

## KEY QUESTION

### 5

## What are important decision-making opportunities in Germany's annual budget process?

**Major ODA increases or changes are confirmed early in the year; Parliament debates the budget in the fall**

- **Cabinet agrees on caps for federal and ministerial budgets:** In February/March each year, the Federal Ministry of Finance develops caps for the overall federal budget and individual ministerial budgets. At this point, decisions on overall increases in ODA and main allocations are taken. A key stakeholder during this period is the Finance Minister. The Development Ministry gives input. Generally speaking, major funding decisions will be budgeted in at this time of the year.
- **Negotiations within ministries:** Ministries develop their budgets in April and submit them to the Ministry of Finance. Allocations to individual international organizations, for example, are determined during this period. In parallel, between April and September, the Federal Ministry for Economic Cooperation and Development (BMZ) plans its bilateral spending (see 'How is ODA spent' section) and multilateral funding envelopes.
- **Draft budget and medium-term financial planning:** In June, the Cabinet negotiates the budget and publishes the government's budget draft before the summer break. Suggested increases that were put into the budget earlier need to be protected at this time. Key players in this period are the Chancellery, the Finance Ministry, and the Development Ministry (BMZ).
- **First reading in plenary and proposed amendments:** Parliament debates the budget from September to November. However in 2017, this process will be delayed by federal elections. Depending on when a governing coalition will be formed, budget discussions could be held off until December. By this time, BMZ has developed funding envelopes for each country, which form the basis for parliamentary discussions on country allocations.
- **Amendments reviewed and recommendations to committees:** The Development Committee makes recommendations on budget amendments in September/October. In October, the BMZ budget is debated by the Development Committee and Budget Committee.
- **Amendments, decisions on each ministerial budget, and voting:** The Budget Committee takes final decisions in November, making members of both committees (especially those of the two ruling parties) central stakeholders during this phase. The final budget draft is voted on in plenary and signed by the President.

