

# The House of Representatives

## The Budget

### Background

Adopting the budget is one of the most important roles of Parliament. There is a historical reason for this. After the Middle Ages a movement towards centralisation developed throughout Europe, which ended up in the birth of the modern states. The sovereigns then needed an operational army and a large body of civil servants. To finance this apparatus, the sovereign called on the three “estates” of the realm (the nobility, the clergy and the bourgeoisie). In exchange they claimed certain privileges, such as the right of representation. When the sovereign wished to levy new taxes he needed their approval. Modern parliaments have their origin in this system. The power vested in them to authorise or reject the levy of new taxes was the main instrument of power of the three estates for a long time. They held the power of the purse.

### What is a budget?

The budget is an estimation of income and an estimation and authorization of expenditure for a budget year. In Belgium the budget year is the same as the calendar year. The budget is a real political instrument from which the political choices and priorities of the government can clearly be seen. That is why the budget is discussed together with the policy documents of the ministers and secretaries of State. In their policy document the members of government indicate what policy they will pursue in the next year.

### The federal budget consists of two parts

#### » The budget of means and resources

This contains the evaluation of the income of the federal State for the next budget year. It authorises the government to collect taxes, in compliance with the tax legislation in force and to take out loans to cover the deficit.

#### » The general expenses budget

This contains the evaluation of the expenditure of the federal State for the next budget year. It authorises the government to make expenses and is subdivided into programmes specifying this expenditure.

### Characteristics of the budget

#### Set by the House

The federal budget comes under the exclusive authority of the House of Representatives (Article 174 of the Constitution).

#### Yearly

The budget must be set each year.

#### Universality

The budget must be general and complete, ruling out the existence of a hidden budget.

#### Speciality

The House only authorises well specified expenditure stipulated in each programme. The government may not use an excess in one item to cover a deficit in another item.

#### Publicity

The draft budget is a public document that can be consulted on the House’s website. Once adopted by the House in plenary session, it is published just like any other law in the State Official Gazette.

#### Annual justification

Each year the government must account for itself to the House regarding the implementation of the budget. Article 174 of the Constitution specifies that each year the House rules on the approval of State accounts and votes on the budget.

DOC 55 3646/001	DOC 55 3646/001
CHAMBRE DES REPRÉSENTANTS DE BELGIQUE	BELGISCHE KAMER VAN VOLKSVERTEGENWOORDIGERS
10 novembre 2023	10 november 2023
PROJET DE LOI contenant le budget des Voies et Moyens pour l'année budgétaire 2024	WETSONTWERP houdende de Middelenbegroting voor het begrotingsjaar 2024

The accounts are set by the Finance Minister and are submitted to the House at the same time as the observations of the Court of Audit. While the budget is only an evaluation, the accounts show the real income and expenditure. By adopting the Accounts Act, the House gives a final verdict on the finance policy of the government.

## How is the budget set up?

The draft budgets are examined, perhaps amended and voted on in the same way as ordinary Bills. There is however a precise timetable in order to accelerate the procedure.

### » Two years earlier

#### November (x-2)

The European Commission publishes an annual growth estimate.

### » One year earlier

#### February (x-1)

The ministers and the public institutions assess the income and expenditure for the next budget year.

#### April (x-1)

Discussions take place between the Budget and Finance Ministers and the different departments regarding the accuracy of the assessment done in February.

The EU Member States present their stability and convergence programmes and their national reform programme (concerning, in particular, their social objectives) to the European Commission, and publish their Medium-Term Fiscal Plan.

#### June (x-1)

A summary is submitted to the Council of ministers. The European Commission makes recommendations to each Member State.

#### July (x-1)

The government enters into “a budgetary conclave” and sets the final figures as well as the accompanying measures that should allow the objectives to be reached. The government then draws up the final draft budgets.

The European Council of Ministers sends each Member State a strategic opinion.

#### End of September (x-1)

The Prime Minister informs the House of the major points of government policy for the year to come.

#### October - December (x-1)

The Member States present their draft budget to the European Commission.

The general expenditure budget and the means and resources budget are distributed to the House by October 15 at the latest. The Court of Audit communicates its observations and remarks on the draft of the budget. By the end of October at the latest, the ministers and secretaries of State submit their policy document for the next year. The budget and the overall policy documents are discussed jointly. The Committee on public Finances and Budget examines the drafts. It appoints a rapporteur. The explanations of the Finance and Budget Ministers are heard. A debate is also held on the general government policy. The standing committees are invited to give their opinion on the programmes that concern them. For this purpose, they meet the competent ministers.

After examining the drafts and the votes of the Committee on public Finance and Budget, the report is distributed and the rapporteur reports to the plenary assembly. In the plenary meeting there is then a general debate on the budget and a debate on the items to be amended.

#### 30 November (x-1)

The European Commission makes recommendations to the Member States.

The general expenditure budget and the means and resources budget are passed by 31 December (x-1) at the latest.

### » The budget year

#### 1 January

A budget comes into force on 1 January of the budget year concerned. If the general expenditure budget has not been approved before the start of the budget year, the government can work on the basis of provisional credits that are allocated to it by means of a distinct Bill. If the means and resources budget has not been approved either, the submission of a finance Bill must allow the government to collect taxes and, if necessary, contract loans.

#### 30 April to 30 June

In April of the budget year the government carries out a budgetary control. The budget often has to be adjusted (for example because of changes in the economic situation, lower income than expected, etc). The government thus adjusts the budget and submits a draft to the House to this effect. The amended administrative budgets are included in the adjusted general expenditure budget.

### » The following year

#### October

In principle the House votes on the Accounts Act (Bill on the final settlement of the budget). In practice this vote often takes place later.