*
  - *A direct mechanism where citizens help decide how a portion of public funds is allocated.*
  - *Typically implemented at the local level but sometimes linked to national budget planning.*

- *Regional or Development Councils*
  - *Local or regional advisory councils provide structured citizen engagement and ensure national budget decisions reflect local needs and vice versa. They are often made up of both government and civil society representation.*
  - *Feedback from these councils is usually integrated into the final budget*
- *Citizens' Assemblies*
  - *Randomly selected representative groups of citizens discuss and provide recommendations on budget priorities.*
  - *Assemblies deliberate on key fiscal policies, ensuring diverse perspectives are considered in decision-making.*
  - *Their recommendations may directly influence government budget proposals.*
- *Public Consultations*
  - *Open forums where government officials present the budget and receive feedback from the public.*
  - *Often organized in collaboration with parliaments, civil society, or media outlets.*
- *Online Platforms and Digital Consultations*
  - *Governments use dedicated websites and digital platforms to gather public input.*
  - *Interactive tools, such as surveys, discussion forums, and live Q&A sessions, make engagement more accessible.*

Please use the comments to explain your selection or to explain why you chose an alternative option that better fits the mechanism.

Answer:
Other (indicate in the comments):

Source:

Comment:
There are no institutionalized public engagement mechanisms used by the executive to involve citizens during the budget formulation stage.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

126. With regard to the mechanism identified in question 125, does the executive take concrete steps to include vulnerable and under-represented parts of the population in the formulation of the annual budget?

GUIDELINES:
This question reflects the GIFT principle of "Inclusiveness", and examines the executive's effort to actively reach out to citizens who are from socially vulnerable groups and/or underrepresented in national processes. The emphasis here is on the executive's efforts to seek out the views of members of the public from socially vulnerable groups and/or who are underrepresented in the process.

To answer "a," the executive must actively seek out individuals from at least one vulnerable and underrepresented community and/or civil society organization representing vulnerable and underrepresented individuals and communities. The researcher must provide evidence to show the government's efforts and actions. The researcher must speak with the relevant government official(s), and subsequently double check with an alternative source, such as representatives of vulnerable/underrepresented groups.

Answer "b" applies if the executive does not take concrete steps to incorporate vulnerable/underrepresented individuals, or organizations representing them, into participation mechanisms or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:
b. The requirements for an "a" response are not met.

Source:

Comment:
We did not find any participation mechanism that took place during the formulation of the budget.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

127. During the budget formulation stage, which of the following key topics does the executive's engagement with citizens cover?

For the purpose of this question, only these key topics are considered. Check the box(es) to identify which key topics the executive engages with citizens on:

GUIDELINES:
This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider all of the mechanisms currently used by the executive to promote public participation during the formulation of the annual budget.

Please note that while the public engagement can/may cover other topics -- and for this reason the other questions assessing the executive's engagement with the public during budget formulation can be answered on the basis of engagement on topics other than the six listed above -- for the purpose of answering this question, "key topics" are considered to be only the ones listed above. If the executive's engagement with the public cover's topics other than the six listed above, please specify these topics in the comments.

Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

Answer "None of the above" applies if the executive does not engage on any of the six key topics above or if the executive does not use public participation mechanisms during the budget formulation stage.

Select all that apply:

Answer:
None of the above

Source:

Comment:
We did not find any participation mechanism that took place during the formulation of the budget.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

128. Does the executive use participation mechanisms through which the public can provide input in monitoring the implementation of the annual budget?

GUIDELINES:
This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:

https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf.

Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in monitoring the implementation of the annual budget. If the executive has designated a central coordinating agency to implement participation mechanisms throughout the national budget process, researchers may consider these mechanisms. Participation mechanisms used only by line ministries should not be used to answer this question. If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the implementation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenue administration, public service delivery, public investment project implementation, including procurement, and the administration of social transfer schemes.

To answer "a," the executive must use open participation mechanisms that involve the public in the implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government official. Examples include public meetings, online, deliberative exchanges, procurement complaint mechanisms, and social monitoring and dialogue.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input on the implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include public hearings, surveys, focus groups, report cards, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to provide input on budget implementation, but:

1) The mechanisms are not structured, happen only on ad-hoc basis, or not regularly.

and/or

2) The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", the researcher must have evidence that the government is holding participation mechanisms that have some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and members of the public can have knowledge of the meeting, who participated, and what was discussed.

Examples include hotlines, Facebook announcements, one-off meetings with NGOs in which there is a public record.

The researcher must present evidence to support selection of a "c" response.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:
d. The requirements for a "c" response or above are not met.

Source:

Comment:
There is no specific public participation mechanism that actively seeks the citizens' inputs regarding the implementation of the budget.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

129. With regard to the mechanism identified in question 128, does the executive take concrete steps to receive input from vulnerable and underrepresented parts of the population on the implementation of the annual budget?

GUIDELINES:
This question reflects the GIFT principle of "Inclusiveness", and examines the executive's effort to actively reach out to citizens who are from socially vulnerable groups and/or underrepresented in national processes. The emphasis here is on national government's efforts to obtain input from members of the public who are from socially vulnerable groups and/or underrepresented in national processes during the implementation of the annual budget.

To answer "a," the executive must actively seek out individuals from at least one vulnerable and underrepresented community and/or civil society organization representing vulnerable and underrepresented individuals and communities. The researcher must provide evidence to show the government's efforts and actions. The researcher must speak with the relevant government official(s), and subsequently double check with an alternative source, such as representatives from vulnerable/underrepresented groups.

Answer "b" applies if the national executive does not take concrete steps to incorporate vulnerable/underrepresented individuals, or organizations representing them, into participation mechanisms or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:
b. The requirements for an "a" response are not met.

Source:

Comment:
The executive did not use any public participation mechanism.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

130. During the implementation of the annual budget, which of the following topics does the executive's engagement with citizens cover?

For the purpose of this question, only these key topics are considered. Check the box(es) to identify which key topics the executive engages with citizens on:

GUIDELINES:
This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider all of the mechanisms currently used by the executive to promote public participation during the implementation of the annual budget.

Please note that while the public engagement can/may cover other topics -- and for this reason the other questions assessing the executive's engagement with the public during budget implementation can be answered on the basis of engagement on topics other than the six listed above -- for the purpose of answering this question, "key topics" are considered to be ONLY the ones listed above. If the executive's engagement with the public cover's topics other than the six listed above, please specify these topics in the comments.

Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

Answer "None of the above" applies if the executive does not engage on any of the six key topics above or if the executive does not use public participation mechanisms during the budget implementation stage.

Select all that apply:

Answer:
None of the above

Source:

Comment:
The executive did not use any public participation mechanism regarding the implementation of the budget.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

131. When the executive engages with the public, does it provide comprehensive prior information on the process of the engagement, so that the public can participate in an informed manner?

Comprehensive information must include at least three of the following elements:

1. Purpose
2. Scope
3. Constraints
4. Intended outcomes
5. Process and timeline

GUIDELINES:
This question relates to the GIFT principle of "Openness," and addresses whether the executive provides relevant information on the process of the engagement before public participation takes place, in order to help citizens engage effectively. The question addresses whether the "rules of the public engagement" are clearly spelled out, in advance and in detail, so that those members of the public who want to engage know how to do so, in terms of when they can do so, what they are expected to provide input on, by when, to whom, etc. This question does not cover the substance of the engagement, which is covered by questions 127 and 130.

Non-comprehensive information means that the government provides information that includes at least one but less than three of the elements listed above.

Purpose refers to a brief explanation of why the public engagement is being undertaken, including the executive's objectives for its engagement with the public.

Scope refers to what is within the subject matter of the engagement as well as what is outside the subject matter of the engagement. For example, the scope may include how a current policy is administered but exclude the specifics of the policies themselves.

Constraints refers to whether there are there any explicit limitations on the engagement. An example of a constraint could be that any policy changes must not cost (or forgo revenue) more than a specific amount or have no net fiscal cost.

Intended outcomes refers to what the executive hopes to achieve as a result of the engagement. Examples of intended outcomes could be revising a policy to better reflect citizen or service-user views or to improve the way in which a particular program is administered.

Process refers to the methods by which the public engagement will take place and the discrete steps in the process. For example, the process may simply be a one-off Internet-based consultation, with a summary published of public inputs and the official response. The process may involve simultaneous or overlapping steps, and may be conducted in one round or in two or more rounds of engagement.

Timeline refers to the specific dates on which the discrete steps in the process will take place, or during which they will be completed, and clear start and end dates for the overall engagement.

Answer "d" applies if the executive does not use public participation mechanisms during the budget implementation or formulation stage.

Answer:
d. The requirements for a "c" response or above are not met.

Source:
In Hungarian: Tájékoztató a 2025. évi költségvetési törvényjavaslat összeállításához szükséges feltételekről és az érvényesítendő követelményekről
In English: Handout for the terms and requirements for formulating the budget proposal for FY 2025
URL: https://ngmszakmaiteruletek.kormany.hu/download/a/f8/33000/2025_Tervez%C3%A9si%20T%C3%A1j%C3%A9koztat%C3%B3.pdf

Comment:
The government did not publish any information about the upcoming budget before it was submitted to the Parliament. The timetable for the budget formulation did not include any deadline for publishing prior information about the budget. On page 2 the government determined the process of formulating the budget but none of them include publishing information prior to the submission of the EBP.
The government may have provided information or analyses for the meetings of Versenyszféra és Kormány Állandó Konzultációs Fóruma (VKF, Standing Consultative Forum for the Private Sector and the Government), but there is no official written record about these meetings. We did not assess this meeting as a public participation mechanism but mentioning this information for the comprehensive evaluation.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

132. With regard to the mechanism identified in question 125, does the executive provide the public with feedback on how citizens' inputs have been used in the formulation of the annual budget?

GUIDELINES:
This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the executive provides information to citizens on which public inputs were received, which ones are used in the formulation of the annual budget, and how/why.

By "written record", we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.

Answer "a" applies when the executive provides a written document with:

- *The inputs (e.g., a written transcript) received from the public and*

- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)*

Answer "b" applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public and*

- *A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used.*

Answer "c" applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public or*

- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:
d. The requirements for a "c" response or above are not met.

Source:

Comment:
The government did not publish any report about the meetings or how it utilised the inputs received from the public.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

133. With regard to the mechanism identified in question 128, does the executive provide the public with information on how citizens' inputs have been used to assist in monitoring the implementation of the annual budget?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the executive provides information to citizens on which public inputs were received during the implementation of the annual budget, which ones are take into account to improve budget monitoring, and how/why.

By "written record", we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.

Answer "a" applies when the executive provides a written document with:

- *The inputs (e.g., a written transcript) received from the public and*

- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)*

Answer "b" applies when the executive provides a written document that includes:

- *The inputs received (e.g., a written transcript) from the public and*

- *A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were or were not taken into account by the executive during budget monitoring.*

Answer "c" applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public or*

- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:
d. The requirements for a "c" response or above are not met.

Source:

Comment:
The executive did not use any public participation mechanism regarding the implementation of the budget.

Peer Reviewer
Opinion:

Government Reviewer

Opinion:

134. Are participation mechanisms incorporated into the timetable for formulating the Executive's Budget Proposal?

GUIDELINES:
This question reflects the GIFT principles on "Sustainability,""Timeliness" and "Complementarity" and addresses whether the executive is able to link participation mechanisms to the administrative processes that are used to create the annual budget.

Please note that "timetable" refers to a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. This document is sometimes referred to as the budget calendar and is the same document referenced in Question 53.

Answer "a" applies if the national executive establishes a clear set of guidelines that enable citizens and civil servants to understand when participation mechanisms should be used to enable citizen inputs to be incorporated into the annual budget. For answer choice "a", the timetable must be available to the public prior to the budget preparation process beginning.

Answer "b" applies if the executive does not establish a clear set of guidelines that enable citizens and civil servants to understand when participation mechanisms should be used to enable citizen inputs to be incorporated into the annual budget or if the executive does not use public participation mechanisms during the budget formulation or implementation stage.

Answer:
b. The requirements for an "a" response are not met.

Source:
In Hungarian: Tájékoztató a 2025. évi költségvetési törvényjavaslat összeállításához szükséges feltételekről és az érvényesítendő követelményekről
In English: Handout for the terms and requirements for formulating the budget proposal for FY 2025
URL: https://ngmszakmaiteruletek.kormany.hu/download/a/f8/33000/2025_Tervez%C3%A9si%20T%C3%A1j%C3%A9koztat%C3%B3.pdf

Comment:
The timetable for the budget formulation did not include any deadline for participation mechanisms about the budget.
On page 2 in the section "I. A tervezés ütemezése, paraméterei" the government described the process for formulating the budget: first the budgetary institutions compile and send their budgets with the additional calculations to the Ministry of Financ. Then the Ministry of Finance prepares the main volume of the EBP, submits it to the government and after that to the Fiscal Council. After the Fiscal Council formulated its opinion about the EBP, the Ministry submits it to the Parliament. Finally the Ministry submits the supporting documents to the Parliament in ten days from submitting the EBP.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

135. Do one or more line ministries use participation mechanisms through which the public can provide input during the formulation or implementation of the annual budget?

GUIDELINES
While questions 125 – 134 focus only on participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency currently use to allow the public to participate in the national budget process, this question asks about participation mechanisms used by line ministries to allow the public to participate in national budget processes. Thus, participation mechanisms used by the Ministry of Finance, lead budget agency, or central coordinating agency should not be used to answer this question. If there is more than one mechanism used by a line ministry or if multiple line ministries use participation mechanisms, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the formulation and/or implementation of the annual budget.

This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the

executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:
https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf

To answer "a," a line ministry must use open participation mechanisms that involve the public in the formulation or implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government official. Examples include public meetings and online deliberative exchanges.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input in the formulation or implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which a line ministry seeks out inputs from citizens. Examples include surveys, focus groups, report cards, published policy consultation exercises, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if a line ministry has established a mechanism or mechanisms to allow citizens to participate in the budget formulation phase, but:

1) The mechanisms are not structured and happen only on ad-hoc basis, or not regularly.

and/or

2) A line ministry consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the line ministry determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", there should be some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and individual members of the public can have knowledge of the meeting, who participated, and what was discussed.

The researcher must present evidence to support selection of a "c" response.

Examples of mechanisms that might qualify as a "c" response include hotlines, Facebook announcements, and one-off meetings with NGOs in which there is a public record.

Answer:
d. The requirements for a "c" response or above are not met.

Source:

Comment:
We did not find any public participation mechanism where the line ministries actively seeked to receive inputs about the formulation or implementation of the budget.
For the sake of comprehensive answer the ministries started executing the social consultations required by the legal rules. The act on social consultations declares the types of bills and proposals that need to be included in the social consultations (in 5. §, however 5. § (3) c) point exempt the budget) and sets the principles (in 2. §) like the ministries must ensure that the widest audience participate in the consultations especially the marginalised groups. The act has been in effect since 2011 but it was not executed properly until the European Commission obliged the government to utilise this mechanism as part of the debate on the rules of law in Hungary. The legislature added a few extra rules to the act but they are about measuring the results of social consultations. In practice generally the public has 8 days to formulate and send its opinion to the ministries. That is a quite short timeframe considering that the proposals are published on the webpage of the government without any further notice. The list of proposals can be checked on the webpage of the government among the documents with the "társadalmi egyeztetés" keyword and pressing "Keresés". Each proposal contains a summary about the inputs (in the document "Társadalmi egyeztetés összefoglaló") and a summary about the budgetary, social effects of the proposal (in the document "Hatásvizsgálati lap"). The start date is the publication date that is shown under the title, while the end date is shown in the sentence "A társadalmi egyeztetés [date in Hungarian] lezárult".
Many of the proposals did not have budgetary effect and none of them was specifically about the budget since it is exempt from this process, hence we did not assess this mechanism for the Survey.

In Hungarian: 2010. évi CXXXI. törvény a jogszabályok előkészítésében való társadalmi részvételről
In English: Act CXXXI of 2010 on the social consultations about the preparation of legal rules
URL: https://net.jogtar.hu/jogszabaly?docid=a1000131.tv

2. § and 5. §

In Hungarian: Magyarország Kormányának honlapja - Dokumentumtár - Keresés "társadalmi egyeztetés" kulcsszóra
In English: The webpage of the Government of Hungary - Documents - Search for "társadalmi egyeztetés"
URL: https://kormany.hu/dokumentumtar?search=t%C3%A1rsadalmi%20egyeztet%C3%A9s&limit_rows_on_page=8&limit_page=0

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

136. Does the legislature or the relevant legislative committee(s) hold public hearings through which the public can provide input during its public deliberations on the formulation of the annual budget (pre-budget and/or approval stages)?

GUIDELINES:
This question reflects the GIFT principle on "Sustainability,""Transparency," and "Complementarity" and assesses the extent to which the participation mechanism(s) used by the legislative are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.

Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) has put in place and is using to allow the public to participate in their deliberations on the annual budget. This includes deliberations during the pre-budget phase (i.e., when the executive is still in the process of formulating the draft budget) and the budget discussions after the budget has been tabled to parliament and before it is approved. In the comment box, please specify during which stage of the budget cycle the legislature has put in place a public participation mechanism.

Mechanisms through which members of the public reach out to individual Members of Parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.

If there is more than one mechanism, please select a mechanism that best shows/reflects the legislature's efforts to incorporate citizens into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenues, policy selection, and macro-fiscal planning (please note that the issue of coverage is covered in a subsequent question).

To answer "a," the legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).

Answer "b" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *Testimony is not allowed from members of the public or CSOs; but*
- *There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.*

Answer "c" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *Testimony is not allowed from members of the public or CSOs;*
- *No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, but*
- *The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere).*

*** Answer "c" still applies if the legislature holds hearings on the budget that are open for citizens to attend in person, but at which no public input is received (public online hearings without active citizen participation do not count for the purposes of a "c" response). However, in this case questions Q137-138 should then be marked as "d." unless select individuals or groups were invited to provide input.*

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget.

Answer:
d. The requirements for a “c” response or above are not met.

Source:
In Hungarian: Jegyzőkönyv az Országgyűlés Költségvetési bizottságának 2024. december 4-én, szerdán, 14 óra 09 perckor az Országház Széll Kálmán termében (főemelet 64.) megtartott üléséről
In English: Minutes of the Meeting of the Budgetary Committee of the Parliament held at 14:09 on 4 December 2024 in the Kálmán Széll boardroom of the Parliament
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/KVB/2412041.pdf
on pp. 5-35

In Hungarian: Jegyzőkönyv az Országgyűlés Költségvetési bizottságának 2023. június 21-én, szerdán, 11 óra 04 perckor az Országház Széll Kálmán termében (főemelet 64.) megtartott üléséről
In English: Minutes of the Meeting of the Budgetary Committee of the Parliament held at 11:04 on 21 June 2023 in the Kálmán Széll boardroom of the Parliament
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/KVB/2306211.pdf
on pp. 5-75

Comment:
The Budgetary Committee hold public hearings, but does not invite regularly members of the public or civil society organizations to testify on them in the budget formulation phase.
In 2023 a member of the civil society was invited to the meeting of the Budgatery Committee during the budget formulation phase but did not receive the opportunity to provide his inputs. According to page 6 of the second cited minutes of the meeting the chairman of the committee welcomed András Lukács, director of Levegő Munkacsoport (a civil society organization) and proposed to grant him the opportunity but the committee voted against this proposal with 4 for it and 10 against it.
In 2024 only the committee members and the representatives of the Ministry of Finance participated in the meetings. The cited minutes of the meetings record the debate on the EBP and the participants are listed at the beginning of the documents.
There was no other participation mechanism that the public could use to provide inputs for the formulation of the budget, thus answer "d" was maintained.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

137. During the legislative deliberations on the annual budget (pre-budget or approval stages), which of the following key topics does the legislature's (or relevant legislative budget committee) engagement with citizens cover?

For the purpose of this question, only these key topics are considered. Check the box(es) to identify which key topics the legislature engages with citizens on:

GUIDELINES:
This question reflects the GIFT principles of “Transparency” and “Timeliness”. Please consider the range of mechanisms currently used by the legislature to promote public participation during legislative deliberations on the annual budget.

Please note that while the public engagement can/may cover other topics, for the purpose of answering this question, “key topics” are considered to be only the ones listed above. If the legislature’s engagement with the public covers topics other than the six listed above, please specify these topics in the comments.

Note also that this question assesses only the coverage of public engagement (i.e., “what issues is the public invited to engage on?”) and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

*Answer “None of the above” applies if in q136 the requirements for a “c” response or above are not met **or** if the legislature holds public hearing, but does not use public participation mechanisms during its deliberations on the annual budget (e.g. inviting citizens/CSOs to testify).*

Select all that apply:

Answer:
None of the above

Source:

Comment:
Because there was no participation mechanism conducted by the legislature the answer remained „d".

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

138. Does the legislature provide feedback to the public on how citizens' inputs have been used during legislative deliberations on the annual budget?

GUIDELINES:
This question reflects the GIFT principles of "Transparency" and "Sustainability" and examines the extent to which the legislature provides information to citizens on which public inputs were received and how inputs were used during legislative deliberations (please note that these deliberations can refer to the pre-budget and approval phases). By "written record" in this question, we mean a document that is produced and released by the legislature.

Answer "a" applies when the legislature provides a written document with:

- *The inputs received from the public (e.g., a written transcript) and*

- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how).*

Answer "b" applies when the legislature provides a written document that includes:

- *The inputs received from the public (e.g., a written transcript) and*

- *A not-so-detailed report on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used in legislative deliberations on the annual budget (please note that these deliberations refer to the pre-budget and approval phases).*

Answer "c" applies when the legislature makes available a video recording of the relevant legislative session or provides a written document that includes:

- *The inputs received from the public (e.g., a written transcript) or*

- *A report (be it detailed or not-so-detailed) on how public inputs have been used or not used.*

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget.

Answer:
d. The requirements for a "c" response or above are not met.

Source:

Comment:
The Budgetary Committee did not hold a public participation mechanism, but it may still receive inputs through other non-structured ways (like emails, forums, dialogues). There was no report that disclosed information about the received inputs and how they were used during the legislative deliberations.
The webpage of the Budgetary Committee lists several documents related to budgetary topics, but none of them is a summary report about the received inputs.

The list of documents on the webpage of the Budgetary Committee
URL: https://www.parlament.hu/web/koltsegvetesi-bizottsag/a-bizottsag-dokumentumai

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

139. Does the legislature hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the Audit Report?

GUIDELINES:
This question reflects the GIFT principle on "Sustainability,""Transparency," and "Complementarity" and assesses the extent to which the participation mechanism(s) used by the legislative are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.

A key constitutional role of the legislature in almost all countries is to oversee the government's management of public resources. While the Supreme Audit Institution is responsible for checking the government's accounts and publishing the outcome of their audits, for accountability purposes it is essential that the legislature reviews and scrutinizes those reports, and checks on whether the executive is taking the appropriate corrective actions based on the Supreme Audit Institution's recommendations.

Holding public hearings to review audit findings allows the public to learn more about how the government has managed its resources for the budget years that have ended, and demand accountability in case of mismanagement and irregularities. Reviewing and discussing those reports in public is therefore a key responsibility of a legislature.

Please note that by "Audit Report" we refer to the same audit report assessed in the transparency section of this Survey, i.e., one of the eight key budget documents that all governments (in this case, the Supreme Audit Institution) must produce, according to best practice.

Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) have put in place and using to allow the public to participate in their deliberations on the Audit Report.

Mechanisms through which members of the public reach out to individual members of parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.

To answer "a," the national legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).

Answer "b" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *No testimony is allowed from the public; BUT*
- *There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.*

Answer "c" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *No testimony is allowed from the public;*
- *No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, BUT*
- *The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)*

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the Audit Report.

Answer:
d. The requirements for a “c” response or above are not met.

Source:
In Hungarian: Jegyzőkönyv az Országgyűlés Költségvetési bizottságának 2024. október 30-án, szerdán 10 óra 04 perckor az Országház Széll Kálmán termében (főemelet 64.) megtartott üléséről
In English: Minutes of the Meeting of the Budgetary Committee of the Parliament held at 10:04 on 30 October 2024 in the Kálmán Széll boardroom of the Parliament
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/KVB/2410301.pdf

In Hungarian: Jegyzőkönyv az Országgyűlés Költségvetési bizottságának 2023. november 2-án, csütörtökön 9 óra 04 perckor az Országház Széll Kálmán termében (főemelet 64.) megtartott üléséről
In English: Minutes of the Meeting of the Budgetary Committee of the Parliament held at 9:04 on 2 November 2023 in the Kálmán Széll boardroom of the Parliament
URL: https://www.parlament.hu/documents/static/biz42/bizjkv42/KVB/2311021.pdf

Comment:
The Budgetary Committee discussed the Audit Report together with the Year-End Report. This was indicated on page 7 of the first cited minutes of meeting and on page 5 of the second cited minutes of meeting: „Az Állami Számvevőszék kapcsolódó jelentése a parlament honlapján a törvényjavaslat mellett megtalálható.” (The Audit Report can be found on the Parliament’s webpage beside the Year-End Report.)
The contents or the findings of the Audit Report were not mentioned during either meeting. There were no public opinions as only the members of the Committee and the invited guests from the Ministry of Finance spoke as proven by the list of participants on page 4.
There is no regular practice to capture the citizens’ inputs about the Audit Report.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

140. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can suggest issues/topics to include in the SAI’s audit program (for example, by bringing ideas on agencies, programs, or projects that could be audited)?

GUIDELINES:
This question assesses whether the Supreme Audit Institution (SAI) has established mechanisms through which the public can provide suggestions on issues/topics to be included in its audit program. When deciding its audit agenda, the SAI may undertake audits for a sample of agencies, projects, and programs in the country; and such a selection could be based on complaints and suggestions made by members of the public. To receive such suggestions, the SAI may create formal mechanisms, like setting up a website, hotline, or office (or assigning staff to liaise with the public).

Please note that formal mechanisms that do not explicitly seek the public’s input in the audit program (such as general comment submission boxes on the SAI’s website) should not be considered for this question.

Answer:
a. Yes, the SAI maintains formal mechanisms through which the public can suggest issues/topics to include in its audit program.

Source:
In Hungarian: Közérdekű bejelentés az Állami Számvevőszék honlapján
In English: Notice of public utility function on the webpage of the State Audit Office
URL: https://www.asz.hu/kozerdeku-bejelentes

Comment:
The State Audit Office implemented a form for public inputs on its webpage. In the right top corner the button "Közérdekű bejelentés" leads to the page where anyone can provide inputs or complaints to the SAO.
On the form after the name and email address, the name of the budgetary institution ("Név"), its address ("Cím"), the period ("Bejelentéssel érintett időszak"), the subject ("Bejelentés tárgya"), the financial impact ("Pénzügyi/költségvetési hatás") and the type ("Bejelentés jellege") can be provided and additional details and documents can be added to them in the "Részletes bejelentés" and "Csatolmányok" boxes.
In the FAQ ("Gyakran ismételt kérdések") and guide ("Általános tájékoztató") further details can be found what happens with the inputs.
The SAO incorporates these inputs into its audit plan by assessing the risks of the affected institutions or areas.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

141. Does the Supreme Audit Institution (SAI) provide the public with feedback on how citizens' inputs have been used to determine its audit program?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the Supreme Audit Institution provides information to citizens on which public inputs were received, which ones are used to determine the Supreme Audit Institution's audit program. By "written record" in this question, we mean a document that is produced and released by the Supreme Audit Institution.

Answer "a" applies when the Supreme Audit Institution provides a written document with:

- *The inputs received from the public and*

- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how).*

Answer "b" applies when the SAI provides a written document that includes:

- *The inputs received from the public and*

- *A not-so-detailed report on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used to determine the SAI's annual audit program.*

Answer "c" applies when the SAI provides a written document that includes:

- *The received from the public or*

- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

Answer "d" applies if requirements for a "c" response or above are not met or if maintain formal mechanisms through which the public can suggests issues/topics to include in the SAI's audit program.

Answer:
c. Yes, the SAI provides a written record which includes either the list of the inputs received or a report or summary on how they were used.

Source:
In Hungarian: Éves beszámoló az Országgyűlés részére az Állami Számvevőszék 2023. évi szakmai tevékenységéről, az intézmény működéséről és gazdálkodásáról
In English: Annual report to the National Assembly on the professional activities of the State Audit Office of Hungary and the operations and financial management of the institution in 2023
URL for Hungarian version: https://www.asz.hu/files/ASZ_orszaggyulesi_beszamolo_2024.pdf
URL for English version: https://www.asz.hu/dokumentumok/SAO_Annual_Report_2023.pdf
Page 31

Comment:
On page 31 of the Summary Report the SAO described that it received 381 notifications and presented their distribution by topics, by channel (on page 32) and whether it was used in the risk analysis.
According to the report most of the notification were about local government assets (36%), 28% were beyond the SAO's competence, 26% did not require action because the notification was not relevant. The report also presented the number of notifications used in the risk analysis. Since the SAO determines its audit plan based on risk analysis method the individual notifications cannot be linked to the planned audits but they can influence it.
As the report contains some aggregated feedback about the received inputs and a confirmation that they were used as inputs in determining the audit plan we chose answer 'c'.

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

142. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can contribute to audit investigations (as respondents, witnesses, etc.)?

GUIDELINES:
This question mirrors question 140, but instead of covering public assistance in formulating the SAI's audit program, it focuses on whether the Supreme Audit Institution has established mechanisms through which the public can participate in audit investigations. In addition to seeking public input to determine its audit agenda, the SAI may wish to provide formal opportunities for the public and civil society organizations to participate in the actual audit investigations, as witnesses or respondents.

Answer:
b. The requirements for an "a" response are not met.

Source:
N/A

Comment:
There is no formal way to provide inputs to ongoing audit investigations. The SAO may ask additional information from the sender of the notification but this is occasional.

Peer Reviewer
Opinion:

Government Reviewer
Opinion: