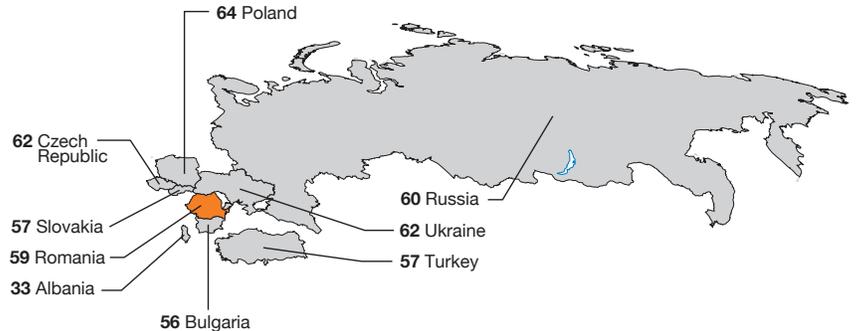
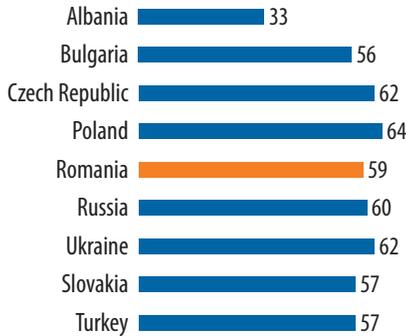




Overall score: 59 (Out of 100) Provides some information to the public in its budget documents during the year.

How Does Romania Compare to Its Neighbors?



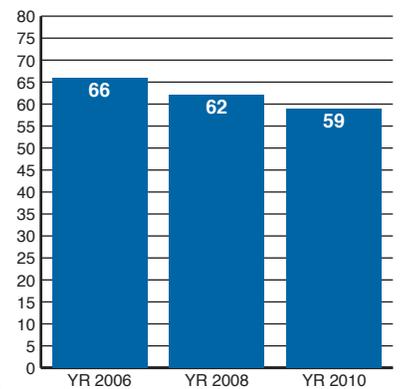
Key Findings

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

Romania's OBI 2010 score is 59 out of 100, which is above both the average for countries in the Central & Eastern European region and the rest of the world. Of note, however, Romania's OBI score decreased from 2006 to 2010. It went down from 66 to 59 largely because the government recently published less comprehensive budget documents.

Romania's score indicates that the government provides the public with only some information on the central government's budget and financial activities during the course of the budget year. This makes it challenging for citizens to hold the government accountable for its management of the public's money.

OBI Scores Over Three Surveys



Adequacy & Availability of Eight Key Budget Documents

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

* Grades for the comprehensiveness and accessibility of the information provided in each document are calculated from the average scores received on a subset of questions from the Open Budget Survey 2010. An average score between 0-20 (scant information) is graded as E; 21-40 (minimal) is graded as D; 41-60 (some) is graded as C; 61-80 (significant) is graded as B; and 81-100 (extensive) is graded as A.

An **Executive's Budget Proposal** is the government's most important policy instrument. It presents how the government plans to raise revenues and where these funds are allocated, thus transforming policy goals into action. In Romania, the Executive's Budget Proposal (Proiectul Legii bugetului de stat pe anul 2009) and supporting documents are fairly comprehensive. Still, major gaps in information in the budget proposal are found in the following areas:

- It lacks information on outputs and outcomes. This information is important for those who are interested in monitoring the budget's impact.
- It lacks information on certain fiscal activities that can have a major impact on the government's ability to meet its fiscal and policy goals, including information on extra-budgetary funds, quasi-fiscal activities, tax expenditures, contingent and future liabilities, and financial and other assets. Absent this information, the public does not know the government's true fiscal position.

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

An **Enacted Budget** becomes a country's law and provides the baseline information for all budget analyses conducted during the budget year. In general terms, the Enacted Budget should provide the public with the data it can use to assess the government's stated policy priorities and hold it to account. Romania publishes a fairly comprehensive Enacted Budget, but it does not present the approved budget for all programs.

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

OPEN BUDGET SURVEY 2010

Romania

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

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

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In-Year Reports provide a snapshot of the budget's effects during the budget year. They allow for comparisons with the Enacted Budget figures and thus facilitate adjustments. Romania publishes In-Year Reports that are far from comprehensive. They do not include, for example, information on actual expenditures.

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

A **Year-End Report** compares the actual budget execution to the Enacted Budget. Year-End Reports can inform policymakers on tax policies, debt requirements, and major expenditure priorities, facilitating modifications for upcoming budget years. Romania publishes a Year-End Report that is fairly comprehensive.

An **Audit Report** is an evaluation of the government's accounts by the country's supreme audit institution. It reports whether the government has raised revenues and spent national revenue in line with the authorized budget, whether the government's book keeping is balanced and accurate, and whether there were problems in the management of public funds. Romania publishes an Audit Report, but it is far from comprehensive since it does not present the result of audits for all expenditures.

Public Participation and Institutions of Accountability

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

Are oversight bodies effective in their budget role?

Oversight Institution	Strength**
Legislature	Weak
SAI	Moderate

** Legislature and SAI strengths are calculated from the average scores received for a subset of questions from the Open Budget Survey 2010. An average score between 0-33 is graded as weak, 34-66 as moderate, and 67-100 as strong.

According to the Open Budget Survey 2010, budget oversight provided by Romania's legislature is weak because it does not:

1. have sufficient time to discuss and approve budget amendments during the fiscal year;
and
2. hold public hearings on budget discussions at which the public can testify.

According to the Open Budget Survey 2010, budget oversight provided by Romania's SAI falls short in that it does not have adequate reporting on the follow-up steps taken by the executive to address audit recommendations for remedial action.

Recommendations

Romania should:

- produce and publish a Citizens Budget, Pre-Budget Statement, and Mid-Year Review;
- increase the comprehensiveness of the Executive's Budget Proposal, In-Year Reports and Audit Report;
- provide opportunities for the public to testify at legislative hearings on the budget; and
- increase the powers of the legislature to provide more comprehensive oversight of the budget.