

Open Budget Survey 2019

Questionnaire

Bulgaria

April 2020

Country Questionnaire: Bulgaria

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 2019

Source:

Decision 264 of the Council of Ministers for approval of the Mid-term Budget Forecast for 2019-2021

<http://www.minfin.bg/upload/37143/RMS+264+2018.pdf>

http://pris.government.bg/prin/document_view.aspx?DocumentID=vnSroldA0z0jTTZLff92Pg==

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. At least four months in advance of the budget year, and at least one month before the Executive's Budget Proposal is introduced in the legislature

Source:

Decision 264 of the Council of Ministers for approval of the Mid-term Budget Forecast for 2019-2021

<http://www.minfin.bg/upload/37143/RMS+264+2018.pdf>

http://pris.government.bg/prin/document_view.aspx?DocumentID=vnSroldA0z0jTTZLff92Pg==

Comment:

The document was published in the system for legal information on the Bulgarian government website at 20.04.2018 11:27:13

Peer Reviewer

Opinion: Disagree

Suggested Answer: b. At least two months, but less than four months, in advance of the budget year, and at least one month before the Executive's Budget Proposal is introduced in the legislature

Comments: Technically the PBS is published in April, well ahead of the EBS, which is published in October, however, there are differences between the two. The April PBS shows "the spirit" of the new budget procedure, while the October EBS gives the "substance". The budget discussions begin in October - around the time when the Ministry of Finance publishes its budget proposal to the Counsel of Ministers (including a State Budget and an Updated Medium-term Budget Forecast, which is quite different from the one published in April) and it picks up pace after the National Social Security Institute and the National Healthcare Fund publish their EBS.

Government Reviewer
Opinion: Agree

Researcher Response

We disagree with the reviewer - the answer should remain "a" as the Mid-term budget forecast published in April fits entirely into the definition of PBS in the Guide. Also, according to the Guide to Transparency in Government Budget Reports: "The Pre-Budget Statement is usually issued in the fourth or fifth month of the current budget year, serving as the starting point for the budget process for the next year."

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 2018 should be entered as 05/09/2018. If the document is not published or not produced, leave this question blank.

Answer:
20/4/2018

Source:
http://pris.government.bg/prin/document_view.aspx?DocumentID=vnSroidA0z0jTTZLff92Pg==

Comment:
The document was published in the system for legal information on the Bulgarian government website at 20.04.2018 11:27:13

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:
The document was published in the system for legal information on the Bulgarian government website at 20.04.2018 11:27:13

Source:
http://pris.government.bg/prin/document_view.aspx?DocumentID=vnSroidA0z0jTTZLff92Pg==

Comment:
The system dates each publication with date and time of upload

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

http://pris.government.bg/prin/document_view.aspx?DocumentID=vnSroldA0zOjTTZLff92Pg==

Source:

System for legal information on the Bulgarian government website: http://pris.government.bg/prin/document_view.aspx?DocumentID=vnSroldA0zOjTTZLff92Pg==

DocumentID=vnSroldA0zOjTTZLff92Pg==

Website of Ministry of Finance: <http://www.minfin.bg/upload/37143/RMS+264+2018.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

PBS-5. If the PBS is published, are the numerical data contained in the PBS 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 and Word (.doc/.docx) files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the PBS is not published or not produced, therefore its machine readability cannot be assessed.

Answer:

a. Yes, all of the numerical data are available in a machine readable format

Source:

http://www.minfin.bg/upload/37144/pms_2+chasti.rar

Comment:

Data available in MS Excel format.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

PBS-6a. 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:

e. Not applicable (the document is publicly available)

Source:

Comment:

PBS is publicly available.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

PBS-6b. If you selected option "c" or "d" in question PBS-6a, 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-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

PBS-7. 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 2019 State Budget" or "Guidelines for the Preparation of Annual Plan and Budget for 2018/19."

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

Answer:

Medium term budget forecast 2019-2021/Средносрочна бюджетна прогноза за периода 2019-2021 г

Source:

<http://www.minfin.bg/upload/37143/RMS+264+2018.pdf>

http://pris.government.bg/prin/document_view.aspx?DocumentID=vnSroldA0zOjTTZLff92Pg==

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

PBS-8. Is there a "citizens version" of the PBS?

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: <http://www.internationalbudget.org/opening-budgets/citizens-budgets/>.

Answer:
b. No

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer: a. Yes

Comments: <https://www.minfin.bg/bg/1154> The document is called Информационен бюлетин „Средносрочна бюджетна прогноза за периода 2018 – 2020 г.: макроикономически и бюджетни перспективи“.

IBP Comment

The document linked to by the government reviewer appears to have been released nearly a year (June 2017) prior to the publication of the 2019 PBS.

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 2019

Source:
Decision 768 of the CoM for approval of draft state budget of Republic of Bulgaria for 2019
http://pris.government.bg/prin/document_view.aspx?DocumentID=ITyByUCzF/RP4/FbPgpQGw==

Comment:
Also published on the parliament website: <https://www.parliament.bg/bg/bills/ID/78264/>

Peer Reviewer
Opinion: Agree

Government Reviewer

Opinion: Agree

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 2018 should be entered as 05/09/2018. If the document is not published or not produced, leave this question blank.

Answer:

29/10/2018

Source:

Website of parliament <https://www.parliament.bg/bg/bills/ID/78264/>

Comment:

Draft state budget folder of the parliament website

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 while the legislature is still considering it and before the legislature approves (enacts) it. 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:

b. At least two months, but less than three months, in advance of the budget year, and in advance of the budget being approved by the legislature

Source:

Published on parliament website on 29.10.2018 <https://www.parliament.bg/bg/bills/ID/78264/>

Comment:

Published for public consultation on the Ministry of Finance website on 22 October 2018 : <http://www.minfin.bg/bg/legislation7/197>

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

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 2018 should be entered as 05/09/2018. 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:
29/10/2018

Source:
<https://www.parliament.bg/bg/bills/ID/78264/>
http://pris.government.bg/prin/document_view.aspx?DocumentID=ITyByUCzF/RP4/FbPgpQGw==

Comment:
The EBP was officially approved by the government and sent to the parliament - and published on 29 October 2019. However, a draft was published for public consultation on MoF website a week earlier, on 22 October 2018.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:
The folder on the parliament website for the draft budget has a time record of the date of update.

Source:
<https://www.parliament.bg/bg/bills/ID/78264/>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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.parliament.bg/bg/bills/ID/78264/>

Source:

Website of parliament: <https://www.parliament.bg/bg/bills/ID/78264/>

System for legal information on the Bulgarian government website: [http://pris.government.bg/prin/document_view.aspx?](http://pris.government.bg/prin/document_view.aspx?DocumentID=ITyByUCzF/RP4/FbPgpQGw==)

DocumentID=ITyByUCzF/RP4/FbPgpQGw==

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EBP-5. If the EBP is published, are the numerical data contained in the EBP or its supporting 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 and Word (.doc/.docx) files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

Option "d" applies if the EBP is not published or not produced, therefore its machine readability cannot be assessed.

Answer:

c. No

Source:

<https://www.parliament.bg/bg/bills/ID/78264/>

Comment:

Word and Pdf files.

The linked parliament.bg page gives the option to export in an .xml, Excel, or .csv format at the top of the page - but it only exports the page, not the budget documents.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EBP-6a. 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:

The document is publicly available

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EBP-6b. If you selected option "c" or "d" in question EBP-6a, 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-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

EBP-7. 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 2018-19, 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:

Draft Law on the State Budget of the Republic of Bulgaria for 2019/ Законопроект за държавния бюджет на Република България за 2019 г.

Source:
<https://www.parliament.bg/bg/bills/ID/78264>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

EBP-8. Is there a "citizens version" of the EBP?

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: <http://www.internationalbudget.org/opening-budgets/citizens-budgets>.

Answer:
a. Yes

Source:
http://www.minfin.bg/upload/38808/Budget+za+grajdanite_draft.pdf
http://www.minfin.bg/upload/38788/Infographics+_Budget2019+sbp.pdf
http://www.minfin.bg/upload/38789/Infographics+_Budget2019+prioriteti.pdf
http://www.minfin.bg/upload/38790/Infographics+_Budget2019-Obshtini.pdf

Comment:
A 16-page bulletin "Budget-in-brief", plus 3 infographs, were produced. The document summarizes major macroeconomic assumptions, key priorities of the fiscal policy, and highlights key parameters in the EBP.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 2019

Source:
<https://www.parliament.bg/bg/laws/ID/78264>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 2018 should be entered as 05/09/2018. If the document is not published or not produced, leave this question blank.

Answer:
29/11/2018

Source:
<https://www.parliament.bg/bg/laws/ID/78264>

Comment:
The parliament approved the budget on 29 November 2018 <https://www.parliament.bg/bg/laws/ID/78264>

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:
Published on 13 Dec 2018 in State Gazette No 103

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 2018 should be entered as 05/09/2018. If the document is not published or not produced, leave this question blank.

Answer:
13/12/2018

Source:
State gazette 103 issued 13 Dec 2018: <http://dv.parliament.bg/DVWeb/broeveList.faces;jsessionid=BFD9816C51BF21658724AFF8B4985885#>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:
State Gazette No 103 dated 13 December 2018 is available online State Gazette No 103 issued 13 December 2018 available online

Source:
State Gazette 103 : <http://dv.parliament.bg/DVWeb/broeveList.faces;jsessionid=BFD9816C51BF21658724AFF8B4985885#>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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.parliament.bg/bg/laws/ID/78264> <https://www.parliament.bg/bg/laws/ID/78264>

Source:
Website of parliament: <https://www.parliament.bg/bg/laws/ID/78264>
Website of State Gazette: <http://dv.parliament.bg/DVWeb/broeveList.faces;jsessionid=BFD9816C51BF21658724AFF8B4985885#>
Website of Ministry of Finance: <http://www.minfin.bg/upload/39412/ZDBRB+2019.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

EB-5. If the EB is published, are the numerical data contained in the EB 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 and Word (.doc/.docx) files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the EB is not published or not produced, therefore its machine readability cannot be assessed.

Answer:

a. Yes, all of the numerical data are available in a machine readable format

Source:

Website of parliament: <https://www.parliament.bg/export.php/bg/xml/bills/78264>

Comment:

Data available for export in xml format <https://www.parliament.bg/export.php/bg/xml/bills/78264>

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

EB-6a. 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:

The document is publicly available

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-6b. If you selected option "c" or "d" in question EB-6a, 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-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

EB-7. 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 2018."

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

Answer:

Закон за държавния бюджет на Република България за 2019 г./ Law on the state budget of the Republic of Bulgaria for 2019

Source:

<https://www.parliament.bg/bg/laws/ID/78264>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-8. Is there a "citizens version" of the EB?

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: <http://www.internationalbudget.org/opening-budgets/citizens-budgets/>.

Answer:
a. Yes

Source:
<http://www.minfin.bg/upload/39907/Budget%202019%20infograph.pdf>

Comment:
online along with a leaflet in one of the daily newspapers on 31 December 2018

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

CB-1. 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."

If more than one Citizens Budget is produced, for each CB please indicate the document the CB simplifies/refers to, and the fiscal year.

Answer:
FY 2019

Source:
CB for EBP 2019: http://www.minfin.bg/upload/38808/Budget+za+grajdanite_draft.pdf

Comment:
We chose to use CB for EBP 2019.

Additional CBs published:
CB for EB 2018: http://www.minfin.bg/upload/36684/Budget+nakratko_2018.pdf
CB for YER 2017: http://www.minfin.bg/upload/38993/Otchet_za_izpylnenieto_na_Budget_2017_nakratko.pdf

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

CB-2a. For the fiscal year indicated in CB-1, what is the public availability status of the CB?

If more than one Citizens Budget is produced, please complete this question for one of them, specifying in the comment box below which document (Executive's Budget Proposal or Enacted Budget) you are referring to, and – in the same comment box – which other Citizens Budget is produced and its public availability status.

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:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

CB-2b. If you selected option "c" or "d" in question CB-2a, 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-2a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

CB-3a. 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 2018 should be entered as 05/09/2018. 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, 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:

22/10/2018

Source:

http://www.minfin.bg/upload/38808/Budget%20za%20grajdanite_draft.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

CB-3b. 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:

The Finance Ministry published a press release on the publication of the 2019 draft budget and mentioned that a CB is also published.

Source:

<http://www.minfin.bg/bg/news/2018-10-22/10474>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

CB-4. 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, 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 URL or weblink.

Answer:

http://www.minfin.bg/upload/38808/Budget+za+grajdanite_draft.pdf

Source:

http://www.minfin.bg/upload/38808/Budget+za+grajdanite_draft.pdf

Comment:

CB for EBP 2019

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

CB-5. If the CB is produced, please write the full title of the CB.

For example, a title for the Citizens Budget could be "Budget 2018 People's Guide" or "2019 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 more than one Citizens Budget is produced, for the other CB, indicate the document the CB refers to and, next to it, its full title.

Answer:

Budget in Brief – Budget 2019 and medium-term perspectives for 2019-2021 БЮДЖЕТЪТ НАКРАТКО - БЮДЖЕТ 2019 И СРЕДНОСРОЧНИ ПЕРСПЕКТИВИ ЗА ПЕРИОДА 2019-2021 Г.

Source:

CB for EBP 2019

http://www.minfin.bg/upload/38808/Budget+za+grajdanite_draft.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

CB-6. If the CB is produced, please indicate which budget document it corresponds to.

If more than one Citizens Budget is produced, please complete this question for one of them, 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 which budget document it simplifies.

Answer:

CB corresponds to the EBP.

Source:

CB is produced also for the EB and YER.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: There is also CB for the PBS - see Q PBS 8.

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 2018

Source:

Monthly reports on the execution of the budget: <http://www.minfin.bg/bg/statistics/12>

Monthly bulletin on state debt: <http://www.minfin.bg/bg/statistics/20>

Monthly data on consolidated budget: <http://www.minfin.bg/bg/statistics/5>

Quarterly data on consolidated budget: <http://www.minfin.bg/bg/statistics/6>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

Comments: The name of the Monthly bulletin on state debt is Monthly bulletin "Central Government Debt and Guarantees".

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:

November 2018 bulletin published 31 December 2018: http://www.minfin.bg/upload/39561/BULETIN_November+_2018.pdf

October 2018 bulletin published 30 November 2018

http://www.minfin.bg/upload/39291/BULETIN_October%20_2018.pdf

September 2018 bulletin published 31 October 2018

http://www.minfin.bg/upload/38938/BULETIN_September%20_2018.pdf

August 2018 bulletin published 28 September 2018

http://www.minfin.bg/upload/38606/BULETIN_August%20_2018.pdf

July 2018 bulletin published 31 August 2018

http://www.minfin.bg/upload/38368/BULETIN_July_2018.pdf

June 2018 bulletin published 31 July 2018

http://www.minfin.bg/upload/38047/BULETIN_June%20_2018.pdf

May 2018 bulletin published 29 June 2018

http://www.minfin.bg/upload/37775/BULETIN_May_2018.pdf

Comment:

Data and bulletin are published at the end of the month following the reporting month

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 2018 should be entered as 05 September 2018. If the document is not published or not produced, please mark this question "n/a."

Answer:

31 December 2018 (IYR November 2018); 30 November 2018 (October 2018); 31 October 2018 (September 2018); 28 September (August 2018); August 31 (July 2018); July 31 (June 2018); June 29 (May 2018)

Source:

Press releases on each publication:

<http://www.minfin.bg/bg/news/2018-06/10404>
<http://www.minfin.bg/bg/news/2018-07/10431>
<http://www.minfin.bg/bg/news/2018-08/10443>
<http://www.minfin.bg/bg/news/2018-09/10457>
<http://www.minfin.bg/bg/news/2018-10-31/10485>
<http://www.minfin.bg/bg/news/2018-11-30/10516>
<http://www.minfin.bg/bg/news/2018-12-31/10536>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: You can also add the quarterly reports 31 December 2018 (IYR Q3 2018); 28 September (Q2 2018); June 29 (Q1 2018)

<https://www.minfin.bg/en/statistics/6#2018>

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:

When reports are uploaded on the MoF webpage, the Ministry published announcement in the news section of its website (including the date of publication).

Source:

Press releases on each publication:

<http://www.minfin.bg/bg/news/2018-06/10404>
<http://www.minfin.bg/bg/news/2018-07/10431>
<http://www.minfin.bg/bg/news/2018-08/10443>
<http://www.minfin.bg/bg/news/2018-09/10457>
<http://www.minfin.bg/bg/news/2018-10-31/10485>
<http://www.minfin.bg/bg/news/2018-11-30/10516>
<http://www.minfin.bg/bg/news/2018-12-31/10536>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<http://www.minfin.bg/bg/statistics/12>

Source:

Monthly bulletin on the execution of the budget November 2018: http://www.minfin.bg/upload/39561/BULETIN_November+_2018.pdf

Monthly bulletin on the state debt November 2018: http://www.minfin.bg/upload/39551/CGD-bulletin_debt_bg+11.2018.pdf

Monthly data November 2018: http://www.minfin.bg/upload/39555/2018-EU+funds_1118_BG_WEB.xls

Comment:

Links for 2018 budget execution reports Jan-Oct here: <http://www.minfin.bg/bg/statistics/12>

Links for 2018 debt reports: <http://www.minfin.bg/bg/statistics/20>

Links for 2018 data files : <http://www.minfin.bg/bg/statistics/5>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Monthly bulletin on the state debt is called Monthly bulletin "Central Government Debt and Guarantees"

<https://www.minfin.bg/en/statistics/20>

IYRs-5. If the IYRs are published, are the numerical data contained in the IYRs 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 and Word (.doc/.docx) files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the IYRs are not published or not produced, therefore their machine readability cannot be assessed.

Answer:

a. Yes, all of the numerical data are available in a machine readable format

Source:

Data on consolidated program: <http://www.minfin.bg/bg/statistics/5>

Data on state budget: <http://www.minfin.bg/bg/statistics/18>

Comment:

Data available in excel files

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IYRs-6a. 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:
n/a

Comment:
Publicly available

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

IYRs-6b. If you selected option "c" or "d" in question IYRs-6a, 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-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

IYRs-7. 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 2018."

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:
Monthly bulletin on the budget execution - Месечен бюлетин за изпълнението на бюджета
Monthly bulletin on state debt - Месечен бюлетин "Дълг и гаранции на подсектор „Централно управление"
Data on the state budget/ Данни по държавния бюджет
Data on the consolidated fiscal program (monthly)/ Данни по консолидираната фискална програма (месечни)

Source:
<http://www.minfin.bg/bg/statistics/12>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: Monthly bulletin on state debt is called Monthly bulletin "Central Government Debt and Guarantees".

IYRs-8. Is there a "citizens version" of the IYRs?

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: <http://www.internationalbudget.org/opening-budgets/citizens-budgets/>.

Answer:
b. No

Source:
Press release with summary of report and key data: <http://www.minfin.bg/bg/news/2018-12-31/10536>

Comment:
The Ministry of Finance publishes announcement with the main information on its website see e.g. press release on November 2018 report: <http://www.minfin.bg/bg/news/2018-12-31/10536> .

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 2018

Source:
on MoF website: http://www.minfin.bg/upload/38994/Doklad_za_polugodieto_2018.pdf
Information system for legal information of the Government of Bulgaria: http://pris.government.bg/prin/document_view.aspx?DocumentID=8DKqnC05QStPbfre0UtV4g==

Comment:
In addition to the detailed mid-year review, there is another (more concise) report on the budget execution in the first half of the year. It is published a month earlier.
<http://gov.bg/bg/administratsia/byudzhet/kasovo-izpalnenie-na-darzhavniya-byudzhet/informatsiya-za-kasovoto-izpalnenie-na-darzhavniya-byudzhet-i-na-osnovnite-pokazатели-na-konsolidiranata-fiskalna-programa-za-parvoto-polugodie-na-2018-godina>

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

c. More than nine weeks, but less than three months, after the midpoint

Source:

on MoF website: http://www.minfin.bg/upload/38994/Doklad_za_polugodieto_2018.pdf

Information system for legal information of the Government of Bulgaria: [http://pris.government.bg/prin/document_view.aspx?](http://pris.government.bg/prin/document_view.aspx?DocumentID=8DKqnC05QStPbfreOUtV4g==)

[DocumentID=8DKqnC05QStPbfreOUtV4g==](http://pris.government.bg/prin/document_view.aspx?DocumentID=8DKqnC05QStPbfreOUtV4g==)

Comment:

Legal provision in the art 136 para 1 of the Public Finances Act, which stipulates that midyear report should be approved by the CoM with a decision by 15th September of the year: http://www.minfin.bg/upload/37911/Public_Finance_Act.pdf

It should be noted that in addition to the detailed mid-year review, there is another (more concise) report on the budget execution in the first half of the year. It is published a month earlier - on 17 August 2018. If that report is used, then the answer should be "b".

<http://gov.bg/bg/administratsia/byudzhet/kasovo-izpalnenie-na-darzhavniya-byudzhet/informatsiya-za-kasovoto-izpalnenie-na-darzhavniya-byudzhet-i-na-osnovnite-pokazатели-na-konsolidiranata-fiskalna-programa-za-parvoto-polugodie-na-2018-godina>

http://pris.government.bg/prin/document_view.aspx?DocumentID=Lcv4V0vi50HWZ5ZNk3ckrg==

Peer Reviewer
Opinion: Agree

Comments: I generally agree with the comment, however, the report published on 17 August 2018 is largely based on the State Budget and includes some key parameters from the Consolidated Budget Program, while the one published by 15 September is entirely based on the Consolidated Budget Program, as a part of it, includes information on the State Budget, and is much more thorough - the first report is 22 pages, while the second is 58 pages. In its structure the report published by 15 September is following the same format as the Year-End Report.

Government Reviewer
Opinion: Agree

IBP Comment

The peer reviewer's added context is well received.

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 2018 should be entered as 05/09/2018. If the document is not published or not produced, leave this question blank.

Answer:
14/9/2018

Source:
http://pris.government.bg/prin/document_view.aspx?DocumentID=8DKqnC05QStPbfre0UtV4g==

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:
Publication on the Information system for legal information of the Government of Bulgaria has a time stamp: 14.09.2018 16:09:35

Source:
Information system for legal information of the Government of Bulgaria: http://pris.government.bg/prin/document_view.aspx?DocumentID=8DKqnC05QStPbfre0UtV4g==

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:
http://pris.government.bg/prin/document_view.aspx?DocumentID=8DKqnC05QStPbfre0UtV4g==

Source:
Information system for legal information of the Government of Bulgaria: http://pris.government.bg/prin/document_view.aspx?DocumentID=8DKqnC05QStPbfre0UtV4g==

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

MYR-5. If the MYR is published, are the numerical data contained in the MYR 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 and Word (.doc/.docx) files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

Option "d" applies if the MYR is not published or not produced, therefore its machine readability cannot be assessed.

Answer:

c. No

Source:

Information system for legal information of the Government of Bulgaria: http://pris.government.bg/prin/document_view.aspx?DocumentID=8DKqnC05QStPbfreOUtV4g==

Comment:

Report in MS Word

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

MYR-6a. 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:

e. Not applicable (the document is publicly available)

Source:

Comment:

Document is publicly available

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

MYR-6b. If you selected option "c" or "d" in question MYR-6a, 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-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

MYR-7. 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 2017/18" or "Mid-Year Report on the 2018 National Budget."

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

Answer:

Report on the cash execution of the consolidated fiscal program for the first half of 2018/ДОКЛАД ЗА КАСОВОТО ИЗПЪЛНЕНИЕ НА КОНСОЛИДИРАНАТА ФИСКАЛНА ПРОГРАМА ЗА ПЪРВОТО ПОЛУГОДИЕ НА 2018

Source:

http://pris.government.bg/prin/document_view.aspx?DocumentID=8DKqnC05QStPbfre0UtV4g==

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: ДОКЛАД ЗА КАСОВОТО ИЗПЪЛНЕНИЕ НА КОНСОЛИДИРАНАТА ФИСКАЛНА ПРОГРАМА ЗА ПЪРВОТО ПОЛУГОДИЕ НА 2018 is called ДОКЛАД ЗА КАСОВОТО ИЗПЪЛНЕНИЕ НА КОНСОЛИДИРАНАТА ФИСКАЛНА ПРОГРАМА ЗА ПОЛУГОДИЕТО НА 2018.

MYR-8. Is there a "citizens version" of the MYR?

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: <http://www.internationalbudget.org/opening-budgets/citizens-budgets/>.

Answer:
b. No

Source:
n/a

Comment:
n/a

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 2017

Source:
Information system for legal information of the Government of Bulgaria http://pris.government.bg/prin/document_view.aspx?DocumentID=BmM%2bAkhbSR6kQ43TcKJ8YA==
MoF website:
http://www.minfin.bg/upload/38991/Doklad_po_otcheta_na_DB-na_RB_2017.pdf

Comment:
also annexes and data available

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:
c. More than nine months, but within 12 months, after the end of the budget year

Source:

http://pris.government.bg/prin/document_view.aspx?DocumentID=BmM%2bAkhbSR6kQ43TcKJ8YA==

Comment:

The Law on public finances, Art 138 para 3 stipulates that the Ministry of Finance should submit the YER for approval by the Council of Ministers by 30 September, as they did in recent years. This year (2018), the first CoM meeting was on 3 October, so that is why the 9-month threshold was not met by 3 days.

Peer Reviewer

Opinion: Agree

Comments: After the approval from the CoM, the report is submitted to the Parliament, which votes on a decision to adopt the report no later than 31 December of the year following the reporting year (Art. 139, Paragraph 2 of the Public Finance Act). In my opinion the YER should be considered made available to the public as of the date of the Parliament's decision rather than at the date of the CoM approval, as the later should be considered as a preliminary report. Either way the answer should be 'c'.

Government Reviewer

Opinion: Agree

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 2018 should be entered as 05/09/2018. If the document is not published or not produced, leave this question blank.

Answer:

5/10/2018

Source:

http://pris.government.bg/prin/document_view.aspx?DocumentID=BmM%2bAkhbSR6kQ43TcKJ8YA==

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Date and time of publication is visible on the Information system for legal information of the Government of Bulgaria, 05.10.2018 11:07:36

Source:

Information system for legal information of the Government of Bulgaria: http://pris.government.bg/prin/document_view.aspx?DocumentID=BmM%2bAkhbSR6kQ43TcKJ8YA==

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

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:

http://pris.government.bg/prin/document_view.aspx?DocumentID=BmM%2bAkhbSR6kQ43TcKJ8YA==

Source:

Information system for legal information of the Government of Bulgaria:[http://pris.government.bg/prin/document_view.aspx?](http://pris.government.bg/prin/document_view.aspx?DocumentID=BmM%2bAkhbSR6kQ43TcKJ8YA==)

DocumentID=BmM%2bAkhbSR6kQ43TcKJ8YA==

MoF website:

http://www.minfin.bg/upload/38991/Doklad_po_otcheta_na_DB-na_RB_2017.pdf

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

YER-5. If the YER is published, are the numerical data contained in the YER 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 and Word (.doc/.docx) files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the YER is not published or not produced, therefore its machine readability cannot be assessed.

Answer:

a. Yes, all of the numerical data are available in a machine readable format

Source:

http://pris.government.bg/prin/document_view.aspx?DocumentID=BmM%2bAkhbSR6kQ43TcKJ8YA==

Separate data files in excel published

MoF website - annexes including excel data file (zipped): http://www.minfin.bg/upload/38992/Prilojeniq_kym_Doklada-po_otcheta-na_RB_2017.zip

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

YER-6a. 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:

n/a

Comment:

publicly available

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

YER-6b. If you selected option "c" or "d" in question YER-6a, 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-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

YER-7. 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 2018" or "Annual Report 2017 Published by the Ministry of Finance and Planning." If the document is not produced at all, researchers should mark this question "n/a."

Answer:

Report on the execution of the state budget of Republic of Bulgaria for 2017 Доклад по отчета за изпълнението на държавния бюджет на Република България за 2017 година

Source:
http://pris.government.bg/prin/document_view.aspx?DocumentID=BmM%2bAkhbSR6kQ43TcKJ8YA==
http://www.minfin.bg/upload/38991/Doklad_po_otcheta_na_DB-na_RB_2017.pdf

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

YER-8. Is there a "citizens version" of the YER?

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: <http://www.internationalbudget.org/opening-budgets/citizens-budgets/>.

Answer:
a. Yes

Source:
CB for YER 2017: http://www.minfin.bg/upload/38993/Otchet_za_izpylnenieto_na_Budget_2017_nakratko.pdf

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 2017

Source:
<http://www.bulnao.government.bg/bg/search/download/12205/od-db-2017-081019.doc>

Comment:
This is the latest available audit of the year-end budget report on the website of the National Audit Office. However, this is not the only audit report published by the NAO.

The National Audit Office (NAO) is publishing extensive information online. In 2017 the NAO published 292 reports from financial audits (ministries, first-level spending units and municipalities), 47 audit reports (compliance and performance audits), 43 reports for implementation of NAO recommendations. Three annual reports are published by NAO - 1) Report on the financial audits; 2) Audit of the year-end budget report; 3) NAO's annual report. These three reports are sent to the parliament, along with some others.

We believe that both the 1) Report on the financial audits (summary of all financial audits of state institutions) and 2) Audit of the year-end budget report could be used as "Audit Report" in the Open Budget Index. We decided to use the annual Audit of the year-end budget report.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

<http://www.bulnao.government.bg/bg/search/download/12205/od-db-2017-081019.doc>

Comment:

Published on 8 October 2018.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 2018 should be entered as 05/09/2018. If the document is not published or not produced, leave this question blank.

Answer:

8/10/2018

Source:

http://www.bulnao.government.bg/bg/search?q=%D0%B1%D1%8E%D0%B4%D0%B6%D0%B5%D1%82&article_id=127&file_category_id=&file_type_id=&date_from=2018-10-08&date_to=2018-10-08

Comment:

The filing system of the Bulgarian National Audit Office's website is organized based on date of publication of document. Using the search function we uncovered that the file was uploaded on 08 October 2018 although it was dated 02 October 2018 (the date it was approved).

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

The filing system of the Bulgarian National Audit Office's website is organized based on date of publication of document. Using the search function we uncovered that the file was uploaded on 08 October 2018 although it was dated 02 October 2018 (the date it was approved).

Source:

<http://www.bulnao.government.bg/bg/search?>

[q=%D0%B1%D1%8E%D0%B4%D0%B6%D0%B5%D1%82&article_id=127&file_category_id=&file_type_id=&date_from=2018-10-08&date_to=2018-10-08](http://www.bulnao.government.bg/bg/search?q=%D0%B1%D1%8E%D0%B4%D0%B6%D0%B5%D1%82&article_id=127&file_category_id=&file_type_id=&date_from=2018-10-08&date_to=2018-10-08)

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

<http://www.bulnao.government.bg/bg/search/download/12205/od-db-2017-081019.doc>

Source:

<http://www.bulnao.government.bg/bg/search/download/12205/od-db-2017-081019.doc>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

AR-5. If the AR is published, are the numerical data contained in the AR 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 and Word (.doc/.docx) files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine->

[readable/](#)

Option "d" applies if the AR is not published or not produced, therefore its machine readability cannot be assessed.

Answer:

c. No

Source:

<http://www.bulnao.government.bg/bg/search/download/12205/od-db-2017-081019.doc>

Comment:

The document is published in MS WORD format (unlike AR2017 which was in PDF)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-6a. 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:

<http://www.bulnao.government.bg/bg/search/download/12205/od-db-2017-081019.doc>

Comment:

The document is publicly available.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-6b. If you selected option "c" or "d" in question AR-6a, 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-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

AR-7. 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:

Audit report on the report on the execution of the state budget of the Republic of Bulgaria for the period from 01.01.2017 till 31.12.2017 - Одитен доклад за извършен одит на отчета за изпълнението на държавния бюджет на Република България за периода от 01.01.2017 г. до 31.12.2017 г.

Source:

<http://www.bulnao.government.bg/bg/search/download/12205/od-db-2017-081019.doc>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-8. Is there a "citizens version" of the AR?

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: <http://www.internationalbudget.org/opening-budgets/citizens-budgets/>.

Answer:

b. No

Source:

<http://www.bulnao.government.bg>

Comment:

Not produced.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

GQ-1a. Are there one or more websites or web portals for disseminating government fiscal information? If yes, please provide the necessary links in the comment/citation.

GQ-1a asks the researcher to list any government websites or portals where fiscal information can be found. For example, in New Zealand the Treasury website (<http://www.treasury.govt.nz/>) hosts important budget-related information, including the Pre-Budget Statement, the Executive's Budget Proposal, the Citizens Budget, In-Year Reports, the Mid-Year Review, and the Year-End Report. In addition, New Zealand's Parliamentary Counsel Office (<http://www.legislation.govt.nz/>) posts the Enacted Budget while the Controller and Auditor-General website (<http://www.oag.govt.nz/>) publishes the annual Audit Report. The New Zealand researcher would provide the links to each of these sites. Other countries have developed portals that include fiscal information, though not in the "documents" format. For example, these portals have been created by Mexico (<https://www.transparenciapresupuestaria.gob.mx/>) and Brazil (<http://www.portaltransparencia.gov.br/>). Some countries have both a website and a portal. The Brazilian government, for example, apart from the Transparency Portal, has a dedicated website for the federal budget, where all key documents and other information can be found (www.orcamentofederal.gov.br). Researchers should include details about all of the relevant websites and/or portals that they can be used to access budget information.

Answer:

a. Yes

Source:

The website of the Ministry of Finance (www.minfin.bg) posts the Pre-budget Statement, the Executive Budget Proposal, the Enacted Budget, the Citizens Budget, In-Year Reports, the Mid-Year Review, the Year-End Report, the Enacted Budget, the statistics on state debt, fiscal reserves and arrears. The website of the information system for legal information of the Government of Bulgaria (pris.government.bg) posts the Pre-Budget Statement, the Executive Budget Proposal, the Mid-Year Review and the Year-End Report. The website of the SAI (www.bulnao.government.bg) posts the Audit Report and a number of other audit documents. The website of the parliament (www.parliament.bg) posts the Executive Budget Proposal and the Supporting Documents as well as the enacted budget. The website of the Fiscal Council (www.fiscalcouncil.bg) – assessment of the Executive Budget Proposal, Medium-term Budget Framework, the Year-End-Report etc.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: In-Year Reports (monthly) on budget execution are also regularly published on the government Open Data Portal (<https://opendata.government.bg/dataset/konsolidirana-fiskalna-programa-i-nacionalni-budgeti>).

GQ-1b. On these websites/portals, can revenue and/or expenditure data for the current fiscal year be downloaded as a consolidated file (or set of files)? If yes, please provide the necessary links in the comment/citation.

GQ-1b, GQ-1c, and GQ-1d ask about whether governments publish specific types of content on their websites/portals: (a) consolidated files that contain revenue and/or expenditure information for the current fiscal year; (b) consolidated files that contain revenue and/or expenditure information for multiple years in consistent formats; and (c) infographics/visualizations or other similar tools used to simplify data access and analysis. Researchers should provide the links to relevant webpages and some explanations of what they contain.

Answer:

a. Yes, both revenue and expenditure data can be downloaded as a consolidated file

Source:

Data on revenue/expenditure is presented in MS excel files on a monthly basis. Monthly budget data is published here - <http://www.minfin.bg/bg/statistics/5>

The same data is also published in the Open Data Portal in csv format

<https://opendata.government.bg/dataset/konsolidirana-fiskalna-programa-i-nacionalni-budgeti>

Comment:

The monthly budget data is in fact year-to-date execution data - for example, August budget data contain statistics for January-August.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: <https://opendata.government.bg/dataset/konsolidirana-fiskalna-programa-i-nacionalni-budgeti>
<https://data.egov.bg/data/view/bfcdd4cb-4737-4272-92ea-9b2395f7cb14>

GQ-1c. On these websites/portals, can consolidated revenue and/or expenditure data be downloaded for multiple years in consistent formats? If yes, please provide the necessary links and details in the comment/citation.

Answer:

a. Yes, both revenue and expenditure data can be downloaded for multiple years in consistent formats

Source:

Annual data on the consolidated fiscal programme (1998-2017)
<http://www.minfin.bg/bg/statistics/13>

Monthly and quarterly data on the consolidated fiscal program
<http://www.minfin.bg/bg/statistics/5>

Comment:

In the expenditure by functions file data is organized by functions (9 functions, according to COFOG). In the Consolidated fiscal program file: data is organized by type of tax (e.g. income, corporate, VAT, excise, social security) and by economic elements. Data is also available not only in national methodology, but also in IMF's GFSM framework - GFSM 2001, GFSM 86, GFSM 2014. Data is available in Bulgarian and in English.

Peer Reviewer

Opinion: Agree

Comments: COFOG is a classification of 10 expenditure functions - <https://unstats.un.org/unsd/classifications/Econ>;

<http://www.nsi.bg/bg/content/2413/%D1%81%D0%B5%D0%BA%D1%82%D0%BE%D1%80-%E2%80%9E%D0%B4%D1%8A%D1%80%D0%B6%D0%B0%D0%B2%D0%BD%D0%BE-%D1%83%D0%BF%D1%80%D0%B0%D0%B2%D0%BB%D0%B5%D0%BD%D0%B8%D0%B5%E2%80%9D>, where as the statistics on expenditure by function

published by the MoF has only 9, therefore, it does not fully correspond to the COFOG.

Government Reviewer

Opinion: Agree

Comments: <http://www.minfin.bg/bg/statistics/13>

GQ-1d. On these websites/portals, are infographics/visualizations or other similar tools used to simplify data access and analysis? If yes, please provide the necessary links and details in the comment/citation.

Answer:

b. No

Source:

Comment:

Infographics/visualizations or other similar tools are not generally available, except in the Citizen's Budgets.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

GQ-2. Are there laws in place guiding public financial management and/or auditing? If yes, please provide the necessary details and links in the comment/citation, and specify whether and where the law(s) contains specific provisions for budget transparency and/or participation.

GQ-2 asks about the existence of any national laws governing public financial management and auditing. These may include a public finance act, a section of the constitution, or an organic budget law. In some countries, fiscal responsibility legislation may also be relevant. For example, the Kenya researcher may include the link to its Public Finance Management Act, 2012 (<http://www.kenyalaw.org/lex/actview.xhtml?actid=No.%2018%20of%202012>), and the Macedonian researcher may include a link to its State Audit Law (<https://www.finance.gov.mk/files/u11/Audit%20law.pdf>). Researchers should provide links to websites where such laws are published, if possible, or an electronic copy of the law itself. They should also indicate if and where (e.g. which article) these laws include specific provisions for budget transparency and citizen participation in budget processes.

Answer:

a. Yes

Source:

Law on public finances (<https://www.lex.bg/laws/ldoc/2135837967>) - article 20 lists the principles for public finance management, principle 7 is "transparency" - "7. transparency: enabling public awareness by providing public access to information on macroeconomic and budgetary forecasts, data on the current implementation of the consolidated fiscal programme, and information about the methodology/assumptions underlying the preparation of the aforementioned."

The law sets fines for officials that do not publish the required information, article 173-175.

The law requires the ministries to publish online a number of documents - including tax expenditures (art. 16), debt data (art. 36), macroeconomic forecasts (art. 68), budget forecast (art. 72), program budgets (art. 79), approved budgets by administrative units (art. 93), municipal budgets (art. 97), in-year reports (art. 135), mid-year review (art. 136), annual reports (art. 170).

Decree for the implementation of the state budget for 2019

<http://www.minfin.bg/upload/39540/PMS-izpalnenie-2019.pdf>

The decree requires publication of information budget reports of ministries and administrative units (art. 34).

National Audit Office Act - the law requires all audit reports to be published on the website of the National Audit Office

<http://www.lex.bg/bg/laws/ldoc/2136436517>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

GQ-3. Are there additional laws regulating: (1) access to information; (2) government transparency; or (3) citizens participation? If yes, please provide the necessary details and links in the comment/citation, and specify whether and where these laws contain specific provisions for budget transparency and/or participation.

The third and last question asks researchers to list any additional laws regulating access to information, transparency, or citizens' participation that are relevant for the promotion of budget transparency and citizen participation in budget processes. These might include legislation related to access to information, to planning processes, or to public administration more generally. India's Right to Information Act of 2005 (<https://www.ncess.gov.in/facilities/central-public-information-officer/rti-act-details.html>) is an example of this type of law. More information on access to information legislation (constitutional provisions, laws, and regulations), including examples of model laws, can be found here: <http://www.right2info.org/laws/constitutional-provisions-laws-and-regulations#section-1>.

Answer:

a. Yes

Source:

Access to Public Information Act

<https://lex.bg/laws/ldoc/2134929408>

Definition of public information "public information shall be any information relating to the social life in the Republic of Bulgaria, and giving opportunity to the citizens to form their own opinion on the activities of the persons having obligations under this act" (art 2). Scope of obliged bodies - art 3.

Chapter 2 exclusively deals with procedures of access to public information. Specifically: Art 15 (1) item 7 states that "In order to achieve transparency of the administration's activities, and for the purpose of maximum facilitation of access to public information, every head of an administrative structure within the system of the executive power shall publish on a regular basis up-to-date information containing ...information on the budget and the financial reports of the respective administration, which should be published under the Public Finance Act; Art 15a explicitly requires that public information is published on the internet, art 15b explicitly requires whenever possible data be published in open format; art 15c promulgates the establishment of a public information platform; art 15d establishes portal for open data.

Ordinance of the Ministry of Finance 1472/29.11.2011 (on the charges for access to public information) <http://www.minfin.bg/document/10478:2> It is a tariff of cost related to access to information, e.g. price of a A4 print copy, price of CD, etc.

Law on normative acts - requires public consultations for all laws, ordinances, regulations etc. <http://www.lex.bg/laws/ldoc/2127837184>

Decision 103 of the Council of Ministers from 2015 - approving a list of data sets to be published in open format - several other decisions significantly expand the list https://www.e-gov.bg/upload/4387/Reshenie_Minsiterski_Savet_17_Fevruari_2015.pdf

Web portal for public consultations - all draft acts, ordinances, regulations are published here for public consultation <http://www.strategy.bg/>

Open data portal: <https://opendata.government.bg>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

b. Yes, administrative units accounting for at least two-thirds of, but not all, expenditures are presented.

Source:

Draft State Budget Law for 2019

<https://www.parliament.bg/bg/bills/ID/78264/>

Comment:

Around Lv 3.1 bn are not explicitly classified by administrative unit out of Lv 26 bn state budget - that is 12%. This funding is in the so-called "central budget". According to the law on public finance the central budget includes everything which is not included in the other budgets. For example, interest expenditures on the state debt are included the central budget. Most capital spending is also in the central budget. The central budget is not an administrative unit, but by law, the central budget is managed by the minister of finance, which is an administrative unit.

The amount and distribution of the central budget is not explicitly stated, but can be derived - it is the difference between the total state budget and the sum of the expenditures assigned to the individual administrative units.

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Updated Medium Term Budget Forecast for 2019-2021, http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691 , Table III-1 p 63, pp 63-140

Comment:

Narrative discussion pp. 63-140

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 <http://www.oecd.org/gov/budgeting/Best%20Practices%20Budget%20Transparency%20-%20complete%20with%20cover%20page.pdf>

COFOG can be viewed at https://unstats.un.org/unsd/publication/SeriesM/SeriesM_84E.pdf or at <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/ch6ann.pdf>.

Answer:

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

Source:

Updated Medium Term Budget Forecast for 2019-2021, http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691 , Table III-1 p 63, pp 63-140

Comment:

The Bulgarian classification is similar to, but not exactly the same as, the international classification (COFOG). Most first level categories are the same, but several are combined in the Bulgarian classification, while in COFOG they are independent (for example, environment and housing are combined in one category).

However, there is a significant improvement since the previous OBS - in the 2019 EBP there is detailed data for the expenditures by functional classification. For example, there is data not only for "environment and housing" category combined, but also separately for "environment" and for "housing". In this way, the classification could be accepted as compatible with international standards.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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.

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:

Updated Medium Term Budget Forecast for 2019-2021, Appendix 3, pp. 208-209 http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Comment:

Expenditures breakdown as follows:

I. Non-interest expenditures

1. Current

1.1. Compensation of employees

- wages

- other

- social insurance

1.2. Use of goods and services

1.3. Scholarships

1.4. Subsidies and current transfers

- Subsidies and current transfers

- Subsidies and current transfers for hospitals

1.5. Social benefits

- Pensions

- Current transfers, benefits and social assistance

- Healthcare payments

2. Provided current and capital transfers abroad

3. State reserves net increase and purchase of agricultural products

4. Capital expenditures

5. Contingency funds

5.1. In budget organizations

- National Healthcare Fund

- National Assembly

- Judiciary

5.2. Emergency&disasters

II. Interest expenditure

1. External debt

2. Domestic debt

III. Contribution to the EU budget

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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) 2001 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 2001 GFS manual (<http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf>).

Answer:

b. No, the economic classification is not compatible with international standards, or expenditures are not presented by economic classification.

Source:

Updated Medium Term Budget Forecast for 2019-2021, Appendix 3, page 209 http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Comment:

EBP uses the national presentation of the economic classification. According to the IMF it is "not according to GFS standards" - see page 57 in this March 2019 report <https://www.imf.org/~media/Files/Publications/CR/2019/1BGREA2019001.ashx>

The government publishes monthly, quarterly and annual data on budget execution using both national presentation and GFS presentation. But EBP uses only national presentation.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 detaillé. (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:

b. Yes, programs accounting for at least two-thirds of, but not all, expenditures are presented.

Source:

EBP for 2019

<https://www.parliament.bg/bg/bills/ID/78264/>

In the Updated Mid Term Budget Forecast 2019-2021 there is extensive narrative discussion on expenditures for different policies (pp. 63-140), which is an extensive summary of the individual program-oriented budgets for each administrative unit. Program-level budgets for each administrative unit are separate files, which are part of the EBP package sent to the legislature (see zipped folder in the link).

Comment:

26 draft program budgets were presented as part of the 2019 EBP - all ministries and state agencies, as well as the parliament and the court system presented such program budgets. These are the biggest institutions responsible for the bulk of the budget (i.e., much more than 2/3 of the budget). However, more than 20 smaller administrative units did not present draft program budgets - mostly independent institutions such as the Ombudsman, the Financial Supervision, the Election Commission, the Competition Commission, the Communications Regulator etc.

This is set to change - the EBP for 2020 will include program budgets for all administrative units.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 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.

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

Answer:

a. Yes, multi-year expenditure estimates are presented by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

Updated Medium Term Budget Forecast for 2019-2021, Appendix 3, page 209 http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691 (economic classification), Appendix 4, p. 212 (by administrative unit), page Table III-1 p. 63 (by functions)

Comment:

Peer Reviewer

Opinion: Agree

Comments: It should be noted that the mid-term estimates are not binding or strictly followed. This can be seen from the little expected deviations between the figures for the administrative classification.

Government Reviewer

Opinion: Agree

7b. Based on the response to Question 7, check the box(es) to identify which expenditure classifications have estimates for a multi-year period in the Executive's Budget Proposal?

Answer:

Administrative classification
Economic classification
Functional classification

Source:

Updated Medium Term Budget Forecast for 2019-2021, Appendix 3, page 209 http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691 (economic classification), Appendix 4, p. 212 (by administrative unit), page Table III-1 p. 63 (by functions)

Comment:

Peer Reviewer

Opinion: Agree

Comments: Multi-year estimates are available for all program budgets, however, not all institutions have presented a draft program budget, therefore multi-year estimates do not account for all expenditures. In section 2 Question 006 the researcher points out that 26 draft program budgets were presented as part of the 2019 EBP including all ministries and state agencies, as well as the parliament and the court system, which account for much more than 2/3 of the budget. However, more than 20 smaller administrative units did not present draft program budgets. Furthermore, as pointed out in question 7 by the reviewer the multi-year estimates are not binding or strictly followed.

Government Reviewer

Opinion: Agree

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 detaillé. (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 2001 GFS manual, in particular Appendix 4 (<http://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf>).

Answer:

b. Yes, multi-year estimates for programs accounting for at least two-thirds of, but not all, expenditures are presented.

Source:

<http://parliament.bg/bills/44/802-01-49.zip>

Comment:

All program-budgets contain expenditure estimate for 2019-2021 (zip file in source)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

See Appendix 3 p. 208 of the Updated Medium Term Budget Forecast 2019-2021 http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

See Art. 1 of the Draft State Budget Act 2019: http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94690

Comment:

See also narrative discussion on revenues in the Updated Medium Term Budget Forecast 2019-2021 p 57-62

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

Comments: See also narrative discussion on revenues in the Updated Medium Term Budget Forecast 2019-2021 p 59-62.

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:

a. Yes, individual sources of non-tax revenue accounting for all non-tax revenue are presented.

Source:

Updated Medium Term Budget Forecast 2019-2021 Appendix 3 p. 208, http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691
Data on revenues collected by individual administrative units in their program budgets: <http://parliament.bg/bills/44/802-01-49.zip>

Comment:

The biggest non-tax revenues are the grants from the European Union funds. Other non-tax revenues are state fees, court fees, income from property, dividends, "interest and fines", concessions, and sales. Data for these revenues is available in the draft program-oriented budgets of ministries

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Updated Medium Term Budget Forecast 2019-2021 Appendix 3 p. 208, http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Comment:

- I. Tax revenues
 - 1. Direct taxes
 - 1.1. Corporate taxes
 - Non-financial enterprises
 - Financial enterprises
 - 1.2. Personal income taxes
 - 2. Social security revenues
 - 2.1. Pension and other social contributions
 - 2.2. Health insurance contributions
 - 3. Indirect taxes
 - 3.1. VAT
 - 3.2. Excises
 - 3.3. Taxes on insurance premiums
 - 3.4. Tariffs
 - 4. Taxes on sugar and glucose
 - 5. Other taxes
 - 5.1. Property taxes
 - 5.2. Taxes according to Corporate Income Tax Law
 - 5.3. Other
- II. Non-tax revenues
 - 1. Net revenues of the Bulgarian National Bank
 - 2. Other
 - Fees
 - Property
 - Penalties and sanctions
 - Sale of non-financial assets
 - Concessions
 - Other
- III. Grants
 - 1. From abroad
 - 2. Domestic

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Updated Medium Term Budget Forecast 2019-2021 Appendix 3 p. 208, http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Comment:

The table shows forecasts for 2019-2021 for revenues - including total revenues, tax revenues (incl. direct, indirect and social security taxes - and major individual taxes, such as income tax, corporate tax, VAT, excise duties, etc.), non-tax revenues (including major sources - fees, rent, fines etc.), grants (incl. local and international).

There is a significant improvement from the previous OBI - the "other taxes" category is now split in three subcategories, thus "other taxes" became negligible.

"Other non-tax revenues" increased sharply in 2019, driven mostly by changes in the energy law, as explained in the text (page 29, page 61, page 97, and appendix 8 on page 217) . The "other non-tax revenues" for 2019-2021 account for 3.1% of total revenues, declining to around 3% at the end of the period.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

IBP Comment

Because the categories "Други приходи/Other incomes" and "Други данъци/Other taxes" together account for slightly more than 3% of overall revenues in both 2020 and 2021, the response is revised from "a" to "b."

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 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.*

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.

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 Executive's Budget Proposal or its supporting documentation must present all three estimates of borrowing and debt. For a "b" answer, the Executive's Budget Proposal or its supporting documentation must present two of those three estimates. For a "c" answer, the Executive's Budget Proposal or its supporting documentation must present one of the three estimates. Answer "d" applies no information on borrowing and debt is presented for the budget year.

Answer:

a. Yes, all three estimates related to government borrowing and debt are presented.

Source:

Updated Medium Term Budget Forecast 2019-2021 Appendix 3 p. 209 - interest payments
http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Draft Budget Act 2019, art 67 and 68 - ceilings for the debt outstanding at end-2019 and new debt issue for 2019
http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94690

Comment:

Additional estimates on debt levels and issue in the narrative discussion on the public debt in the Updated Medium Term Budget Forecast 2019-2021 p. 161-163

Page 161 - debt level at end 2018 (22.2bn)

page 162 - debt level at end 2019 (22.2bn)

Thus, zero net new borrowing is planned for 2019.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

13b. Based on the response to Question 13, check the box(es) below to identify which estimates of government borrowing and debt are presented in the Executive's Budget Proposal:

Answer:

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

The interest payments on outstanding debt for the budget year

Source:

Updated Medium Term Budget Forecast 2019-2021 Appendix 3 p. 209 - interest payments http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Draft Budget Act 2019, art 67 and 68 - ceilings for the debt outstanding at end-2019 and new debt issue for 2019
http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94690

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to the composition of government debt at the end of 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 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 at the end of the budget year.

Answer:

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

Source:

Updated Medium Term Budget Forecast 2019-2021, Part 4 p. 161 http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Comment:

Interest payments for BY (2019) and beyond are presented in Annex 3 on p 208, also broken down to "domestic" and "external"

Discussion on p 162-163 provides further detail. First, it is clear that there will be no net borrowing in 2019. Maturing domestic treasuries will be refinanced by issuing new treasuries on the domestic market (see top of p. 163) - so no change in structure "external/domestic", also local currency debt to be replaced by local currency debt - so no change in currency structure.

Also, the amount of refinancing is relatively low (less than 4% of debt outstanding in 2018), so it will not change in any meaningful way the composition of debt - which is shown on p. 162 starting with external/domestic debt outstanding (first paragraph on top of p 162, which by the way, as explained previously, will not change even the slightest), then maturity structure, then by instruments, then by interest (fixed/variable) and currency.

It should also be noted, that 99.4% of the debt is denominated in EUR or BGN, and since the BGN is pegged to the EUR through a currency board arrangement, there is no exchange rate volatility. Also, 96.1% of the debt is with fixed interest rate. Additionally, on p. 163 second paragraph there is additional information on financing through already negotiated international agreements, such as with the European Investment Bank and the Council of Europe Development Bank.

Detailed information is available in the Debt Management Strategy 2019-2021, though it is not considered part of the EBP:

<http://www.minfin.bg/bg/1336>

http://pris.government.bg/prin/document_view.aspx?DocumentID=5pqVDsOJQbHDTUYy8NghKg==

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, information beyond the core elements is presented for the composition of the total debt outstanding.

Comments: Given the Researcher's answer in Question 14b, the Reviewer believes the answer here should be 'a', as the EBP presents information beyond the core elements, namely fixed or variable interest rates; the currency of the debt; an analysis of the risk associated with the debt.

Outstanding public debt interest rates are not explicitly included in the EBP (it includes interest rate payments), however, they are readily available through the Ministry of Finance's monthly bulletin Central Government Debt and Debt Guarantees.

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, information beyond the core elements is presented for the composition of the total debt outstanding.

Comments: Information beyond the core elements (please specify) - additional information related to the composition of interest rates, the currency of the debt, a debt profile by instruments, analysis of the market risk associated with the debt The Debt Management Strategy is part of the budget procedure and the policies are in line with the other documents from the budget procedure.

IBP Comment

The reviewers' comments are well-received. As the Debt Management Strategy 2019-2021 is not considered as part of the EBP, it cannot be evaluated for Q14. In addition, per the researcher's comment, as most of the core elements are not explicitly presented for the period 2019 and beyond, but rather must be inferred, the response is revised from "b" to "c."

14b. Based on the response to Question 14, check the box(es) to identify which elements of the composition of the total debt outstanding are presented in the Executive's Budget Proposal:

Answer:

Maturity profile of the debt

Whether the debt is domestic or external

Information beyond the core elements (please specify)

Source:

fixed or variable interest rates; the currency of the debt; an analysis of the risk associated with the debt;

Comment:

Information beyond the core elements - fixed or variable interest rates; the currency of the debt; an analysis of the risk associated with the debt.

Peer Reviewer

Opinion: Disagree

Suggested Answer: Interest rates on the debt Maturity profile of the debt Whether the debt is domestic or external Information beyond the core elements (please specify)

Comments: Given the Researcher's answer to Question 14, the Reviewer believes that the 'Interest rates on the debt box' should also be checked, as the EBP provides information on interest rates - 96.1% of the debt is with fixed interest rate, and a projection of interest rate expenditure for the budget year by total, domestic, and external outstanding public debt. As previously mentioned interest rates on outstanding public debt are readily available through the Ministry of Finance's monthly bulletin Central Government Debt and Debt Guarantees.

Government Reviewer

Opinion: Agree

Comments: Information beyond the core elements (please specify) - additional information related to the composition of interest rates, the currency of the debt, a debt profile by instruments, analysis of the market risk associated with the debt

IBP Comment

Please see the IBP comment for Q14. The peer reviewer's comment is well-received. Specific interest rates (rather than the proportion of debt with fixed/variable rates) are not presented in the EBP, and Central Government Debt and Debt Guarantees bulletins are not considered as part of the EBP. The current response is maintained.

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.

To answer "a," the Executive's Budget Proposal or supporting documentation 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 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 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:

b. Yes, the core information is presented for the macroeconomic forecast.

Source:

Updated Medium Term Budget Forecast 2019-2021 pp. 13-24 - comprehensive economic analysis and presentation of macroeconomic forecast; The forecast includes nominal GDP, real GDP growth, inflation, exports, employment, unemployment, current account, FDI, credit growth, international environment e.g. world and Euro area GDP growth, oil prices, exchange rate etc. There is a discussion on the potential growth and a comparison between the budget forecast and the European Commission's forecast for Bulgaria.
http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Comment:

The only core component missing is the interest rate - but it should be noted that in Bulgaria under the currency board system the central bank does not control interest rates; it only controls the exchange rate that is fixed to the Euro. For small and very open economies such as Bulgaria, the exchange rate is much more important macroeconomic indicator than the interest rate.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, information beyond the core elements is presented for the macroeconomic forecast.

Comments: Given the Researcher's answer to Question 15b, the Reviewer believes the answer here should be 'a', as the EBP includes information beyond the core elements (with the exception of interest rates, which is the result of the currency board arrangement).

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, information beyond the core elements is presented for the macroeconomic forecast.

Comments: We would like to highlight that key external assumptions for the Ministry of Finance (MoF) Macroeconomic forecast include assumptions for the interest rate. They come from IMF consensus forecast for 6-month LIBOR on USD denominated deposits and 6-month LIBOR on EUR denominated deposits. MoF also provides a mid-term forecast for the long term interest rate for convergence purposes. Data is published with the assumptions on key macroeconomic indicators in Bulgaria Convergence Programme (<https://www.minfin.bg/en/868>) in Chapter 1 Table 1 and Table 8 of Annex A. In addition, it is not clear what brought the assessment from "a" to "b", as no changes were made to the approach of the MoF Macroeconomic forecast

Researcher Response

We agree with the peer reviewer and the government reviewer. The response should be revised to "a".

IBP Comment

Despite the currency board arrangement, interest rates remain a core element beyond the question of the central bank's control of them, as they are relevant due to their impact on debt repayments. To maintain consistency across survey countries, the existing response of "b" is maintained.

15b. Based on the response to Question 15, check the box(es) to identify which elements of the macroeconomic forecast are included in the Executive's Budget Proposal:

Answer:

Nominal GDP level

Inflation rate

Real GDP growth
Information beyond the core elements (please specify)

Source:
Updated Medium Term Budget Forecast 2019-2021 pp. 13-24
http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Comment:
The forecast include nominal GDP, real GDP growth, inflation, exports, employment, unemployment, current account, FDI, credit growth, international environment e.g. world and euroarea GDP growth, oil prices, exchange rate etc.
The only core component missing is the interest rate - but it should be noted that in Bulgaria under the currency board system the central bank does not have control over interest rates; it only controls the exchange rate that is fixed to the Euro. Thus, interest rate is of lower importance compared to the exchange rate, current account and other indicators.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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.

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:
b. Yes, the core information is presented to show the impact of different macroeconomic assumptions on the budget.

Source:
Updated Medium Term Budget Forecast 2019-2021 "Sensitivity Analysis" p. 170
http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Comment:
The chapter discusses an alternative scenario and an alternative forecast with different levels of GDP growth, employment, inflation rate, consumption and investment, employment, exports and imports.

It should be noted that in Bulgaria the legislature (Parliament) approves expenditure ceilings, i.e. the executive cannot spend more than what has been voted in the Enacted Budget. The same holds true for the level of debt at the end of year and new debt issue - the government cannot issue more than what has been approved in the Enacted Budget. Also, the budget balance is also explicitly set as ceiling in the Enacted Budget, and the Public

Finance Law stipulates that the government is required to take compensatory measures (i.e. cut spending) if during the year there are signs that the deficit might be higher than expected.

That being said, it is important to take into account that in Bulgaria expenditures cannot exceed those set in the Enacted Budget (unless the Parliament approves a new Budget Act during the BY), also, the budget balance cannot be worse than set in the EB, and the debt cannot exceed the ceiling for the BY set in the EB. In practice, the executive can (and in fact, does) manage expenditure levels - e.g. to postpone spending - in case revenues fall short of expectations to meet the "budget balance target". Therefore, the macroeconomic assumptions do not directly "affect" expenditures and debt - in fact, the government has an obligation to manage and control expenditures, deficit and debt issuance and balance no matter what changes in the external environment occur during the year.

In this context, on p. 170 (last para before new chapter on sensitivity), the document states that the forecast is conservative with significant buffers which will absorb any shocks that might arise from unexpected risks. The paragraph before that discusses the how a potential slowing down of EU growth and world trade might impact Bulgarian trade, and therefore revenues from imports. After that, the document states that in such case the government will have to cut capital expenditures, or else the budget balance might be higher than in EB.

The dedicated chapter on Sensitivity Analysis starting on p. 170 includes measuring the impacts of an alternative scenario. The assumption is the such a scenario will affect the overall performance of the economy. The analysis in the chapter show how key macroeconomic indicators - e.g. GDP, employment, etc. - will differ from the default forecast and consequently the budget parameters. The outcome - as described on p. 173 is higher revenues from indirect taxes and lower revenues from direct taxes. As explained above, since the government controls and manages expenditures, the analysis assumes that expenditure levels will be kept as approved by parliament in EB, so the overall impact of the scenario will be an improved budget balance, hence no increase in debt outstanding.

Another sensitivity analysis is included in the Convergence Program 2018-2021 (p. 50)
<http://www.minfin.bg/upload/37082/Convergence%20Programme%20of%20Bulgaria%202018-2021.pdf> - this is an official document approved each year as part of the obligations of the Bulgarian government towards adopting the Euro.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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, 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:

a. Yes, estimates that show how all new policy proposals affect expenditures are presented, along with a narrative discussion.

Source:

Updated Medium Term Budget Forecast 2019-2021, "Expenditure Policies" pp 62-139, "Discretionary Measures" p. 39
http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Comment:

Extensive narrative discussion on new policies and impact on spending. The section on "Expenditure Policies (p 62-139) includes specific mentions of new policies (when there are any) and the additional funding they require - see e.g. on p. 79 discussion on 20 per cent increase in teachers' salaries estimated to add BGN 330 million (top of page), also on p 80 (third para from bottom) - estimate of new measures to prevent early school leaving at BGN 90 million.

There is a dedicated section on "Discretionary measures" starting on p. 39. Table II - 10 on p. 42 presents a list of discretionary spending measures for 2019 - 2021 - including wage increase of public servants, teachers' wages increase, pension ceiling increase, new military equipment investment, new social benefits (including new rules for disability benefits), introduction of new road tolls system.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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, 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:

a. Yes, estimates that show how all new policy proposals affect revenues are presented, along with a narrative discussion.

Source:

Updated Medium Term Budget Forecast 2019-2021, "Revenue Policies" pp 48-62, "Discretionary Measures" p. 39
http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Comment:

Extensive narrative discussion on changes in tax policies.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 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. (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:

a. Yes, expenditure estimates for BY-1 are presented by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

Updated Medium Term Budget Forecast 2019-2021, Expenditures by function p 63, expenditures by economic classification p. 209
Expenditures by administrative unit are not presented in Appendix 4 of the Updated Medium Term Budget Forecast 2019-2021, but is available in program budgets of the first-level spending units.
http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Comment:

All three expenditure classifications are available for BY-1

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 detaillé*. (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:

b. Yes, programs accounting for at least two-thirds of, but not all, expenditures are presented for BY-1.

Source:

Draft program budgets for individual administrative units for 2019-2021
<http://parliament.bg/bills/44/802-01-49.zip>

Comment:

Draft budgets present expenditures by program as implemented for 2016 and 2017, and for 2018 (BY -1) - as enacted by the Budget Act 2018.

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. Yes, expenditure estimates for BY-1 have been updated from the original enacted levels.

Source:

Updated Medium Term Budget Forecast 2019-2021, table on p. 209
http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Comment:

See column "Expected Execution" for 2018 in the table

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 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. (See Questions 1-5 above.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates for BY-2 and prior years by all three of the expenditure classifications. To answer "b," expenditure estimates for BY-2 and prior years must be presented by two of these three classifications. A "c" answer applies if expenditure estimates for BY-2 and prior years are presented by one of the three classifications. Answer "d" applies if expenditure estimates for BY-2 and prior years are not presented by any of the three classifications

Answer:

b. Yes, expenditure estimates for BY-2 and prior years are presented by two of the three expenditure classifications.

Source:

Updated Medium Term Budget Forecast 2019-2021, by economic classification table on p. 209
http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

By administrative unit: individual draft program budgets of ministries for 2019-2021:
<http://parliament.bg/bills/44/802-01-49.zip>

Comment:

Draft budgets present expenditures by program as implemented for 2016 and 2017 (BY - 3 and BY - 2), and for 2018 (BY - 1) - as enacted by the Budget Act 2018

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

22b. Based on the response to Question 22, check the box(es) to identify which expenditure classifications have estimates for more than one year prior to the budget year in the Executive Budget Proposal:

Answer:

Administrative classification
Economic classification

Source:

Updated Medium Term Budget Forecast 2019-2021, by economic classification table on p. 209

http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

By administrative unit: individual draft program budgets of ministries for 2019-2021:

<http://parliament.bg/bills/44/802-01-49.zip>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

b. Yes, programs accounting for at least two-thirds of, but not all, expenditures are presented for BY-2 and prior years.

Source:

Individual draft program budgets of ministries for 2019-2021:

<http://parliament.bg/bills/44/802-01-49.zip>

Comment:

Draft budgets in present expenditures by administrative unit by individual program as implemented for 2016 and 2017, and for 2018 (BY-1) - as enacted by the Budget Act 2018.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

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

Source:

Updated Medium Term Budget Forecast 2019-2021, by economic classification table on p. 209
http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Comment:

Actual outcome for 2016 and 2017 (BY - 3 and BY - 2)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Updated Medium Term Budget Forecast 2019-2021, by economic classification table on p. 208
http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Comment:

Estimates for 2018, actual for 2016 and 2017

Peer Reviewer
Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, individual sources of revenue accounting for all revenue are presented for BY-1.

Source:

Updated Medium Term Budget Forecast 2019-2021, by economic classification table on p. 208
http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Comment:

The data for BY-1 is structured in the same way and in the same table as data for BY and beyond. The amount of revenues classified as "other" for BY -1 (2018) is less than 3% (about 1.8%) of total revenues.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Researcher Response

There is a significant improvement from the previous round of the survey - the "other taxes" category is now split in three subcategories with individual sources of revenues.

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:

a. Yes, revenue estimates for BY-1 have been updated from the original enacted levels.

Source:

Updated Medium Term Budget Forecast 2019-2021, "Appendix 3"- by revenue , table on p. 208 - data for "expected execution 2018"
http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Comment:

Also, see in Appendix 1 - estimate for budget execution 2018, narrative discussion plus actual outcome till 30.09. 2018 (third quarter of BY - 1). pp. 189-199

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, revenue estimates for BY-2 and prior years are presented by category.

Source:

Updated Medium Term Budget Forecast 2019-2021, by revenue source table on p. 208
http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Comment:

Data for actual revenues 2016 and 2017 (BY -3, BY -2), in same categories as break-down for 2019-2021

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, individual sources of revenue accounting for all revenue are presented for BY-2 and prior years.

Source:

Updated Medium Term Budget Forecast 2019-2021, by revenue source table on p. 208
http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Comment:

Actuals by individual source of revenue for 2016 and 2017, category "other revenue" lower than 1% total revenues, therefore answer a/

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Researcher Response

There is a significant improvement from the previous round of the survey - the "other taxes" category is now split in three subcategories with individual sources of revenues.

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:

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

Source:

Updated Medium Term Budget Forecast 2019-2021, by revenue source table on p. 208
http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Comment:

Actual outcome data for 2016 and 2017

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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.

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:

b. Yes, the core information is presented for government debt.

Source:

Updated Medium Term Budget Forecast 2019-2021, Part 4 p. 161 (UMTBF) http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Debt Management Strategy 2019-2021 (DMS)

http://pris.government.bg/prin/document_view.aspx?DocumentID=5pqVDsOJQbHDTUYy8NghKg==

Comment:
Apart from that:

Total debt outstanding at the end of BY-1 - page 161 of UMTBF, BGN 23.5 billion
Amount of net new borrowing required during BY-1 - negative net new borrowing as budget with surplus, debt outstanding kept to fall in 2018 no new issuance in 2018
Interest payments on the debt - page 193, paragraph before chart, also in Annex 3 on p. 208

maturity profile of the debt - page 162 second para ;
whether it is domestic or external debt - page 162 first para
currency of the debt - page 162 fourth paragraph
whether the debt carries a fixed or variable interest rate - page 162 fourth paragraph
gross new borrowing required during BY-1 - no new issuance of government securities, amounts of financing through already agreed loans - fifth paragraph;
debt structure by instruments - p. 161 third paragraph;

The documents note, that the state debt is declining as the budget is running a surplus while fiscal reserves are high. Therefore, there is no need for major new issues of debt and there wasn't new issues of debt in BY-1.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, information beyond the core elements is presented for government debt.

Comments: The information on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1) closely resembles the information regarding the budget year (Question 14). With regard to the Reviewer's comments on Question 14 and the Researcher's comment on question 31, the Reviewer believes the answer to the current question should be 'a', as EBP provides information beyond the core elements.

Government Reviewer

Opinion: Agree

Comments: The interest payments on the debt are on page 163.

IBP Comment

The peer reviewer's comment is well-received. Specific interest rates are not presented in the EBP, and the Debt Management Strategy 2019-2021 is not considered as part of the EBP. The current response is maintained.

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 debt 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:

Updated Medium Term Budget Forecast for 2019-2021: Data for BY-2 (2017) on page 161-162

Comment:

See comment with details on q. 31 - there is comparison between end of 2017 and H1 2018. Also, as explained, no new GS were issued in the first six months of 2018, in fact the debt slightly decreased as some GS matured. However, the changes in the first six months of 2018 are minimal.

In addition, Updated Medium Term Budget Forecast for 2019-2021 presents summary data as of 30 June 2018. Data included - total debt, foreign debt, domestic debt, maturity structure, share of fixed interest rates, share of Euro and Bulgarian lev debt.

Also, up-to-date detailed and comprehensive information on the government debt is published in the Monthly Bulletins on state debt at :

<http://www.minfin.bg/bg/statistics/20> (see IYR-4)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

Comments: The monthly bulletins on state debt are called Monthly Bulletins "Central Government Debt and Guarantees".

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.

Answer:

a. Yes, information beyond the core elements is presented for all extra-budgetary funds.

Source:

http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Updated Medium Term Budget Forecast for 2019-2021

Comment:

The Public Finance Law (passed in 2013) closed all extrabudgetary accounts. Instead, new accounts for EU funding were created - the EU funding account of the National Fund, the EU funding account of the Agriculture Fund and other EU funding. Three state companies are also included in the consolidated fiscal programme as they perform fiscal functions (collect revenues and spend) - the Environment Management Company (PUDOOS), the Electricity Security Fund (Fund SES) and the Science-production Center. For all these entities there is information on their income, expenditure, and transfers (Appendix 7 and 8 of the Updated Medium Term Budget Forecast for 2019-2021). For the EU funding there is extensive discussion (page 145-158), including assessment of their macroeconomic effects. Narrative discussion on the Electricity Security Fund is also presented (page 61, 97). Additional information is presented in the program budget of the Agriculture Fund and the program budget of the Environment Ministry (about PUDOOS and its work).

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 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:

a. Yes, central government finances are presented on a consolidated basis.

Source:

http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691

Updated Medium Term Budget Forecast for 2019-2021 - Appendix 3 p. 208

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

The mechanism for defining transfers to the local authorities is part of the Draft State Budget Law for 2019 (http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94690) in annex to art 50; transfers to all municipalities listed in art 50 (pp. 72-88).

Updated Medium Term Budget Forecast for 2019-2021 (http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691) - pages 141-145, provides narrative discussion on local financing and fiscal decentralization.

Comment:

Annex to Art. 50 of the Draft State Budget Law for 2019 - on pp 127-131

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The subsidies for the road transport of passengers by unprofitable lines in inland transport and transport in mountain and other areas and the compensations for reduced revenues from the application of the travel prices laid down in the legal acts for specific categories of passengers are planned in the state budget. The funds are granted to the transport operators through the municipalities.

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 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 if only one type of alternative display of expenditure is presented. Answer "d" applies if no alternative display of expenditure is presented.

Answer:

c. Yes, one alternative display of expenditures is presented to illustrate the financial impact of policies on different groups of citizens.

Source:

Draft Program Budget of the Ministry of Labour and Social Policy (part of EBP): <http://parliament.bg/bills/44/802-01-49.zip> filename: 1500
Министерство на труда и социалната политика.pdf

Draft Budget Act for 2019

<http://parliament.bg/bills/44/802-01-49.zip> filename: 802-01-49.doc

Comment:

The program Draft Budget of the Ministry of Labour and Social Policy includes many programs, for example:

- support for families with children (see p. 83)
- integration of people with disabilities (see p 73)
- social benefits, support for low income people (see p. 59 on basic social assistance, p 65 on energy benefits)

The Draft Budget Act for 2019 (art 50 and 51, pages 72-103) includes a list of all fiscal transfers from the central budget to every municipality in the state. These transfers are divided by functions. For example, article 51 lists the spending on education by municipality (that is, primary and secondary education).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

The researcher's comment is well-noted. Based on the Q36 guidelines, the Ministry of Labour and Social Policy's draft budget cannot be used to respond to this question, as "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 response is therefore revised from "b" to "c."

36b. Based on the response to Question 36, select the box(es) below to identify which types of alternative displays are included in the Executive's Budget Proposal:

Answer:

Distribution of education expenditures by geographic region

Source:

Draft Program Budget of the MLSP: <http://parliament.bg/bills/44/802-01-49.zip>

Comment:

The Draft Budget Act for 2019 (art 50) includes a list of all fiscal transfers from the central budget to every municipality in the state. The transfers cover mostly spending on education.

Peer Reviewer

Opinion: Disagree

Suggested Answer: Policy impacts based on income Distribution of education expenditures by geographic region

Comments: Although there is a list of all fiscal transfers from the central budget to the municipalities, there is no explicit breakdown for education expenditure. The breakdown includes: Total Budget Relationship; General Subsidy for the Delegated from the Government Activities; Transfers for Local Activities (of which Total Equalizing Subsidy and Winter Maintenance and Snow Clearing of Municipal Roads), and Target Subsidy for Capital Expenditure. In order for one to determine that the majority of government transfers cover municipal expenditure on education, one would need prior knowledge regarding the budget process, that is not readily available in the EBP or its supporting documents.

Government Reviewer

Opinion: Agree

Researcher Response

We disagree with the peer reviewer. He is right about art. 50. However, as we pointed out in q. 36, article 51 of the Draft Budget Act for 2019 lists the spending on education by municipality.

IBP Comment

Please see the IBP staff comment for Q36. The response options "Policy impacts based on income" and "Other displays of expenditure (please specify)" have been de-selected.

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.

Answer:

a. Yes, estimates of all transfers to public corporations are presented, along with a narrative discussion.

Source:

Draft State Budget Law 2019 (http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94690) Article 1 contains data for total subsidies for all non-financial corporations. Separate lines for budget transfers to the national TV, national radio, the Bulgarian News Agency (art. 48 p 69), state universities (art 16. p 31) and the Environment Management Company PUDOOS, post service, state railways (art 24, p 44), transport and port companies (art 49 p 71) are available.

The Updated Medium Term Budget Forecast for 2019-2021 (http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691) contains data and narrative discussion for railway, transport and postal subsidies (page 113-118).

Comment:

Additional data and information is found in the draft program budgets, including narrative discussion (for example, in the transport ministry budget about the railways and post services).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Draft State Budget Law 2019 (http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94690) The State Budget Law contains data for total subsidies and capital transfers for all non-financial corporations. Separate lines for budget transfers to the national TV, national radio, the Bulgarian News Agency (art. 48 p 69), state universities (art 16. p 31) and the Environment Management Company PUDOOS, postal service, state railways (art 24, p 44), rail passengers transport, railways transport and port infrastructure companies (art 49 p 71) are available. The Updated Medium Term Budget Forecast for 2019-2021 (http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691) contains data and narrative discussion for rail passengers, transport and postal services subsidies, and capital transfers for rail passengers transport and railways and port infrastructure (page 113-118). Additional data and information is found in the draft program budgets, including narrative discussion (for example, in the transport ministry budget about the rail passengers transport and post services).

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:

c. Yes, information is presented, but it excludes some core elements or some quasi-fiscal activities.

Source:

Updated Medium Term Budget Forecast for 2019-2021

Comment:

There is a narrative discussion and data for 2019-2021 on the Export Insurance Agency (p. 165), with some rudimentary explanation of policy rationale. The program budget of the Ministry of Economy presents information on public support for entrepreneurs and access to finance - including venture funds, acceleration funds etc.

State-owned railways, public transport and energy companies sell below market prices, but they receive subsidies and payments from the state budget, thus these are not quasi-fiscal activities, but pure fiscal activity. Water charges by the state-owned water companies were below market rates until recently, but they were increased substantially so the quasi-fiscal activity was mostly eliminated.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

c. Yes, information is presented, but it excludes some core elements or some financial assets.

Source:

Updated Medium Term Budget Forecast 2019-2021 (http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691) - p. 165 chapter on the fiscal reserve

Draft Budget Act 2019 (http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94690) - sets minimum threshold for fiscal reserve for 2019 - art. 66

Comment:

Only data on the fiscal reserve - of the government (liquid financial assets held in the central bank and commercial banks) is presented. The minimum threshold of the fiscal reserve for 2019 is set by the 2019 Draft State Budget Act.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 3.49-3.50 of the IMF's GFS Manual 2001, <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf> (page 29)). 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.

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:

e. Not applicable/other (please comment).

Source:

Updated Medium Term Budget Forecast 2019-2021 (http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691)

Comment:

In December 2018 the consolidated central government arrears amounted to just Lv 43 million - much lower compared to Lv 630 million 8 years ago. This is not a significant problem. As explained in question 001, the state budget spending is Lv 26 billion, so arrears amount to less than 0.2% of the annual budget.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: Regardless of the negligible amount of the arrears, compared to the State Budget, there is no information of expected arrears and one can only find information about past period, and with considerable delay. It should be also noted that according to art. 303a of the Trade Law the maximum period for payment for Public Contracting Authorities is 30 days, and can be extended to a maximum of 60 days. However, there is no accountability in this regard and the total amount of arrears could be higher. For example, it is an established practice to back-load public expenditure, mostly capital expenditure, which could lead to the accrual of arrears, e.g. goods and services delivered in March, payment due no later than May (60 days), invoice issued in October, payment due in December.

Government Reviewer

Opinion: Agree

Researcher Response

We disagree with the peer reviewer. The accounting rules are crystal clear and arrears are reported by all spending units (accounting group 992 Statistics on arrears), then financial reports are audited annually by the Supreme Audit Institution. We maintain that arrears are negligible and thus not a significant problem in Bulgaria, therefore the answer 'e' as per the Guide: "If expenditure arrears do not represent a significant problem in your country, please mark "e." The peer reviewer also acknowledged that arrears are negligible. See Uniform Chart of Accounts for Budgetary Entities and also the Manual <https://www.minfin.bg/bg/1038>

IBP Comment

Per the researcher's "Response to Review," the existing response of "e" is maintained.

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

- 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:

b. Yes, the core information is presented for all contingent liabilities.

Source:

Updated Medium Term Budget Forecast 2019-2021 (http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691) - pages 45-47 on contingent liabilities and pages 163-165 on state guarantees, including narrative discussion.

Draft State Budget Act 2019 (http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94690), - art. 70-73 establish annual limits for new state guarantees.

Comment:

The Updated Medium Term Budget Forecast includes information on the total amount of the contingent liabilities as a share of GDP, as per the Eurostat definition on contingent liabilities - including public-private partnerships, non-performing loans to the state sector, government guarantees and liabilities of government controlled entities. Additional information is presented - on the structure of the liabilities, on the level of government, on the amount of state guarantees and structure by economic sectors, on export insurance, as well as a forecast for contingent liabilities by 2021.

Most liabilities are implicit liabilities - i.e. there is no legal obligation of the government and there is no decision of the government to assume those liabilities (and therefore, there is no policy purpose). Nevertheless, they are included in the analysis as Eurostat decided these are the relevant indicators for the EU countries.

As a rule, Bulgaria avoids explicit contingent liabilities - there are no private-public partnerships recorded off-balance sheet of government, no financial leasing is allowed in 2019, and the amount of state guarantees is negligible (0.26% of GDP - one of the lowest in the European Union, according to Eurostat). Nevertheless, there is a statement of purpose some state guarantees, such as the export insurance (p. 165 of UMTBF) and student guarantees (p. 82 of UMTBF). The practice in other countries is to include statement of purpose only for contingent liabilities expected to have material impact on the budget - see New Zealand, for example <https://www.internationalbudget.org/wp-content/uploads/new-zealand-open-budget-survey-2017-responses.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

b. Yes, the core information is presented to assess the government's future liabilities and the sustainability of its finances over the longer term.

Source:

Updated Medium Term Budget Forecast 2019-2021 (http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691) - pp. 167-169, section on "Sustainability of public finances"

Comment:

The section "Sustainability of public finances" uses the EU's methodology. The EU framework for fiscal sustainability uses 2 indicators - the indicator S1 covers medium term (up to year 2032) while indicator S2 covers long term (infinite horizon). Both indicators include a cost of aging component. The fiscal implications and risks are discussed, but the macroeconomic and demographic assumptions were not presented.

More detailed analysis and narrative discussion are available in the Convergence Program 2018-2021 (official annual program approved by the government as part of the obligations of the country to adopt the Euro) - <http://www.minfin.bg/upload/37082/Convergence%20Programme%20of%20Bulgaria%202018-2021.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Updated Medium Term Budget Forecast 2019-2021 http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691 - data and narrative discussion p. 147-160

Comment:

Most donor funds are from the EU and there is dedicated chapter in the Updated Medium Term Budget Forecast 2019-2021. Also in Draft Program Budgets for each individual ministry.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Updated Medium Term Budget Forecast 2019-2021 http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691 - Appendix 10 "Estimate of tax expenditures", pg. 219

Comment:

Data on actual tax expenditures for 2017 (BY - 2) and estimate for 2019 (BY) by tax (e.g. VAT, corporate)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 earmarked revenues and a narrative discussing the earmarks. If a narrative discussion is not included, but estimates for all 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:

e. Not applicable/other (please comment).

Source:

Public Finance Law

<https://www.lex.bg/laws/ldoc/2135837967>

Comment:

According to Article 17, para 1 of the Public Finance Law: "Proceeds shall not be assigned and shall be used to cover payments."

However, there are some exceptions to this principle. For example, the Traffic Law established a Fund for road safety that receives the revenues from some fines for traffic violations - the funding is used for road safety measures. Yet, the exceptions are rather limited in scope. Road Safety Fund had total revenues of BGN 12,97 million (around EUR 6.5 million) in 2016, or 0.038% of total public revenues in 2016.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, estimates of earmarked revenues are not presented.

Comments: Although the Public Finance Act prohibits revenue earmarking, the Researcher's comment shows that there are exceptions, and that related information is not part of the EBP. Furthermore, in 2017 survey the Researcher's answer was 'd' -

<http://survey.internationalbudget.org/#profile/BG>

Government Reviewer

Opinion: Agree

IBP Comment

The peer reviewer's comment is well-received. To ensure consistency across survey countries, response "e" has been maintained.

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 13-18 of New Zealand's 2011 Statement of Intent (<http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16>), 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:

a. Yes, estimates that show how the proposed budget is linked to all the government's policy goals for the budget year are presented, along with a narrative discussion.

Source:

Updated Medium Term Budget Forecast 2019-2021 http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691 - pp. 9-12 - Introduction, setting in brief all major policy priorities for the 2019-2021, detailed narrative discussion on link between goals and proposed budget priorities in Section 2 : Fiscal Policy and Major Parameters for 2019-2021 , pp 27-47, Section 3: Policy Priorities and Key Assumptions 2019-2021, pp 48 - 139, Section 8: Motives for Changes in Other Legislation as part of Budget Act 2019 and link to policy priorities

Comment:

More detailed information on policy priorities and how they are targeted with individual spending programs - in draft program budgets of ministries (<http://parliament.bg/bills/44/802-01-49.zip>)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 pages 13-18 of New Zealand's 2011 Statement of Intent (<http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16>), 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:

b. Yes, estimates that show how the proposed budget is linked to all the government's policy goals for a multi-year period are presented, but a narrative discussion is not included.

Source:

Updated Medium Term Budget Forecast 2019-2021 http://pris.government.bg/prin/file_view.aspx?did=86004&pid=94691 - pp. 9-12 - Introduction, setting in brief all major policy priorities for the 2019-2021, detailed narrative discussion on link between goals and proposed budget priorities in Section 2 : Fiscal Policy and Major Parameters for 2019-2021 , pp 27-47, Section 3: Policy Priorities and Key Assumptions 2019-2021, pp 48 - 139

Comment:

More info also in draft program budgets. However, on some priorities and spending program the narrative discussion covers only 2019 (not 2020-2021).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

c. Yes, nonfinancial data on inputs are presented for some programs and/or some administrative units (or functions).

Source:

Draft Program Budgets of ministries (<http://parliament.bg/bills/44/802-01-49.zip>)

Comment:

Some information on non-financial inputs , such as human resources by individual programs, is presented in program budgets of individual administrative units.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, nonfinancial data on results are provided for each program within all administrative units (or functions).

Source:

Draft Program Budgets of ministries (<http://parliament.bg/bills/44/802-01-49.zip>)

Comment:

Program budgets present break-down by individual spending programs, and for each program there is a list of "output indicators" together with "target values" for the 3-year period (2019-2021). All draft budgets are prepared according to the guidelines issued by the Ministry of Finance (<https://www.minfin.bg/upload/36543/BU1%20Ukazania%20prognosa%202019-2021.pdf>, p. 24) which specifically sets the requirements for presenting output and outcome indicators by individual administrative units.

See: Ministry of Labor and Social Policy -(file 1500 Министерство на труда и социалната политика.pdf) table on p 21 - breakdown on output and outcome indicators for program "Social protection and equal opportunities. , table on p. 24 - breakdown output and outcome indicators for program "Integration of people with disabilities", etc. , Ministry of Regional Development and Public Works (file 2100 Министерство на регионалното развитие и благоустройство. pdf) , table on p 32 breakdown output and outcome indicators for program "Rehabilitation of road infrastructure".

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

b. Yes, performance targets are assigned to most nonfinancial data on results.

Source:

Draft Program Budgets of ministries (<http://parliament.bg/bills/44/802-01-49.zip>)

Comment:

Apart from "output indicators" for program and project activities and beneficiaries (see q 50), most programs also have performance targets related to specific policy goals. For example, in the program budget of the Ministry of Interior sets specific target for reduction of number of crimes (file 1300 Министерство на вътрешните работи.pdf, p. 4, line 1 in the table), the Ministry of Transport and Communications sets specific target for the average speed of railroad travel or improvement of Bulgarian ranking in international IT rankings (file 2300 Транспортa инф.технологии и съобщенията.pdf, p. 13 table, also p. 22 table) , Ministry of Labor and Social Policy sets target for unemployment rate ,

occupational accidents etc.(file 1500 Министерство на труда и социалната политика.pdf, table on p. 14, table on 18).

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. Yes, estimates of all policies that are intended to benefit directly the country's most impoverished populations are presented, along with a narrative discussion.

Source:

Draft Program Budget 2019, Ministry of Labour and Social Policy <http://parliament.bg/bills/44/802-01-49.zip> (pdf file 1500 Министерство на труда и социалната политика in the zipped folder)

Comment:

There is comprehensive data and narrative discussion on all social programs in the 112-page document.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. Yes, a detailed timetable is released to the public.

Source:

All the deadlines are set in a special decision by the government, approved in the beginning of every year: CoM Decision 51 on the Budget Procedure for 2019 (<http://www.minfin.bg/upload/36443/RMS-51.pdf>), also in MS WORD: http://pris.government.bg/prin/file_view.aspx?did=85253&pid=91156

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

b. Yes, the core information is presented for the macroeconomic forecast.

Source:

Medium Term Budget Forecast 2019-2021 Part 1 Economic Prospects for 2018-2021
<http://www.minfin.bg/upload/37143/RMS%20264%202018.pdf>

Comment:

A table on page 19 includes a number of indicators, including: nominal GDP level; inflation rate; real GDP growth; employment growth; unemployment rate; growth of the compensation of employees GDP deflator; current account; trade balance; foreign direct investment; composition of GDP growth.

Also, there is an narrative discussion (pages 19-22) on the economic growth, labor market, inflation, balance of payments, monetary and credit growth. Also, estimates of the potential growth are presented (page 23) and the government forecast is compared to the forecast of the European Commission on Bulgaria. There is also discussion of the European and the world economy (page 13-14), including forecasts on the world economic growth, European economic growth, exchange rates EUR/USD, oil prices, non-energy commodities.

The only core component missing is the interest rate - but it should be noted that in Bulgaria under the currency board system the central bank does not have control over interest rates; it only controls the exchange rate that is fixed to the Euro. Thus, interest rate is of lower importance compared to the exchange rate, current account and other indicators (see also question 15 and 15b).

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

IBP Comment
As interest rates are not presented, the response is revised from "a" to "b" to maintain consistency across survey countries.

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:

a. Yes, information beyond the core elements is presented for the government's expenditure policies and priorities.

Source:

Medium Term Budget Forecast 2019-2021 (<http://www.minfin.bg/upload/37143/RMS%20264%202018.pdf>) Part 2 Fiscal Policy and Major Parameters 2019-2021, p 27 and Part 3 Policy Priorities and Key Assumptions 2019-2021 p 47

Comment:

Detailed narrative discussion on expenditures starting p 62. Impact of discretionary measures (both revenue and expenditure) on p 38. Summary table with total expenditures p. 148 (the Pre-Budget Statement document is similar to the EBP in structure and contents - they are both medium term budget forecast, the one for the EBP being updated)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. Yes, information beyond the core elements is presented for the government's revenue policies and priorities.

Source:

Medium Term Budget Forecast 2019-2021 (<http://www.minfin.bg/upload/37143/RMS%20264%202018.pdf>) Part 2 Fiscal Policy and Major Parameters 2019-2021, p 27 and Part 3 Policy Priorities and Key Assumptions 2019-2021 p. 47

Comment:

Impact of discretionary measures presented p. 38. Detailed narrative discussion on revenue policies starts after p. 48. Summary table with total revenues p. 147

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Medium Term Budget Forecast 2019-2021 (<http://www.minfin.bg/upload/37143/RMS%20264%202018.pdf>) Part 2 Fiscal Policy and Major Parameters 2019-2021, p 27 and Part 3 Policy Priorities and Key Assumptions 2019-2021 p. 48 Impact of discretionary measures presented p. 39. Detailed narrative discussion on revenue policies starts after p. 48

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.

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:

b. Yes, two of the three estimates related to government borrowing and debt are presented.

Source:

Medium Term Budget Forecast 2019-2021 (<http://www.minfin.bg/upload/37143/RMS%20264%202018.pdf>) Part 2 Fiscal Policy and Major Parameters 2019-2021, p 43 (section on government debt), p. 148 - interest payments in table

Comment:

Interest payments are separate line in the table presenting all expenditures by economic classification. The forecast for level of debt is in graph on p 44. As the budget forecast envisages budget surpluses for 2019 and 2020, there is no new net borrowing required.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, one of the three estimates related to government borrowing and debt are presented.

Comments: The PBS forecasts a budget deficit of 0.5% (p. 152 - <http://www.minfin.bg/upload/37143/RMS%20264%202018.pdf>), therefore, there should have been a discussion regarding either net new borrowing, or internal sources of financing of the deficit, e.g. the Fiscal Reserve, which is not included in the PBS. Furthermore, the Central Government's total debt burden is presented only in graph format, in very bad quality, which makes only for an estimation, but discerning the exact amount is impossible. The discussion preceding the graph gives another estimation, stating that for the period 2018-2021 the debt burden will be in the range of BGN 24.4-24.2 bn or 23.3% - 19.4% of GDP. In light of this - missing two estimates, the Reviewer believes the answer should be 'c'.

Government Reviewer

Opinion: Agree

Researcher Response

We partially agree with the peer reviewer. Indeed the debt burden is presented only in graph format - so should not be accepted as an estimate for this question. We also agree that a deficit is forecasted for 2019. However, we believe that new new borrowing is in fact explicitly presented in nominal terms (and as a share of GDP) - the final row of Annex 3 on pp.147-148, called 'Financing'. The response should be downgraded to "b".

IBP Comment

IBP is in agreement with the researcher's "Response to Review." The response is revised from "a" to "b."

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:

a. Yes, multi-year expenditure estimates are presented.

Source:

Medium Term Budget Forecast 2019-2021 (<http://www.minfin.bg/upload/37143/RMS%20264%202018.pdf>) Part 3 Policy priorities and key assumptions 2019-2021, p 62 (expenditure policies), Appendix 3 p. 148 - expenditure by economic classification, Appendix 4 - expenditure by administrative unit

Comment:

Expenditures estimates are available for the 3-year period till 2021 (similar structure and contents as the EBP)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 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 Enacted Budget must present expenditure estimates by all three of the expenditure classifications. To answer "b," expenditure estimates must be presented by two of the three classifications. A "c" answer applies if expenditure estimates are presented by one of the three classifications. Answer "d" applies if expenditure estimates are not presented by any of the three classifications.

Answer:

b. Yes, the Enacted Budget presents expenditure estimates by two of the three expenditure classifications.

Source:

Enacted Budget 2019: <http://www.minfin.bg/upload/39412/ZDBRB%202019.pdf>

Comment:

By economic classification - consolidated budget p. 1 and by administrative unit - each unit in separate table (articles in the Law) , pp 2-30.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

59b. Based on the response to Question 59, check the box(es) to identify which expenditure classifications are included in the Enacted Budget:

Answer:

Administrative classification
Economic classification

Source:

Enacted Budget 2019: <http://www.minfin.bg/upload/39412/ZDBRB%202019.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 detaillé. (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:

b. Yes, the Enacted Budget presents estimates for programs accounting for at least two-thirds of, but not all, expenditures.

Source:

Enacted Budget 2019: <http://www.minfin.bg/upload/39412/ZDBRB%202019.pdf>

Comment:

See tables by individual programs by administrative units after Art. 6 on p 4.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, the Enacted Budget presents revenue estimates by category.

Source:

Enacted Budget 2019: <http://www.minfin.bg/upload/39412/ZDBRB%202019.pdf> - Art 1 Headline I

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Enacted Budget 2019: <http://www.minfin.bg/upload/39412/ZDBRB%202019.pdf> - Art 1 Section I

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:

b. Yes, the Enacted Budget presents individual sources of revenue accounting for at least two-thirds of, but not all, revenue.

Source:

Enacted Budget 2019: <http://www.minfin.bg/upload/39412/ZDBRB%202019.pdf> - Art 1

Comment:

Tax revenues are listed as corporate tax, personal income tax, VAT, excises, custom duties, other taxes, non-tax revenues are not broken-down by individual source

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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.

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:

a. Yes, all three estimates related to government borrowing and debt are presented.

Source:

Enacted Budget 2019: <http://www.minfin.bg/upload/39412/ZDBRB%202019.pdf>

Comment:

Interest payments - Art. 1 Headline II, 1.3. "Interest" ; debt ceiling for end 2019 - Art. 67 (which is equal to the government's forecast for outstanding debt at the end of 2019); new debt issuance - Art 68-72

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. The Citizens Budget provides information beyond the core elements.

Source:

CB for EBP 2019:

http://www.minfin.bg/upload/38808/Budget+za+grajdanite_draft.pdf

Comment:

There is brief presentation of the macroeconomic forecast, key fiscal indicators and policies, main policy initiatives, discussion on taxes and expenditures on key functions, discussion on municipal budgets/fiscal decentralization.

Expenditure and revenue totals: pg. 7

Main policy initiatives: pp. 4-6

Macroeconomic forecast: pg. 4

Contact information: pg. 16

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. A Citizens Budget is disseminated widely through a combination of at least three different appropriate tools and media (such as the Internet, billboards, radio programs, newspapers, etc.).

Source:

CB for EBP 2019:

http://www.minfin.bg/upload/38808/Budget+za+grajdanite_draft.pdf

Comment:

The Ministry of Finance has done the following:

- 1/ Published Citizens' Budget on its website along with infographics;
- 2/ The infographics were used by the media, including online, TV and newspapers;
- 3/ Printed 100,000 paper leaflets (summary version of the Citizens' Budget) to be distributed in key public offices/desks by the Ministry of Education, Customs Agency and the tax offices;
- 4/ Inserted the leaflet in one of daily newspapers with highest circulation (24 hours);
- 5/ Published the Citizens' Budget in Ministry of Finance's own monthly magazine.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

CB for EBP 2019:

http://www.minfin.bg/upload/38808/Budget+za+grajdanite_draft.pdf

Comment:

According to the Guide "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".

In Bulgaria Citizens Budgets are consistently produced and released by the Budget Directorate of the Ministry of Finance.

Contact information for the Ministry and the Directorate is available online

<http://www.minfin.bg/bg/63>

Contact information is also published in the citizens budget itself (on the last page)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

IBP Comment
The researcher's comment is well-noted. However, as there is no evidence of inputs collected via the contact information being used, the response is revised from "b" to "d" to ensure consistency across survey countries.

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:

b. A citizens version of budget documents is published for at least two of the four stages of the budget process.

Source:

Citizens' Budget for YER 2017 : http://www.minfin.bg/upload/38993/Otchet_za_izpylnenieta_na_Budget_2017_nakratko.pdf

Citizens' Budget for PBS/EBP 2019: http://www.minfin.bg/upload/38808/Budget%20za%20grajdanite_draft.pdf

Citizens' Budget for Enacted Budget 2018:
https://www.minfin.bg/upload/36684/Budget%20nakratko_2018.pdf

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

IBP Comment
As there is no citizens' version of the Audit Report, the response is revised from "a" to "b."

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 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," In-Year Reports must present actual expenditures by all three of the expenditure classifications. To answer "b," actual expenditures must be presented by two of these three classifications. A "c" answer applies if actual expenditures are presented by one of the three classifications. Answer "d" applies if actual expenditures are not presented by any of the three classifications in In-Year Reports.

Answer:

c. Yes, the In-Year Reports present actual expenditures by only one of the three expenditure classifications.

Source:

Monthly Bulletins on the Execution of the Budget: <http://www.minfin.bg/bg/statistics/12>

Comment:

Monthly data in the bulletin and data tables published by the MoF only according to economic classification.

First-level spending administrative units publish on their own websites monthly financial reports as well as quarterly reports that have breakdown by programs.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

68b. Based on the response to Question 68, check the box(es) to identify which expenditure classifications are included in the In-Year Reports:

Answer:

Economic classification

Source:

Monthly Bulletins on the Execution of the budget: <http://www.minfin.bg/bg/statistics/12>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

c. Yes, the In-Year Reports present actual expenditures for programs accounting for less than two-thirds of expenditures.

Source:

Monthly Bulletins on the Execution of the Budget

Comment:

First-level spending administrative units publish separate quarterly reports on their respective websites that have breakdown by programs. See for example Ministry of Environment quarterly reports for 2018 : <https://www.moew.government.bg/bg/trimesechni-otcheti-po-programi-za-2018-g/>.

According to the Guide: "In some countries, the administrative units issue the [In-Year] reports individually, while in other countries the information is consolidated into one report, which is typically issued by the Treasury."

According to the Public Finance Law, art. 133. (2) First level spending units that apply a programme budget format shall also present the Ministry of Finance with quarterly information on the expenditure per budget programmes.
<https://www.lex.bg/laws/ldoc/2135837967>

According to the Council of Ministers Decree 332 on the execution of the state budget in 2018, art. 34 (3) The reports shall be published on their websites within 10 days after presented to the Ministry of Finance.
<https://www.minfin.bg/upload/36135/PMS%20izpalnenie%20DB%202018.pdf>

The contents of the reports and the timetable for presenting reports to the Ministry of Finance is determined by MoF guidelines issued every quarter, and they set a deadline about 15-19 days after the end of the reporting period.
see link for 2018 : <https://www.minfin.bg/bg/1237>

Therefore, reports are published within 1 month after the reporting period.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Monthly Bulletins on the Execution of the Budget: <http://www.minfin.bg/bg/statistics/12>

Comment:

There are comparisons for both revenue and expenditure, in the tables and in the text of the monthly bulletin. See table on p. 4 (e.g. here: http://www.minfin.bg/upload/39291/BULLETIN_October%20_2018.pdf)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Monthly Bulletins on the Execution of the Budget: <http://www.minfin.bg/bg/statistics/12>
See e.g. http://www.minfin.bg/upload/39291/BULETIN_October%20_2018.pdf , on p. 2-7

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Monthly Bulletins on the Execution of the Budget: <http://www.minfin.bg/bg/statistics/12>
See e.g. http://www.minfin.bg/upload/39291/BULETIN_October%20_2018.pdf , on p. 2-7

Comment:

There is data on actual revenue plus narrative discussion on individual sources of income.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, In-Year Reports present individual sources of actual revenue accounting for at least two-thirds of, but not all, revenue.

Comments: The Reviewer believes the answer should be 'b' as there is more detailed information about different tax revenue, such as VAT, excise duties, corporate tax, etc., however, there is only a total amount for non-tax revenue and no details by source. The revenue from "other" taxes, non-tax, and air for the example the Researcher has suggested comprise around 9.45% of total revenue - http://www.minfin.bg/upload/39291/BULETIN_October%20_2018.pdf, p. 4 and p. 7.

Government Reviewer

Opinion: Agree

Researcher Response

We disagree with the peer reviewer. See also similar discussion on 2017 questionnaire with identical arguments. As defined in section 1 of the Survey, In-Year Reports include the monthly bulletin as well as the Monthly data on consolidated fiscal program and Monthly data on the state

budget. The Monthly data on the state budget contain individual sources of non-tax revenues can be found at <https://www.minfin.bg/bg/statistics/18>.

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:

Monthly Bulletins on the Execution of the Budget: <http://www.minfin.bg/bg/statistics/12>

See e.g. http://www.minfin.bg/upload/39291/BULETIN_October%20_2018.pdf, on p. 4

Comment:

Table on p. 4 - actual revenues until October, budget estimate for 2018 in the Enacted Budget for 2018, % execution. Also, there is narrative discussion on the collection of revenues pp. 4-7

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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.

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:

Monthly bulletins on state debt:

<http://www.minfin.bg/bg/statistics/20>

Monthly bulletin on the budget execution:

<https://www.minfin.bg/bg/statistics/12>

Comment:

1. Monthly bulletins on state debt

See e.g. for October 2018 http://www.minfin.bg/upload/39285/CGD-bulletin_debt_bg%2010.2018.pdf (BG version) and http://www.minfin.bg/upload/39286/CGD-bulletin_debt_en10.2018.pdf (English version).

See p. 11. Structure and Dynamics of Central Government Debt - columns showing debt outstanding at various time points, incl. 31.12. 2017 and most recent, difference is net new borrowing (which was negative in 2018 as government debt fell).

See p. 3 chart and text Central Government Debt Payments, 01.01 – 31.10.2018 - showing interest rate payments broken down by type of creditors.

2. Monthly bulletin on the budget execution

https://www.minfin.bg/upload/39291/BULETIN_October%20_2018.pdf

The amount of net new borrowing is available on page 8-9 under the heading "Finding the budget through debt operations". The net new borrowing is broken down to net external borrowing and net internal borrowing (both are negative as government debt fell).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The monthly bulletins are called Monthly bulletins "Central Government Debt and Guarantees".

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:

a. Yes, information beyond the core elements is presented for the composition of the total actual debt outstanding.

Source:

Monthly bulletins on state debt: <http://www.minfin.bg/bg/statistics/20>

Comment:

See e.g. for October 2018 http://www.minfin.bg/upload/39285/CGD-bulletin_debt_bg%2010.2018.pdf (BG version) and http://www.minfin.bg/upload/39286/CGD-bulletin_debt_en10.2018.pdf (English version).

Data on total amount of debt outstanding as of end of reporting month (i.e. October 2018 in this case) - p.1 ;
structure by domestic/external - p1. ,
instruments - p.1 and 2 ,
creditors - p.1 ,
currency - p. 2,
maturity - p. 3 ,
interest rate (fixed/floating) - p. 2,
complete list of government securities outstanding (with issue date, maturity date, amount, interest rate) - p. 4,
summary of outcome in GS tenders held since the beginning of the year, list of bonds issued on international capital markets - p. 10,
holders (domestic/foreign) - p. 11,
debt service payments for YTD (interest and principal) - p. 3.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The monthly bulletins are Monthly bulletins "Central Government Debt and Guarantees".

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, 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:

c. Yes, the estimates for macroeconomic forecast have been updated, but an explanation of the differences between the original and updated forecast is not presented.

Source:

Report on the execution of the consolidated budget program till 30 June 2018 http://pris.government.bg/prin/file_view.aspx?did=84761&pid=94113
p. 5-10

Comment:

There is a comprehensive narrative discussion on the update in macroeconomic estimates and comparison with the original forecast.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

The only component from Q15 for which a specific, updated estimate for the entire budget year underway is provided is inflation- see page 9. To maintain consistency across survey countries, the response is revised from "a" to "c."

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, and provides an explanation of the update.

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:

Report on the execution of the consolidated budget program till 30 June 2018 http://pris.government.bg/prin/file_view.aspx?did=84761&pid=94113

Comment:

No updated estimates is provided in the MYR. However, on p. 11 , second paragraph, first sentence, the report states that expenditures follow the estimates in the EB. Therefore, there is no need to update the estimates. Moreover, the government cannot update expenditure estimates upwards - i.e. the Enacted Budget is in fact a legal ceiling on expenditures, so to update means to draft a new Budget Act and send it the Parliament for approval.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

The sentence cited by the researcher does not provide sufficient support to conclude that all expenditure estimates remain unchanged from the initial budget. The response is therefore revised from "e" to "d" to ensure cross-country consistency.

78. Does the Mid-Year Review of the budget present 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 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. 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 Mid-Year Review must present expenditure estimates by all three of the expenditure classifications. To answer "b," expenditure estimates must be presented by two of these three classifications. A "c" answer applies if expenditure estimates are presented by one of the three classifications. Answer "d" applies if expenditure estimates are not presented by any of the three classifications in the Mid-Year Review.

Answer:

d. No, the Mid-Year Review does not present expenditure estimates by any expenditure classification.

Source:

Report on the execution of the consolidated budget program till 30 June 2018 http://pris.government.bg/prin/file_view.aspx?did=84761&pid=94113
p. 18-23 (by function) p 31-37 (by economic classification)

Comment:

See comment on q. 77. On p. 11 , second paragraph, first sentence, the report states that expenditures follow the estimates in the EB. Therefore, there is no need to update the estimates.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

IBP Comment

Please see the IBP comment on Q77. In addition, the functional and economic classification tables cited by the researcher on page 18 and 31, respectively, do not contain any presentation of updated estimates for the budget year underway, nor an indication that the original enacted figures are being maintained. The response is revised from "b" to "d" to ensure cross-country consistency.

78b. Based on the response to Question 78, check the box(es) to identify which expenditure classifications are included in the Mid-Year Review:

Answer:

None of the above

Source:

Report on the execution of the consolidated budget program till 30 June 2018 http://pris.government.bg/prin/file_view.aspx?did=84761&pid=94113

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

IBP Comment

Per the IBP comment on question 78, the option "None of the above" is selected, while the options "Economic classification" and "Functional classification" are de-selected.

79. Does the Mid-Year Review of the budget present 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. 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 detaillé. (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:

Report on the execution of the consolidated budget program till 30 June 2018 http://pris.government.bg/prin/file_view.aspx?did=84761&pid=94113

Comment:

Program oriented budget reports are produced in each first-level spending unit and published on individual websites, but there is no section in the MYR that summarizes these data.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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, and provides an explanation of the update.

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:

Report on the execution of the consolidated budget program till 30 June 2018 http://pris.government.bg/prin/file_view.aspx?did=84761&pid=94113

Comment:

No updated estimates for 2018 are presented in the MYR. However, on p. 10, in the beginning of last paragraph, the report explicitly states that the government does not expect any pressure on the revenue side and also that tax revenues will fall within estimates in the EB. Therefore we consider the proper answer as "e", or alternatively - "a".

Peer Reviewer
Opinion: Disagree
Suggested Answer:

d. No, revenue estimates have not been updated.

Comments: The second sentence in the paragraph the Researcher sites states that "The tax revenue forecast for 2018 shows that an over-performance in revenue can be expected with regard to social and health insurance contributions, VAT, corporate tax, income tax, and others". This would suggest that the government had a reason to believe actual tax revenue would deviate upwards from projections, but did not update its revenue estimates leading to an overperformance of total revenue of BGN 1.4 bn or 3.6% deviation for FY 2018. Furthermore, the answer in the 2017 survey is 'd'.

Government Reviewer
Opinion: Agree

Researcher Response

We agree with the peer reviewer. The answer was changed to 'd'.

IBP Comment

IBP is in agreement with the peer reviewer's comment and the researcher's "Response to Review." The response is therefore revised from "e" to "d."

81. Does the Mid-Year Review of the budget present revenue estimates for the budget year underway by category (such as tax and non-tax)?

GUIDELINES:

Question 81 asks whether revenue estimates in the Mid-Year Review are presented by "category"— that is, whether tax and non-tax sources of revenue are shown separately.

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:

Report on the execution of the consolidated budget program till 30 June 2018 http://pris.government.bg/prin/file_view.aspx?did=84761&pid=94113 see table on p. 24 and following narrative discussion.

Comment:

On p. 10, in the beginning of last paragraph, the report explicitly states that the government does not expect any pressure on the revenue side and also that tax revenues will fall within estimates in the EB (see q 80). Therefore, we chose answer "a" as it applies to enacted levels.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

In light of the peer reviewer's comment and the researcher's "Response to Review" on Q80, the response is revised from "a" to "b."

82. Does the Mid-Year Review of the budget present individual sources of revenue for the budget year underway?

GUIDELINES:

Question 82 asks whether revenue estimates for individual sources of revenue are presented in the Mid-Year Review. The question applies to both tax and non-tax revenue.

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:

Report on the execution of the consolidated budget program till 30 June 2018 http://pris.government.bg/prin/file_view.aspx?did=84761&pid=94113 p. 24-31

Comment:

Detailed data and narrative discussion is presented p. 24-31. See also comment on q. 80 and q. 81 - On p. 10, in the beginning of last paragraph, the report explicitly states that the government does not expect any pressure on the revenue side and also that tax revenues will fall within estimates in the EB. Therefore, we chose answer "a" as it applies to enacted levels.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Pp. 24-31 of the MYR discuss revenue execution figures as of the first half of FY 2018, without presenting updated revenue estimates for the entire budget year underway. In addition, in light of the peer reviewer's comment and the researcher's "Response to Review" on Q80, the response is revised from "a" to "d."

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, 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:

Report on the execution of the consolidated budget program till 30 June 2018 http://pris.government.bg/prin/file_view.aspx?did=84761&pid=94113

Comment:

As data shows a sizable budget surplus for H1 2018, revenue growth exceeding initial estimates, no need for new government debt issue to finance the deficit (as there is surplus), overall positive macroeconomic environment, the MoF saw no need to update the debt indicators forecast - i.e. they maintain what was in the Enacted Budget. For example, on p. 11 and on p. 58 the report states that "Dynamics of expenditures and revenues for the first half of 2018 gives ground for the expectation that the budget balance will improve upon the Enacted Budget estimate". In such case, it would be illogical to put d/ - as this would imply that the government is not publishing updated forecast, whereas there is no need for one as the budget execution is following the enacted budget.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, estimates of government borrowing and debt have not been updated.

Comments: The Reviewer does not agree with the rationale in the Researcher's comment, namely that there is "no need for new government debt issue to finance the deficit (as there is surplus)". In 2016 there is a budget surplus of around BGN 3.3 bn, however, the government completed a large Eurobond issue of €1994 mn on 21 March 2016. In other words the existence of a budget surplus does not necessarily mean that there will not be any debt issued. Furthermore, as the Researcher states "Dynamics of expenditures and revenues for the first half of 2018 gives ground for the expectation that the budget balance will improve upon the Enacted Budget estimate". As pointed out in the Reviewer's comment on question 080, the government has reason to believe that the budget balance will improve upon the Enacted Budget estimate, which would suggest a lower, if at all, need for deficit financing, and a consequently a lower need for net new borrowing. As the government does not update its debt estimates, when it has reason to believe they should change, as was the case with revenue estimates, the Reviewer believes the answer should be 'd'.

Government Reviewer

Opinion: Agree

Researcher Response

We agree with the peer reviewer. Answer revised to "d".

IBP Comment

IBP is in agreement with the peer reviewer's comment and the researcher's "Response to Review." The response is revised from "e" to "d."

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:

YER 2017, http://www.minfin.bg/upload/38991/Doklad_po_otcheta_na_DB-na_RB_2017.pdf

Annex to YER 2017, http://www.minfin.bg/upload/38992/Prilojeniq_kym_Doklada-po-otcheta-na-RB_2017.zip, Annex 3 "Analysis of expenditures by policy areas and budget programs for 2017"

Comment:

Enacted and actual expenditure levels - summary table on p. 40 (by economic classification)

Enacted and actual expenditure levels - summary table on p 42 (by function)

Discussion and more details on difference - text on pp. 90-102 (by economic classification)

Discussion and more details on difference - text on pp. 102-144 (by economic classification)

More detailed narrative discussion - for individual administrative units and programs - in Annex 3 "Analysis of expenditures by policy areas and budget programs for 2017"

Also, on p. 20, p. 28 and pp 43-44 in the YER - overall assessment of the impact of key discretionary expenditure policies on change in expenditures.

On pp. 35-39 - special chapter on "Capital expenditures" with focus on the execution of the public investment program.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, the Year-End Report presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

Economic classification : YER 2017, http://www.minfin.bg/upload/38991/Doklad_po_otcheta_na_DB-na_RB_2017.pdf, p. 90-101, also in Annex 2 http://www.minfin.bg/upload/38992/Prilojeniq_kym_Doklada-po-otcheta-na-RB_2017.zip in XLS

Functional classification: YER 2017, http://www.minfin.bg/upload/38991/Doklad_po_otcheta_na_DB-na_RB_2017.pdf, also Annex 2 (after line 393) http://www.minfin.bg/upload/38992/Prilojeniq_kym_Doklada-po-otcheta-na-RB_2017.zip

By administrative unit and key policies/programs: Annex 1 http://www.minfin.bg/upload/38992/Prilojeniq_kym_Doklada-po-otcheta-na-RB_2017.zip, also analysis in Annex 3

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

85b. Based on the response to Question 85, check the box(es) to identify which expenditure classifications are included in the Year-End Report:

Answer:

Administrative classification
Economic classification
Functional classification

Source:

Economic classification : YER 2017 , http://www.minfin.bg/upload/38991/Doklad_po_otcheta_na_DB-na_RB_2017.pdf, p. 90-101, also in Annex 2
http://www.minfin.bg/upload/38992/Prilojeniq_kym_Doklada-po-otcheta-na-RB_2017.zip in XLS

Functional classification: YER 2017 , http://www.minfin.bg/upload/38991/Doklad_po_otcheta_na_DB-na_RB_2017.pdf, also Annex 2 (line 393)
http://www.minfin.bg/upload/38992/Prilojeniq_kym_Doklada-po-otcheta-na-RB_2017.zip

By administrative unit and key programs/policies: Annex 1 http://www.minfin.bg/upload/38992/Prilojeniq_kym_Doklada-po-otcheta-na-RB_2017.zip, also analysis in Annex 3

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

b. Yes, the Year-End Report presents estimates for programs accounting for at least two-thirds of, but not all, expenditures.

Source:

By administrative unit at program level: Annex 1 http://www.minfin.bg/upload/38992/Prilojeniq_kym_Doklada-po-otcheta-na-RB_2017.zip, also

analysis in Annex 3

Comment:

See program level expenditures by administrative unit for the government after line 340 in the XLS file (Annex 1)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

YER 2017 : http://www.minfin.bg/upload/38991/Doklad_po_otcheta_na_DB-na_RB_2017.pdf
pp. 44-71 and pp. 72-90.

Comment:

There is a special chapter on the impact of measures to improve compliance by National Revenue Agency and Customs Agency (pp 44-71). Explanations and narrative discussion of differences between actual and enacted levels in the section on revenues pp 72-90

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

YER 2017 http://www.minfin.bg/upload/38991/Doklad_po_otcheta_na_DB-na_RB_2017.pdf, pp 72-90, also Annex 2
http://www.minfin.bg/upload/38992/Prilojeniq_kym_Doklada-po_otcheta-na-RB_2017.zip (in XLS)

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

YER 2017 http://www.minfin.bg/upload/38991/Doklad_po_otcheta_na_DB-na_RB_2017.pdf, pp 72-90, also Annex 2
http://www.minfin.bg/upload/38992/Prilojeniq_kym_Doklada-po-otcheta-na-RB_2017.zip (in XLS)

Comment:

Narrative discussion in the YER 2017 on pp. 72-90

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

YER 2017: http://www.minfin.bg/upload/38991/Doklad_po_otcheta_na_DB-na_RB_2017.pdf,

Annex: Report on government debt 2017 http://pris.government.bg/prin/file_view.aspx?did=84932&pid=94341

Comment:

In YER 2017, see discussion p. 22-24, interest payments on p 99, new borrowing 144.

The Annex - Report on government debt 2017 - in-depth analysis and data on size and structure of the debt by interest rates, currency, creditors, maturity, instruments, etc.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Researcher Response

Additional relevant pages in the Annex: Size of debt external/domestic - p. 4, currency structure and interest rate structure (fixed/floating) - p. 4, maturity structure and by instruments - p. 6, state guarantees - p. 7; debt issuance and debt servicing - p. 8-9, compliance with fiscal rules on debt ceiling - p. 11

IBP Comment

As estimates of the difference between original estimates of interest rates on the debt and actual outcomes are not presented, the response is revised from "a" to "c" to maintain consistency across survey countries.

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 central government's total debt burden at the end of the budget year

The interest payments on outstanding debt for the budget year

Maturity profile of the debt

Whether the debt is domestic or external

Source:

YER 2017: http://www.minfin.bg/upload/38991/Doklad_po_otcheta_na_DB-na_RB_2017.pdf,

Annex: Report on government debt 2017 http://pris.government.bg/prin/file_view.aspx?did=84932&pid=94341

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: In the monthly bulletin "Central Government debt and Guarantees" the debt reporting data covers the scope of the debt of Central Government sub-sector which is in line with the requirements set out in Council Regulation (EC) No 479/2009 of 25 May 2009 on the application of the Protocol on the excessive deficit procedure annexed to the Treaty establishing the European Community

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 "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:

c. Yes, 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.

Source:

YER 2017: http://www.minfin.bg/upload/38991/Doklad_po_otcheta_na_DB-na_RB_2017.pdf

Comment:

page 12-14 - Comparison between the reported data and the original macroeconomic forecast
Narrative discussion for nominal GDP, consumption, investment, deflator of GDP, employment, compensation growth, unemployment, inflation. A table on page 13-14 lists comparison the reported data and the original macroeconomic forecast.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

As estimates of the differences between original interest rate projections and the actual outcome are not presented, the response is revised from "a" to "c" to maintain consistency across survey countries.

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
Information beyond the core elements

Source:

YER 2017: http://www.minfin.bg/upload/38991/Doklad_po_otcheta_na_DB-na_RB_2017.pdf

Comment:

Peer Reviewer

Opinion: Agree

Comments: With regard to the Interest rates, please, refer to the Researcher's comment on Question 015b - "The only core component missing is the interest rate - but it should be noted that in Bulgaria under the currency board system the central bank does not have control over interest rates".

Government Reviewer

Opinion: Agree

IBP Comment

The peer reviewer's comment is well-received. Specific interest rates must still be presented in the YER to qualify for an "a" response. The current response is maintained.

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:

d. No, estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome are not presented.

Source:

Annex 3 to the YER 2017 http://www.minfin.bg/upload/38992/Prilojeniq_kym_Doklada-po-otcheta-na-RB_2017.zip

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

c. Yes, estimates of the differences between some but not all of the original estimates of nonfinancial data on results and the actual outcome are presented.

Source:

Annex 3 to the YER 2017 http://www.minfin.bg/upload/38992/Prilojeniq_kym_Doklada-po-otcheta-na-RB_2017.zip

Comment:

There are tables with comparison of actual and original estimates for "output indicators" for some individual programs in most administrative units.

(See e.g. table on p 53 on " Budget Program Popularization of Bulgarian Culture Abroad" as part of the budget of the Ministry of Culture)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

YER 2017 http://www.minfin.bg/upload/38991/Doklad_po_otcheta_na_DB-na_RB_2017.pdf pp. 119-125

Annex 3 http://www.minfin.bg/upload/38992/Prilojeniq_kym_Doklada-po-otcheta-na-RB_2017.zip pp. 39-43

Comment:

In-depth analysis and detailed data on social programs in the Report on Budget Implementation by Programs 2017 of the Ministry of Labor and Social Policy (<https://www.mlsp.government.bg/ckfinder/userfiles/files/dokumenti/programen%20biudjet%20i%20otchetai/Arhiv%202017.zip>), word file in zipped folder

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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.

Answer:

a. Yes, estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome are presented, along with a narrative discussion.

Source:

YER 2017 http://www.minfin.bg/upload/38991/Doklad_po_otcheta_na_DB-na_RB_2017.pdf pp. 165-172

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 2013" (<https://treasury.govt.nz/sites/default/files/2013-10/fsgnz-year-jun13.pdf>)

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:

b. No, a financial statement is neither part of the Year-End Report nor released as a separate report.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 (<http://www.issai.org/issai-framework/3-fundamental-auditing-principles.htm>) for more detail.
- Compliance audits look at the extent to which the relevant regulations and procedures have been followed. See ISSAI 400 (<http://www.issai.org/issai-framework/3-fundamental-auditing-principles.htm>) for more details.
- Performance audits assess whether activities are adhering to the principles of economy, efficiency, and effectiveness. See ISSAI 300 (<http://www.issai.org/issai-framework/3-fundamental-auditing-principles.htm>) 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:

Audit program for 2018

http://www.bulnao.government.bg/bg/articles/download/11196/POD_2018_NS_08_11_18.doc

Comment:

All audits are published online by the SAI.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Audit program for 2018

http://www.bulnao.government.bg/bg/articles/download/11196/POD_2018_NS_08_11_18.doc

Comment:

In 2018 the SAI planned 325 audits - including all ministries, first-level spending units, universities, municipalities with budget above Lv 10 million (plus selection of smaller municipalities - the SAI has full discretion to choose) and other public bodies and companies.

Also, in the 2019 Audit Program (see p. 2 http://www.bulnao.government.bg/bg/articles/download/12086/016-4-310119-POD_2019.docx) all municipalities with budget below BGN 10 m will be audited at least once in 2019-2021 period.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Some clarifications are needed: Audit on the report on the execution of the state budget of the Republic of Bulgaria for the period from 01.01.2017 till 31.12.2017 (Audit Report identified in Section 1) is compliance audit. And because report on the execution of the state budget covers all expenditures – answer is that 100 % is being audited. But if financial audits are considered – then not all expenditures are being audited(municipalities with budget below BGN 10 m will be audited at least once in 2019-2021 period but not every year).

IBP Comment

The government reviewer's additional context is well-received.

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:

b. 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.

Source:

Audit program for 2018

http://www.bulnao.government.bg/bg/articles/download/11196/POD_2018_NS_08_11_18.doc

Comment:

The Agriculture Fund, Environment Management Company (PUDOOS), the Electricity Security Fund (Fund SES) are included in the audit program. The National Fund (that distributes EU-funds is not included) - however, it is just a pass-through account, while expenditures are in fact dispersed by individual ministries. They are audited while spent at individual ministries.

According to the Guide "Only expenditures related to extra-budgetary funds within the SAI's mandate should be considered for this question." The National Fund is not within the mandate of the SAI. The National Fund distributes EU-funds - the EU funds are not national funds, these are foreign funds provided by the European Union. The EU funds are managed and audited under common EU rules (for example, Regulation 966/2012 on the financial rules applicable to the general budget of the Union and Regulation 1303/2013 laying down common provisions on EU funds). The auditing of the EU funds in Bulgaria is delegated to the Executive Agency "Audit of EU Funds". The agency itself is funded by the EU.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Some clarifications are needed: Audit on the report on the execution of the state budget of the Republic of Bulgaria for the period from 01.01.2017 till 31.12.2017 (Audit Report identified in Section 1) is compliance audit. And because report on the execution of the state budget covers all expenditures – answer is that 100 % is being audited. But if financial audits are considered – then not all expenditures are being audited(municipalities with budget below BGN 10 m will be audited at least once in 2019-2021 period but not every year).

IBP Comment

The government reviewer's comment is well noted. As with Question 98, financial audits and compliance audits, or a hybrid of the two, can be taken into account to answer this question. However, as the National Fund is not included in the audit program, the response is revised from "a" to "b" to ensure consistency across survey countries.

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:

AR for 2017, page 7-8

<http://www.bulnao.government.bg/bg/search/download/12205/od-db-2017-081019.doc>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Comment:

There is no report by the executive that discusses the implementation of audit recommendations by the SAI.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, the SAI or legislature reports publicly on what steps the executive has taken to address all audit recommendations.

Source:

Report - on analysis and information for the implementation of the recommendations in 2018

<http://www.bulnao.government.bg/bg/articles/download/12320/doklad-izpalnenie-preporaki-2018-210319.pdf>

Reports on the implementation of the recommendations

<http://www.bulnao.government.bg/bg/articles/izpylnenie-na-preporakite-133>

The National Audit Office publishes separate reports on the implementation of the recommendations in the audited institutions. The reports contain information on the recommendations, the actions taken by the relevant institutions and an assessment whether the recommendations is fulfilled.

Comment:

According to the law on SAI (art 50) - the president of the National Audit Office, or the vice president authorised by the president, shall organise timely follow-up on the implementation of recommendations. The head of the audited organisation must take measures to implement the recommendations and must notify, in writing, the president of the National Audit Office about the measures within a time limit specified in the report which needs to be appropriately determined given the nature of the recommendations. In the event of failure to implement the recommendations, the National Audit Office shall send a report with proposals for action to the National Assembly, the Council of Ministers, or the Municipal Council, as appropriate.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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/>), the Fiscal Policy Council in Sweden (Finanspolitiska Rådet, <http://www.finanspolitiskaradet.com/>), 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:

b. Yes, there is an IFI, but either its independence is not set in law or its staffing and resources, including funding, are insufficient to carry out its tasks.

Source:

Law on the fiscal council and automatic corrective mechanisms
<https://www.lex.bg/en/laws/ldoc/2136477159>

Comment:

Article 3 of the law states that the Fiscal Council is an independent consultative body. It consists of 5 members, voted by the Parliament (art. 7). Its activity is funded by the budget of the Parliament (art. 15). The council's work is supported by five experts from the administration of the Parliament (art. 15). The first council members were elected at the end of 2015.

The institution is gradually increasing its analytical capacity in 2017-2018. In 2018 the number of experts was increased from 3 to 5, also its budget for 2019 is 50% higher than 2017. In its work programme for 2019 the Fiscal Council aims to improve the quality of its reports and opinions.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Researcher Response

We believe the staff number is still not sufficient and some staff positions are still not filled. Countries from the region - such as Greece, Slovenia and Romania - have higher staffing numbers.

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:

Law on the fiscal council and automatic corrective mechanisms
<https://www.lex.bg/en/laws/ldoc/2136477159>

Fiscal Council, Statement on the Draft of the State Budget Act for 2019 and the Updated Mid-term Budgetary Forecast for the period 2019-2021:
https://www.fiscalcouncil.bg/uploads/stanovishta/Stanovishte_FS_ASBP_2019-2021EN_0612_1720.pdf

Comment:

The Fiscal Council produces "impartial and complete assessment of the macroeconomic and fiscal forecasts of the government, including ex post evaluation". (art. 6, point 7 of the Law)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Fiscal Council, Statement on the Draft of the State Budget Act for 2019 and the Updated Mid-term Budgetary Forecast for the period 2019-2021:
https://www.fiscalcouncil.bg/uploads/stanovishta/Stanovishte_FS_ASBP_2019-2021EN_0612_1720.pdf

Comment:

The Fiscal Council does not publish its own costings of new policy proposals. The law does not explicitly state such a role for the Council. The Fiscal Council assessment provide rather broad comments on government expenditures but not their own estimation of costs for specific programs or proposals.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

c. Rarely (i.e., once or twice).

Source:

Minutes from 1 November 2018 Budget and Finance Committee hearing on the 2019 EBP:

<https://www.parliament.bg/bg/parliamentarycommittees/members/2576/steno/ID/5321>

Comment:

The chairman of the Fiscal Council was present at the committee hearing dedicated to the EBP 2019, but did not testify. The Fiscal Council sent to the budget committee a written opinion, which was published on the website of the parliament along with the draft law.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Rarely (i.e., once or twice).

Comments: The Chairperson of the Fiscal Council attends every hearing of the Budget and finance committee. However, he does not receive explicit invitation, nor is his presence envisioned in the legislation. Thus, his name is not included in the List of attendees in the Minutes of the hearings. However, the Chairperson is always available to answer questions of his competencies. He also attends some of the hearings of the Healthcare committee and the Labour, social and demographic policies committee. There the Chairperson sometimes testifies about topics related to the reports of the National Health Insurance Fund and the National Social Security Institute

Researcher Response

We tentatively agree with the government reviewer, but we have not found any written record, even in the 2018 annual report of the IFI itself.

IBP Comment

To ensure consistency across survey countries, the response is revised from "d" to "c."

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 debates budget policies prior to the tabling of the Executive's Budget Proposal. 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:

Comment:

There is no such practice.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 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:

b. The legislature receives the Executive's Budget Proposal at least two months, but less than three months, before the start of the budget year.

Source:

Executive budget proposal 2019 - website of parliament
<https://www.parliament.bg/bg/bills/ID/78264/>

Comment:

The government is required by the Public Finance Law to approve and submit the draft budget by the end of October, i.e. 2 months before the start of the next budget year (article 79 of the law). The deadline is usually observed. EBP 2019 was submitted on 29 October 2018 (see source)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. The legislature approves the budget at least one month in advance of the start of the budget year.

Source:

EBP 2019: <https://www.parliament.bg/bg/bills/ID/78264/>

Comment:

The EBP 2019 was approved by parliament on 29 November 2018.

The date of approval is posted on the online folder of the EBP in the Parliament. (see source)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Law on public finances, Chapter 2 Fiscal Rules, Art 22-41

<http://www.minfin.bg/document/18172:7>

With the new Law on public finances Bulgarian legislature adopted certain rules to limit the budget deficit and public debt. The rules are numerous and very strict, but in practice they do not limit the discretion of the members of the parliament to propose amendments to the draft budget law (the Constitution and the Parliament's own Rules of Procedure do not limit the legislative discretion concerning the budget law).

Comment:

The budget law follows the same procedure as all other laws - on first reading the whole draft is voted on while on second reading the parliament votes text by text and the members of the parliament can propose amendments to any texts or new texts (these amendments are then also voted one by one). There is only one general limitation for all laws - "proposals that are inconsistent with the principles and scope of the bill shall not be considered or put to a vote" (art. 84), but this provision is not used in practice. Rules of Organisation and Procedure of the National Assembly <https://www.parliament.bg/bg/rulesoftheorganisations>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Executive budget proposal 2019 - website of parliament
<https://www.parliament.bg/bg/bills/ID/78264/>

Comment:

The draft budget law folder in the Parliament shows all the proposals made by members of the parliament to amend the draft budget law.

In 2019 a total of 83 amendments were made - most (around 70) were rejected by the Budget committee and the full parliament.
<https://www.parliament.bg/bg/parliamentarycommittees/members/2576/reports/ID/9811>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 and to publish a report. 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:

Budget and Finance Committee report before first hearing:
<https://www.parliament.bg/bg/parliamentarycommittees/members/2576/reports/ID/9709>
Budget and Finance Committee report before second hearing:
<https://www.parliament.bg/bg/parliamentarycommittees/members/2576/reports/ID/9811>

Comment:

The EBP 2019 was submitted to parliament on 29 October 2018. The first report by the specialized Budget and Finance Committee was prepared on 2 November, the second - on 26 November. The time for discussion was slightly shorter than 1 month.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 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:

EBP 2019 folder (see reports by parliamentary committees): <https://www.parliament.bg/bg/bills/ID/78264/>

Comment:

All parliament committees discuss the budget law and publish report before first reading. Reports were published within 10 days of after the EBP was submitted to the parliament.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Hearing in 2017: <https://www.parliament.bg/bg/parliamentarycommittees/members/2576/steno/ID/4780/>

Comment:

Under art. 29 of the Rules of Organisation and Procedure of the National Assembly, on the first Wednesday or Thursday of each month, members of the Finance and Budget Committee may pose questions to the Minister of Finance regarding the the in-year implementation of the Enacted Budget. During the meeting a verbatim reports are recorded.

In 2018 the committee held no hearings as no requests from members were posed, in 2017 one hearing on the implementation of the 2017 EB was held.

However, the Minister of Finance answered several question by MPs. For example, on 4th May 2018 the Minister of Finance answered a question in the parliament about the budget implementation in the first three months of the year. <https://www.parliament.bg/bg/plenaryst/ns/52/ID/6161>

Another question on the budget implementation was answered in December https://www.parliament.bg/bg/topical_nature/31274

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Public Finance Law, article 109-112

<http://www.minfin.bg/document/18172:7>

Comment:

No requirement for approval from the legislature in the Public Finance Law.

The executive can shift funds between administrative units with CoM decision. In art. 113 there is an exception for the budget of the Parliament and the Court System - the government cannot shift funds from their budget to other institutions (but can give them more funds - which happens)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a The executive is required by law or regulation to obtain approval from the legislature prior to spending excess revenues, and it does so in practice.

Source:

art. 26 of the Public Finance Law

<http://www.minfin.bg/document/18172:3>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

c. The executive is required by law or regulation to obtain approval from the legislature prior to reducing spending below enacted levels, but in practice the executive implements these cuts before seeking approval from the legislature.

Source:

Public Finance Law, art. 27 and art. 102
<https://www.lex.bg/laws/ldoc/2135837967>

Comment:

According to article 102 the ministries and other first level spending units are not allowed to spend more than their approved budget. Thus, the budget is a ceiling - they are not allowed to spend more than the budget, but they can spend less, if they decide. So the executive can spend less than budgeted, and in recent years the budget spending has been consistently below budget (without parliament approval).

According to art. 27 in case of negative deviation from the annual target for the budgetary balance, the Minister of Finance proposes to the government to approve compensatory measures. If the measures necessitate changes to the main variables of the state budget, the government shall ask the Parliament to amend the annual budget law. This procedure, introduced from 2014, has not been tested yet, as the budget revenues are usually above target. The procedure is rather vague - it is up to the government to decide whether it should approve the compensatory measures or should ask the Parliament to amend the annual budget law.

Article 102. (1) First level spending units may not incur expenditure or make expenditure commitments for the current year which exceed the total amount of expenditure or expenditure commitments approved within their budgets.

Article 27. (1) The budgetary balance objective concerning the consolidated fiscal programme calculated on a cash basis shall be to reach and/or maintain a nil or positive balance.

(2) When expecting a negative departure from the annual objective for the budgetary balance of the consolidated fiscal programme, the Minister of Finance shall propose to the Council of Ministers to approve compensatory measures.

(3) If the measures referred to in Paragraph 2 necessitate changes to the main variables of the state budget and/or the budgets of the social security funds, the Council of Ministers shall put forward a proposal to the National Assembly to amend the State Budget Act and/or the laws regulating the public social insurance budget and the budget of the National Health Insurance Fund.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 the 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:

National Audit Office Act

<http://www.bulnao.government.bg/en/articles/national-audit-office-act-1035>

Comment:

No record of such hearing at the Budget and Finance Committee.

Under the law the parliament must approve the Audit Report within 3 months (art. 62). However, in practice these deadlines are not binding.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Art 17 SAI Act

<http://www.bulnao.government.bg/bg/articles/zakon-za-smetnata-palata-1685>

Decision of the 43rd National Assembly on the rules and procedures and on the public hearings <http://www.parliament.bg/bg/decision/ID/15264/>

Decision of the 43rd National Assembly appointing head of the SAI <http://www.parliament.bg/bg/decision/ID/15303/>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Art 19 of the SAI Act: <http://www.bulnao.government.bg/bg/articles/zakon-za-smetnata-palata-1685>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Art 11 of the SAI Act: <http://www.bulnao.government.bg/bg/articles/zakon-za-smetnata-palata-1685>

Comment:

The SAI has an independent budget which is part of the state budget and is voted by the parliament. There are no official record of SAI complaint about insufficient funds; other independent institutions (e.g. the judiciary, the Commission on Energy Regulation, the Financial Supervision Commission, all with their own budgets voted by the Parliament) have written positions demanding more funds.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Art. 6, 7 and 38 of the SAI Act: <http://www.bulnao.government.bg/bg/articles/zakon-za-smetnata-palata-1685>

Comment:

Article 6. (1) The National Audit Office shall audit: 1. the state budget; 2. the budget of the public social security scheme; 3. the budget of the National Health Insurance Fund; 4. the budgets of municipalities; 5. other budgets adopted by the National Assembly.

(2) The National Audit Office shall also audit: 1. the budgets of budget authorisers referred to in paragraph 1 and the management of their property; 2. the budgets of budget organisations under Article 13, paragraphs 3 and 4 of the Public Finance Act; 3. the budgetary funds granted to persons engaged in business activities; 4. the accounts for European Union funds and funds under other international programmes and agreements referred to in Article 8, paragraphs 2 and 4 of the Public Finance Act, including their management by the relevant authorities and by the end users of such funds; 5. the budget expenditures of the Bulgarian National Bank (BNB) and their management; 6. the formulation of any annual surplus of income over the expenditure of the BNB that is payable into the state budget, and any other dealings of the Bank with the state budget; 7. the origination and management of the government debt, the government guaranteed debt, the municipal debt, and the utilisation of debt instruments; 8. (amended, SG No. 96/2017, effective 1.01.2018) the privatisation of state and municipal property, as well as the public resources and public assets placed at the disposal of parties outside the public sector, including in the course of implementation of concession agreements; 9. the execution of international agreements, treaties, conventions or other international instruments, where so provided for in the respective international instrument or assigned by an empowered authority; 10. other public resources, assets and activities, where so assigned by law.

(3) The National Audit Office shall audit:

1. state enterprises referred to in Article 62, paragraph 3 of the Commerce Act;
2. commercial companies with more than 50% stakeholding of the state and/or municipalities;
3. legal entities with liabilities guaranteed by the state or liabilities guaranteed with state and/or municipal property.

(4) The National Audit Office shall audit the management and disposal of public assets and liabilities, regardless of the grounds for said management and disposal and the legal situation of the persons performing it. (5) The National Audit Office shall prepare reports containing opinions on the implementation of the state budget, the budget of the public social security scheme, the budget of the National Health Insurance Fund and on the budgetary expenditure of the BNB and put forward these reports to the National Assembly. (6) The National Audit Office can also audit the accounts for non-treasury funds of budget organisations.

Article 7. (1) The National Audit Office shall adopt an Annual Audit Programme. The National Assembly may issue decisions assigning to the National Audit Office to carry out up to 5 audits, on an annual basis, other than those included in the annual programme.

Article 38. (1) Audits included in the Annual Audit Programme shall be assigned by an order of one of the vice presidents of the National Audit Office.
(2) Audits based on decisions of the National Assembly shall be assigned by an order of the president of the National Audit Office.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Statutes of the internal audit unit

http://www.bulnao.government.bg/bg/articles/download/11285/Audit_Charter_2017-1.docx

Independent commission will audit the 2017 report of the National Audit Office

<http://www.bulnao.government.bg/bg/articles/komisiq-shte-oditira-finansoviq-otchet-na-smetnata-palata-za-2017-g-1919>

Reports from the independent commission

<http://www.bulnao.government.bg/bg/articles/dokladi-po-chl-65-ot-zakona-za-smetnata-palata-880>

Comment:

The internal audit unit is independent and covers all activities of the National Audit Office. The internal audit is required to report every six months and annually. The annual report is sent by 31 March every year to the Minister of Finance, which publishes annual consolidated report on the internal audit in the public sector. The latest consolidated reports are available here

<http://fukvopublic.minfin.bg/Public/DocumentList?sectionId=3>

In addition, the annual financial report of the National Audit Office is audited by an independent commission appointed by the parliament. All reports are published online.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

IBP Comment

For additional details, please see the "Statutes of the internal audit unit" document linked by the researcher, which holds that: "Internal audit plays a significant role in achieving the objectives of the organization by assisting the Court of Auditors through: 1. Identification and assessment of risks in the Court of Auditors; 2. Assessment of the adequacy and effectiveness of financial management and control systems with regard to : -identifying it, evaluating it and managing this risk ; -compliance with legislation, internal acts and contracts; -the reliability and comprehensiveness of the financial and operational information; -the effectiveness, efficiency and economy of the activities; -safeguarding assets and information; -effective interaction between the different levels of government; -accomplishing the tasks and achieving the goals. 3. Making recommendations for improving the Court's risk management, control and management processes."

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:

b. Sometimes (i.e., three times or more, but less than five times).

Source:

Budget and Finance Committee, 17 May 2018, SAI chairman:
<https://www.parliament.bg/bg/parliamentarycommittees/members/2576/steno/ID/5112/>

Subcommittee on public sector reporting, 18 July 2018, SAI chairman
<http://www.bulnao.government.bg/bg/articles/podkomisiqta-po-otchetnost-na-publichniq-sektor-v-narodnoto-sybranie-obsydi-dokladite-za-finansovo-upravlenie-i-stanovishtata-na-smetnata-palata-1929#%20>

SAI meeting with the Macedonian SAI, the Budget and Finance Committee and Subcommittee on public sector reporting
<http://www.bulnao.government.bg/bg/articles/predsedatelite-na-komisiqta-po-bjudzhet-i-finansi-i-na-podkomisiqta-po-publichna-otchetnost-zapoznaha-oditori-i-deputati-ot-makedoniq-kak-si-vzaimodejstvat-narodnoto-sybranie-i-smetnata-palata-1970#%20>

Comment:

The May 2018 hearing was related to a decision to extend the timeframe of a specific audit mandated by the parliament. In July the subcommittee discussed opinions of the SAI on two reports.
There are two more hearings in early 2019.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 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 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, report cards, published policy consultation exercises, 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 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 the 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:

b. Yes, the executive uses open participation mechanisms through which members of the public provide their inputs on the budget.

Source:

Law on normative acts, Art 26 - the administrative body that drafts a normative act should publish it on the internet and establish mechanism public consultation. <http://www.lex.bg/laws/ldoc/2127837184>

Ministry of Finance publishes its draft documents (including documents related to budget formulation and tax amendment laws) on a dedicated page for drafts.

Art 3 of the bylaws of the National Council for Tri-partite Cooperation (a body established by art. 3a of the Labor Code) states that the Council should discuss budget policy matters. <http://www.lex.bg/laws/ldoc/-12291072>

It happens before the executive sends the EBP to the legislature. In 2018, the discussion on the EBP 2019 at the Council was held 26 October (the EBP was submitted to the parliament on 29 October).

Full record of discussions in the tri-partite council here: http://saveti.government.bg/c/document_library/get_file?p_l_id=10631&folderId=1224888&name=DLE-8250.pdf

Written testimonies of organizations on the EBP, sent to the tri-partite council here: http://saveti.government.bg/c/document_library/get_file?p_l_id=10631&folderId=1224888&name=DLE-8251.zip

Publication for consultation of the Mid-term Budget Forecast 2019-2021 in April (Pre-budget statement): <http://www.minfin.bg/bg/legislation1/170>

Publication for consultation of the Executive Budget Proposal 2019 and the updated Mid-term Budget Forecast 2017-2019 in October <http://www.minfin.bg/bg/legislation1/197>

Consultation of changes in the tax laws in September 2018 <http://www.minfin.bg/bg/legislation1/191>

Comment:

The process is open to everyone and formal through dedicated public channels. Some timeframes are tight - 8 days for the PBS in April and 4 days for the EBP in October. But, other - such as the tax laws consultation offered one month.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, the executive uses open participation mechanisms through which members of the public provide their inputs on the budget.

Researcher Response

There is a significant change with regard to participation mechanisms. First, in November 2016 a significant amendment to the Law on Normative Acts was passed which introduced requirements for preliminary impact assessment and public consultations for all draft regulations (including laws, ordinances, decrees, decisions that affect public revenues and spending). Second, the Council of Ministers adopted a Regulation on the methodology for impact assessments (<http://dv.parliament.bg/DVWeb/showMaterialDV.jsp?idMat=109227>) - in force from March 2018 - which explicitly requires a preliminary publication of all drafts for consultation and also that the feedback from the citizens should be published and become part of the draft package to be later tabled for approval in the executive or the legislature. The scope of consultations therefore was broadened, and citizens can now read a preliminary impact assessment of the proposed act and form an informed opinion as a basis for questions or proposals. The number of public consultations increased and - more importantly - the courts started revoking acts that were approved without the required public consultation. So, the new rules are enforced and public bodies have no choice but to comply. Also, on the citizens' participation became more active - e.g. on the new regulation of fiscal cash registers the summary table with proposals from various stakeholders is 138 pages.

IBP Comment

Per the question guidelines, we are narrowing the response to evaluate the "deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the formulation of the annual budget." Therefore, we are focusing on the expanded public consultations that were created via the amendment to the Law on Normative Acts and the new Regulation on the methodology for impact assessments, as detailed in the researcher's "Response to Review" and their original comment on Q128. Through these consultations, citizens can submit their input/proposals electronically; participation is open to all members of the general public. The response is revised from "c" to "b." In addition, the link to the consultation portal can be found at: <http://www.strategy.bg/PublicConsultations/List.aspx?lang=bg-BG&sortDirection=Descending&sortExpression=OpenningDate&typeConsultation=1&typeCategory=0&docType=0&obshtiniValue=0> Click on "Моля, изберете тема./Please select a topic:" then "Бизнес среда/Business environment" or "Финанси и данъчна политика/Finance and tax policy" to view public comments on proposals put forward by the Ministry of Finance.

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 vulnerable and underrepresented communities and/or civil society organizations 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:

n.a.

Comment:

There are no special provisions; any NGO can participate by sending comments and suggestion on an equal footing.

Art 3 of the bylaws of the National Council for Tri-partite Cooperation (a body established by art. 3a of the Labor Code) states that the Council should discuss budget policy matters. Trade unions are members of the Council. The Council discusses the EBP: <http://www.lex.bg/laws/ldoc/-12291072>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Per the IBP comment on Q125, the Tri-partite body is not being evaluated for this question. Nevertheless, the current response of "b" is maintained.

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, key topics are considered to be:

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

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 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.

Answer "d" applies if 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:

b. The executive's engagement with citizens covers at least three (but less than six) of the above-mentioned topics.

Source:

Consultation on PBS 2019: <http://www.minfin.bg/bg/legislation1/170>

Consultation on EBP 2019: <http://www.minfin.bg/bg/legislation1/197>

Comment:

Both PBS and EBP which are published on the internet prior to submission and the public can send opinion, comments and recommendations cover all of the listed topics.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

IBP revised the response from "a" to "b". This indicator is scored based on the consultations portal noted in indicator 125. Ministry of Finance engages citizens on issues of tax policy, social spending policy, debt and macroeconomic issues like monetary policy. Prior to the tabling of the budget in parliament, the Ministry of Finance solicited public comments on measures pertaining to key topics, including: - a draft bill to amend the Corporate Income Tax Act (<http://www.strategy.bg/PublicConsultations/View.aspx?lang=bg-BG&Id=3747>) - a draft bill to amend and supplement the Social Security Code (<http://www.strategy.bg/PublicConsultations/View.aspx?lang=bg-BG&Id=3658>)

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:

Public consultations portal - www.strategy.bg

Consultation on Investment Project "Acquiring a new type of combat aircraft"

http://strategy.bg/PublicConsultations/View.aspx?lang=bg-BG&id=4002&fbclid=IwAR24tNZIdO4kernl89KCZ-6V1zqTTT_16VeS4zDyscpe3uChFph306iA8o

Consultations on draft changes in military salaries

http://strategy.bg/PublicConsultations/View.aspx?lang=bg-BG&id=4005&fbclid=IwAR1CTDToXR-9k9tqwedDCEA2EKgt8Dq-UG1Pvxz_mlyaGuU0hAbQiOsNUoc

Consultations on draft changes for police salaries

<http://www.strategy.bg/PublicConsultations/View.aspx?lang=bg-BG&id=3589>

Consultation on draft decree on the guaranteed monthly income

<http://www.strategy.bg/PublicConsultations/View.aspx?lang=bg-BG&id=3057>

Consultation on draft changes in the energy benefits

<http://www.strategy.bg/PublicConsultations/View.aspx?lang=bg-BG&id=3520>

Consultation on the decree for the implementation of the 2019 budget

<http://www.minfin.bg/bg/legislation1/211>

Consultation on a new minimum wage in 2019

<http://strategy.bg/PublicConsultations/View.aspx?lang=bg-BG&id=3842>

Consultation on fiscal cash registers

<http://strategy.bg/PublicConsultations/View.aspx?lang=bg-BG&id=3897>

Consultation on court fees

<http://strategy.bg/PublicConsultations/View.aspx?lang=bg-BG&id=3852>

Consultation on the increase of the social pension

<http://strategy.bg/PublicConsultations/View.aspx?lang=bg-BG&Id=3518>

Consultation on public sector salaries

<http://strategy.bg/PublicConsultations/View.aspx?lang=bg-BG&Id=3917>

Comment:

Some draft documents linked to the budget implementation are published on the public consultations portal. It is a centralized portal for public consultations where the executive publishes mostly drafts of normative acts (laws and decrees by the Council of Ministers). Citizens can post comments and opinions and the relevant ministry should address all of them and publish a report whether it will accept or not the proposals and why.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

The direct link to the national public consultation portal can be found at: <http://www.strategy.bg/PublicConsultations/List.aspx?lang=bg-BG&sortDirection=Descending&sortExpression=OpeningDate&typeConsultation=1&typeCategory=0&docType=0&obshtiniValue=0> Based on the researcher's sources and the link above, there is no formal mechanism devoted to public participation in monitoring the implementation of the annual budget; for FY 2018, the consultation portal does not contain any execution/implementation documents submitted for public feedback by the Finance Ministry in the categories "Бизнес среда/Business environment," "Държавна администрация/Public administration," or "Финанси и данъчна политика/Finance and tax policy." In addition, a page on the portal titled "When to consult" (<http://www.strategy.bg/StaticPages/CalculatingManual.aspx?guidanceType=2&§ionName=WhenToOrganizeConsultations>) notes that "In the process of developing the legislative act, you MUST consult in two stages: 1) in the development of the six-month legislative program of the Council of Ministers and 2) in the development of the act before its adoption." As such, the consultations are acknowledged and scored in Q.125 asking about participation during budget formulation phase. For the purpose of cross-country consistency, the response is therefore revised from "b" to "d."

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 vulnerable and underrepresented community and/or civil society organizations 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:

There are several councils through which the government is discussing with vulnerable and underrepresented parts of the population:

- National tripartite council (including trade unions)

http://www.saveti.government.bg/web/cc_13/1

- National Council on integration of people with disabilities

http://www.saveti.government.bg/web/cc_11/1

- National Council on social inclusion

http://www.saveti.government.bg/web/cc_201/1

Comment:

These councils discuss some initiatives of the government, but they are not focused on the budget.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Per the IBP comment on question 128, there is no formal mechanism established for the public to provide input in monitoring the implementation of the annual budget. The existing response of "b" is maintained.

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, key topics are considered to be:

1. Changes in macroeconomic circumstances
2. Delivery of public services
3. Collection of revenue
4. Implementation of social spending
5. Changes in deficit and debt levels
6. Implementation of public investment projects

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 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.

Answer "d" applies if 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:

Public consultations portal - www.strategy.bg

Consultation on Investment Project "Acquiring a new type of combat aircraft"

http://strategy.bg/PublicConsultations/View.aspx?lang=bg-BG&id=4002&fbclid=IwAR24tNZldO4kernI89KCZ-6V1qzqTTT_16VeS4zDyscpe3uChFph306iA8o

Consultations on draft changes in military salaries

http://strategy.bg/PublicConsultations/View.aspx?lang=bg-BG&id=4005&fbclid=IwAR1CTDToXR-9k9tqwedDCEA2EKgt8Dq-UG1Pvxz_mlyaGuUOhAbQiOsNUoc

Consultations on draft changes for police salaries

<http://www.strategy.bg/PublicConsultations/View.aspx?@lang=bg-BG&id=3589>

Consultation on draft decree on the guaranteed monthly income

<http://www.strategy.bg/PublicConsultations/View.aspx?@lang=bg-BG&id=3057>

Consultation on draft changes in the energy benefits

<http://www.strategy.bg/PublicConsultations/View.aspx?@lang=bg-BG&id=3520>

Consultation on the decree for the implementation of the 2019 budget

<http://www.minfin.bg/bg/legislation1/211>

Consultation on a new minimum wage in 2019

<http://strategy.bg/PublicConsultations/View.aspx?@lang=bg-BG&id=3842>

Consultation on fiscal cash registers

<http://strategy.bg/PublicConsultations/View.aspx?@lang=bg-BG&id=3897>

Consultation on court fees

<http://strategy.bg/PublicConsultations/View.aspx?lang=bg-BG&Id=3852>

Consultation on the increase of the social pension
<http://strategy.bg/PublicConsultations/View.aspx?lang=bg-BG&Id=3518>

Consultation on public sector salaries
<http://strategy.bg/PublicConsultations/View.aspx?lang=bg-BG&Id=3917>

Comment:

These topics are usually covered:

- Changes in deficit and debt levels - this requires change in the annual budget law and public consultation are organized before that
- Collection of revenue - every change in procedures or requirements is done after public consultation
- Implementation of social spending - changes are done after public consultation
- Delivery of public services - usually consultation is needed
- Implementation of public investment projects - sometimes consultation is organized

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Per the IBP comment on question 128, there is no formal mechanism established for the public to provide input in monitoring the implementation of the annual budget. The response is revised from "b" to "d."

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 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:

c. Information is provided in a timely manner in both or one of the two phases, but it is not comprehensive.

Source:

Consultation on the Mid-term Budget Forecast 2019-2021 in April (Pre-budget statement)

<http://www.minfin.bg/bg/legislation1/170>

Comment:

It is a one-off process of publication of drafts on a specific web-page with a form to provide feedback; after the consultation the opinions and suggestions are summarized and the summary is also published. There is no explanation of the process of the engagement, other than asking citizens and organizations to send their opinions and proposals.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Per the researcher and IBP comments on question 125, formal engagement with the public is primarily for the budget formulation phase. While agencies soliciting input provide draft legislation to the public, the process of engagement is not always clear, as the researcher notes. The existing response of "c" is maintained.

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:

b. Yes, the executive provides a written record which includes both the list of inputs received and a summary of the how the inputs were used in the formulation of the annual budget.

Source:

The ministry of finance provides feedback (summary reports) on the inputs from the public and whether they are being taken into account in a dedicated subpage

<http://www.minfin.bg/bg/1118>

The summary report on the EBP is included as a supporting document in the EBP (file 9-Spravka-обществено обсъждане)

<https://www.parliament.bg/bg/bills/ID/78264/>

Comment:

We could not find a report on the consultations related to the PBS.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

The expanded public consultations described by the researcher in Q125 require agencies soliciting feedback to include a list of public inputs in the drafts of proposed regulations, as well as whether or not it has accepted this feedback, and why. The response is revised from "c" to "b."

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 taken 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:

Consultation on a new minimum wage in 2019

<http://strategy.bg/PublicConsultations/View.aspx?@lang=bg-BG&Id=3842> - see inputs published at the bottom, also report on how they were used:

<http://strategy.bg/FileHandler.ashx?fileId=15267>

Consultation on fiscal cash registers

<http://strategy.bg/PublicConsultations/View.aspx?@lang=bg-BG&Id=3897> - see inputs published at the bottom, also report on how they were used:

<http://strategy.bg/FileHandler.ashx?fileId=15602>

Comment:

The executive provides a written record which includes the list of the inputs received and a summary report on how or whether they were used. See examples in source.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

IBP Comment

Per the IBP comment on question 128, there is no formal mechanism established for the public to provide input in monitoring the implementation of the annual budget. The response is revised from "b" to "d."

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:

Decision of the Council of Ministers 51 on the budget procedure for 2019
<http://www.minfin.bg/upload/36443/RMS-51.pdf>

Comment:

There is a clear and detailed timetable for the formulation of the budget (i.e. budget calendar) but it does not incorporate public consultations in its timeframe and steps.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 – 135 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 the 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:

b. Yes, at least one line ministry uses open participation mechanisms through which members of the public provide their inputs on the budget.

Source:

There is no provision in laws or statutes that obliges line ministries to publish draft budgets for consultations. They can do it on a voluntary basis. The National Health Insurance Fund published its draft budget on 22 October 2018
https://www.nhif.bg/get_file?uuid=78D2E1638E0069D5E05400144FFB42AE

Comment:

Mostly the Ministry of Finance and the centralized portal for public consultations www.strategy.bg open consultations on the PBS, EBP and other documents throughout the budget process. First-level spending administrative units are not required by law to publish their own program budgets or the national (consolidated) PBS and EBP for consultation.

However, all ministries use [strategy.bg](http://www.strategy.bg) and/or have dedicated space on their websites for consultations with the public on acts that they draft in their own respective areas - some of these have direct implications on spending as they set up costing models, eligibility, salaries, social benefits etc. See for example Ministry of Education sub-page: <https://www.mon.bg/bg/100164>; Ministry of Labour and Social Policy: <https://www.mlsp.government.bg/index.php?section=CONTENT&l=230>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

IBP confirms response B based on the consultations portal (<http://www.strategy.bg/>). Various line ministries invite comments from the public on draft bills on policies. The consultation is open as any member of the public can comment, however, it is not a public dialogue between government and citizens.

136. Does the legislature or the relevant legislative committee(s) hold public hearings and/or use other participation mechanisms 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 "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:

c. Yes, public hearings are held. No testimony from the public is provided during the public hearings, and there are no other mechanisms through which public contributions are received, but the legislature invites specific individuals or groups to testify or provide input (participation is not, in practice, open to everyone).

Source:

Full transcript of the joint hearing of the committees on Budget and Finance, Health, and Labour, Social and Demographic issues on 1 November 2018 : <https://www.parliament.bg/bg/parliamentarycommittees/members/2576/steno/ID/5321>

List of written statements sent to the parliament by various institutions and NGOs in the dedicated folder for the EB2019 on the parliament website as well as records of hearings in other committees(see end of page) : <https://www.parliament.bg/bg/bills/ID/78264/>

Comment:

Under art.31 of the Rules of Organisation and Procedure of the National Assembly (<https://www.parliament.bg/bg/rulesoftheorganisations>) the meetings of the standing committees are open. They may be streamed live on the website of the National Assembly. Under art. 32 of the Rules of Organisation and Procedure of the National Assembly citizens may attend Committee meetings in compliance with the National Assembly access policy and the rules of procedure of the relevant Committee (for the Budget and Finance committee, request for attendance should be sent the day prior to the hearing according to the rules of conduct of the committee <https://www.parliament.bg/bg/parliamentarycommittees/members/2576/info>)

Representatives of trade unions, professional and industrial organisations or NGOs may submit written opinions and, at their own initiative, attend Committee meetings, as well as participate in debates on legislative acts. Accredited reporters and other journalists also can attend the meetings of the Committee. The contributions from the public can be received in the Finance and Budget Committee in writing by post or on the email address (written testimonies are published on the parliament website).

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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, key topics are considered to be:

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

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.

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:

a. The legislature seeks input on all six topics.

Source:

See full record of the joint hearing of the committees on Budget and Finance, Health, and Labour, Social and Demographic issues on 1 November 2018 : <https://www.parliament.bg/bg/parliamentarycommittees/members/2576/steno/ID/5321>

Comment:

All topics are discussed. The hearing is an overall discussion on all budget priorities, macroeconomic forecasts, revenue and expenditure planning, public services, public debt etc.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 provides a written document that includes:

- The inputs received from the public (e.g., a written transcript) 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 legislature does not use public participation mechanisms during its deliberations on the annual budget.

Answer:

c. Yes, the legislature provides a written record which includes either the list of the inputs received or a report or summary on how they were used.

Source:

See full record of the joint hearing of the committees on Budget and Finance, Health, and Labour, Social and Demographic issues on 1 November 2018 : <https://www.parliament.bg/bg/parliamentarycommittees/members/2576/steno/ID/5321>

See all written testimonies by institutions and NGOs (end of page) and all individual amendments tabled by members of parliament on specific articles:

<https://www.parliament.bg/bg/bills/ID/78264/>

Comment:

Hearings in the standing committees (including Finance and Budget Committee) are open. They may be streamed live on the website of the National Assembly. In this respect citizens can have direct feedback whether their inputs have been accepted by the members of the parliament during legislative deliberations on the annual budget. In addition, for each meeting there is a verbatim record, that is public. Also, as citizens or organizations cannot directly table amendments to the budget act, typically some individual members of parliament pick up suggestions from NGOs or other organizations and draft amendments on their behalf - full detailed list of such proposals by MPs is also available on the parliament website(see source).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

The Budget and Finance Committee examined three reports of the National Audit Office
<http://www.bulnao.government.bg/bg/articles/komisiqta-po-bjudzhet-i-finansi-razgleda-tri-doklada-na-smetnata-palata-2014>

Comment:

We have found no evidence of public hearing on the Audit Report 2017 at the budget and finance committee.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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).

Answer:

b. The requirements for an "a" response are not met.

Source:

The National Audit Office published contact information on its website (address, emails, phone numbers)
<http://www.bulnao.government.bg/bg/articles/kontakti-905>

Law on the National Audit Office

<http://www.bulnao.government.bg/bg/articles/zakon-za-smetnata-palata-1685>

Comment:

Article 7 of the Law stipulates that the National Audit Office approves an annual audit program after the annual budget law is published, but no later than 31st December of the previous year. The parliament can assign up to 5 audits per year to the National Audit Office. The National Audit Office

collaborates with state institutions, professional and non-government organizations.

There is no formal mechanism for the public to suggest issue/topics to be included. However, in the 2019 audit program the National Audit Office declared that it is focused on problems of public importance.

According to the 2017 IBP guidance, the availability of contact information is enough for an "a" response (see questionnaires for Canada or Australia)

<https://www.internationalbudget.org/wp-content/uploads/australia-open-budget-survey-2017-responses.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Contact information/comment fields alone are not considered as a formal mechanism by which the public can contribute to the SAI's work program. To maintain consistency across survey countries, the response is revised from "a" to "b."

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:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

There is no formal mechanism for receiving inputs from the public; see q 140

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Law on the National Audit Office

<http://www.bulnao.government.bg/bg/articles/zakon-za-smetnata-palata-1685>

Comment:

According to the Law (art. 43) the National Audit Office can use external experts.

The SAI may request information and evidence from persons/entities outside of the audited organization if illegal behavior is suspected. (art. 39)

There is no formal mechanism for receiving inputs from the public.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree