

Open Budget Survey 2019

Questionnaire

Nepal

April 2020

Country Questionnaire: Nepal

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 2018-2019

Source:

Comment:

Nepal has not yet adopted the practice of producing and publishing PBS. There are limited discussion with private sector.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: I disagree because nepal has adopted the practice of producing and publishing PBS .

Comments: FY 2018-2019 Nepal has been public in different national news paper before 1 months budget discussion .

IBP Comment

Thank you for the comment from the government. Based on publicly available information, the document mentioned by the reviewer does not qualify as a PBS. Furthermore, for it to be considered publicly available by OBS standards, it must be published on the government's own website, at minimum more than one month before the EBP is tabled in Parliament. The document must also show some information about the upcoming budget, such as revenue estimates, expenditure ceilings, or proposed revenue and expenditure policies to be included in the budget. For those reasons the Principles and Priorities of the Appropriation Bill 2018 is not considered the PBS for Nepal.

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

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

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

Answer:

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

Source:

The Ministry of Finance produces and publishes the Principles and Priorities of the Appropriation Bill 2018 as part of the budget formulation. The government officials claim it to be the PBS but it does not meet the generic requirements of the PBS as per the Open Budget Survey Methodology. It lacks key information for the PBS including total estimates of revenues and expenditures, macroeconomic forecasts, clearly stated revenue and expenditure priorities and policies. It was specifically addressed to the Parliament, but the PBS should be published to kick off the open public debates. Principles and Priorities of Appropriation Bill, 2018

https://mof.gov.np/uploads/document/file/%E0%A4%AE%E0%A4%BE%E0%A4%A8%E0%A4%A8%E0%A5%80%E0%A4%AF%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%AE%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A5%8D%E0%A4%B0%E0%A5%80%20%E0%A4%A1%E0%A4%BE_20180509115443.pdf

Likewise, the Medium Term Expenditure Framework (From 2018-19 to 2020/21) presents multi-year estimates of new policy initiatives and the focus of narrative descriptions of policy initiatives.

https://www.npc.gov.np/images/category/MTEF_Final_Doc_2075.pdf

In 2018, this document was only released after the budget was approved, and therefore cannot be considered a PBS.

Comment:
n/a

Peer Reviewer

Opinion: Agree

Comments: I agree with the researcher. In my conversation with the government official, they consider the Principles and Priorities of the Appropriation Bill 2018 as the PBS which was May 9, 2018 and the budget was presented on 29th May by the Finance Minister to the parliament. However, the release date of this document to the public is not known. Usually this document is released few days prior to the Budget Speech. Newspaper article on when PBS was released. <https://thehimalayantimes.com/nepal/finance-minister-presents-principles-and-priorities-of-budget/> This document's content include guiding principles on revenue monitoring directive, results of earlier budget, programs and goals for the next budget year etc.

Government Reviewer

Opinion: Disagree

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

IBP Comment

Thank you for the reviewer's comments. The Principles and Priorities of the Appropriation Bill 2018 does not have the content required of a PBS, including any discussion of fiscal policy for the upcoming year. As the peer reviewer also notes, it was also published less than one month before the EBP was tabled.

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:

Source:
n/a

Comment:
n/a

Peer Reviewer

Opinion: Agree

Comments: This is in line with my response to the earlier question considering that the document that government considers as PBS does not meet the requirement of a PBS.

Government Reviewer

Opinion: Agree

Comments: The date of publication of the PBS is 29/05/2019 local date is Jestha 15 each and every years which is mention at contitution .

IBP Comment

Thank you to the reviewers for the feedback. Please see the responses in PBS-1 and PBS-2.

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

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

Answer:
n/a

Source:
n/a

Comment:
n/a

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: The date of 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 which is mention on constitution .

IBP Comment
Thank you to the reviewers for the feedback. Please see the responses in PBS-1 and PBS-2.

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

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

Answer:

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: www.mof.gov.np

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:
d. Not applicable

Source:
n/a

Comment:
n/a

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer: a. Yes, all of the numerical data are available in a machine readable format
Comments: Yes, all of the numerical data are available in a machine readable format on time frame .

IBP Comment
Thank you to the reviewers for the feedback. Please see the responses in PBS-1 and PBS-2. The related data is subject to the same public availability criteria as the main document.

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:
d. Not produced at all

Source:
n/a

Comment:
n/a

Peer Reviewer
Opinion: Agree
Comments: The published PBS does not meet the requirement of OBS. However, government considers this as the PBS. The copy of this document that I obtained from the Finance Ministry says "only for office use".

Government Reviewer
Opinion: Disagree
Suggested Answer: a. Produced but made available online to the public too late (published after the acceptable time frame)

IBP Comment
Thank you for both reviewer's comments. The peer reviewer is correct - the Principles and Priorities of the Appropriation Bill 2018 does not have the content required of a PBS. Therefore, even despite being published late, the score for this question is assigned as D, 'Not Produced'.

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:

n/a

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Comments: The document that government considers as a PBS says "for internal use only". However, this document does not meet the criteria of a PBS.

Government Reviewer

Opinion: Disagree

Suggested Answer:

IBP Comment

Thank you to the reviewers for the feedback. Please see the responses in PBS-1 and PBS-2.

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:

n/a

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: The PBS is produced, the full title of the PBS is Budget Speech of Fiscal Year 2019/20 .

IBP Comment

Thank you to the reviewers for the feedback. Please see the responses in PBS-1 and PBS-2.

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:
n/a

Comment:
n/a

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer: a. Yes
Comments: it was public in national language Nepali .

IBP Comment
Thank you to the reviewers for the feedback. However, as there is no proposed link to the document, the researcher's original response applies.
Please also see the responses in PBS-1 and PBS-2.

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 2018-19

Source:
Budget Speech for Fiscal Year 2018/19
https://mof.gov.np/uploads/document/file/speech_english_20180715091522.pdf

Estimates of Expenditure: Red Book FY 2018/19
https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Economic Survey 2017/18
https://mof.gov.np/uploads/document/file/for%20web_Economic%20Survey%202075%20Full%20Final%20for%20WEB%20_20180914091500.pdf

Statement of Technical and Other Assistance FY 2018/19
https://mof.gov.np/uploads/document/file/TA_english_2018-19_20180601082940.pdf

Principles and Priorities of Appropriation Bill-2018-19
https://mof.gov.np/uploads/document/file/%E0%A4%AE%E0%A4%BE%E0%A4%A8%E0%A4%A8%E0%A5%80%E0%A4%AF%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%AE%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A5%8D%E0%A4%B0%E0%A5%80%20%E0%A4%A1%E0%A4%BE_20180509115443.pdf

Guide on Budget Implementation 2018-19
https://mof.gov.np/uploads/document/file/%E0%A4%AE%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A5%8D%E0%A4%B0%E0%A4%BE%E0%A4%B2%E0%A4%AF%20%E0%A4%AE%E0%A4%B0%E0%A5%8D%E0%A4%97%E0%A4%A6%E0%A4%B0%E0%A5%8D%E0%A4%B6%E0%A4%A8_20180723094113.pdf

Comment:
Nepal's Budget Year 2075/76 refers to Fiscal Year 16 July 2018 to 15 July 2019

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: Ministry of finance published all above mention documents .Fiscal year is 2019/20

IBP Comment
Thank you for the Government Reviewer's comment. As the OBS cut-off date was 31 December 2018, then the most recent EBP before this cut-off

date was 2018/2019, which is the one the researcher is assessing in this OBS round.

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:
29/5/2018

Source:
Budget Speech for Fiscal Year 2018/19
https://mof.gov.np/uploads/document/file/speech_english_20180715091522.pdf

Estimates of Expenditure: Red Book FY 2018/19
https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Economic Survey 2017/18
https://mof.gov.np/uploads/document/file/for%20web_Economic%20Survey%202075%20Full%20Final%20for%20WEB%20_20180914091500.pdf

Statement of Technical and Other Assistance FY 2018/19
https://mof.gov.np/uploads/document/file/TA_english_2018-19_20180601082940.pdf

Principles and Priorities of Appropriation Bill-2018-19
https://mof.gov.np/uploads/document/file/%E0%A4%AE%E0%A4%BE%E0%A4%A8%E0%A4%A8%E0%A5%80%E0%A4%AF%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%AE%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A5%8D%E0%A4%B0%E0%A5%80%20%E0%A4%A1%E0%A4%BE_20180509115443.pdf

Guide on Budget Implementation 2018-19
https://mof.gov.np/uploads/document/file/%E0%A4%AE%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A5%8D%E0%A4%B0%E0%A4%BE%E0%A4%B2%E0%A4%AF%20%E0%A4%AE%E0%A4%B0%E0%A5%8D%E0%A4%97%E0%A4%A6%E0%A4%B0%E0%A5%8D%E0%A4%B6%E0%A4%A8_20180723094113.pdf

Comment:
This year the Red Book is not translated into English from Ministry of Finance so the Nepali version is inserted.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: Yes , This year the Red Book is not translated into English from Ministry of Finance so the Nepali version is inserted.

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:

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

Source:

Budget Speech for Fiscal Year 2018/19

https://mof.gov.np/uploads/document/file/speech_english_20180715091522.pdf

Estimates of Expenditure: Red Book FY 2018/19

https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Economic Survey 2017/18

https://mof.gov.np/uploads/document/file/for%20web_Economic%20Survey%202075%20Full%20Final%20for%20WEB%20_20180914091500.pdf

Statement of Technical and Other Assistance FY 2018/19

https://mof.gov.np/uploads/document/file/TA_english_2018-19_20180601082940.pdf

Principles and Priorities of Appropriation Bill-2018-19

https://mof.gov.np/uploads/document/file/%E0%A4%AE%E0%A4%BE%E0%A4%A8%E0%A4%A8%E0%A5%80%E0%A4%AF%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%AE%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A5%8D%E0%A4%B0%E0%A5%80%20%E0%A4%A1%E0%A4%BE_20180509115443.pdf

Guide on Budget Implementation 2018-19

https://mof.gov.np/uploads/document/file/%E0%A4%AE%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A5%8D%E0%A4%B0%E0%A4%BE%E0%A4%B2%E0%A4%AF%20%E0%A4%AE%E0%A4%B0%E0%A5%8D%E0%A4%97%E0%A4%A6%E0%A4%B0%E0%A5%8D%E0%A4%B6%E0%A4%A8_20180723094113.pdf

Comment:

The Executive Budget Proposals are made public the same day they are presented to the Parliament. The EBPs were presented and made public on 29 May 2018.

Peer Reviewer

Opinion: Agree

Comments: I agree. The EBP is made public the same day as it is presented to the Parliament, who endorses the budget on the same day.

Government Reviewer

Opinion: Agree

Comments: Yes, The Executive Budget Proposals are made public the same day they are presented to the Parliament. The EBPs were presented and made public on 29 May 2019.2076/02/15 B.S. the local date .

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:

29/5/2018

Source:

Budget Speech for Fiscal Year 2018/19

https://mof.gov.np/uploads/document/file/speech_english_20180715091522.pdf

Estimates of Expenditure: Red Book FY 2018/19

https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Economic Survey 2017/18

https://mof.gov.np/uploads/document/file/for%20web_Economic%20Survey%202075%20Full%20Final%20for%20WEB%20_20180914091500.pdf

Statement of Technical and Other Assistance FY 2018/19

https://mof.gov.np/uploads/document/file/TA_english_2018-19_20180601082940.pdf

Principles and Priorities of Appropriation Bill-2018-19

https://mof.gov.np/uploads/document/file/%E0%A4%AE%E0%A4%BE%E0%A4%A8%E0%A4%A8%E0%A5%80%E0%A4%AF%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%AE%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A5%8D%E0%A4%B0%E0%A5%80%20%E0%A4%A1%E0%A4%BE_20180509115443.pdf

Comment:

Intern-Governmental Fiscal Transfer (Province and Local Level) Fiscal Year 2018/19, published on 28 May 2018

https://mof.gov.np/uploads/document/file/Local%20Final%20Redbook_20180529121743.pdf

The date presented is the one when the Executive Budget Proposal, mainly Budget Speech and Red Book were tabled at the parliament. Likewise the Principles and Priorities of Appropriation Bill was presented on 09-05-2018 and another document Guide on Budget Implementation 2018-19 was made publicly available on 23-07-2018.

Since the Guide on Budget Implementation was published after the approval of the budget, it is considered late and will not be assessed as part of the questions on the EBP in OBS Section 2.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Budget Speech for Fiscal Year 2019/20 https://mof.gov.np/uploads/document/file/speech_english_20190715091522.pdf

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 publication data was determined through Ministry of Finance website where the document is online available

Source:

<https://mof.gov.np/en/archive-documents/budget-speech-17.html?lang=>

<https://mof.gov.np/en/archive-documents/budget-details--red-book-28.html?lang=>

https://mof.gov.np/uploads/document/file/Local%20Final%20Redbook_20180529121743.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Yes , the publication data was determined through Ministry of Finance website where the document is online available .

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://mof.gov.np/uploads/document/file/speech_english_20180715091522.pdf

Source:
Ministry of Finance

Comment:
Budget Speech for Fiscal Year 2018/19
https://mof.gov.np/uploads/document/file/speech_english_20180715091522.pdf

Estimates of Expenditure: Red Book FY 2018/19
https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Economic Survey 2017/18
https://www.mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%B0%E0%A5%8D%E0%A4%B5%E0%A5%87%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%A3%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AB_20180528074914.pdf
(Published on September 2018, for reference only:
https://mof.gov.np/uploads/document/file/for%20web_Economic%20Survey%202075%20Full%20Final%20for%20WEB%20_20180914091500.pdf)

Statement of Technical and Other Assistance FY 2018/19
https://mof.gov.np/uploads/document/file/TA_english_2018-19_20180601082940.pdf

Principles and Priorities of Appropriation Bill-2018-19
https://mof.gov.np/uploads/document/file/%E0%A4%AE%E0%A4%BE%E0%A4%A8%E0%A4%A8%E0%A5%80%E0%A4%AF%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%AE%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A5%8D%E0%A4%B0%E0%A5%80%20%E0%A4%A1%E0%A4%BE_20180509115443.pdf

Guide on Budget Implementation 2018-19
https://mof.gov.np/uploads/document/file/%E0%A4%AE%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A5%8D%E0%A4%B0%E0%A4%BE%E0%A4%B2%E0%A4%AF%20%E0%A4%AE%E0%A4%B0%E0%A5%8D%E0%A4%97%E0%A4%A6%E0%A4%B0%E0%A5%8D%E0%A4%B6%E0%A4%A8_20180723094113.pdf

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: <https://mof.gov.np/en/archive-documents/budget-speech-17.html?lang=>

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:
Budget Speech for Fiscal Year 2018/19
https://mof.gov.np/uploads/document/file/speech_english_20180715091522.pdf

Estimates of Expenditure: Red Book FY 2018/19
https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Economic Survey 2017/18
https://mof.gov.np/uploads/document/file/for%20web_Economic%20Survey%202075%20Full%20Final%20for%20WEB%20_20180914091500.pdf

Statement of Technical and Other Assistance FY 2018/19
https://mof.gov.np/uploads/document/file/TA_english_2018-19_20180601082940.pdf

Principles and Priorities of Appropriation Bill-2018-19
https://mof.gov.np/uploads/document/file/%E0%A4%AE%E0%A4%BE%E0%A4%A8%E0%A4%A8%E0%A5%80%E0%A4%AF%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%AE%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A5%8D%E0%A4%B0%E0%A5%80%20%E0%A4%A1%E0%A4%BE_20180509115443.pdf

%A5%8D%E0%A4%A5%E0%A4%AE%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A5%8D%E0%A4%B0%E0%A5%80%20%E0%A4%A1%E0%A4%BE_20180509115443.pdf

Guide on Budget Implementation 2018-19

https://mof.gov.np/uploads/document/file/%E0%A4%AE%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A5%8D%E0%A4%B0%E0%A4%BE%E0%A4%B2%E0%A4%AF%20%E0%A4%AE%E0%A4%B0%E0%A5%8D%E0%A4%97%E0%A4%A6%E0%A4%B0%E0%A5%8D%E0%A4%B6%E0%A4%A8_20180723094113.pdf

Comment:

All the documents are made available in PDF format. The data contained in the documents are not machine-readable format.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Yes, all the documents are made available in PDF format and word .

IBP Comment

Thank you for the Government Reviewer's comment. In this question, we ask about machine-readable formats (XLS, CSV), so PDF and Word documents do not count as machine-readable as per the guidelines.

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:

Budget Speech for Fiscal Year 2018/19

https://mof.gov.np/uploads/document/file/speech_english_20180715091522.pdf

Estimates of Expenditure: Red Book FY 2018/19

https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Economic Survey 2017/18

https://mof.gov.np/uploads/document/file/for%20web_Economic%20Survey%202075%20Full%20Final%20for%20WEB%20_20180914091500.pdf

Statement of Technical and Other Assistance FY 2018/19

https://mof.gov.np/uploads/document/file/TA_english_2018-19_20180601082940.pdf

Principles and Priorities of Appropriation Bill-2018-19

https://mof.gov.np/uploads/document/file/%E0%A4%AE%E0%A4%BE%E0%A4%A8%E0%A4%A8%E0%A5%80%E0%A4%AF%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%AE%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A5%8D%E0%A4%B0%E0%A5%80%20%E0%A4%A1%E0%A4%BE_20180509115443.pdf

Guide on Budget Implementation 2018-19

https://mof.gov.np/uploads/document/file/%E0%A4%AE%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A5%8D%E0%A4%B0%E0%A4%BE%E0%A4%B2%E0%A4%AF%20%E0%A4%AE%E0%A4%B0%E0%A5%8D%E0%A4%97%E0%A4%A6%E0%A4%B0%E0%A5%8D%E0%A4%B6%E0%A4%A8_20180723094113.pdf

Comment:

The budget was unveiled in the statutory date i.e. 29 May 2018. It is the first time that the Constitution stipulated the date for budget presentation in the parliament. So was done by the executive.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Yes my country The budget was published 29 May 2019 that day was Wednesday. The Constitution stipulated the date for budget presentation in the parliament. So was done by the executive.

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:

2018/19 Budget

Source:

Budget Speech for Fiscal Year 2018/19
https://mof.gov.np/uploads/document/file/speech_english_20180715091522.pdf

Estimates of Expenditure: Red Book FY 2018/19
https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Economic Survey 2017/18
https://mof.gov.np/uploads/document/file/for%20web_Economic%20Survey%202075%20Full%20Final%20for%20WEB%20_20180914091500.pdf

Statement of Technical and Other Assistance FY 2018/19
https://mof.gov.np/uploads/document/file/TA_english_2018-19_20180601082940.pdf

Principles and Priorities of Appropriation Bill-2018-19

https://mof.gov.np/uploads/document/file/%E0%A4%AE%E0%A4%BE%E0%A4%A8%E0%A4%A8%E0%A5%80%E0%A4%AF%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%AE%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A5%8D%E0%A4%B0%E0%A5%80%20%E0%A4%A1%E0%A4%BE_20180509115443.pdf

Guide on Budget Implementation 2018-19

https://mof.gov.np/uploads/document/file/%E0%A4%AE%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A5%8D%E0%A4%B0%E0%A4%BE%E0%A4%B2%E0%A4%AF%20%E0%A4%AE%E0%A4%B0%E0%A5%8D%E0%A4%97%E0%A4%A6%E0%A4%B0%E0%A5%8D%E0%A4%B6%E0%A4%A8_20180723094113.pdf

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: Budget Speech of Fiscal Year 2018/19

Comments:

Government Reviewer

Opinion: Agree

Comments: Guide on Budget Implementation 2019-20

IBP Comment

Thank you to both reviewer's comments. These documents are both part of the EBP package. as noted by the researcher.

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:

b. No

Source:

Ministry official shared that there is no citizen version of the Executive Budget Proposals presented to the parliament by the executive.

Comment:

Nepal has not adopted the practice of citizen budget of the EBP to this date

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Yes

Comments: Yes ,Nepal has not adopted the practice of citizen budget of the EBP to this date but a lot of notices are informed for public voice .

IBP Comment

Thank you to the government review for the information about the public notices about the budget proposal. A Citizen's version of a document, however, is more than just the public notifications about the document. It is a simplified version of the budget document, designed and produced to help the broader public understand the contents of the budget document. As that is not produced in Nepal, the researcher's original response is confirmed.

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:
2018-19

Source:

Appropriation Bill for the FY 2018-19

https://mof.gov.np/uploads/document/file/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8%20%E0%A4%B5%E0%A4%BF%E0%A4%A7%E0%A5%87%E0%A4%AF%E0%A4%95%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AB_20180620100812.pdf

Bill to raise public debt 2017-18

https://mof.gov.np/uploads/document/file/Rastra-Rin-Uthaune-Ain-2074_20170723081331.pdf

Comment:

The Parliament endorses the Appropriation Bill and three other subsidiary bills - economic bill, bill to recover national debt and debt and securities bill in the FY 2018-19. But only the Appropriation Bill is available online. These bills however were available online in earlier years.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Yes, The Parliament endorses the Appropriation Bill and three other subsidiary bills - economic bill, bill to recover national debt and debt and securities bill in the FY 2018-19. But only the Appropriation Bill is available online.though these documents available a bit later in online but hard copy is public on time .

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:
29/6/2018

Source:

Appropriation Bill for FY 2018-19

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%BF%E0%A4%A7%E0%A5%87%E0%A4%AF%E0%A4%95%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AB_20180529011601.pdf

Comment:

This is the only bill available online.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Appropriation Bill for FY 2019-20 is approved 21 july 2019

IBP Comment

Thank you for the Government Reviewer's comment. As the research cut-off date for this round of the OBS was 31 December 2018, any documents published after that date are not considered. Therefore FY 2018-2019 is the correct year to assess for the EB.

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:

Appropriation Bill 2018-19

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%BF%E0%A4%A7%E0%A5%87%E0%A4%AF%E0%A4%95%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AB_20180529011601.pdf

Comment:

The Nepali version of enacted budget was made available to the public through the Mof website on the day the budget was endorsed. However translated English version has not been posted this time.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Yes ,the Nepali version of enacted budget was made available to the public through the Mof website on the day the budget was endorsed. However translated English version has been posted a bit later not more late.

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:

12/7/2018

Source:

Appropriation Bill 2018-19

<http://hr.parliament.gov.np/uploads/attachments/p9y93nn6dqb3kbu5.pdf>

Comment:

The Enacted Budget i.e. Appropriation Bill was published on the same day once it was endorsed by the Parliament on 12 July 2018. However it was authenticated by the President on 16 July 2018.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Yes,the Enacted Budget i.e. Appropriation Bill was published on the same day once it was endorsed by the Parliament on 29 may 2019. However it was authenticated by the President on 15 July 2019.

IBP Comment

Thank you to the government reviewer for the clarification about the authentication date.

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:

Based on the media reports and website of the Federal Parliament of Nepal.

Source:

Appropriation Bill 2018-19

<http://hr.parliament.gov.np/uploads/attachments/p9y93nn6dqb3kbu5.pdf>

House approves Appropriation Bill

<http://kathmandupost.ekantipur.com/printedition/news/2018-06-30/house-approves-appropriation-bill.html>

Comment:

Nepal's parliament is bicameral i.e House of Representatives (Lower House) and National Assembly (Upper House). The Appropriation Bill was first endorsed by the House of Parliament on 29 June 2018 while it was passed by the National Assembly on 09 July 2018. The National Assembly returned the Bill to HoR on the same day and the HoR again approved the Bill on 12 July 2018. The media report has the story of the bill passed by HoR only.

Peer Reviewer

Opinion: Agree

Comments: The links provided by the researcher does not work. However, MoF suggest these dates seem right. (will try to find sources as necessary).

Government Reviewer

Opinion: Agree

Comments: yes ,<http://hr.parliament.gov.np/np/bills?type=auth&ref=BILL 2019/20>

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:

<http://hr.parliament.gov.np/uploads/attachments/p9y93nn6dqb3kbu5.pdf>

<http://hr.parliament.gov.np/uploads/attachments/p9y93nn6dqb3kbu5.pdf>

Source:

<http://hr.parliament.gov.np/np/bills/1EiqJANK>

Ministry of Finance Website:

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%BF%E0%A4%A7%E0%A5%87%E0%A4%AF%E0%A4%95%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AB_20180529011601.pdf (Published with the EBP, however, so draft version)

Comment:

n/a

Peer Reviewer

Opinion: Agree

Comments: The first link does not work. However, this is published on MoF website.

Government Reviewer

Opinion: Agree

Comments: <http://hr.parliament.gov.np/np/bills?type=auth&ref=BILL> <https://mof.gov.np/en//news-archive/news-3.html?lang=>

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:

c. No

Source:

Appropriation Bill for fiscal year 2018-19

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%BF%E0%A4%A7%E0%A5%87%E0%A4%AF%E0%A4%95%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AB_20180529011601.pdf

Comment:

The Appropriation Bill in itself is in pdf format and it is mostly the narrative.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Yes The Appropriation Bill in itself is in pdf format and it is mostly the narrative and data of expenditure and income .

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:

Appropriation Bill for FY 2018-19

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%BF%E0%A4%A7%E0%A5%87%E0%A4%AF%E0%A4%95%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AB_20180529011601.pdf

Comment:

The document is publicly available through official website of the Ministry of Finance. The Appropriation Bill is considered the major budget document. Other three subsidiary bills –economic bill, bill to recover national debt and debt and securities bill– are also produced but not available to the public through online measures.

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:

Appropriation Bill 2018-19 Appropriation Bill 2018-19

Source:

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%BF%E0%A4%A7%E0%A5%87%E0%A4%AF%E0%A4%95%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AB_20180529011601.pdf

Comment:

Peer Reviewer
Opinion: Agree
Comments: Mostly written as Appropriation Bill, 2075.

Government Reviewer
Opinion: Agree
Comments: Appropriation Bill 2019/20 <https://mof.gov.np/en/2019/06/19/news/news/1754/> [https://mof.gov.np/en/news-archive/news-3.html?](https://mof.gov.np/en/news-archive/news-3.html?lang=)

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:

b. No

Source:

MoF Information Officer/Spokesperson

Comment:

There is no practice of bringing Citizen Budget version of the Executive Budget Proposal or Enacted Budget in Nepal. However, Freedom Forum as a CSO had started producing Nepal's Citizens Climate Budget based on the information and data available in the Executive Budget Proposal and other sources. The document is being used to prod government to produce CB of the EBP or EB but it has not yet been materialized.

Peer Reviewer

Opinion: Agree

Comments: I am not sure of Freedom Forum's effort, however MoF does not produce Citizen's budget.

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:

2018-2019 2018-2019

Source:

MoF officials

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: Citizen's budget is not produced. Not sure which document the researcher is referring to.

Government Reviewer

Opinion: Agree

Comments: Fiscal Year 2019/20

IBP Comment

Thank you for the reviewer comments. Due to the research cut-off date of 31 December 2018, the CB documents for FY 2018-2019 would have been the correct year to be assessed for this document, however, no document was produced.

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:

d. Not produced at all

Source:

MoF Officials

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:

n/a It was determined while talking to MoF Information Officer/Spokesperson

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Source:

No practice of bringing CB in Nepal

Comment:
n/a

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:
n/a

Source:

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:

Source:

Comment:

Peer Reviewer
Opinion: Agree
Comments: Citizens budget is not produced.

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:

n/a

Source:

n/a

Comment:

n/a

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:

Source:

Comment:

Peer Reviewer

Opinion: Agree

Comments: Citizens Budget is not produced.

Government Reviewer

Opinion: Agree

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:

2018-19

Source:

Nepal Rastra Bank, the central bank of Nepal, produces quarterly economic bulletins.

Comment:

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin~2018-01_\(Mid_Jan\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin~2018-01_(Mid_Jan).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin~2018-04_\(Mid_April\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin~2018-04_(Mid_April).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin~2018-07_\(Mid_July\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin~2018-07_(Mid_July).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin~2018-10_\(Mid_October\)-new.pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin~2018-10_(Mid_October)-new.pdf)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: yes its practice now

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:

d. The IYRs are not released to the public, or are released more than three months after the period covered

Source:

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-07_\(Mid_July\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-07_(Mid_July).pdf)
[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-04_\(Mid_April\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-04_(Mid_April).pdf)
[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-01_\(Mid_Jan\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-01_(Mid_Jan).pdf)
[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-10_\(Mid_October\)-new.pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-10_(Mid_October)-new.pdf)

Comment:

The quarterly report for July 2018 was published late on 13 January 2019
at:[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-07_\(Mid_July\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-07_(Mid_July).pdf)
The quarterly report for April 2018 was published late on 17 August 2018
at:[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-04_\(Mid_April\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-04_(Mid_April).pdf)
The quarterly report for January 2018 was published late on 22 April 2018
at:[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-01_\(Mid_Jan\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-01_(Mid_Jan).pdf)
The quarterly report for October 2017 was published late on 7 March 2018
at:[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2017-10_\(Mid_October\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2017-10_(Mid_October).pdf)

Peer Reviewer
Opinion: Agree
Comments: While the researcher may be right, the dates of when these were published is not clear. Will need to confirm.

Government Reviewer
Opinion: Disagree
Suggested Answer: c. At least every quarter, and within three months of the period covered

IBP Comment

Thank you to the government reviewer for this suggested score. However, by OBS requirements 3 out of the last 4 IYRs before the end of the OBS research cut-off date must be published within three months for this document to be considered, as a whole, as publicly available. As confirmed with the online verification tool LastModified Javascript, all four of the quarterly reports were published later than the three-month timeliness requirement. This means that the IYR documents are assessed as Published Late.

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:

All quarterly reports were published late - July 2018 (published 13 January 2019), April 2018 (published 17 August 2018), January 2018 (published 22 April 2018) and October 2017 (published 7 March 2018)

Source:

The quarterly report for July 2018 was published late (more than three months after the reporting period ended, and after the OBS research cut-off date) on 13 January 2019 at:[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-07_\(Mid_July\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-07_(Mid_July).pdf)

The quarterly report for April 2018 was published late on 17 August 2018

at:[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-04_\(Mid_April\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-04_(Mid_April).pdf)

The quarterly report for January 2018 was published late on 22 April 2018

at:[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-01_\(Mid_Jan\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-01_(Mid_Jan).pdf)

The quarterly report for October 2017 was published late on 7 March 2018

at:[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2017-10_\(Mid_October\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2017-10_(Mid_October).pdf)

Comment:

Peer Reviewer

Opinion: Agree

Comments: Same as earlier. While I do believe the researcher may have gotten these specific dates from somewhere, I wasn't able to find it online. Will revise further.

Government Reviewer

Opinion: Agree

Comments: yes it was public regularly in quarterly due to other functional basic work presser.

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:

From the website of the central bank of Nepal

Source:

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-01_\(Mid_Jan\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-01_(Mid_Jan).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-04_\(Mid_April\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-04_(Mid_April).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-07_\(Mid_July\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-07_(Mid_July).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-10_\(Mid_October\)-new.pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-10_(Mid_October)-new.pdf)

Comment:

Peer Reviewer

Opinion: Agree

Comments: Same as the earlier comment, I wasn't able to find the publication date of the IYRs. Will confirm.

Government Reviewer

Opinion: Agree

Comments: Nepal rastra bank publice quarterly bulletin

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

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

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

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

Answer:

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-10_\(Mid_October\)-new.pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-10_(Mid_October)-new.pdf)

Source:

Comment:

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-01_\(Mid_Jan\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-01_(Mid_Jan).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-04_\(Mid_April\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-04_(Mid_April).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-07_\(Mid_July\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-07_(Mid_July).pdf)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The document is published either within the time frame .

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:

c. No

Source:

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-01_\(Mid_Jan\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-01_(Mid_Jan).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-04_\(Mid_April\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-04_(Mid_April).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-07_\(Mid_July\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-07_(Mid_July).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-10_\(Mid_October\)-new.pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-10_(Mid_October)-new.pdf)

Comment:

The quarterly economic bulletins are published in pdf format and its data are not available in machine-readable format.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Because of protection of data .

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:

a. Produced but made available online to the public too late (published after the acceptable time frame)

Source:

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-01_\(Mid_Jan\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-01_(Mid_Jan).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-04_\(Mid_April\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-04_(Mid_April).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-07_\(Mid_July\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-07_(Mid_July).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-10_\(Mid_October\)-new.pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-10_(Mid_October)-new.pdf)

Comment:

The documents are online available in the website of the central bank of Nepal.

Peer Reviewer

Opinion: Agree

Comments: This I agree assuming that the dates provided by the researcher is correct. Will confirm.

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:

Nepal Rastra Bank Quarterly Economic Bulletin vol 52 Mid-January 2018
Nepal Rastra Bank Quarterly Economic Bulletin vol 52 Mid April 2018
Nepal Rastra Bank Quarterly Economic Bulletin vol 52 Mid July 2018
Nepal Rastra Bank Quarterly Economic Bulletin Vol 53 Mid-October 2018

Source:

Nepal Rastra Bank Website

Comment:

Peer Reviewer

Opinion: Agree

Comments: Nepal Rastra Bank Quarterly Economic Bulletin vol 52 Mid July 2018 Number 4- All economic bulletin also has a number.

Government Reviewer

Opinion: Agree

Comments: it had been regularly public with in time schedule

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:

Consultation with Information Officer at MoF

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: not practices at formally.

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:

2017-18

Source:

Ministry of Finance

Comment:

The MYR for the fiscal year 2017-18 was published on 7 March of 2018.

Peer Reviewer

Opinion: Agree

Comments: As per the link, the MYR is published in March, 2018 however, specific dates are not provided in the document.

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:

b. Nine weeks or less, but more than six weeks, after the midpoint

Source:

The date on the document via Wayback is March 11, 2018. This is eight weeks after the mid-point of the year, which is Jan 15, 2018.

See:

https://web.archive.org/web/20180328182954/http://www.mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%B0%E0%A5%8D%E0%A4%B7%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA-%E0%A5%AD%E0%A5%AB%E0%A4%95%E0%A5%8B%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A7%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%AE%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%BE_20180307122153.pdf

Comment:

The Ministry of Finance produced Mid-Year Review of the Budget of FY 2017-18 on 11 March 2018 which is less than nine weeks, but more than six weeks, after the mid-point. Nepal's fiscal year starts on mid-July.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

11/3/2018

Source:
Ministry of Finance

Comment:
Mid-Term Review Report of the Fiscal Year 2017-18
https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%B0%E0%A5%8D%E0%A4%B7%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA-%E0%A5%AD%E0%A5%AB%E0%A4%95%E0%A5%8B%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A7%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%AE%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%BE_20180307122153.pdf

Peer Reviewer
Opinion: Agree
Comments: While I agree that this document was published in March, need to check specific dates.

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:
The data of publication of the mid-year review report is mentioned at the top of the report posted on MoF website.

Source:
Ministry of Finance Website (Report Link)

Comment:
Mid Year Review Report of the FY 2016-17 was found to be broken. It seems it was published on 11 March 2018.

See:
https://web.archive.org/web/20180328182954/http://www.mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%B0%E0%A5%8D%E0%A4%B7%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA-%E0%A5%AD%E0%A5%AB%E0%A4%95%E0%A5%8B%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A7%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%AE%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%BE_20180307122153.pdf

Peer Reviewer
Opinion: Agree
Comments: This report doesn't specify the actual date but specifies that the report was published in March, 2018.

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:
https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%B0%E0%A5%8D%E0%A4%B7%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA-%E0%A5%AD%E0%A5%AB%E0%A4%95%E0%A5%8B%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A7%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%AE%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%BE_20180307122153.pdf

Source:
Ministry of Finance

Comment:
n/a

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:

Mid Year Review Report of FY 2017-18

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%B0%E0%A5%8D%E0%A4%B7%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA-%E0%A5%AD%E0%A5%AB%E0%A4%95%E0%A5%8B%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A7%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%AE%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%BE_20180307122153.pdf

Comment:

The review report is available in pdf format which does not resonate the open data format.

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:

Mid-Term Review Report of the FY 2017-18

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%B0%E0%A5%8D%E0%A4%B7%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA-%E0%A5%AD%E0%A5%AB%E0%A4%95%E0%A5%8B%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A7%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%AE%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%BE_20180307122153.pdf

Comment:

It is available through the MOF website. Specifically the report has analyzed macroeconomic and financial status (economic growth, inflation, foreign exchange reserve, total internal borrowing, banks and financial institutions, cash flow and monetary scenario, foreign trade and balance of payment, collateral and insurance business), implementation status of key policy and programmes (Election Commission, anti-graft constitutional body, Prime Minister's Office etc), progress status of national pride projects, public expenditure management and analysis (annual budget allocation, status of ministry/agency-wise expenditure, status of functional expenditure, priority-wise expenditure status, status of expenditure on strategic pillars, status of projects operated on foreign aid and assistance, amended assumptions of expenditure and its bases). In addition, the review also touches on resource management (status of revenue collection, revenue related main functions of the fiscal year, challenges faced during revenue collection), management of foreign aid (current status of foreign aid, major achievements made during review period, major challenges surfaced in course of aid management and implementation and measures for reforms on aid mobilization) and efforts and major achievements made for the implementation of budget. The MYR includes revised budget estimates and priorities. Specifically the document has encompassed the revised estimates of overall expenditure and resources for the second part of the fiscal year. Among others are estimates of recurrent expenses, Capital expenses and financial management.

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:

Mid-Term Review Report of the Budget for the Fiscal Year 2017-18

Source:

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%B0%E0%A5%8D%E0%A4%B7%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA-%E0%A5%AD%E0%A5%AB%E0%A4%95%E0%A5%8B%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A7%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%AE%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%BE_20180307122153.pdf

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

The Information Officer/Spokesperson of the MoF.

Comment:

There is no practice of producing Citizen Budget version of the MYR.

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:

2016-17

Source:

Ministry of Finance

Comment:

Requested URL of the Annual Report 2016-17 was not found.

Therefore the YER will be only assessed with the Consolidated Financial Statement 2016-17 produced by Financial Comptroller General Office, an internal audit institution under Ministry of Finance

https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

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:

Annual Progress Assessment Report-2017-18 produced by Budget and Programme Division of the MoF.

Comment:

https://mof.gov.np/uploads/document/file/Annual%20report%202074-75%20with%20annex_20190214052612.pdf

The YER-2017-18 was published in the Nepali month of Falgun (February-March), 2019, which is after the end of the cut-off date for OBS research. Since Nepal's FY starts on mid-July and ends on the same date next year, the YER for 2016-2017 was assessed, but the link is broken and looks to be broken since the link was posted.

https://mof.gov.np/uploads/document/file/%E0%A4%AC%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%E0%A4%AA%E0%A5%8D%E0%A4%B0%E0%A4%A4%E0%A4%BF%E0%A4%B5%E0%A5%87%E0%A4%A6%E0%A4%A8%202073_74_20180413114334.pdf

Because of that, the only YER to be assessed will be the Consolidated Financial Statement 2016-17 produced by Financial Comptroller General Office, an internal audit institution under Ministry of Finance

https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

This was published on June 8, 2018, around 11 months after the end of the reporting period.

Peer Reviewer
Opinion: Agree

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:

8/6/2018

Source:

The only YER to be assessed will be the Consolidated Financial Statement 2016-17 produced by Financial Comptroller General Office, an internal audit institution under Ministry of Finance
https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

Comment:

n/a

Peer Reviewer

Opinion: Agree

Comments: This document says it was published in May 2018.

Government Reviewer

Opinion: Agree

IBP Comment

Thanks for the Peer Reviewer's note. The document itself does show a date of May 2018. However both the document URL, and verification with the Javascript LastModified tool, show that it was only posted on the website on June 8, 2018. We use that date as the date of publication.

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 confirmed with Javascript.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Comments: I am not familiar with the Javascript function. However, should you think it's OK, I 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:

https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

Source:

The only YER to be assessed will be the Consolidated Financial Statement 2016-17 produced by Financial Comptroller General Office, an internal audit institution under Ministry of Finance
https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.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:

c. No

Source:

The annual report is available on line on pdf format and it does not contain machine-readable data.

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:

The document is publicly available in the website of the FCGO which is open to all the general public.

Comment:

https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

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:

Government of Nepal's Consolidated Financial Statements

Source:

Government of Nepal's Consolidated Financial Statements

Comment:

https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

Peer Reviewer
Opinion: Agree

Comments: Government of Nepal's Consolidated Financial Statements Fiscal Year 2016/2017

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:
b. No

Source:
There is no practice of producing citizen version of the financial statements

Comment:
https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

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:
2017-18

Source:
The Website of the Office of Auditor General
https://oagnep.gov.np/wp-content/uploads/2018/04/executive_summary_2074.pdf

Comment:
<https://oagnep.gov.np/wp-content/uploads/2018/04/AG-Summary-ENG-2074.pdf>

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:
Office of the Auditor General
https://oagnep.gov.np/wp-content/uploads/2018/04/executive_summary_2074.pdf

Comment:
Annual Report of the Auditor General
<https://oagnep.gov.np/wp-content/uploads/2018/04/AG-Sumary-ENG-2074.pdf>

While the Audit Report title says it is an annual report, the contents of the report are of the audit of the government's financial accounts:

Preface: "Statutory audit of all government offices of federation, states & local levels, and wholly-owned corporate bodies by federal or state government in consideration with regularity, economy, efficiency, effectiveness and propriety thereof"

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:
12/4/2018

Source:
Website of the Office of Auditor General
https://oagnep.gov.np/wp-content/uploads/2018/04/executive_summary_2074.pdf

Comment:
Annual Report of the Auditor General
<https://oagnep.gov.np/wp-content/uploads/2018/04/AG-Sumary-ENG-2074.pdf>

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:
From the official website of the Office of Auditor General of Nepal.

Source:
Dates also confirmed with Javascript

Comment:

Peer Reviewer

Opinion: Agree
Comments: The date is mentioned in the report.

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:
https://oagnep.gov.np/wp-content/uploads/2018/04/executive_summary_2074.pdf

Source:
Official Website of the Office of Auditor General

Comment:
n/a

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:
https://oagnep.gov.np/wp-content/uploads/2018/04/executive_summary_2074.pdf

Comment:
The report is available online on pdf format. It does not meet the standards of machine readability.

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:

Official website of the Office of the Auditor General

https://oagnep.gov.np/wp-content/uploads/2018/04/executive_summary_2074.pdf

Comment:

<https://oagnep.gov.np/wp-content/uploads/2018/04/AG-Sumary-ENG-2074.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: <https://oagnep.gov.np/wp-content/uploads/2019/04/AG-Sumary-ENG-2075.pdf> had been public.

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:

The Auditor General's 55th Annual Report 2018

Source:

<https://oagnep.gov.np/wp-content/uploads/2018/04/AG-Summary-ENG-2074.pdf>
https://oagnep.gov.np/wp-content/uploads/2018/04/executive_summary_2074.pdf

Comment:

n/a

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:

Based on the discussion with Deputy Auditor General Iswar Nepal and the OAG website
<https://oagnep.gov.np/wp-content/uploads/2018/04/AG-Summary-ENG-2074.pdf>
https://oagnep.gov.np/wp-content/uploads/2018/04/executive_summary_2074.pdf

Comment:

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:

Office of Prime Minister and Council of Ministers
<https://www.opmcm.gov.np/en/>

Ministry of Federal Affairs and General Administration
<http://www.mofaga.gov.np/>

General Auditor's Office
<https://oagnep.gov.np>

Nepal Rastra Bank
<https://www.nrb.org.np/>

Ministry of Finance
<https://mof.gov.np/>

Comment:

These websites are also being used to disseminate budgetary information in Nepal.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

d. No, neither expenditure or revenue data can be downloaded as a consolidated file

Source:

According to the discussion with MOF official.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

d. No, neither expenditure or revenue data can be downloaded for multiple years in consistent formats

Source:
Based on discussion with MoF officials

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer: b. Yes, but only expenditure data can be downloaded for multiple years in consistent formats

IBP Comment
Thank you for the government comment. However, since there is no available website link to any machine-readable fiscal data, the researcher's response is maintained.

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:

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:
Nepal Constitution 2072
<https://www.wipo.int/edocs/lexdocs/laws/en/np/np029en.pdf>

Stakeholders Engagement Strategy
<https://oagnep.gov.np/wp-content/uploads/2019/01/SES-Strategy-Final.pdf>

Comment:
The Nepal Constitution has paved the way for good governance in its preamble.
The following part sand articles of the Nepal Constitution has specific provisions on fiscal management and transparency/accountability

arrangements.
Directive Principles: page 28
Distribution of sources of revenue: page 47
Article 110 (2,3 and 4) and 111: Part 9 and 0 (page 76-86)
Part 15 State Legislative Procedures: Page 131-134
Part 16 State Financial Procedures: Page 135 -138
Part 10 Local Financial Procedure: Page 148 -149
Part 22 Auditor General (Page 158-160)

Likewise, the stakeholder engagement strategy document produced by the Office of Auditor General has provided space for Citizen Participatory Audit.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

QQ-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:
Right to Information Act of Nepal-2007
<http://www.lawcommission.gov.np/en/wp-content/uploads/2018/10/right-to-information-act-2064-2007.pdf>

Comment:
The Right to Information laws comprising RTI Act-2007 and Rule 2009 have guaranteed citizens access to information held by public agencies which promotes citizens engagement in public affairs. As the fundamental right of the citizens enshrined in the Nepal Constitution and RTI laws have ensured this right, it is being used by the citizens to demand accountability, transparency and effective development outcomes in Nepal. The RTI is being applied as an effective governance tool which has also created opportunities for the public to engage in governance affairs.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: yes it is reality .

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

GUIDELINES:

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

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all administrative units, accounting for all

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

Answer:

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

Source:

The administrative classification presented in the Budget Speech is assessed as being consistent with the international standard, Annex 4, Budget Speech, p. 40-41

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Administrative classification data are also provided in the Red Book Annex 1; pp. 561

https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: its good practices of nepal

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:

The Budget Speech for Fiscal Year 2018-19 have presented the expenditure by functional classification. For instance the classification includes general public service, defense, public order and safety, economic affairs, environmental protection, housing and community amenities, recreation, culture and religion, education, social protection. The annex 3 (p. 38-39) of the Budget Speech presents total expenditure estimates for the fiscal year 2018-19 at federal, provincial and local levels – the three tiers of governments after Nepal entered into federal setups.

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Comment:

In addition to the citation noted above for Budget Speech, the Red Book also provides the relevant information in Annex 1 under the title 'Functional Expenditure Estimates (including Financing)' Red Book Page 561 (PDF page 571-572)

https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

However the Red Bok does not have details on actual and revised expenditure of the previous year 2017-18.

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:

The functional classification presented in the Budget Speech is assessed as being consistent with the international standard, Annex 4, Budget Speech

https://mof.gov.np/uploads/document/file/speech_english_20180715091522.pdf

PEFA report p. 33 <https://pefa.org/sites/default/files/assements/comments/NP-May15-PFMPR-Public.pdf>

Comment:

According to Information Officer at MoF, the present classification meets the GFS 2001 Standards of IMF

Note, functional classification data are also provided in the Red Book Annex 1; pp. 561

https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

PEFA report p. 33 <https://pefa.org/sites/default/files/assements/comments/NP-May15-PFMPR-Public.pdf>

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

Comments: the present classification meets the GFS 2014 is implication now. Standards of IMF Note, functional classification data are also provided in the Red Book Annex 1; pp. 561 https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf PEFA report p. 33 <https://pefa.org/sites/default/files/assements/comments/NP-May15-PFMPR-Public.pdf>

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:

The Annex 7 and 8 of the Budget Speech for the fiscal year 2018-19 has presented the expenditure by economic classification such as wages and salaries in cash and kind, grants to local bodies, grants to social service and social security, among others in terms of recurrent, capital and financing related expenditures. Annex 7 and Annex 8 of the Budget Speech
https://mof.gov.np/uploads/document/file/speech_english_20180715091522.pdf

Comment:

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:

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

Source:

The economic classifications of expenditure specified in the Executive Budget Proposal (Budget Speech) are compatible to the international standards. The classifications are assessed as being in line with the GFS system. Annex 8 Budget Speech
https://mof.gov.np/uploads/document/file/speech_english_20180715091522.pdf

PEFA report p. 33 <https://pefa.org/sites/default/files/assessments/comments/NP-May15-PFMPR-Public.pdf>

Comment:

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:

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

Source:

The Red Book presents expenditure for individual programs for the fiscal year 2018-19 accounting for all expenditures. Program-level spending data are provided in presentation of expenditures for each administrative unit. Page 1-401 Red Book
https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Comment:

The Red Book presents the program-level actual expenditure of the fiscal year 2016-17, revised expenditure of the FY 2017-18 and estimates for the FY 2018-19.

https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

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:

d. No, multi-year expenditure estimates are not presented by any expenditure classification.

Source:

No multi-year expenditures in EBP budget documents.

Comment:

Nepal has resumed the practice of introducing Medium Term Expenditure Framework. The MTEF prepared by the National Planning Commission has provided multi-year expenditure estimates for administrative and functional classification of expenditure for the fiscal year 2019/20 and 2020/21. It has presented multi-year estimates for all expenditure classifications. However this document was only published after the budget was approved, therefore is not considered part of the EBP for the OBS.

Mid-Term Expenditure Framework (Fiscal Year 2018/19 to 2020/2021)

Annex 2, Page number 215

https://www.npc.gov.np/images/category/MTEF_Final_Doc_2075.pdf

Peer Reviewer

Opinion: Agree

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:

None of the above

Source:

There is no practice of presenting expenditure classifications for a multi-year period.

Comment:

n/a

Peer Reviewer

Opinion: Agree

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 detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

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

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

For more information, please refer to the 2001 GFS manual, in particular Appendix 4 (<http://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf>).

Answer:

d. No, multi-year estimates for programs are not presented.

Source:

No multi-year estimates for programs are presented.

Comment:

Nepal has resumed the practice of introducing Medium Term Expenditure Framework. The MTEF prepared by the National Planning Commission has

provided multi-year expenditure estimates for administrative and functional classification of expenditure for the fiscal year 2019/20 and 2020/21. It has presented multi-year estimates for programs accounting for all expenditures. However this document was only published after the budget was approved, therefore is not considered part of the EBP for the OBS.

https://www.npc.gov.np/images/category/MTEF_Final_Doc_2075.pdf]

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:

The Budget Speech presents all sources of tax revenue. Annex 2 (PDF p. 34-37). Other' category is less than 1% of the total tax revenue.
https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Annex 2 of Budget Speech presents individual sources of non-tax revenue such as property income (interests, dividends, rent and royalty, sales of goods and services, administrative fees and penalties etc) Budget Speech Annex 2 (PDF p. 35-37)
https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Comment:

'Other' Non-Tax Revenues are less than 1%

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

IBP Comment

Thank you for the government's comment. However, as per OBS methodology, when unclassified revenues are less than 3%, this question will score an A. The researcher's original response is maintained.

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:

b. No, multi-year estimates of revenue are not presented by category.

Source:

No documents presenting multi-year estimates of revenues

Comment:

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:

d. No, multi-year estimates for individual sources of revenue are not presented.

Source:

Multi-year estimates for individual sources of revenues are not presented in any executive budget proposal.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

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

Source:

Estimates for 2 of the 3 core elements are presented in EBP documentation. Interest payments for debt servicing for budget year:

Budget Speech 2018/19

Net New Borrowing - Annex 1: Deficit and new borrowing

Interest Payments - Annex 8: Expenditure by Economic Heads and Line Item (PDF p. 43 for interest payments)

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

(Including Financing or Red Book Page 10, 11, 13 and 14 (foreign and domestic debt settlement) and Page 574 (summary of foreign grants and loan) Red Book 2018/19

https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Comment:
n/a

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 interest payments on outstanding debt for the budget year

Source:
Estimates for 2 of the 3 core elements are presented in EBP documentation. Interest payments for debt servicing for budget year:

Budget Speech 2018/19
Net New Borrowing - Annex 1: Deficit and new borrowing
Interest Payments - Annex 8: Expenditure by Economic Heads and Line Item (PDF p. 43 for interest payments)
https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Comment:
n/a

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:

d. No, information related to composition of total debt outstanding is not presented.

Source:

Government debt is classified as domestic and external loan. It shows the debt service not the total debt. The information on maturity profile and interest rates is not available. Budget Speech Annex 4:

Administrative Expenditure Estimate (including Financing)

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Table 3f on Outstanding Public Debt presents information on outstanding public debt in ratio of GDP. However, since the figures are only through 2017/2018, the score remains D.

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 are presented in the Executive's Budget Proposal:

Answer:

None of the above

Source:

Government debt is classified as domestic and external loan. But the information on maturity profile and interest rates is not available.

The Budget Speech and Red Book have presented the summary of sources including borrowing categorized at federal, provincial and local levels. It also presents the breakdown of external (bilateral and multilateral and domestic borrowing).

Budget Speech Annex 4: Administrative Expenditure Estimate (including Financing) presents domestic and external amortizations and the services attached to it.

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Information on the domestic and external debt stock is not available, however.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

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

Source:

EBP documentation provides information for some but not all of the core elements. There is a relatively extensive discussion on macroeconomic indicators for BY-1 (FY2017/18) in the Economic Survey. Table "Macroeconomic Indicators", Economic Survey Fiscal Year 2017/18. Page 3 (Chart 1a) of the Economic Survey shows the growth rate of GDP while page 4 (Chart 1b) presents structure of GDP (%).

In the budget speech, there is some mention of information about the core macroeconomic indicators for the budget year (FY2018/19). Budget Speech, PDF p. 32 (Point 267): "[...] economic growth rate around 8 percent in the next fiscal year. Inflation will be contained at 6.5 percent."

See Economic Survey 2017-18

https://www.mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%B0%E0%A5%8D%E0%A4%B5%E0%A5%87%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%A3%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AB_20180528074914.pdf

https://mof.gov.np/uploads/document/file/for%20web_Economic%20Survey%202075%20Full%20Final%20for%20WEB%20_20180914091500.pdf

Budget Speech 2018/2019

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Inflation rate
Real GDP growth

Source:

EBP documentation provides information for some but not all of the core elements. There is a relatively extensive discussion on macroeconomic indicators for BY-1 (FY2017/18) in the Economic Survey. Table "Macroeconomic Indicators", Economic Survey Fiscal Year 2017/18. Page 3 (Chart 1a) of the Economic Survey shows the growth rate of GDP while page 4 (Chart 1b) presents structure of GDP (%).

In the budget speech, there is some mention of information about the core macroeconomic indicators for the budget year (FY2018/19). Budget Speech, PDF p. 32 (Point 267): "[...] economic growth rate around 8 percent in the next fiscal year. Inflation will be contained at 6.5 percent."

Economic Survey 2017-18

https://mof.gov.np/uploads/document/file/for%20web_Economic%20Survey%202075%20Full%20Final%20for%20WEB%20_20180914091500.pdf

Budget Speech 2018/2019

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Comment:

There is some information on interest rates, for example table 5.5, but it is not for the budget year.

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:

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

Source:

There is no alternative budget forecasts based on alternative assumptions or scenarios for the underlying macroeconomics forecast.

Comment:
n/a

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:

c. Yes, information that shows how some but not all new policy proposals affect expenditure is presented.

Source:

While presenting the Executive Budget Proposal the Finance Minister presents several existing and new sectoral policies and programs and also puts forth the resource management plan for the implementation of the measures. Among the new policy measures and programs are Prime Minister Employment Program (p. 5), setup of challenge fund (p. 6), establishment of centre of the educational excellence and prime minister agriculture modernization project (p. 14) and president women uplifting program (p. 12).

Point number 236-238 of the Budget Speech (p 39 and 40) presents total new expenditure proposals, but that these are aggregate values and not linked to specific expenditure policy proposals

These new policies measures affect the expenditures. Annex 2 of the budget speech under the heading 'Receipts of Revenue and Grant Estimates' presents the new measures and its effect on revenue. Budget Speech for fiscal year 2017-18

https://mof.gov.np/uploads/document/file/Budget_Speech_207475_20170530011441.pdf

Comment:
n/a

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:

c. Yes, information that shows how some but not all new policy proposals affect revenues are presented.

Source:

New policy proposals are presented on p. 28-30 of this document:

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

The annex 2 of the budget speech also presented by the Minister for Finance to the parliament presents the existing and new measures under the heading of Receipts of Revenue and Grants Estimates. New policies measures along with programs are reflected on Items number 397-445 pp 5-39 of the Budget Speech for fiscal year 2018-19

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Comment:

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:

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

Source:

The Budget Speech presents estimates for expenditures for BY-1 for two out of three expenditure classifications: Administrative classification and Economic classification: Annex 7 and 8. Expenditure by Economic Heads and Line Item (Including Financing) Annex 8.
https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Comment:

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:

a. Yes, programs accounting for all expenditures are presented for BY-1.

Source:

The Red Book presents expenditure for individual programs for the fiscal year (BY-1) i.e 2017-18 accounting for all expenditures. Program-level spending data are provided in presentation of expenditures for each administrative unit. Page 1-401 Red Book
https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Comment:

n/a

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:

EBP documentation presents revised expenditure estimates for BY-1 (FY2017-18). This can be seen in both the Red Book and in Budget Speech sources. Budget Summary of Expenditure Estimates of Fiscal Year 2018/19 and Part 1 and Part 2 (Page 1-15) in the Red Book. Red Book

https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Similarly Annex 6 i.e. Expenditure by Economic Heads and Line Item (Including Financing) and Annex 7 of the Budget Speech (Administrative Expenditure Estimates (Including Financing) show revised expenditure estimates for BY-1 (2017-18). Budget Speech for fiscal year 2018-19

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Comment:

n/a

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:

The Budget Speech presents (actual) expenditures for BY-2 for only two expenditure classifications: Administrative classification: Annex 7 (Administrative Expenditure Estimates (Including Financing) and Economic classification: Annex 6 (Expenditure by Economic Heads and Line Item (Including Financing). The Red Book-018 also presents sufficient details of expenditure for all administrative units in the federal government.

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Comment:

n/a

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:

The Budget Speech presents (actual) expenditures for BY-2 for only two expenditure classifications: Administrative classification: Annex 7 (Administrative Expenditure Estimates (Including Financing) and Economic classification: Annex 6 (Expenditure by Economic Heads and Line Item (Including Financing)). The Red Book-018 also presents sufficient details of expenditure for all administrative units in the federal government.
https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf
https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Comment:

n/a

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 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-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:

a. Yes, programs accounting for all expenditures are presented for BY-2 and prior years.

Source:

The Red Book presents expenditure for individual programs for BY-2 (fiscal year 2016-17) accounting for all expenditures. Program-level spending data are provided in presentation of expenditures for each administrative unit.
Pp 1-546 Red Book
https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Comment:

n/a

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:

The Budget Speech presents (actual) expenditures for BY-2 for only two expenditure classifications: Administrative classification: Annex 7 (Administrative Expenditure Estimates (Including Financing)) and Economic classification: Annex 6 (Expenditure by Economic Heads and Line Item (Including Financing)). The Red Book-018 also presents sufficient details of expenditure for all administrative units in the federal government.

[https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-](https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf)

[19_20180601074649.pdf](https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf)

https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Comment:

n/a

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:

Annex 1 of the Budget Speech presents information about (revised) revenue estimates for BY-1 (Fiscal Year 2017-18). Annex 1 includes information for categories including tax revenue and non-tax revenue. Annex 1, Table: Budget Summary 2018-19 Budget Speech for fiscal year 2018-19

[https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-](https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf)

[19_20180601074649.pdf](https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf)

Comment:

n/a

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:

Annex 2 of the Budget Speech presents the more disaggregated level of information, including data for BY-1 (FY2017-18) It includes the revenue headings such as taxes (taxes on income, profit and goods and services, capital grants, investment and other income, pay roll and work force, property, financial and capital transactions, international trade and transactions, grants from foreign governments), non-tax revenue (property income, sales of goods and services, administrative fees, penalties etc). Annex 2 Table: Receipts of Revenue and Grants Estimate Budget Speech for fiscal year 2018

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Annex 2 of the Budget Speech presents revised revenue estimates for BY-1 (FY2017-18). Annex 2 Table: Receipts of Revenue and Grants Estimate Budget Speech for fiscal year 2018-19

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Comment:

n/a

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:

Annex 1 of the Budget Speech presents (actual) revenue data for broad categories such as tax, non-tax and grant revenues for BY-2 (FY2016-17).

Annex 1 Table: Budget Summary, Budget Speech for fiscal year 2018-19.

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Comment:

n/a

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:

Annex 2 of the Budget Speech presents (actual) revenue data for individual sources of revenue for BY-2 (FY2016-17). Annex 2, Table: Receipts of Revenue and Grants Estimate Budget Speech for fiscal year 2018-19

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Both Annex 1 and Annex 2 of the Budget Speech present actual revenue data for BY-2 (FY2016-17). Annex 1 Table: Budget Summary Annex 2, Table: Receipts of Revenue and Grants Estimate Budget Speech for fiscal year 2018-19

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Comment:

n/a

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:

The Budget Speech and Economic Survey all provide relevant information.

1. Total debt outstanding at the end of BY-1 Economic Survey – paragraph 3.8 and 3.9 and Chart 3 (d) on p.18 provides outstanding public debt (as percentage of GDP). The Executive Summary (Point 11) of Economic Survey 2017-18 has presented outstanding public debt in the first eight months of the FY 2017-18. Data for estimate of year-end BY-1 debt is not available.

2. Amount of net new borrowing required during BY-1 Budget Speech, Annex 1 (External Net Borrowing and Domestic Net Borrowing) shows revised estimates of both domestic and external annual net borrowing for BY-1 (2017/18)

3. Interest payments on the debt Budget Speech, Annex 2 "Expenditure Estimates" shows revised estimates of interest payments for both foreign

and domestic debt (loans) for BY-1 (2015/16) 4. Annex 8 of the Budget Speech (Expenditure by Economic Heads and Line Item(Including Financing) has presented revised estimates of domestic net borrowing and external net borrowing for BY-1 (2017/18).

4. Outstanding public debt and repayment of Economic Survey – Paragraph 3.50 on p.30 and 3.53 (p. 31) provide some data for interest rates on Treasury bills, including some data for BY-1.

5. Maturity profile of the debt No explicit information about maturity profile of debt, although there is some discussion of the composition of debt across different types of debt instruments in Economic Survey – Table 3 (1) Outstanding Public Debt and Repayment of Principal and Interest Expenditure (p. 30).

6. Economic Survey – Table 3 (1) Outstanding Public Debt and Repayment of Principal and Interest Expenditure (p. 30). Other citations noted above provide domestic and external breakdown of debt service (interest payments) and of annual borrowing. Budget Speech Information is presented across all core elements except one (maturity profile).

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

https://www.mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%B0%E0%A5%8D%E0%A4%B5%E0%A5%87%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%A3%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AB_20180528074914.pdf

Comment:

- Net new borrowing 2017/2018 - Budget Speech Annex 1

- Interest payments on debt 2017/2018 - Budget Speech Annex 7 (debt service) & Economic Survey Table 3(a)

- Total debt outstanding 2017/2018 - Economic Survey Table 3(a) Revised 2017/2018 estimates

- Interest rates on debt instruments 2017/2018 - Economic Survey Table, Para. 5.16 *ONLY* interest on 91-day Treasury Bills as of March 2018

- Maturity profile of debt 2017/2018 - None

- Domestic or external for total debt 2017/2018 - Economic Survey Table 3(f), but only first 8 months of 2017/2018

While some of the information is not for the BY, because there is information beyond the core requirements, the score of B is maintained.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: its technical subject and multi agency giving input .

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:

Annex 6 table 'Expenditure by Economic Heads and Line Item (Including Financing)' of the Budget Sepech presents information in interest on foreign loan and interest on internal loan as well as domestic net borrowing and external net borrowing including amortizations. Annex 7 (Administrative Expenditure Estimates (Including Financing) also presents MoF financing and debt service which includes MoF domestic debt service, MoF external debt service.

Table 3 (f) Outstanding Public Debt and Repayment of Principal and Interest Expenditure (p. 30) in the Economic Survey-2018 also present some important information on debt figures reflecting outcomes.

https://www.mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%B0%E0%A5%8D%E0%A4%B5%E0%A5%87%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%A3%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AB_20180528074914.pdf

Comment:

n/a

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

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

Source:

"There are 1,062 parastatals (including autonomous government agencies, trust funds, and state corporations) in which government has a majority stake.

Estimated unreported expenditure is considerably more than 10% of total expenditure." See p. 16

<https://pefa.org/sites/default/files/assessments/comments/NP-May15-PFMPR-Public.pdf>

Comment:

No information on these EBFs are presented in the EBP.

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:

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

Source:

The Red Book itself is the consolidated document containing budgetary items. There is no practice of presenting extra-budgetary finances in a consolidated manner which itself is a challenge to budget transparency. For example, the amount provided by government to any institutions or individuals on Cabinet decision is not presented in a consolidated basis. This has been a long issue of advocacy in Nepal. Red Book for fiscal year 2018-19

https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Comment:

n/a

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 Budget Speech presents estimates of intergovernmental transfers. Annex 4 Table: Administrative Expenditure Estimate (including Financing) (Note Item on State (Fiscal Equalization Grant and Local Level (Fiscal Equalization Grant), Annex 5 (Cash and Non Cash Expenditure by Economic Heads and Line Items) (26300 Grant to Local Body, 26500 Grant to State, 26600 Grant to Local Level), Annex 6 (Expenditure by Economic Heads and Line Item (Including Financing) (26000 Grants) presents information on intergovernmental transfer.

Point 14 (p. 4) – "Federal government will collaborate, coordinate and forge a partnership with provinces and local levels to achieve the objectives and implement the priorities of the budget of the federal government". Point 16 and 17 (. 4 and 5) – "In accordance with the constitutional provision, I have made a provision of budget head wise allocation only for the programs to be implemented by the federal government. High-tech projects under the jurisdiction of provinces and local levels that are under construction or in the final phase of construction will be completed by the federal government and handed over to them. The federal government will not allocate budget for new projects to be built by provinces and local levels using fiscal equalization grant, internal resources and fund transferred through revenue sharing mechanism. Provinces and local bodies that are technically and financially capable of operating projects that are currently under 5 the federal government will be handed over to them in the coming years". Budget Speech FY 2018/19

The Economic Survey provides both extensive intergovernmental transfer data for previous years, as well as a more comprehensive narrative discussion of the main transfer (and other financing) mechanisms for state and local levels (fiscal equalization and conditional grant) see: Table 3(b) (p. 20): Financial transfer (province and local level).

https://mof.gov.np/uploads/document/file/for%20web_Economic%20Survey%202017%20Full%20Final%20for%20WEB%20_20180914091500.pdf

Comment:

Normally the OBS requires details of each individual transfer to the subnational level reported for an A score, however because in Nepal there is a clear formula, and an independent body that determines the distribution of the equalization grant after the budget is approved, and the budget clearly describes this process, then an A score is maintained here as well.

Peer Reviewer

Opinion: Agree

Comments: Annex 4 that the researching is referring to has budget allocation to different ministries and commission.

Government Reviewer

Opinion: Agree

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:

b. Yes, two alternative displays of expenditures are presented to illustrate the financial impact of policies on different groups of citizens.

Source:

The Budget Speech presents two alternative display of expenditure (gender and climate change) illustrate the financial impacts of policies. Annex 8 and Annex 10 of Budget Speech present the information about gender responsive budgeting and climate change budget. This year the budget speech does not have information on pro-poor budgeting. The Red Book (p 570-572) also has provided information on gender-responsive and climate budget.

Budget Speech for Fiscal Year 2018-19

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Comment:

n/a

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, alternative displays of expenditures are not presented to illustrate the financial impact of policies on different groups of citizens.

Comments: While I agree that the EBP has "Gender Responsive Budget" and "Climate Budget", these allocations are made to individual ministries. Not sure if this qualifies as display of expenditure by gender, age, religion etc.

Government Reviewer

Opinion: Agree

IBP Comment

Thank you to the peer reviewer for these notes. As the tables presented do show allocations made on these issues (gender and climate) across different ministries, this counts as an alternative display, because it show much much total funding goes to different ministries on the cross-cutting issue. The researcher's response of B is confirmed.

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:

Policy impacts based on gender

Other displays of expenditure (please specify)

Source:

The Budget Speech presents three alternative display of expenditure (gender and climate change) illustrate the financial impacts of policies. Annex 8 and Annex 10 of Budget Speech present the information about gender responsive budgeting and climate change budget. This year the budget speech does not have information on pro-poor budgeting. The Red Book (p 570-572) also has provided information on gender-responsive and climate budget.

Budget Speech for Fiscal Year 2018-19

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Comment:

n/a

Peer Reviewer

Opinion: Disagree

Suggested Answer: Based on my response to earlier question, I disagree with the researcher's input.

Government Reviewer

Opinion: Agree

IBP Comment

The Peer Reviewer's comment is acknowledged - See the response to Q36.

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:

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

Source:

The Budget Speech (Annex 6 – Expenditure by Economic Heads and Line Items (Including Financing) presents estimates of total Subsidies to Public Corporation for the budget year (with a breakdown for operating and capital subsidies). However, the budget speech does not have specific narrative discussion of spending (or revenue) related to public corporations. Annex 5 Table: Cash and Non Cash Expenditure by Economic Heads and Line Items Budget Speech for Fiscal Year 2018-19 also presents some information on the subsidy to public enterprises and corporations.
https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

In addition, the Economic Survey provides comprehensive data and narrative discussion of finances and policies related to public enterprises.

Economic Survey (p. 32) of the Fiscal Year 2017-18, however no information is provided for the BY.

https://mof.gov.np/uploads/document/file/for%20web_Economic%20Survey%202075%20Full%20Final%20for%20WEB%20_20180914091500.pdf

Comment:

Since there is no reporting of individual transfers to public corporations for the budget year, this score is revised to C. This is due to a clarification in the methodology that requires individual transfers to corporations for the budget year to qualify for a B or A score.

Peer Reviewer

Opinion: Agree

Comments: This is discussed very broadly in the EBP and presents data on subsidies to public enterprises as a whole.

Government Reviewer

Opinion: Agree

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

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

GUIDELINES:

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

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

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

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

public scrutiny.

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

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

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

Answer:

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

Source:

The Government of Nepal does not report quasi-fiscal activities this round.

However, previously, the government was found engaged in such activities, for example in the form of supporting subsidised interest rates for loans to support rebuilding of homes for people impacted by the recent devastating earthquake. The government had asked private banks to provide loans to survivors at the subsidised rate of 2 % for this purpose. The Central Bank of Nepal had issued a circular to private banks. Other types of subsidies related to charges for public services had also been implemented.

PEFA report, p. 16

<https://pefa.org/sites/default/files/assessments/comments/NP-May15-PFMPR-Public.pdf>

Comment:

n/a

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:

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

Source:

EBP documentation does not include a list of non-financial assets and their estimated values. It is not reflected because Government of Nepal is not preparing balance sheet anymore. Nepal government is practicing cash based accounting system not the accrual system so that the liabilities and properties are not clearly reflected in the government budget documents. The SAI has recommended the government adopt accrual-based accounting system. EBP documentation (including both the Budget Speech and the Economic Survey) does provide some limited amount of information related to the flow of resources related to non-financial assets. Relevant information presented in the Budget Speech is for revenues received, which includes some references to non-tax revenues in the form of interest, dividend and rent & royalty from Government-owned property.

Annex 2 Table: Receipts of Revenue and Grants Estimate Budget Speech

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Information about income from assets is also provided in the Economic Survey. Point 3.42, Table 3-e and Chart 3-1 (p. 37) of the Economic Survey FY 2017/18 also present information on financial and non-financial assets.

https://mof.gov.np/uploads/document/file/for%20web_Economic%20Survey%202075%20Full%20Final%20for%20WEB%20_20180914091500.pdf

Comment:

As the information is reported as flows and not stocks, a D score is maintained.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

IBP Comment

The researcher's response is confirmed. Revenues from assets does not count for a C for this question.

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:

EBP documentation does not include a list of non-financial assets and their estimated values. It is not reflected because Government of Nepal is not preparing balance sheet anymore. Nepal government is practicing cash based accounting system not the accrual system so that the liabilities and properties are not clearly reflected in the government budget documents. The SAI has recommended the government adopt accrual-based accounting system. EBP documentation (including both the Budget Speech and the Economic Survey) does provide some limited amount of information related to the flow of resources related to non-financial assets. Relevant information presented in the Budget Speech is for revenues received, which includes some references to non-tax revenues in the form of interest, dividend and rent & royalty from Government-owned property.

Annex 2 Table: Receipts of Revenue and Grants Estimate Budget Speech

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Information about income from assets is also provided in the Economic Survey. Point 3.42, Table 3-e and Chart 3-l (p. 37) of the Economic Survey FY 2017/18 also present information on financial and non-financial assets.

https://mof.gov.np/uploads/document/file/for%20web_Economic%20Survey%202075%20Full%20Final%20for%20WEB%20_20180914091500.pdf

Comment:

As the information is reported as flows and not stocks, a D score is maintained.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

The researcher's response is confirmed. Revenues from assets does not count for a C for this question.

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:

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

Source:

The EBP documentation does not provide information about arrears for the budget year. There is one mention of "arrears" in the Economic Survey.

https://mof.gov.np/uploads/document/file/for%20web_Economic%20Survey%202075%20Full%20Final%20for%20WEB%20_20180914091500.pdf

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

GUIDELINES:

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

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

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

In the budget, according to the OECD, “[w]here feasible, the total amount of contingent liabilities should be disclosed and classified by major category reflecting their nature; historical information on defaults for each category should be disclosed where available. In cases where contingent liabilities cannot be quantified, they should be listed and described.”

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

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

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

Answer:

d. No, information related to contingent liabilities is not presented.

Source:

Budget Speech Annex 5 (Cash and Non Cash Expenditure by Economic Heads and Line Items) and 6 (Expenditure by Economic Heads and Line Item (Including Financing) have presented information on capital contingencies. These are not contingent liabilities however (which are government guarantees of debt, etc).

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Comment:

n/a

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:

d. No, information related to future liabilities and the sustainability of finances over the longer term is not presented.

Source:

EBP documentation does not include any assessments or projections of the Government's future long-term liabilities or long-term sustainability based on macroeconomic, fiscal and demographic indicators.

Comment:

n/a

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:

The Statement of Technical and Other Assistance FY 2018/19 produced and public by the Ministry of Finance as part of EBP presents the information on assistance received from bilateral and multilateral sources including assistance from INGOs. The book also presents the narratives of the assistance such as name of the project/program, starting/ending date, major activities, total project cost, estimated annual amount of assistance, donors. The Statement of Technical and Other Assistance FY 2018/19
https://mof.gov.np/uploads/document/file/TA_english_2018-19_20180601082940.pdf

Comment:

Nepal receives development assistance both from bilateral as well as multilateral development partners. In addition, the Government is also able to track the foreign aid mobilized by the INGOs. The development cooperation in Nepal is mobilized in two ways. One is through the Government budgetary system and another is outside the Government budgetary system. Those projects/programs reflected in the Annual Income and Expenditure Estimates (Red Book) of the Government are on-budget and those projects/programs which are not covered in the national budget are understood as off-budget projects/programs. All off-budget projects/programs are presented in the form of the Statements of Technical and Other Assistance (TA Book). Aid Management Platform (AMP) of the International Economic Cooperation Coordination Division of the Ministry of Finance and the information received from both DPs and sectoral ministries have been used as the primary sources of information related to Technical Assistance. Likewise, for the programs implemented through INGOs, the information received from Social Welfare Council has been used as the primary source. It has been anticipated that this publication will be useful to Government agencies and Development Partners to implement and monitor the off-budget projects/programs, and to all other professionals, economists, researchers, teachers, students, and other individuals interested in foreign aid mobilization in Nepal.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, estimates of some but not all sources of donor assistance are presented.

IBP Comment

Thank you for the Government Reviewer's comment. However, as the researcher cited - there is both detailed narratives of the assistance such as name of the project/program, starting/ending date, major activities, total project cost, estimated annual amount of assistance, donors, this qualifies for an A score in this question.

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:

The Budget Speech includes presentation of tax policy measures which include a range of "tax incentives" intended to promote growth and/or employment. There are no estimates of revenue foregone, but the information is assessed as providing at least some partial information about the scope/nature of tax expenditures in Nepal.

Budget Speech Points 241-264 Budget Speech for FY 2018-19

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Comment:

n/a

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:

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

Source:

EBP documentation provides information (including budget year estimates of the revenues going into the Fund) for what appears to be one "earmarked" revenue, the Local Development fees. The Budget Speech provides the budget year revenue estimates, listed under the category of customs and import duties. Annex 2 Table: Receipts of Revenue and Grants Estimate Budget Speech

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

The Economic Survey for FY2017/18 remains silent on this part.

https://mof.gov.np/uploads/document/file/for%20web_Economic%20Survey%202075%20Full%20Final%20for%20WEB%20_20180914091500.pdf

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

IBP Comment

Thank you for the comment from the Government Reviewer. The suggested score is the same as the researcher's score.

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:

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

Source:

The Budget Speech provides a narrative discussion of the government's budget policy priorities, setting out a list at the start (p. 3) of broad sector/policy areas (for spending) and then proceeding to identify specific budget initiatives pertaining to each of the 6 sector/policy areas (as well "sub-sector" areas). Among the policy areas are work and employment, health, education, science and technology, women, children and senior citizen, social security, agriculture, forest and environment, industry, commerce and supply, air transportation infrastructure and culture.

In addition, the Budget speech identifies broad categories for revenue-related policies and identifies the specific revenue policy and revenue administration measures intended to support achievement of the policy goals. The narrative descriptions of individual spending initiatives include many references to planned amounts of spending for specific initiatives including estimates. A full set of detailed estimates including a breakdown for each administrative unit by categories that can be considered qualifying as "program-level" spending, is provided in the Red Book. However, despite the detail, it is not easy to link the policy initiatives set out and described in the Budget Speech to specific spending estimates provided in the Red Book, since the latter does not distinguish new versus existing levels of spending for either administrative units or for "program-level" level spending (noting that the latter are often identified by a more specific administrative unit (e.g. department) rather than by an output-based program label.

Neither the Red Book nor the Budget Speech provide a complete presentation of estimates associated specifically with new policy initiatives. In addition, the relatively extensive and well structured presentation of both budget policy priorities and budget initiatives set out in the narrative discussion of the Budget Speech does not provide estimates for each initiative discussion.

A third EBP document (in Nepali only) adds to the available information about the Government's annual policy priorities. That third document is the "Annual Development Program" produced and published by National Planning Commission of Government of Nepal.

https://www.npc.gov.np/images/category/part1_7475_web.pdf

Budget Speech for FY 2018-19

https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Red Book

https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Comment:

However, the Medium Term Expenditure Framework (From 2018-19 to 2020/21) includes multi-year estimates of new policy initiatives and the focus of narrative descriptions of policy initiatives. This tool aligns the periodic plan, government policies and annual budget. The Finance Minister presents the document along other EBP in the parliament for approval.

National Planning Commission has prepared the document in which page 6-13) has presented main outcome indicators and goals, budget appropriation and estimates of medium-term expenditure framework, budget appropriation and estimates allocation, sector-wise allocation, its annexes presented sector-wise resource estimates for three years. Because it is published after the budget is approved it is not considered part of the EBP, however.

https://www.npc.gov.np/images/category/MTEF_Final_Doc_2075.pdf

Peer Reviewer

Opinion: Agree

Comments: The NPC's annual development plan includes investment plan, priority sector budget allocation policies and principles etc. which serves as a basis for budget planning and formulation. However, this is not submitted to the legislature.

Government Reviewer

Opinion: Disagree

Suggested 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.

Comments: https://www.npc.gov.np/images/category/MTEF_Final_Doc_2076.pdf had been public .

IBP Comment

Thank you to the government reviewer for noting the MTEF document. However, as this document was only published in August 2018, after the budget was already approved in June, it cannot be considered part of the EBP supporting documents. The researcher's original response is confirmed.

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:

d. No, information on the link between the budget and the government's stated policy goals for a multi-year period is not presented.

Source:

The Medium Term Expenditure Framework (From 2018-19 to 2020/21) includes multi-year estimates of new policy initiatives and the focus of narrative descriptions of policy initiatives. This tool aligns the periodic plan, government policies and annual budget. The Finance Minister presents the document along other EBP in the parliament for approval. National Planning Commission has prepared the document in which page 6-13) has presented main outcome indicators and goals, budget appropriation and estimates of medium-term expenditure framework, budget appropriation and estimates allocation, sector-wise allocation, Its annexes presented sector-wise resource estimates for three years.

However, because the document is published after the budget is approved, it is not considered part of the EBP in the OBS, as it must meet OBS timeliness criteria.

https://www.npc.gov.np/images/category/MTEF_Final_Doc_2075.pdf

Comment:

Since there is no other multi-year information on budget projections, this question scores D.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

IBP Comment

Thank you for the Government Reviewer's comment. As the researcher noted in Q47, as the MTEF is published only after the budget was approved, it is not considered a publicly available supporting document to the EBP.

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:

d. No, nonfinancial data on inputs are not presented.

Source:

Govinda Subedi, under-secretary at MoF, who was also involved in the formulation of previous year (2017/18) budget from MoF, noted that the non-financial information/data were prepared during the time of budget formulation process but not presented publicly.

Comment:

n/a

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:

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

Source:

There is a substantial amount of information about expected outputs described in the narrative discussion of the Budget Speech. There is discussion of expected outputs across many different sectors - roads, energy, housing, agriculture, etc, as well as across many of the specific budget initiatives within the policy priority areas set out in the Budget Speech (pp.5-43). Budget Speech 2018/19
https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Comment:

n/a

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:

The Budget Speech includes information on performance targets for most non-financial results data aligned to sectors. The table is quite comprehensive in indicating the level of performance as at the end of BY-1 (FY2017/18) and the expected level of service or performance at the end of the budget year (FY2018/19). Annex 12 of the Budget Speech 2018-19
https://web.archive.org/web/20180712171009/http://mof.gov.np/uploads/document/file/Budget%20Speech%20for%20FY%202018-19_20180601074649.pdf

Comment:

n/a

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 as 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:

b. Yes, estimates of all policies that are intended to benefit directly the country's most impoverished populations are presented, but a narrative discussion is not included.

Source:

The Economic Survey (Table 12.2: Scholarships details for school children FY 2017/18) has provided information on scholarships to students from Karnali (backward region), Dalit students, differently able students and so on.

https://mof.gov.np/uploads/document/file/for%20web_Economic%20Survey%202075%20Full%20Final%20for%20WEB%20_20180914091500.pdf

These "alternative display" annexes are also presented in the Red Book, which in its main report (page 570-572) adds a detailed breakdown of all spending by administrative unit with some "program-level" labels for spending activities that can be identified as targeting vulnerable segments of the population. Red Book for Fiscal year 2018-19

https://mof.gov.np/uploads/document/file/Redbook_20180529125405.pdf

Comment:

n/a

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:

d. No, a timetable is not issued to the public.

Source:

There is no budget formulation guideline at federal level. In previous years, the budget formulation guideline produced and unveiled by the Ministry of Finance presented the timeline for budget formulation. with guideline information on determination of budget size and three-year expenditure

estimates, responsible agency and timeline.

Comment:

Local Planning Guideline (P. 12) presented the process the local government has to adopt while formulating plans. It presents the timeline for budget formulation and division of the responsibilities.

https://www.npc.gov.np/images/category/local_final.pdf

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:

d. No, information related to the macroeconomic forecast is not presented.

Source:

A Pre-Budget Statement meeting OBS requirements is not produced and made public, although some documents are produced before the Executive Budget Proposal and presented to the parliament.

Comment:

The Ministry of Finance produces and publishes the Principles and Priorities of the Appropriation Bill 2018 as part of the budget formulation. The government officials claim it to be the PBS but it does not meet the generic requirements of the PBS as per the Open Budget Survey Methodology. It lacks key information for the PBS including total estimates of revenues and expenditures, macroeconomic forecasts, clearly stated revenue and expenditure priorities and policies. It was specifically addressed to the Parliament, but the PBS should be published to kick off the open public debates. Principles and Priorities of Appropriation Bill, 2018

https://mof.gov.np/uploads/document/file/%E0%A4%AE%E0%A4%BE%E0%A4%A8%E0%A4%A8%E0%A5%80%E0%A4%AF%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%AE%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A5%8D%E0%A4%B0%E0%A5%80%20%E0%A4%A1%E0%A4%BE_20180509115443.pdf

Likewise, the Medium Term Expenditure Framework (From 2018-19 to 2020/21) presents multi-year estimates of new policy initiatives and the focus of narrative descriptions of policy initiatives.

https://www.npc.gov.np/images/category/MTEF_Final_Doc_2075.pdf

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

55. Does the Pre-Budget Statement present information on the government's expenditure policies and priorities that will guide the development of detailed estimates for the upcoming budget?

(The core information must include a discussion of expenditure policies and priorities and an estimate of total expenditures.)

GUIDELINES:

Question 55 focuses on the government's expenditure policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these policies is presented. These core components include:

- a discussion of expenditure policies and priorities; and
- an estimate of total expenditures.

Although a Pre-Budget Statement is unlikely to include detailed programmatic proposals (such detailed information is typically only presented in the budget itself), it should include a discussion of broad policy priorities and a projection of at least total expenditures associated with these policies for the budget year. The Pre-Budget Statement can include some detail, for instance, estimates provided by any of the three expenditure classifications – by administrative, economic, and functional classifications.

To answer "a," the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government's expenditure policies and priorities as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the government's expenditure policies and priorities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the government's expenditure policies and priorities is presented.

Answer:

d. No, information related to the government's expenditure policies and priorities is not presented.

Source:

A Pre-Budget Statement meeting OBS requirements is not produced and made public, although some documents are produced before the Executive Budget Proposal and presented to the parliament.

Comment:

The Ministry of Finance produces and publishes the Principles and Priorities of the Appropriation Bill 2018 as part of the budget formulation. The government officials claim it to be the PBS but it does not meet the generic requirements of the PBS as per the Open Budget Survey Methodology. It lacks key information for the PBS including total estimates of revenues and expenditures, macroeconomic forecasts, clearly stated revenue and expenditure priorities and policies. It was specifically addressed to the Parliament, but the PBS should be published to kick off the open public debates. Principles and Priorities of Appropriation Bill, 2018

https://mof.gov.np/uploads/document/file/%E0%A4%AE%E0%A4%BE%E0%A4%A8%E0%A4%A8%E0%A5%80%E0%A4%AF%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%AE%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A5%8D%E0%A4%B0%E0%A5%80%20%E0%A4%A1%E0%A4%BE_20180509115443.pdf

Likewise, the Medium Term Expenditure Framework (From 2018-19 to 2020/21) presents multi-year estimates of new policy initiatives and the focus of narrative descriptions of policy initiatives.

https://www.npc.gov.np/images/category/MTEF_Final_Doc_2075.pdf

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments:

56. Does the Pre-Budget Statement present information on the government's revenue policies and priorities that will guide the development of detailed estimates for the upcoming budget?

(The core information must include a discussion of revenue policies and priorities and an estimate of total revenues.)

GUIDELINES:

Question 56 focuses on the government's revenue policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these

policies is presented. These core components include:

- a discussion of revenue policies and priorities; and
- an estimate of total revenue.

Although a Pre-Budget Statement is unlikely to include detailed revenue proposals, it should include a discussion of broad policy priorities and a projection of at least the total revenue associated with these policies for the budget year. The Pre-Budget Statement can also include more detail, for instance, with estimates provided by revenue category – tax and non-tax – or some of the major individual sources of revenue, such as the Value Added Tax or the income tax.

To answer “a,” the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government’s revenue policies and priorities as well as some additional information beyond the core elements. To answer “b,” the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer “b” is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A “c” answer applies if some information related to the government’s revenue policies and priorities is presented, but some of the core pieces of information are not included. Answer “d” applies if no information on the government’s revenue policies and priorities is presented.

Answer:

d. No, information related to the government’s revenue policies and priorities is not presented.

Source:

A Pre-Budget Statement meeting OBS requirements is not produced and made public, although some documents are produced before the Executive Budget Proposal and presented to the parliament.

Comment:

The Ministry of Finance produces and publishes the Principles and Priorities of the Appropriation Bill 2018 as part of the budget formulation. The government officials claim it to be the PBS but it does not meet the generic requirements of the PBS as per the Open Budget Survey Methodology. It lacks key information for the PBS including total estimates of revenues and expenditures, macroeconomic forecasts, clearly stated revenue and expenditure priorities and policies. It was specifically addressed to the Parliament, but the PBS should be published to kick off the open public debates. Principles and Priorities of Appropriation Bill, 2018

https://mof.gov.np/uploads/document/file/%E0%A4%AE%E0%A4%BE%E0%A4%A8%E0%A4%A8%E0%A5%80%E0%A4%AF%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%AE%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A5%8D%E0%A4%B0%E0%A5%80%20%E0%A4%A1%E0%A4%BE_20180509115443.pdf

Likewise, the Medium Term Expenditure Framework (From 2018-19 to 2020/21) presents multi-year estimates of new policy initiatives and the focus of narrative descriptions of policy initiatives.

https://www.npc.gov.np/images/category/MTEF_Final_Doc_2075.pdf

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

d. No, none of the three estimates related to government borrowing and debt are not presented.

Source:

A Pre-Budget Statement meeting OBS requirements is not produced and made public, although some documents are produced before the Executive Budget Proposal and presented to the parliament.

Comment:

The Ministry of Finance produces and publishes the Principles and Priorities of the Appropriation Bill 2018 as part of the budget formulation. The government officials claim it to be the PBS but it does not meet the generic requirements of the PBS as per the Open Budget Survey Methodology. It lacks key information for the PBS including total estimates of revenues and expenditures, macroeconomic forecasts, clearly stated revenue and expenditure priorities and policies. It was specifically addressed to the Parliament, but the PBS should be published to kick off the open public debates. Principles and Priorities of Appropriation Bill, 2018

https://mof.gov.np/uploads/document/file/%E0%A4%AE%E0%A4%BE%E0%A4%A8%E0%A4%A8%E0%A5%80%E0%A4%AF%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%AE%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A5%8D%E0%A4%B0%E0%A5%80%20%E0%A4%A1%E0%A4%BE_20180509115443.pdf

Likewise, the Medium Term Expenditure Framework (From 2018-19 to 2020/21) presents multi-year estimates of new policy initiatives and the focus of narrative descriptions of policy initiatives.

https://www.npc.gov.np/images/category/MTEF_Final_Doc_2075.pdf

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

IBP Comment

Thank you to the Government Reviewer for the comment. However, as the PBS is assessed as 'not published' in Section 1, this question must score 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:

b. No, multi-year expenditure estimates are not presented.

Source:

A Pre-Budget Statement meeting OBS requirements is not produced and made public, although some documents are produced before the Executive Budget Proposal and presented to the parliament.

Comment:

The Ministry of Finance produces and publishes the Principles and Priorities of the Appropriation Bill 2018 as part of the budget formulation. The government officials claim it to be the PBS but it does not meet the generic requirements of the PBS as per the Open Budget Survey Methodology. It lacks key information for the PBS including total estimates of revenues and expenditures, macroeconomic forecasts, clearly stated revenue and expenditure priorities and policies. It was specifically addressed to the Parliament, but the PBS should be published to kick off the open public debates. Principles and Priorities of Appropriation Bill, 2018

https://mof.gov.np/uploads/document/file/%E0%A4%AE%E0%A4%BE%E0%A4%A8%E0%A4%A8%E0%A5%80%E0%A4%AF%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%AE%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A5%8D%E0%A4%B0%E0%A5%80%20%E0%A4%A1%E0%A4%BE_20180509115443.pdf

43.pdf

Likewise, the Medium Term Expenditure Framework (From 2018-19 to 2020/21) presents multi-year estimates of new policy initiatives and the focus of narrative descriptions of policy initiatives.
https://www.npc.gov.np/images/category/MTEF_Final_Doc_2075.pdf

Peer Reviewer

Opinion: Disagree

Suggested Answer:

Comments: If we're not considering this document as a PBS, then the answer should be N/A.

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

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:

d. No, the Enacted Budget does not present expenditure estimates by any expenditure classification.

Source:

The Appropriation Act does not include any expenditure classifications.

Appropriation Act for 2018-19

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%BF%E0%A4%A7%E0%A5%87%E0%A4%AF%E0%A4%95%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AB_20180529011601.pdf

Comment:

Nepal Constitution 2015 (page number 76 and 77) has specified provisions on the Finance Bill and its endorsement process along with its concerning subjects. The EBP presented by the Minister for Finance is approved by the parliament without any revisions in the figures so the EBP and Enacted Budget are same.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Researcher Response

The link of the Appropriation Act (Economic Act) having the link

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%BF%E0%A4%A7%E0%A5%87%E0%A4%AF%E0%A4%95%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AB_20180529011601.pdf does not provide any information on any expenditure classification So, I do not see any room for changing score in this case.

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

Answer:
None of the above

Source:
The Appropriation Act does not include any expenditure classifications.
Appropriation Act for 2018-19
https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%BF%E0%A4%A7%E0%A5%87%E0%A4%AF%E0%A4%95%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AB_20180529011601.pdf

The Budget Speech presents estimates for expenditures for all three expenditure classifications: Administrative classification: Annex 4, Functional classification: Annex 3, Economic classification: Annex 7 and 8. Expenditure by Economic Heads and Line Item (Including Financing) Annex 8.
https://mof.gov.np/uploads/document/file/speech_english_20180715091522.pdf

Comment:
Nepal Constitution 2015 (page number 76 and 77) has specified provisions on the Finance Bill and its endorsement process along with its concerning subjects. The EBP presented by the Minister for Finance is approved by the parliament without any revisions in the figures so the EBP and Enacted Budget are same.

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:
d. No, the Enacted Budget does not present expenditure estimates by program.

Source:
EB documentation (Appropriations Act) does not provide any program-level estimates of expenditures. Appropriation Act for 2018-19
https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%BF%E0%A4%A7%E0%A5%87%E0%A4%AF%E0%A4%95%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AB_20180529011601.pdf

Comment:
n/a

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:

b. No, the Enacted Budget does not present revenue estimates by category.

Source:

EB documentation (Appropriations Act) does not reflect any revenue estimates. Appropriation Act for 2018-19

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%BF%E0%A4%A7%E0%A5%87%E0%A4%AF%E0%A4%95%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AB_20180529011601.pdf

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

d. No, the Enacted Budget does not present individual sources of revenue.

Source:

EB documentation (Appropriations Act) does not reflect any revenue estimates. Appropriation Act for 2018-19

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%BF%E0%A4%A7%E0%A5%87%E0%A4%AF%E0%A4%95%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AB_20180529011601.pdf

Comment:

n/a

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:

d. No, none of the three estimates related to government borrowing and debt are not presented.

Source:

EB documentation (Appropriations Act) does not reflect any revenue estimates. Appropriation Act for 2018-19

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%BF%E0%A4%A7%E0%A5%87%E0%A4%AF%E0%A4%95%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AB_20180529011601.pdf

Comment:

n/a

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:

d. The Citizens Budget is not published.

Source:

Citizens Budget document is not produced in Nepal.

Comment:

Freedom Forum, a CSO working on budget transparency in Nepal, in collaboration with UNDP developed Nepal's Climate Citizen Budget compiling the citizen budget data presented by the government in its budget document such as budget speech and red book.

2011<https://www.undp.org/content/dam/nepal/docs/reports/Citizen%20Climate%20Budget%20English%20Booklet.pdf>

However, there has been no effort from government side to this effect.

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:

d. A Citizens Budget is not published.

Source:

Citizen Budget document is not produced in Nepal.

Comment:

Nepal's Citizen Climate Budget, produced by Freedom Forum by using government information, was disseminated to the public through sharing of hard copies, soft copies, presentation of findings and on-demand distribution. A blog was written by IBP staff based on interview with Krishna Sapkota from Freedom Forum and Sujala Pant from UNDP. There was good media coverage of the launching of Citizen Climate Budget.

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:

Citizen budget is not produced in Nepal.

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

d. No citizens version of budget documents is published.

Source:

No practice of producing citizen budget in Nepal.

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

d. No, the In-Year Reports do not present actual expenditures by any expenditure classification.

Source:

The Quarterly Economic Bulletin produced by Central Bank of Nepal does not provide expenditure data by any of the 3 classifications (administrative, economic or functional). Following four economic bulletins produced by the Central Bank in the year 2018 do not present the information by the given classifications.

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-01_\(Mid_Jan\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-01_(Mid_Jan).pdf)
[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-04_\(Mid_April\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-04_(Mid_April).pdf)
[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-07_\(Mid_July\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-07_(Mid_July).pdf)
[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-10_\(Mid_October\)-new.pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-10_(Mid_October)-new.pdf)

Comment:

According to OBS standards the documents are published late, therefore the score is D.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, the In-Year Reports present actual expenditures by two of the three expenditure classifications.

IBP Comment

Thank you to the Government Reviewer for the comment. Please see Section 1, which determined that the quarterly in-year reports are published more than three months after the reporting period, and therefore are considered late by OBS standards. When documents are published late, the content of the document is assessed as not being publicly available, therefore this question scores D.

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:

None of the above

Source:

The Quarterly Economic Bulletin produced by Central Bank of Nepal does not provide expenditure data by any of the 3 classifications (administrative, economic or functional). Following four economic bulletins produced by the Central Bank in the year 2018 do not present the information by the given classifications.

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-01_\(Mid_Jan\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-01_(Mid_Jan).pdf)
[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-04_\(Mid_April\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-04_(Mid_April).pdf)
[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-07_\(Mid_July\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-07_(Mid_July).pdf)
[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-10_\(Mid_October\)-new.pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin--2018-10_(Mid_October)-new.pdf)

Comment:

According to OBS standards the documents are published late, therefore the score is D.

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 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," 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:

d. No, the In-Year Reports do not present actual expenditures by program.

Source:

The Quarterly Economic Bulletin produced by Central Bank of Nepal does not provide program-level expenditure data.

Following four economic bulletins produced by the Central Bank in the year 2018 do not present individual program-level expenditure data.

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin~2018-01_\(Mid_Jan\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin~2018-01_(Mid_Jan).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin~2018-04_\(Mid_April\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin~2018-04_(Mid_April).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin~2018-07_\(Mid_July\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin~2018-07_(Mid_July).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin~2018-10_\(Mid_October\)-new.pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin~2018-10_(Mid_October)-new.pdf)

Comment:

According to OBS standards the documents are published late, therefore the score is D.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the In-Year Reports present actual expenditures for programs accounting for all expenditures.

IBP Comment

Thank you to the Government Reviewer for the comment. Please see Section 1, which determined that the quarterly in-year reports are published more than three months after the reporting period, and therefore are considered late by OBS standards. When documents are published late, the content of the document is assessed as not being publicly available, therefore this question scores D.

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:

b. No, comparisons are not made for expenditures presented in the In-Year Reports.

Source:

The Quarterly Economic Bulletin produced by Central Bank of Nepal does not provide comparisons of actual expenditure data relative to budgeted amounts for the period or against the previous year's actual data for the same time period.

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-01_\(Mid_Jan\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-01_(Mid_Jan).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-04_\(Mid_April\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-04_(Mid_April).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-07_\(Mid_July\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-07_(Mid_July).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-10_\(Mid_October\)-new.pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-10_(Mid_October)-new.pdf)

Comment:

According to OBS standards the documents are published late, therefore the score is B.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, comparisons are made for expenditures presented in the In-Year Reports.

IBP Comment

Thank you to the Government Reviewer for the comment. Please see Section 1, which determined that the quarterly in-year reports are published more than three months after the reporting period, and therefore are considered late by OBS standards. When documents are published late, the content of the document is assessed as not being publicly available, therefore this question scores B.

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:

b. No, In-Year Reports do not present actual revenue by category.

Source:

The Quarterly Economic Bulletin produced by Central Bank of Nepal presents actual revenue data by main categories of revenue. Table 59 - Government Revenue (New Series), p.78. Quarterly Economic Bulletin - Nepal Rastra Bank Number 2 - Volume 52 (FY2017/18) – mid-January 2018

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-01_\(Mid_Jan\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-01_(Mid_Jan).pdf)

Quarterly Economic Bulletin - Nepal Rastra Bank Number 2 - Volume 52 (FY2017/18) – mid-April 2018

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-04_\(Mid_April\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-04_(Mid_April).pdf)

Quarterly Economic Bulletin - Nepal Rastra Bank Number 4 - Volume 52 (FY2017/18) – mid-July 2018

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-07_\(Mid_July\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-07_(Mid_July).pdf)

Comment:

According to OBS standards the documents are published late, therefore the score is B.

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:

d. No, In-Year Reports do not present individual sources of actual revenue.

Source:

The Quarterly Economic Bulletin produced by Central Bank of Nepal does provide actual revenue data for individual sources of revenue covering all revenues.

Table 59 - Government Revenue (New Series), p.78. Quarterly Economic Bulletin - Nepal Rastra Bank Number 2 - Volume 52 (FY2017/18) – mid-January 2018

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-01_\(Mid_Jan\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-01_(Mid_Jan).pdf)

Quarterly Economic Bulletin - Nepal Rastra Bank Number 2 - Volume 52 (FY2017/18) – mid-April 2018

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-04_\(Mid_April\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-04_(Mid_April).pdf)

Quarterly Economic Bulletin - Nepal Rastra Bank Number 4 - Volume 52 (FY2017/18) – mid-July 2018

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-07_\(Mid_July\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-07_(Mid_July).pdf)

Comment:

Combined amounts of revenue classified as either "other tax" or "other non-tax revenue" is less than 1% of total tax and non-tax revenue.

Assessment of "a" according to OBS methodology requires that "other" categories be no more than 3% of total revenue. For instance, the total government revenue as per the fourth quarterly economic bulletin shows Rs 220,899,9 million while total 'other tax and other non-tax revenue' is merely Rs 895 million.

However, According to OBS standards the documents are published late, therefore the score is D.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, In-Year Reports present individual sources of actual revenue accounting for all revenue.

IBP Comment

Thank you to the Government Reviewer for the comment. Please see Section 1, which determined that the quarterly in-year reports are published more than three months after the reporting period, and therefore are considered late by OBS standards. When documents are published late, the content of the document is assessed as not being publicly available, therefore this question scores D.

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:

b. No, comparisons are not made for revenues presented in the In-Year Reports.

Source:

The Quarterly Economic Bulletin produced by Central Bank of Nepal does not provide data for comparison of actual year-to-date revenues against either original budget estimates for the same period or against actual revenues for the same period in the previous year.

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-01_\(Mid_Jan\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-01_(Mid_Jan).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-04_\(Mid_April\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-04_(Mid_April).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-07_\(Mid_July\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-07_(Mid_July).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-10_\(Mid_October\)-new.pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-10_(Mid_October)-new.pdf)

Comment:

According to OBS standards the documents are published late, therefore the score is B.

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:

d. No, none of the three estimates related to government borrowing and debt are not presented.

Source:

The Quarterly Economic Bulletin produced by Central Bank of Nepal provides information for some but not all of the core elements. It is worth noting, however, that there is also substantial information "beyond the core elements", particularly in the form of highly disaggregated data for net borrowing, total outstanding debt and interest payments across different "lenders" or holders of the debt, despite the fact that data for some core elements is incomplete. 1. Net new borrowing: Domestic - Table 57: Government Budgetary Operations New Series, p.76, External - Table 87: Direct External Debt of Government of Nepal, p.126

2. Total stock of outstanding debt (not available for external debt) Domestic - Table 60. Ownership Pattern of Government Bonds and Treasury Bills, p.79

3. Interest payments (not available for domestic debt) External - Table 87: Direct External Debt of Government of Nepal, p.126

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-07_\(Mid_July\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-07_(Mid_July).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-01_\(Mid_Jan\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-01_(Mid_Jan).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-04_\(Mid_April\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-04_(Mid_April).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-10_\(Mid_October\)-new.pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-10_(Mid_October)-new.pdf)

Comment:

Information for two of the core elements (total debt burden and interest payments) is incomplete.

According to OBS standards the documents are published late, therefore the score is D.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

IBP Comment

Thank you to the Government Reviewer for the comment. Please see Section 1, which determined that the quarterly in-year reports are published more than three months after the reporting period, and therefore are considered late by OBS standards. When documents are published late, the content of the document is assessed as not being publicly available, therefore this question scores D.

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:

d. No, information related to composition of total actual debt outstanding is not presented.

Source:

The Quarterly Economic Bulletin produced by Central Bank of Nepal does provide some information for all 3 core elements as well as information "beyond the core elements".

1. Structure of Interest rates Tables 36, pp.55 Tables 60: Ownership Pattern of Government Bonds and Treasury Bills, p.79 Table 61: Auction of Treasury Bills, pp.80
2. Domestic versus external debt (both domestic and external for borrowings, but only domestic for total stock) Table 57: Government Budgetary Operations New Series for domestic vs external borrowing, p. 76 Table 60: Ownership Pattern of Government Bonds and Treasury Bills, p.79 Table 87: Direct External Debt of Government of Nepal, pp.126 for breakdown of external borrowing Quarterly Economic Bulletin - Nepal Rastra Bank Number - Volume 52 (FY2017/18) – July 2018

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-07_\(Mid_July\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-07_(Mid_July).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-01_\(Mid_Jan\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-01_(Mid_Jan).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-04_\(Mid_April\).pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-04_(Mid_April).pdf)

[https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-10_\(Mid_October\)-new.pdf](https://www.nrb.org.np/red/publications/economic_bulletin/Quarterly_Economic_Bulletin-2018-10_(Mid_October)-new.pdf)

Comment:

Some aspects of information about the core elements are missing, there is also information "beyond the core elements" in the level of detail provided (noting, for example, the breakdowns for both specific issuance of Govt bond/bills, as well as the breakdown of foreign debt by individual countries).

According to OBS standards the documents are published late, therefore the score is D.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

b. Yes, the estimates for macroeconomic forecast have been updated, and an explanation of some of the differences between the original and updated forecasts is presented.

Source:

The document presents revised macroeconomic forecasts relative to the original Budget Forecasts and a comparison of original Budget and the revised Mid Year Forecasts. The revised macroeconomic forecasts and comparisons to original budget forecasts are presented in Chapter 1 (p. 4-10). There is discussion to explain the underlying reasons for revisions and differences between the revised and original forecasts on pages: MYR document contains analysis of macroeconomic and financial indicators, including: economic growth, inflation, foreign exchange reserve, total internal borrowing, banks and other financial institutions, cash flow and monetary scenario, foreign trade and the balance of payments Mid-Term Review 2018

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%B0%E0%A5%8D%E0%A4%B7%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA-%E0%A5%AD%E0%A5%AB%E0%A4%95%E0%A5%8B%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A7%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%AE%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%BE_20180307122153.pdf

Comment:

n/a

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer:

b. Yes, the estimates for macroeconomic forecast have been updated, and an explanation of some of the differences between the original and updated forecasts is presented.

IBP Comment

During an IBP cross-country consistency check, the government reviewer's response is confirmed for this question. The score is revised from A to B, given that not all core required elements of the macroeconomic forecast are presented in the MYR, such as nominal GDP and interest rates, as there were also no estimates of these macroeconomic indicators in the budget proposal. Given this missing information the score is revised to B.

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:

The MYR does not provide updated/revised estimates of expenditures for the whole year. Mid Term Review-2018

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%B0%E0%A5%8D%E0%A4%B7%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA-%E0%A5%AD%E0%A5%AB%E0%A4%95%E0%A5%8B%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A7%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%AE%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%BE_20180307122153.pdf

Comment:

Although the MYR does not provide the required updated estimates of expenditures for the year, the annexes to the MY includes expenditure data with comparisons of 6-month actual expenditures against the original budget forecasts for the year. There is also some narrative discussion of the 6-month actual data in the text of the MYR.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, expenditure estimates have been updated, and an explanation of all of the differences between the original and updated expenditure estimates is presented.

IBP Comment

Thanks to the government reviewer for this suggested answer. However, as the researcher's suggests, the information in the document provides only 6-month actual information, not projections for the remainder of the fiscal year. For this reason, the score is maintained at D.

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:

The MYR provides expenditure estimates for all 3 expenditure classifications. Functional classification Annex 2, Economic classification: Annex 3 Administrative classification Annex 5 Mid Term Review 2018

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%B0%E0%A5%8D%E0%A4%B7%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA-%E0%A5%AD%E0%A5%AB%E0%A4%95%E0%A5%8B%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A7%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%AE%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%BE_20180307122153.pdf

Comment:

It is not clear that the information provided, however, shows revised projections for the remainder of the fiscal year (which is asked by this question) or actual implementation of the budget (which is not asked in this question).

For now, the score is D, pending confirmation of whether there are revised projections.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, the Mid-Year Review presents expenditure estimates by only one of the three expenditure classifications.

Comments: The mid-year report presents data for actual implementation for the first 6 months and updated estimate for the remaining fiscal year. However, this data is only presented for some classification.

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Researcher Response

I do agree with the response of peer reviewer and government reviewer as the source has also indicated the response. The annex part does not have page number but this is at the end of the report stating 'Anusuchiharu in Nepali. The answer should be 'A' as I had already stated the details in source.

IBP Comment

As noted in Q77, the annexes to the MY includes expenditure data with comparisons of 6-month actual expenditures against the original budget forecasts for the year. There is also some narrative discussion of the 6-month actual data in the text of the MYR. However, as this question is looking for the revised / updated projections for the remainder of the FY, not just the 6-month actual expenditures, the score for this question remains D. The researcher's original response is confirmed.

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:

The MYR provides expenditure estimates for all 3 expenditure classifications. Functional classification Annex 2, Economic classification: Annex 3 Administrative classification Annex 5 Mid Term Review 2018

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%B0%E0%A5%8D%E0%A4%B7%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA-%E0%A5%AD%E0%A5%AB%E0%A4%95%E0%A5%8B%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A7%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%AE%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%BE_20180307122153.pdf

Comment:

It is not clear that the information provided, however, shows revised projections for the remainder of the fiscal year (which is asked by this question) or actual implementation of the budget (which is not asked in this question).

For now, the score is D, pending confirmation of whether there are revised projections.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Mid Term Review 2018 does not contain information on estimates for individual program.

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%B0%E0%A5%8D%E0%A4%B7%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA-%E0%A5%AD%E0%A5%AB%E0%A4%95%E0%A5%8B%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A7%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%AE%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%BE_20180307122153.pdf

Comment:

It is not clear that the information provided, however, shows revised projections for the remainder of the fiscal year (which is asked by this question) or actual implementation of the budget (which is not asked in this question).

For now, the score is D, pending confirmation of whether there are revised projections.

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:

b. Yes, revenue estimates have been updated, and an explanation of some of the differences between the original and updated revenue estimates is presented.

Source:

Revised revenue estimates are presented both in in Annex 1. Discussion of the revised revenue estimates and some of the underlying factors is included in Section 2.

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%B0%E0%A5%8D%E0%A4%B7%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA-%E0%A5%AD%E0%A5%AB%E0%A4%95%E0%A5%8B%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A7%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%AE%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%BE_20180307122153.pdf

Comment:

n/a

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. Yes, the Mid-Year Review presents revenue estimates by category.

Source:

Annex 1 and Annex 4 of the MYR 2018 present revenue estimates by categories.

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%B0%E0%A5%8D%E0%A4%B7%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA-%E0%A5%AD%E0%A5%AB%E0%A4%95%E0%A5%8B%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A7%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%AE%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%BE_20180307122153.pdf

Comment:

n/a

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. Yes, the Mid-Year Review presents individual sources of revenue accounting for all revenue.

Source:

Annex 4 of the MYR 2016 presents individual sources of revenues accounting for all revenue.

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%B0%E0%A5%8D%E0%A4%B7%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA-%E0%A5%AD%E0%A5%AB%E0%A4%95%E0%A5%8B%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A7%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%AE%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%BE_20180307122153.pdf

Comment:

The amount of revenues classified as 'Others' satisfies the requirement that it be no more 3% of the total revenue. It is below 2 %.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

b. Yes, estimates of government borrowing and debt have been updated, and information on some of the differences between the original and updated estimates is presented.

Source:

The MYR documentation provides updated estimates for 2 of the 6 core elements related to Government debt and borrowing - net new borrowing and interest payments.

1. Net new borrowing in FY2017-18 - with a breakdown between external and domestic borrowing Annex 1

2. Interest payments for debt service in FY2017-18 - with a breakdown between interest/debt service payments for external and domestic debt/borrowing Annex 2 (line item 1.7) and Annex 3 (line items 24111 and 24211) Mid-Term Review 2018

https://mof.gov.np/uploads/document/file/%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B5%E0%A4%B0%E0%A5%8D%E0%A4%B7%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA-%E0%A5%AD%E0%A5%AB%E0%A4%95%E0%A5%8B%20%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A7%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%AE%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%BE_20180307122153.pdf

Comment:

n/a

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer:

b. Yes, estimates of government borrowing and debt have been updated, and information on some of the differences between the original and updated estimates is presented.

Researcher Response

I also go for government reviewer response.

IBP Comment

The government reviewer's response is confirmed. Some of the estimates have been updated and there is a narrative. Therefore the score is B.

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:

b. Yes, estimates of the differences between the enacted levels and the actual outcome for all expenditures are presented, but a narrative discussion is not included.

Source:

YER documentation provides estimates of the differences between actual outcomes and original budget estimates for all expenditures, but the narrative discussion of these differences is very limited with no explanation about the causes or reasons for variances between budgeted amounts and actual outcomes. Comparisons of actual expenditure outcomes against budget estimates are available at varying levels of detail or disaggregation, including for broad fiscal aggregate categories such as total, recurrent and capital expenditures, as well as for a full administrative classification of spending.

1. Broad fiscal aggregate measures for expenditure: Table 23, p.24 Figure 7 (Scenario of Actual Expenditure with Budget), p.24, Table 24, p.25 Figure 9, p.26, Table 25, p 27 Figure 10, p 27, Table 26, p 28 Figure 10, p 27. Consolidated Financial Statement FY 2016/17

https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

2. Administrative classification of expenditures (with additional details for all "virements"/revisions to original budget estimates: Annex 6, pp.60, Function-wise Expenditure Annex 5, pp 54, Function-wise Actual Expenditure (FY 2015/16), Annex 12, pp 78

3. Economic code wise aggregate expenditure (Annex 14, 15 and 16, pp 96, 138 and 153).

https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

Comment:

The link of Annual Progress Assessment Report FY 2017 is broken and the document cannot be access online.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, estimates of the differences between the enacted levels and the actual outcome for all expenditures are presented, but a narrative discussion is not included.

IBP Comment

Thank you for the government reviewer's comment - as the answer choice suggested is the same as the choice selected by the researcher, the response is in agreement.

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:

YER documentation provides estimates of the differences between actual outcomes and original budget estimates for all expenditures, but the narrative discussion of these differences is very limited with no explanation about the causes or reasons for variances between budgeted amounts and actual outcomes. Comparisons of actual expenditure outcomes against budget estimates are available at varying levels of detail or disaggregation, including for broad fiscal aggregate categories such as total, recurrent and capital expenditures, as well as for a full administrative classification of spending.

1. Broad fiscal aggregate measures for expenditure: Table 23, p.24 Figure 7 (Scenario of Actual Expenditure with Budget), p.24, Table 24, p.25 Figure 9, p.26, Table 25, p 27 Figure 10, p 27, Table 26, p 28 Figure 10, p 27. Consolidated Financial Statement FY 2016/17

https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

2. Administrative classification of expenditures (with additional details for all "virements"/revisions to original budget estimates: Annex 6, pp.60, Function-wise Expenditure Annex 5, pp 54, Function-wise Actual Expenditure (FY 2015/16), Annex 12, pp 78, Economic code wise aggregate expenditure (Annex 14, 15 and 16, pp 96, 138 and 153).

https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

Comment:

The link of Annual Progress Assessment Report FY 2017 is broken and the document cannot be access online.

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:

YER documentation provides estimates of the differences between actual outcomes and original budget estimates for all expenditures, but the narrative discussion of these differences is very limited with no explanation about the causes or reasons for variances between budgeted amounts and actual outcomes. Comparisons of actual expenditure outcomes against budget estimates are available at varying levels of detail or disaggregation, including for broad fiscal aggregate categories such as total, recurrent and capital expenditures, as well as for a full administrative classification of spending.

1. Broad fiscal aggregate measures for expenditure: Table 23, p.24 Figure 7 (Scenario of Actual Expenditure with Budget), p.24, Table 24, p.25 Figure 9, p.26, Table 25, p 27 Figure 10, p 27, Table 26, p 28 Figure 10, p 27. Consolidated Financial Statement FY 2016/17

https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

2. Administrative classification of expenditures (with additional details for all "virements"/revisions to original budget estimates: Annex 6, pp.60, Function-wise Expenditure Annex 5, pp 54, Function-wise Actual Expenditure (FY 2015/16), Annex 12, pp 78, Economic code wise aggregate expenditure (Annex 14, 15 and 16, pp 96, 138 and 153).

https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

Comment:

The link of Annual Progress Assessment Report FY 2017 is broken and the document cannot be access online.

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 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 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:

c. Yes, the Year-End Report presents estimates for programs accounting for less than two-thirds of expenditures.

Source:

YER documentation does provide estimates of expenditures for some program-level spending accounting for less than 2/3 of all expenditures.

Table 4 and 5 (pp 8) shows actual government expenditure and the composition of expenditure while Table 7 reveals expenditure according to economic classification, table 8 (COFOG wise expenditure) and table 9 and 10 reveals sector and source wise expenditure).

Consolidated Financial Statement FY 2016/17

https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

Comment:

While there is good information on expenditure classifications, there is less information on specific programs underneath these classifications.

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:

b. Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, but a narrative discussion is not included.

Source:

YER documentation provides estimates of the differences between actual outcomes and original budget revenues, but the narrative discussion of these differences is very limited with no explanation about the causes or reasons for variances between budgeted amounts and actual outcomes.

See Table 21 (page 23) which compares actual revenues against target revenues, and then Annex 4: Revenue Collection Details (pages 52-53) for a

detailed comparison of targets and actual revenues.

https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

Comment:

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 documentation does provide information (data) for the differences between budget estimates of revenues and actual outcomes for all revenue, but narrative discussion of the variances is limited. Table 1 (Statement of Revenue Collection under Revenue and Other Income) p 5 and Table 21, p.23 (Total revenue collection scenario) Figure 6, p.23.

Annex 4, pp.52-53 (revenue collection detail) Govt of Nepal Consolidated Financial Statements - Fiscal Year 2016/17. The information includes data for revenues as well as narrative discussion.

Consolidated Financial Statement FY 2016/17

https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

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 documentation does provide information (data) for the differences between budget estimates of revenues and actual outcomes for all revenue, but narrative discussion of the variances is limited. Table 1 (Statement of Revenue Collection under Revenue and Other Income) p 5 and Table 21, p.23 (Total revenue collection scenario) Figure 6, p.23. Annex 4, pp.52-53 (revenue collection detail) Govt of Nepal Consolidated Financial Statements - Fiscal Year 2016/17. The information includes data for revenues as well as narrative discussion. Consolidated Financial Statement FY 2016/17 https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

Comment:

'Other' revenues account for less than 1% of total revenues, justifying an A score.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

IBP Comment

Thank you for the government reviewer's comment. In cases where 'other' or unclassified revenues are less than 3%, the score for this question can be an A. The researcher's response is confirmed.

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:

d. No, estimates of the differences between the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year is not presented.

Source:

YER documentation provides information about the actual outcomes for 2 of the 6 core elements related to Government borrowing and debt - interest payments and the deficit amount (net new borrowing). Interest payments summary of external debt of FY 2015/16 Annex 31, p.174 and Table 17 Amount of Interest Payment, p 14, net new borrowing p. 45 of Government of Nepal Consolidated Financial Statements - Fiscal Year 2016/17 https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

Comment:

Information is not presented as a comparison to the original budgeted amount, therefore the score is D.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer:

a. Yes, estimates of the differences between all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented, along with a narrative discussion.

IBP Comment

Thank you to the government reviewer for the suggested score. It is correct that there is information on actual results of debt in the document, including annexes with domestic and external debt details for 2073/74 (2016/2017). However as only actual values are presented, and not comparisons with the original budgeted values, the score for this question is confirmed at D.

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:

Information beyond the core elements:

Source:

YER documentation provides information about differences between the original estimates and actual outcomes for 1 of the 6 core elements related to Government borrowing and debt - interest payments. Interest payments summary of external debt of FY 2015/16 Annex 31, p.174 and Table 17 Amount of Interest Payment, p 14 of Government of Nepal Consolidated Financial Statements - Fiscal Year 2016/17
https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

Comment:

As the information is not shown in comparison to the approved budget, the score is D.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

d. No, estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year is not presented.

Source:

The YER documentation does not provide information about differences between the original budget macroeconomic assumptions for the fiscal year

and actual outcomes.

Government of Nepal Consolidated Financial Statements - Fiscal Year 2016/17

https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

None of the above

Source:

The YER documentation does not provide information about differences between the original budget macroeconomic assumptions for the fiscal year and actual outcomes.

Government of Nepal Consolidated Financial Statements - Fiscal Year 2016/17

https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

The YER documentation does not provide information about differences between the original budget data for non-financial inputs for the fiscal year and actual outcomes.

Government of Nepal Consolidated Financial Statements - Fiscal Year 2016/17

https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

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:

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

Source:

The YER documentation does not provide information about differences between the original budget data for non-financial results (outputs) for the fiscal year and actual outcomes.

Government of Nepal Consolidated Financial Statements - Fiscal Year 2016/17

https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

Comment:

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:

d. No, estimates of the differences between the enacted level for policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are not presented.

Source:

YER documentation does not provide (significant) information for the differences between budget estimates of revenues and actual outcomes for policies intended to benefit the country's most impoverished population. The only spending categories targeted to assist the most impoverished population for which data presented includes both actual amounts and budget estimates is for highly aggregated spending on social protection as part of a broad administrative classification. Annex 6, pp.60-61- ministry wise actual expenditure. Ministry of Women, Children & Social Welfare Ministry of Cooperative and Poverty Alleviation However, for actual data only, there is also relevant information provided in Annex 12-13 (pp.78- 88) "Function wise Actual Expenditure, Fiscal Year 2015/16" This table presents data according to a functional classification within administrative units also listed under each functional category.

Government of Nepal Consolidated Financial Statements - Fiscal Year 2016/17

https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

Comment:

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:

d. No, estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome is not presented.

Source:

YER documentation does not provide information about differences between the original estimates of extra-budgetary funds and the actual outcomes. Nepal Consolidated Financial Statements - Fiscal Year 2016/17

https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

Comment:

n/a

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:

a. Yes, a financial statement is part of the Year-End Report or is released as a separate report.

Source:

The YER document is itself the Consolidated Financial Statement 2016-17 produced by Financial Comptroller General Office, an internal audit institution under Ministry of Finance
https://www.fcgo.gov.np/uploads/reportpublication/2018-06-08/CFS_final_book_2016-17.pdf

Comment:

n/a

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:

The OAG conducts all 3 types of audits - compliance, financial and performance. Compliance and financial audit procedures are demonstrated by the OAGs main annual audit report. Complete Audit Report-2017 - Financial and Compliance Audit(s)
https://oagnep.gov.np/wp-content/uploads/2018/04/executive_summary_2074.pdf
Performance and special audits are conducted for selected agencies and programs. In the yewar 2017, the OAG had conducted performance audit of eight agencies and also undertook information technology audit (legitimacy of information technology system and application in government agencies). OAG shared the report with civil society representatives in a public meeting. Performance and special Audit
https://oagnep.gov.np/wp-content/uploads/2018/04/Performance-Audit-Report-2074_Nepali_small.pdf

Comment:

n/a

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:

b. Expenditures representing at least two-thirds of, but not all, expenditures within the SAI's mandate have been audited.

Source:

Nepal Constitution Provision on Office of Auditor General and functions

<http://www.lawcommission.gov.np/en/archives/859>

Audit Act-2018

<https://oagnep.gov.np/wp-content/uploads/2019/04/%E0%A4%B2%E0%A5%87%E0%A4%96%E0%A4%BE%E0%A4%AA%E0%A4%B0%E0%A5%80%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%A3-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AB.pdf>

Annual Audit Report-2017

https://oagnep.gov.np/wp-content/uploads/2018/04/executive_summary_2074.pdf

Comment:

All expenditures within OAG's mandate have been audited. The Nepal Constitution set the mandate of OAG to audit the expenditures of all federal and state governments and local levels. According to the Constitution, the functions, duties and power of the Auditor General are as follows.

(1) The accounts of all Federal and State Government Offices including the Office of the President, Office of the Vice-President, Supreme Court, Federal Parliament, State Assembly, State Government, Local level, Constitutional Bodies and Offices thereof, Courts, Office of the Attorney General, Nepal Army, Nepal Police and Armed Police Force, Nepal shall be audited by the Auditor-General in accordance with law, having regard to, inter alia, the regularity, economy, efficiency, effectiveness and the propriety thereof.

Projects directly funded by the donors submit the reports to the government only for information and not for audit. These projects constitute approximately one-third of the total annual expenditures and are not audited.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

99. What percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited?

GUIDELINES:

Question 99 focuses on audits of extra-budgetary funds, asking what percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited. These funds, although technically outside the budget, are governmental in nature and thus should be subject to the same audit requirement as other government programs.

The SAI's mandate is typically defined in statute. Only expenditures related to extra-budgetary funds within the SAI's mandate should be considered for this question. (Question 98 addresses audits of budgetary central government.) Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.

To answer "a," all extra-budgetary funds within the SAI's mandate must be audited. A "b" response applies if extra-budgetary funds accounting for at least two-thirds of, but not all, expenditures associated with extra-budgetary funds within the SAI's mandate have been audited. A "c" response applies if extra-budgetary funds accounting for less than two-thirds of expenditures associated with extra-budgetary funds within the SAI's mandate have been audited. A "d" response applies if extra-budgetary funds have not been audited.

Answer:

d. No extra-budgetary funds have been audited.

Source:

No extra-budgetary funds have been audited. Annual Audit Report 2017
https://oagnep.gov.np/wp-content/uploads/2018/04/Annual-Report-2017_Nepali.pdf

Comment:

According to Mr Iswar Nepal, Deputy Auditor General of OAGN noted that the institution has the scope of auditing extra-budgetary fund. It carries out audit of the extra-budgetary funds (not reflected in government treasury but spent) provided such funds are reflected in the financial statement.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Annual Audit Report 2017 produced and made available by the Office of Auditor General of Nepal has the executive summary. It summarizes the report content such as findings of the audit and areas for reforms.
https://oagnep.gov.np/wp-content/uploads/2018/04/executive_summary_2017.pdf

Comment:

The below link refers to the comprehensive audit report for the year 2017.
https://oagnep.gov.np/wp-content/uploads/2018/04/Annual-Report-2017_Nepali.pdf

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:

Based on consultations with Ministry of Finance and OAG officials, there is a Central Committee of Monitoring and Evaluation for Arrears Clearance within the Ministry of Finance. They periodically produce relevant reports on progress in resolving the arrears of all ministries acting on the recommendations identified by the Auditor General's audit report. Although the audit reports are public, and there may be reports produced internally, none of them could be found online.

Comment:

n/a

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:

The Auditor General's annual report for the fiscal year 2016-17 includes a section (pp.8) reporting the arrears amount settled by the government offices as per the audit recommendations. In addition, the Foreword of the Auditor General in the sub-heading 'Accountability and Fiscal Discipline' also makes some general references to measures taken by the Government to address audit recommendations. Annual Audit Report 2017 https://oagnep.gov.np/wp-content/uploads/2018/04/Annual-Report-20174_Nepali.pdf

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

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:

d. No, there is no IFI.

Source:

Mr Kuvera Chalise, Editor of Karobar Daily (a Nepali broadsheet daily dedicated to economics, finance and business affairs of the country) noted that the constitutionally-mandated National Natural Resource and Fiscal Commission is in place. The commission is a new agency set up as per the Constitution of Nepal promulgated in 2015. It also has its separate Act and mechanism to execute the constitutionally and legally mandated works. As per approved organizational structure, the commission will have 53 regular employees. It can also hire additional 43 employees on contract, including experts, as and when required.

According to the Times Magazine, the commission is perhaps the most pivotal of these constitutional bodies for federalism's survival and success as it will serve as the constitutionally-mandated authority (under Section 26) for setting guidelines for federal fiscal transfer to sub-national governments, and developing formulas for distributing natural resource royalties, among others.

<https://www.nepalitimes.com/latest/nepals-new-national-natural-resources-and-fiscal-commission/>

Functions, duties and powers of National Natural Resources and Fiscal Commission:

(1) The functions, duties and powers of the National Natural Resources and Fiscal Commission shall be as follows:

- (a) to determine detailed basis and modality for the distribution of revenues between the Federal, State and Local Governments out of the Federal Consolidated Fund in accordance with the Constitution and law,
- (b) to make recommendation about equalization grants to be provided to the State and Local Governments out of the Federal Consolidated Fund,
- (c) to conduct study and research work and prepare parameters as to conditional grants to be provided to the State and Local Governments in accordance with national policies and programs, norms/standards and situation of infrastructures,
- (d) to determine detailed basis and modality for the distribution of revenues between the State and Local Governments out of the State Consolidated Fund,

(e) to recommend measures to meet expenditures of the Federal, State and Local Governments, and to reform revenue collection,

(f) to analyze macro-economic indicators and recommend ceiling of internal loans that the Federal, State and Local Governments can borrow,

(g) to review the bases for the distribution between the Federal and State Governments of revenues and recommend for revision,

(h) to set bases for the determination of shares of the Government of Nepal, State Government and Local level in investments and returns, in the mobilization of natural resources,

(i) to do study and research work on possible disputes that may arise between the Federation and the States, between States, between a State and a Local level, and between Local levels, and make suggestions to act in a coordinated manner for the prevention of such disputes.

(2) The National Natural Resources and Fiscal Commission shall carry out necessary study and research work about environmental impact assessment required in the course of distribution of natural resources, and make recommendations to the Government of Nepal.

(3) Other functions, duties and powers and rules of procedure of the National Natural Resources and Fiscal Commission, detailed bases required to be followed in the mobilization of natural resources or distribution of revenues, and other matters including conditions of service of the officials of the Commission shall be as provided for in the Federal law.

The major duties and responsibilities of the commission is given in the law. Please find the link below.

<http://www.lawcommission.gov.np/en/archives/851>

Comment:

The commission analyses budget for the budget formulation but not on approval process. It has an authority to advise the government on revenue distribution to the local levels and provinces,

However, there are some private organisations such as Freedom Forum, Policy Research and Development Nepal (PRAD) and SAWATEE which undertake some sorts of budget analysis in different sectors. But Independence of such organisations are not set out in Law.

Likewise another senior economist and former senior official of Nepal Rastra Bank (The Central Bank of Nepal), Mr. Keshav Acharya also noted that there is no as such independent institutions to carry out study and research budget within the government structure in Nepal except Fiscal Commission. The institutions such as National Planning Commission (NPC) should be obligated to do so but the NPC is not doing that task. Oversight institutions like Office of Auditor General and Parliamentary Public Accounts Committee are also obliged to analyse the budget but their analysis is not link to budget formulation and/or approval process.

Peer Reviewer

Opinion: Agree

Comments: "The commission makes recommendations to the governments regarding revenue distribution, equalization grant, conditional grant, internal borrowing and sharing of natural resources among the three tiers of governments." This commission was set up to come up with a mechanism for resource allocation across different levels of the government. This can be considered as an IFI.

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, there is an IFI, its independence is set in law, and it has sufficient staffing and resources, including funding, to carry out its tasks.

IBP Comment

After an IBP cross-country consistency check, the response for this question is being revised to D, as the National Natural Resource and Fiscal Commission is not considered an IFI by OBS standards. This institution appears to be a type of fiscal commission that engages only on parts of the budget, in that its main purpose is: "setting guidelines for federal fiscal transfer to sub-national governments, and developing formulas for distributing natural resource royalties." In this question, IBP looks to assess independent bodies that have the purpose and mandate to conduct budget analysis for the entire central government budget either during the formulation or approval processes. This follows the OCED definition of an IFI, which says: "Independent fiscal institutions (IFIs) are independent public institutions with a mandate to critically assess, and in some cases provide non-partisan advice on, fiscal policy and performance. [...] Core IFI functions include assessing or preparing macroeconomic and fiscal forecasts and monitoring and evaluating fiscal plans and outcomes." Since the National Natural Resource and Fiscal Commission only engages on a portion of the budget related to the federal transfers and the distribution of resource revenues, it is not considered as an IFI for this question.

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:

d. No, there is no IFI; or the IFI neither publishes its own macroeconomic and/or fiscal forecasts, nor a commentary on the official forecasts produced by the executive.

Source:

Though the National Natural Resource and Fiscal Commission has the duty to carry out researches including analyze macro-economic indicators, it did not perform the functions during the research period. This is the new mechanism and has recently received Chairperson and other members. It has come to function from the current fiscal year.

Comment:

n/a

Peer Reviewer

Opinion: Agree

Comments: This was set up very recently.

Government Reviewer

Opinion: Agree

IBP Comment

As per the IBP comment on Q103, the Natural Resource and Fiscal Commission is not considered an IFI for these OBS questions.

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:

The Commission as a novice institution did not publish its own costings of new policy proposals.

Comment:

It had come up with a report with recommendations on the Transfer of Fiscal Equalization Grant from Federal Government to the Province and Local Governments for the Fiscal Year 2018/19

http://www.nnrfc.gov.np/uploads/fivesectors/2018-08-22/Fiscal_Equalization_Grants_ENG_Final.pdf

Peer Reviewer

Opinion: Agree

Comments: Since this was set up very recently, it's too early to tell.

Government Reviewer

Opinion: Agree

IBP Comment

As per the IBP comment on Q103, the Natural Resource and Fiscal Commission is not considered an IFI for these OBS questions.

106. In the past 12 months, how frequently did the head or a senior staff member of the Independent Fiscal Institution (IFI) take part and testify in hearings of a committee of the legislature?

GUIDELINES:

Question 106 concerns the interaction between two important oversight actors and assesses how frequently the Independent Fiscal Institution (IFI) made high-level inputs to the work of legislative committees. Almost all IFIs interact with the legislature in some form (von Trapp et al 2016, p. 18), but the intensity of the interaction varies. This question assesses this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the IFI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the IFI staff member in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). As evidence to support your answer, you can refer to official records of legislative committees, websites and annual reports of the IFI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; and "c" for once or twice. Answer "d" should be selected if the head or a senior staff member of the IFI never took part and testified in hearings of a committee of the legislature, or if there is no IFI.

Answer:

d. Never, or there is no IFI.

Source:

The parliamentary committee summons senior officials of the National Natural Resource and Fiscal Commission as per the issue. There is no watertight rule on frequency to summon the officials. However, the parliamentary committee called its officials sometimes. The media coverage shows that the official took part in the parliamentary committee meeting.

<http://kathmandupost.ekantipur.com/news/2018-08-14/house-panel-directs-govt-to-resolve-issue-of-double-taxation.html>

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Sometimes (i.e., three times or more, but less than five times).

IBP Comment

As per the IBP comment on Q103, the Natural Resource and Fiscal Commission is not considered an IFI for these OBS questions. Therefore the response is revised from B to D.

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:

b. Yes, a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, and approves recommendations for the upcoming budget.

Source:

Interview with Dr Rojnath Pandey, Spokesperson of the Parliament Secretariat. The Parliamentary Finance Committee holds pre-budget discussions being focused on budget policy prior to the presentation of EBP in the parliament. The Finance Committee held Pre- budget discussion in different six areas of Nepal a month prior to the tabling of EBP. Mr. Pandey also states that the committee provides recommendations for the upcoming budget and some recommendations of budget policy debate have been considered in the formulation of EBP.

However, the MoF also formed a Revenue Advisory Committee which also held pre budget discussions in several places of the country. The committee produced a comprehensive report suggesting policy reforms in the budget. Media coverage of the Pre Budget discussion held in one of the main cities of Nepal.

<http://therisingnepal.org.np/news/4479>

Comment:

n/a

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:

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

Source:

As the EBP is reported as delivered to Parliament on 28 May, with a start date for the FY of 16 July. (with the period between these dates being more than 1 month but less than 2 months).

However, the parliamentary officials noted that the EBP is open to parliamentarians once it is presented at the Parliament and there is no legal provision and practice to provide to EBP to legislature before the budget is presented.

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested 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.

IBP Comment

Based on the response from the researcher, in 2018 it was 49 days (about 1.5 months) from when the Parliament receives the budget until the start of the fiscal year. This is a C score by OBS methodology.

109. When does the legislature approve the Executive's Budget Proposal?

GUIDELINES:

Question 109 examines when the legislature approves the Executive's Budget Proposal. International good practice recommends that the Executive's Budget Proposal should be approved by the legislature before the start of the fiscal year the budget proposal refers to. This gives the executive time to implement the budget in its entirety, particularly new programs and policies.

In some countries, the expenditure and revenue estimates of the Executive's Budget Proposal are approved separately; for purposes of this question, at least the expenditure estimates must be approved. Further, approval of the budget implies approval of the full-year budget, not just a short-term continuation of spending and revenue authority.

To answer "a," the legislature must approve the Executive's Budget Proposal at least one month before the start of the budget year. Answer "b" applies if the legislature approves the Executive's Budget Proposal less than one month in advance of the start of the budget year, but at least by the start of the budget year. Answer "c" applies if the legislature approves the Executive's Budget Proposal less than one month after the start of the budget year. Answer "d" applies if the legislature approves the Executive's Budget Proposal more than one month after the start of the budget year, or does not approve the budget.

Answer:

b. The legislature approves the budget less than one month in advance of the start of the budget year, but at least by the start of the budget year.

Source:

<http://kathmandupost.ekantipur.com/printedition/news/2018-06-30/house-approves-appropriation-bill.html>

<http://hr.parliament.gov.np/uploads/attachments/p9y93nn6dqb3kbu5.pdf>

Comment:

<http://hr.parliament.gov.np/uploads/attachments/p9y93nn6dqb3kbu5.pdf>

<http://kathmandupost.ekantipur.com/printedition/news/2018-06-30/house-approves-appropriation-bill.html>

The Nepal Constitution 2015 has made a statutory provision that the national budget must be presented in the parliament on May 28 (Mid of Nepali Month of Jestha). All the four budget related bills including Appropriation Bill was endorsed by the parliament during the period of June 29 to July 2, 2018- before the start of fiscal year.(July 16). It has adhered to the constitutional spirit to expedite the budget implementation by enacting its laws.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. The legislature approves the budget less than one month in advance of the start of the budget year, but at least by the start of the budget year.

IBP Comment

Thank you for the government reviewer comment. However, the response selected is the same as the researcher's response, therefore this is in agreement.

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:

c. Yes, the legislature has authority in law to amend the Executive's Budget Proposal, but its authority is very limited.

Source:

Interview with Mr. Surendra Aryal, Parliamentary Secretariat Official.Mr (<http://official.Mr>). Aryal insistent that the Parliament as a law making body has the authority to amend executive budget proposal even if it is not stated anywhere.

Comment:

The Legislature-Parliament has authority to amend all provisions of the Executive Budget Proposal except non-votable expenses i.e constitutional expenses. In the parliamentary system of Nepal, the Legislature-Parliament can amend and make any laws by simple majority. The constitution is the only document which requires two-third majority for amendment. So, the question of authority in law to amend EBP itself is less relevant in our case. The government falls when the budget is not passed or simple majority disapproves the EBP.. So far in practice, there is no change in the EBP when it is presented at the parliament.

Peer Reviewer

Opinion: Agree

Comments: Even though the legislature has the authority to amend the EBP, it is never contested.

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:

c. No, while the legislature has the authority in law to propose amendments to the Executive's Budget Proposal, no amendments were offered.

Source:

Interview with Mr. Surendra Aryal, Parliamentary Committee Secretary.

Comment:

The current government has two-third majority in the parliament so any proposal put forth by the executive has been normally approved by the parliament. So was the case with the process to approve the budgetary proposal. The legislature did not use its authority to amend the EBP.

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:

d. No, a specialized budget or finance committee did not examine the Executive's Budget Proposal.

Source:

Interview with Mr. Surendra Aryal, Secretary of Parliamentary Finance Committee. The Finance Committee according to Aryal has the only directive role in course of the budget formulation process. It has not definite role in the budget approval process. He also mentioned that the budget is the secret document and is only unveiled at the moment it is presented by the Finance Minister at the parliament.

Comment:

The Legislature -Parliament also gets the EBP copies only on the day it is presented in the Parliament. Role of the Finance committee can be found here:

<http://www.lawcommission.gov.np/en/archives/3911>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested 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.

IBP Comment

Based on the Rules of the legislative committees cited by the researcher, there is no clear role of any of the committees in the budget approval process. Without any clear evidence that a committee reviews the budget during the approval process, this score is confirmed as D.

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:

d. No, sector committees did not examine the Executive's Budget Proposal.

Source:

Mr. Surendra Aryal who was employee at Parliamentary Secretariat and now is the secretary at Finance Committee of the Parliament.

Comment:

According to the budgetary system and practice of Nepal, the executive Budget Proposal is made public only after finance Minister presents the annual budget at the Parliament. The budget document is considered to be confidential for its implication on revenues, It is not subject to discussion in any legislature committee.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Yes, sector committees had at least one month to examine the Executive's Budget Proposal, and they published reports with findings and recommendations prior to the budget being adopted.

IBP Comment

Based on the Rules of the legislative committees cited by the researcher, there is no clear role of any of the committees in the budget approval process. Without any clear evidence that a sector committee reviews the budget during the approval process, this score is confirmed as D.

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:

c. Yes, a committee examined in-year implementation, but it did not publish any report with findings and recommendations.

Source:

Interview with Mr. Surendra Aryal-Senior Official at PAC of Legislature-Parliament and Secretary at Public Finance Committee of the Parliament Dr Rojnath Pandey.

According to Aryal and Pandey, PAC conducts investigation on particular cases of budget misuse and irregularities. To do so, the PAC forms sub-committee to probe into the cases which are found during the examination of the implementation of the EB. The sub-committee produces the report with findings and recommendations which are later discussed in the full PAC meeting.

The PAC forms different sub-committees to examine the in-year implementation. The number of sub-committee is determined as per the need.

Comment:

The report may be produced, but it is not yet clear whether it is published online.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, a committee examined in-year implementation on at least three occasions during a fiscal year, and it published reports with findings and recommendations.

IBP Comment

Thank you to the government reviewer for the proposed response. However, without a published report from the committee, the response to this question is C. The researcher's original response is confirmed.

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:

Section 121 of the Nepal Constitution-2015 & Financial Work Procedure Act 1998

Constitution of Nepal-2015

<http://www.lawcommission.gov.np/en/archives/884>

121. Supplementary estimates: (1) The Minister for Finance of the Government of Nepal may lay before the House of Representatives a supplementary estimate if it is found in any financial year,- (a) that the sum authorized to be spent for a particular service by the Appropriation Act for the current financial year is insufficient, or that a need has arisen for expenditures on some new service not provided for by the Appropriation Act for that year, or (b) that the expenditures made during that financial year are in excess of the amount authorized by the Appropriation Act. (2) The sums included in the supplementary estimate shall be specified under the related heads in a Supplementary Appropriation Bill.

Financial Work Procedure Act (Section 8)

<http://www.lawcommission.gov.np/np/archives/6244>

Comment:

Financial work procedure Act has clearly mentioned that government can transfer the budget within the ceiling prescribed by appropriation Act. Appropriation Act provides government the right to transfer budget from one head to other not exceeding 10% of total budget in aggregate but development budget and financial management cannot be transferred to recurrent expenditure.

Peer Reviewer

Opinion: Agree

Comments: However, any additional budget that may be required for that year beyond the appropriation bill has to be passed by the legislature.

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. The executive is required by law or regulation to obtain approval from the legislature prior to shifting funds between administrative units, and it does so in practice.

IBP Comment

Thank you for the government reviewer's response. Based on the evidence provided by the researcher, however, that shifts up to 10% are allowed, this scores a D in this question as per OBS methodology.

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:

Comment:

Section 121 of the Nepal Constitution-2015 (Page Number 78) Constitution of Nepal-2015

<http://www.lawcommission.gov.np/en/archives/884>

121. Supplementary estimates: (1) The Minister for Finance of the Government of Nepal may lay before the House of Representatives a supplementary estimate if it is found in any financial year, - (a) that the sum authorized to be spent for a particular service by the Appropriation Act for the current financial year is insufficient, or that a need has arisen for expenditures on some new service not provided for by the Appropriation Act for that year, or (b) that the expenditures made during that financial year are in excess of the amount authorized by the Appropriation Act. (2) The sums included in the supplementary estimate shall be specified under the related heads in a Supplementary Appropriation Bill.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. The executive obtains approval from the legislature prior to spending excess revenue, but is not required to do so by law or regulation.

IBP Comment

Thank you for the government reviewer's response. Based on the evidence provided by the researcher, however, the score is confirmed as A.

117. Does the executive seek approval from the legislature prior to reducing spending below the levels in the Enacted Budget in response to revenue shortfalls (that is, revenues lower than originally anticipated) or other reasons during the budget execution period, and is it legally required to do so?

GUIDELINES:

Question 117 examines whether the executive receives approval from the legislature prior to cutting spending below the levels in the Enacted Budget in response to revenue shortfalls or for any other reason, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if less revenue is collected unexpectedly during the year, the legislature should approve or reject any proposed reductions in expenditures that are implemented as a result. If such requirements are not in place, the executive might substantially change the composition of the budget at the executive's discretion, with no legislative control.

Typically, legislative approval of proposals to reduce spending below the levels reflected in the Enacted Budget would occur as part of the supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before implementing spending cuts in response to revenue shortfalls or for other reasons, and it does so in practice. Answer "b" applies if the executive received legislative approval before implementing such cuts, but is not legally required to do so. Answer "c" applies if the executive is legally required to obtain legislative approval before implementing such cuts, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to implement such cuts and the executive does not obtain such approval in practice. A "d" response applies if the legislature only approves the spending cuts after they have already occurred.

Answer:

d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to reducing spending below enacted levels, and in practice the executive implements these spending cuts before seeking prior approval from the legislature.

Source:

Interview with Dr Rojnath Pandey, Spokesperson of Parliament Secretariat and Secretary of the Public Accounts Committee and MoF official.

Comment:

It is the executive right to spend money within the ceiling prescribed by parliament whatever be the revenue, said Rojnath Pandey. There is no practice based on revenue. Normally revenue exceeds than expected which might reduce the need for additional internal debt because Nepal practices deficit budget, said MoF official.

Peer Reviewer

Opinion: Agree

Comments: There is now law to seek prior approval before reducing spending levels in the Enacted budget. MoF can reallocated some of the budget across different ministries within the amount specified in the appropriation bill.

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. The executive obtains approval from the legislature prior to reducing spending below enacted levels, but is not required to do so by law or regulation.

IBP Comment

Thank you to the government reviewer for the suggested answer. However, without any evidence of a law regulating this practice, or approval of a reduction of expenditures as a result of lower revenues, this question scores a D.

118. Did a committee of the legislature examine the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI)?

GUIDELINES:

Question 118 is about ex post oversight following the implementation of the budget. It probes whether a committee examined the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI), and whether this resulted in an official report with findings and recommendations. A key issue is how soon after the SAI releases the report does it legislature review it. This question does not apply to the legislative scrutiny of in-year implementation of the Enacted Budget during the relevant budget execution period, which is assessed separately. Also, the question is asking specifically about the SAI's annual report on the execution of the budget, not about other audit reports that the SAI may produce. (This is the Audit Report used for responding to Question 98.)

To answer "a," a legislative committee must have examined the annual Audit Report within three months of it being released by the SAI, and then published a report (or reports) with findings and recommendations. (Note that the three-month period should only take into account time when the legislature is in session.)

Answer "b" applies when the committee examines it within six months of it being released (but more than three months), and then published a report with its findings and recommendations. Choose "c" if a committee examined the annual Audit Report more than six months after it became available or it did not publish any report with findings and recommendations. Answer "d" applies where no committee examined the annual Audit Report.

If the answer is "a" or "b," please specify the name of the committee and when it reviewed the Audit Report, and provide a copy of its report(s). If the answer is "c," please specify the name of the committee and when it reviewed budget implementation. Answers "a," "b," or "c" may be selected if the Audit Report is produced by the SAI but not made publicly available.

Answer:

c. Yes, a committee examined the Audit Report on the annual budget, but it did so after the report had been available for more than six months or it did not publish any report with findings and recommendations.

Source:

Interview with Mr. Babu Ram Gautam, Spokesperson, office of OAG. At OAG office on April 19.

Comment:

The Public Accounts Committee (PAC) of the Parliament examines the audit report published by OAG on Mid April every fiscal year. The annual audit report is submitted to President which she sent to Prime Minister. The Finance Minister on behalf of the Executive presents annual audit report to Parliament. PAC examines and conducts hearing on the audit report amid Secretary of the concerned Ministry, OAG representatives, Lawmakers and Media. The public hearing is free for media. The PAC constitute different sub committee to examine the ministry wise issues and a consolidated report is produced and submitted to PAC full committee which the PAC submits to the Parliament. Roles and responsibilities of PAC committee can be found here:

<http://parliament.gov.np/np/legislature/pac.html>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, a committee examined the Audit Report on the annual budget within six months (but more than three months) of its availability, and it published a report with findings and recommendations.

IBP Comment

Thank you for the government's comment. However, without a reference to any report published by the committee, this score must be C. The researcher's response is confirmed.

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:

Sources: Interview with Mr. Babu Ram Gautam, Spokesperson, office of OAG. At OAG office on April 19.

Comment:

Constitutional Council headed by the Prime Minister with Chief Justice, speaker of the House, National Assembly Chair, Opposition Party Leader as member will recommend the name of Auditor General. It goes to the Public Hearing Special Committee (PHSC) of the Parliament. After the clearance from PHSC it goes to the President for appointment. It is a fixed term appointment for the tenure of 6 years or up to the age of 65 whichever comes first.

See Part 22 "Auditor General" of the Constitution of Nepal.

<http://www.lawcommission.gov.np/en/archives/859>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested 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.

IBP Comment

Thank you for the government reviewer's suggested response. It is in agreement with the researcher's response.

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:

Sources: Interview with Mr. Iswar Nepal, Deputy Auditor General of OAGN. Telephonic conversation on April 19.

Comment:

See Part 22 "Auditor General" of the Constitution of Nepal.

2/3 rd majority of the Parliament can remove the Auditor General through impeachment process.

Specifically, see Part 22 (4)(c)(d)

(c) if a motion of impeachment is passed against him or her under Article 101,

(d) if he or she is removed from office by the President on

recommendation of the Constitutional Council on grounds of his or her inability to hold office and discharge the functions due to physical or mental illness,

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested 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.

IBP Comment

Thank you for the government's reviewers suggested response. It is in agreement with the researcher's response.

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:

b. The budget of the SAI is determined by the executive, and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.

Source:

Interview with Mr. Iswar Nepal, Deputy Auditor General, office of OAGN. Telephonic conversation on April 19.

Comment:

SAI proposes the budget required to fulfill its mandate and the executive committee determine the ceiling of the budget. By the provision of the constitution the expenses of the Auditor General is non- votable.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer:

b. The budget of the SAI is determined by the executive, and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.

IBP Comment

Thank you for the government reviewers suggested response. It is in agreement with the researcher's response.

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:

Audit Act 1991 <http://www.oagnep.gov.np/actsandlaws.php>

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: its reality and actually .

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:

b. Yes, an independent agency conducts and publishes a review of the audit processes of the SAI at least once in the past five years, but not annually.

Source:

Interview with Mr. Iswar Nepal, Deputy Auditor General of Nepal. The interview was conducted over telephone in Kathmandu.

Comment:

The SAI office India had conducted SAI Performance Measurements Framework Review in 2014. The report was published on the website of OAG Nepal for the public use.

[https://www.oagnep.gov.np/uploads/022-207172-004_Peer%20Review%20by%20SAI-India%20SAI-PMF%202014\(1\).pdf](https://www.oagnep.gov.np/uploads/022-207172-004_Peer%20Review%20by%20SAI-India%20SAI-PMF%202014(1).pdf)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

124. In the past 12 months, how frequently did the head or a senior staff member of the Supreme Audit Institution (SAI) take part and testify in hearings of a committee of the legislature?

GUIDELINES:

Question 124 concerns the interaction between two important oversight actors and assesses how frequently the Supreme Audit Institution (SAI) made high-level inputs to the work of legislative committees. Many SAIs interact with the legislature in some form, but the nature and intensity of the interaction varies. This question probes this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the SAI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the SAI representative in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). You can refer to official records of legislative committees, websites and annual reports of the SAI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; "c" for once or twice, and "d" for never.

Answer:

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

Source:

Interview with Mr. Iswar Nepal, Deputy Auditor General of Nepal. The interview was conducted over telephone in Kathmandu.

Comment:

The annual audit report is discussed in the full meeting of the PAC in the Parliament. During the discussion on audit report senior officials of OAG including Auditor General, Deputy Auditor General and Assistant Auditor General took part and testify in hearings of the Legislative committee i.e. PAC, however there is no record.

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:

Interview with Mr Govinda Subedi, Under-Secretary of Ministry of Finance. The interview was held at MoF office in Singhadurbar on May 3.

Comment:

The Revenue Advisory Committee placed at MOF is a mechanism which has been functioning as a permanent forum for policy dialogue between the government and private sector. Headed by Joint Secretary of Ministry of Finance, It has the representations from government officials and thematic experts, economists and private sector.

The Revenue Advisory Committee publishes a comprehensive notice in its website and national broadsheet 'Gorkhapatra' calling civic inputs from all spheres of life. Especially the inputs and recommendations are solicited in course of formulation of annual budget, revenue policies and program.

The Committee formed several committees with contact address (email, phone and hotline) to receive inputs from citizens. The notice calls for the public including different sectors and stakeholders to provide their inputs and recommendations on existing revenue policy, customs rates, Value Added Tax, income tax, concise duty, non-tax, revenue leakage control as well as overall reforms in revenue administration within end-April. This is a month ahead of the statutory defined date of the presentation of the budget to the parliament. In the fiscal year 2017-18, the committee has come up with the report incorporating the recommendations received from different sectors including through pre-budget consultations. Please refer the link https://mof.gov.np/uploads/document/file/Full%20Revenue%20Advisory%20Committee%20Report_20170608112142.pdf

According to the report, the Committee Secretariat had received over 1,900 inputs and recommendations from 145 institutions and individuals. It included recommendations received from pre-budget discussions held in seven major cities of Nepal. and findings of the studies and researches carried out from the research interns of different universities as part of the government program of internship.

The report also indicated that budget formulation processes do include consultations both with private sector as part of pre-budget discussion as well as well as consultations with private sector (FNCCI, Chamber of Commerce) and academic economists associated with a think-tank. The consultations with the private sector and academia is the most substantial form of public engagement. Still discussion with CSOs is limited. But NGOs do respond to the notice providing inputs, though it is not clear how the input is used. Discussion with sectoral experts groups and economists also take place during the budget formulation process. Individuals also come to the ministry of finance and provide their inputs on their budget in writing or through direct meeting with ministers, secretary and MoF budget division officials. These are only available through print. According to the budget formulation Guidelines published by MoF and participatory Planning Process published by National Planning Commission, provincial and local governments, larger section of stakeholders and beneficiaries including citizens should be provided platforms for their involvement in the budget/program formulation at the local level. However they are not mandatory.

A new link of pre-budget discussion in one of the major city of Nepal.

<http://therisingnepal.org.np/news/4479>

<https://thehimalayantimes.com/business/budget-has-dampened-expectations-of-people/>

The previous practice of budget formulation has changed over the time with the setup of federal, provincial and local setups. Nepal's Constitution 2015 has made the arrangement of three tiers of governments and people-elected governments are in place at all three levels. So, the participatory mechanisms for budget formulation have also become the ambit of the respective governments. There was coherent 14 step planning process beginning from bottom level to top as part of budget formulation. It has been reduced to seven step and end at rural municipality or municipality level.

The government has opened different mechanisms for public to provide their inputs in the budget as stated earlier. Among them are Pre budget discussion, focused group discussion, local level and provincial planning process, public notices and online submissions of inputs through email

and websites. There are several social protection packages offered to the citizens representing vulnerable and unrepresented parts of the population. One of the five strategic coding of the budget is gender and social inclusion. Though the existing outreach mechanism of the government is not applicable to them, several NGOs and CSOs provide volunteer support to bring them into the connection with the executive for example the nomadic populations of Nepal (Raute, Kusunda, Chepang etc) are seen to have direct excess with the Prime Minister and the other Ministers. There are several social programs for women, Dalit and Disadvantage Groups in the budget and their groups and representatives are consulted during the formulation of budget. The social protection act has already come to effect and it has opened participation of these groups in the budget formulation process.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Interview with Govinda Subedi, Under Secretary at MoF. The interview was held at MoF office in Singhadurbar.

The government does not actively reach out to vulnerable communities in the budget making process. A ceiling is sent to each ministry who then sends that to its departments to send programs for the year. A council (which may include vulnerable groups) will finalize programs and send it back to the ministry who then sends it to ministry of finance. While we had earmarked budget for disadvantaged groups through Local Governance and Community Development Program (LGCDP) it doesn't necessarily mean they are consulted during the budget formulation process. Please refer the annual progress report of LGCDP <http://lgcdp.gov.np/content/annual-progress-report-fy-207475>

The most substantial form of public consultation (that is, with different stakeholders, including private sector through pre-budget discussion, revenue advisory committee meetings, functioning of other subcommittees under the committee and media there is no clear action to include vulnerable and under-represented population groups. However, it should be noted that there are other forms of public consultation that do engage with vulnerable and disadvantaged groups of the population including the Federation of Dalit and ethnic NGOs. Moreover, the public notice of the Revenue Advisory Committee has openly called for inputs from all sectors, groups and institutions.

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer:
b. The requirements for an "a" response are not met.

IBP Comment
Thank you for the government reviewers suggested response. It is in agreement with the researcher's response.

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:

c. The executive's engagement with citizens covers at least one (but less than three) of the above-mentioned topics.

Source:

The Revenue Advisory Committee publishes a comprehensive notice in its website and national broadsheet 'Gorkhapatra' calling civic inputs from all spheres of life. Especially the inputs and recommendations are solicited in course of formulation of annual budget, revenue policies and program.

Comment:

The notice calls for the public including different sectors and stakeholders to provide their inputs and recommendations on existing revenue policy, customs rates, Value Added Tax, income tax, concise duty, non-tax, revenue leakage control as well as overall reforms in revenue administration within end-April.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

b. Yes, the executive uses open participation mechanisms through which members of the public provide their inputs on budget implementation.

Source:

There is no strong and structured civic participation and inputs mechanism through which the public including citizens and their associations can provide input in monitoring the implementation of the annual budget however third party audit practices are evolving to listen to and redress complains. The mechanism such as "Hello Sarkar" is in place at the central level which is open for public complains and inputs. Increasingly, the ministry of finance has mechanized the practice of proactively disclosing information of the project implementation and monitoring and evaluation. In the recent RTI audit the MoF has topped the score among the public agencies.
<https://eng.merolagani.com/NewsDetail.aspx?newsID=48258>

In the local level there is the practice of users committee no project is implemented without having consultations with the users. The provision of user committee is stipulated in the Local Government Operation Act-2017. The local governments have their own complaint redress mechanisms like Hello Sarkar where public can lodge their complaints on public affairs including budget online.

Likewise in the donor funded projects there are several participation mechanisms, to ensure public inputs and involvement in the decision making process. The legal mechanism such as the RTI (Right to Information) Act is in place through which every citizen can demand information on any public importance and provide informed inputs in monitoring the implementation of the annual budget. For example Freedom Forum in 2017 had mobilized RTI Activists to request information from all 753 newly-elected local governments including status of their information sharing mechanisms, budget, planning process, citizen participation spaces, mechanisms for proactive disclosure, public hearing practices, asset disclosure of elected representatives, policies, project banks and formats of the data availability.

This tool was used as a civic practice to monitor the functioning of local governments. There are several RTI activists who are actively engaged in demanding information and disclosing them for public consumption on budget issues as well.

Likewise, accountability tools, including Public Expenditure Tracking Study are being carried out from CSO front to monitor the implementation of government –funded projects. For details please go through the link below.

<http://moad.gov.np/public/uploads/164664755-PETS%20Report.pdf>

Comment:

n/a

Peer Reviewer

Opinion: I choose not to review this question

Comments: While the public can voice their concerns through various medium cited by the researcher, however this is not necessarily for budget implementation but is generic to all kinds of grievances. Therefore, the answer to this question may be "d".

Government Reviewer
Opinion: Agree

Researcher Response

https://www.np.undp.org/content/nepal/en/home/library/environment_energy/public-expenditure-tracking-survey.html The PETS report is an example how citizen and citizen organization can monitor the implementation of the government-funded projects. The complaints lodged in the Hello Sarkar mechanism is another glaring example where Ministry Of Finance responds to the complaints related to the budget affairs.
<https://www.internationalbudget.org/2017/04/freedom-forums-work-with-right-to-information-and-the-media-nepal/> The blog also reveals how the RTI is being used to monitor public budgets in Nepal

IBP Comment

The peer reviewer's comments are noted about the RTI mechanism. While civil society may use this mechanism to request information about the budget, it is clear that the purpose of the mechanism is not for the MoF to seek input from the public on the budget. On the other hand, the mechanism such as "Hello Sarkar" is in place at the central level which is open for public complaints and inputs and this is a mechanism set up by the Office of the Prime Minister, therefore counting as an executive mechanism. <https://gunaso.opmcm.gov.np/home> Furthermore, the portal continues to be operational, and the second-highest category of complaint receipts (as documented on the site) relates to revenues and customs, and most of the complaints are related to service delivery. By OBS standards, therefore, this mechanism scores a B, because it is an online portal that is open to everyone to submit input, but does not allow for an exchange of views on budget implementation.

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:

Interview with Govinda Subedi, Under Secretary, MoF. Interview to this effect was held at Singha Durbar.

Comment:

The government receives inputs from a handful representative of underrepresented and vulnerable population in the budget implementation process. But the practice is ad hoc and token. There is no adequate resource to reach out to all sections of the society to receive their inputs. However citizen from any sections or weaker section are open to provide their inputs during the implementation of the Annual Budget. As the country has entered into federal setups, receiving citizen inputs in the budget implementation process has improved at federal and local level. This is the first time that Nepal has adopted the practice so province and local governments are autonomous to come up with the law. The decision-making structure of the local government is inclusive by law and practice so the inputs from local representatives from the underprivileged communities are reflected in the budget implementation process.

Peer Reviewer

Opinion: Agree
Comments: I agree, in line with my previous comment.

Government Reviewer

Opinion: Agree

IBP Comment

The response B is confirmed for this question - with the note that these participation questions are being assessed in relation to the Hello Sarkar complaints mechanism identified in Q128: <https://gunaso.opmcm.gov.np/home>

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:

c. The executive's engagement with citizens covers at least one (but less than three) of the above-mentioned topics.

Source:

n/a

Comment:

There is very minimal engagement of the executive with the citizens during budget implementation and there is no clear mechanism through which executive does this on a regular basis. There are legal mechanisms like RTI through which citizens can also demand information. The implementing ministries hold public hearing annually and also hold public consultation through province and local governments. Most of the topics discussed include public services delivery. From this time the local governers have started also discussion on public investment and collection of revenues. The practice is varying in local governments. However, there are no routine mechanisms to deal with the things from government side.

Peer Reviewer

Opinion: I choose not to review this question

Comments: Given the researcher's response, the answer to this question should be "d". RTI cannot be considered as a mechanism of executive to engage with the citizens?

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. The executive's engagement with citizens covers at least three (but less than six) of the above-mentioned topics.

Researcher Response

There are no candid evidences as this response was prepared based on the conversation with MoF officials. I think the government can make it clearer.

IBP Comment

As confirmed in Q128, this question is being assessed in relation to the Hello Sakar complaints mechanism: <https://gunaso.opmcm.gov.np/home>
However, as this is an online mechanism with no clear request for inputs from citizens on specific topics, by OBS methodology it scores a C.

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:

Interview with Govinda Subedi, Under Secretary, MoF. The interview was held at MoF office in Singhadurbar.

Comment:

The MoF publishes notice in the national broadsheet. The Executive provides information on the process of the engagement basically the purpose and the time line. The Ministry of Federal Affairs and General Administration and National Planning Commission has developed a guide line for the public to participating in local development affairs. The provincial and local governments have developed their own guide in ensuring citizen participation in purpose and the timeline.

Peer Reviewer

Opinion: I choose not to review this question

Comments: Given my response to the earlier question, the answer to this question should be "d"?

Government Reviewer

Opinion: Agree

IBP Comment

During an IBP review, the response to this question is confirmed as C. There is limited information on how the public can engage with these mechanisms. There was a public notice put out about the meeting cited in Q125 about the Revenue Commission and there is a form to fill before registering a complaint on Hello Sarkar as assessed in Q128. This limited information qualifies for a C score.

132. With regard to the mechanism identified in question 125, does the executive provide the public with feedback on how citizens' inputs have been used in the formulation of the annual budget?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the executive provides information to citizens on which public inputs were received, which ones are used in the formulation of the annual budget, and how/why.

By "written record", we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.

Answer "a" applies when the executive provides a written document with:

- The inputs (e.g., a written transcript) received from the public and
- A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)

Answer "b" applies when the executive provides a written document that includes:

- The inputs (e.g., a written transcript) received from the public and
- A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used.

Answer "c" applies when the executive provides a written document that includes:

- The inputs (e.g., a written transcript) received from the public or
- A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Interview with Govinda Subedi, Under Secretary, MoF. The interview was held at MoF office in Singhadurbar.

Comment:

Though the executive receives feedback and inputs from the citizen in the formulation of the annual budget, there is no as such practice to provide the public with feedback how their input has been used in the formulation. The citizens or inputs providers will know this once the budget documents are made public. However, the Revenue Advisory Committee compiles all the recommendations received from public and prepares a report which is made public through ministry official website. How the inputs were used in the formulation of annual budget is not clearly reflected in the publication. Please refer

https://mof.gov.np/uploads/document/file/Full%20Revenue%20Advisory%20Committee%20Report_20170608112142.pdf

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Interview with Govinda Subedi, Under Secretary, MoF. The interview was held at MoF office in Singhadurbar.

Comment:

Not in practice

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

The Budget Formulation Guideline

https://mof.gov.np/uploads/document/file/%E0%A4%AC%E0%A4%9C%E0%A5%87%E0%A4%9F%20%E0%A4%A4%E0%A4%B0%E0%A5%8D%E0%A4%9C%E0%A5%81%E0%A4%AE%E0%A4%BE%20%E0%A4%A6%E0%A4%BF%E0%A4%97%E0%A5%8D%E0%A4%A6%E0%A4%B0%E0%A5%8D%E0%A4%B6%E0%A4%A8%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AB%20Final_20190426095348.pdf does not include timeline for consultation.

Nevertheless, the Revenue Advisory Committee published its notice calling civic inputs on budget related policies and program earlier. The dates for pre-budget discussions are also informed to the public earlier through media announcement and notices.

Comment:

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:

c. Yes, at least one line ministry uses participation mechanisms during the budget formulation or implementation phase, but either these mechanisms capture only some ad-hoc views, or the executive invites specific individuals or groups for budget discussions (participation is not, in practice, open to everyone).

Source:

Interview with Govinda Subedi, Under Secretary, MoF. The interview was held at MoF office in Singhadurbar.

Comment:

Different line ministries hold public consultation and public hearing to receive citizen feedback during the implementation of the annual budget. The details were already mentioned in previous questions.

Directive on Budget Formulation, Implementation, Financial Management and Property Transfer-2017 BS produced by MoF

https://mof.gov.np/uploads/document/file/%E0%A4%B8%E0%A5%8D%E0%A4%A5%E0%A4%BE%E0%A4%A8%E0%A4%BF%E0%A4%AF%20%E0%A4%A4%E0%A4%B9%20%E0%A4%A8%E0%A4%BF%E0%A4%B0%E0%A5%8D%E0%A4%A6%E0%A5%87%E0%A4%B6%E0%A4%BF%E0%A4%95%E0%A4%BE,%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA_20170704111549.pdf

Page 3 and 4 of the Directive has stipulated a provision to adopt participatory planning, budgeting and implementation process at local level

Peer Reviewer

Opinion: Agree

Comments: This is true for budget formulation phase as line ministries receive programs and budgets from the citizens. However, this is not practiced during the implementation phase.

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, at least one line ministry uses open participation mechanisms through which members of the public provide their inputs on the budget.

IBP Comment

Thank you for the government comment. According to OBS methodology, when a mechanism only captures ad-hoc views, this should score C. Without any evidence that there is a more formalized or regular engagement from line ministries, the researcher's response is confirmed.

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:

Interview with Dr Rojnath Pandey, Spokesperson, Parliament Secretariat, and Secretary of Public Accounts Committee. The interview was held at MoF office in Singhadurbar.

Comment:

The Finance Committee of the Federal Parliament holds pre approval meetings. But there is no public discussion on the approval stage of the budget. However the practice of in-house discussion is there. The Finance Committee held pre budget discussion in different provinces of Nepal through which the public had provided inputs on the formulation of the annual budget.

Peer Reviewer

Opinion: I choose not to review this question

Comments: The public can participate in parliamentary hearings however they are not allowed to provide inputs at these hearings. Therefore the answer to this question should be "d"?

Government Reviewer

Opinion: Agree

IBP Comment

Thank you for the peer reviewer's comment. In cases where the public can attend hearings, even if they cannot testify, this is considered a C for this question, in cases where there are other mechanisms to receive input (such as the Provincial Meetings of the Finance Committee). The researcher's response of C is confirmed.

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:

d. The requirements for a "c" response or above are not met.

Source:

Interview with Dr Rojnath Pandey, Spokesperson of Parliament Secretariat. Interview was held at Parliament Secretariat in Singhadurbar.

Comment:

There is no formal mechanism through which the legislature seeks inputs before budget is passed

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:

d. The requirements for a "c" response or above are not met.

Source:

Interview with Dr Rojnath Pandey, Spokesperson of Parliamentary Secretariat. The interview was held at the office of Public Accounts Committee in Singhadurbar.

Comment:

There is no practice in the Parliament to provide feedback to the public on how their inputs have been used during Legislative deliberations on the annual budget. The public know the incorporation of their inputs in Bills, Budget Policy and Program and Budget Speech when they are made public. But there is no systematic way to make public informed how their inputs have been used during legislative deliberations on the annual budget.

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 legislature 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:

Interview with Mr. Damodar Pudasaini, senior official at OAG.

Comment:

No public hearing on the Audit Report is held. It is discussed in PAC full meeting.

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:

a. Yes, the SAI maintains formal mechanisms through which the public can suggest issues/topics to include in its audit program.

Source:

Interview with Damodar Pudasaini, senior official at OAGN.

Comment:

According to Pudasaini, the CSO Engagement in Performance Audit Procedure https://oagnep.gov.np/old/downloadfile/CPA%20Karyabedi%20%202073_1466321850.pdf has provisioned two committees i.e steering committee and working committee where CSO representatives are provided space. The committee has role from audit topic selection to follow up. searcher: OAG Nepal publishes public notice in the national newspapers inviting feedback, inputs, suggestion and complains regarding budget issues, audit program and audit office. OAG has constituted an audit advisory committee (AAC) with representation from different sections of society such as media, academia, CSO and Ex Government officials. It provides advice's to the Auditor General on the audit office and issues. In the notice OAG provides free hotline number to the general public. There is a space for receiving public comments on audit issues in the website as well. the compliance receive from public in writing will be reviewed by the senior official of OAG for necessary actions. There is also a provision and practice of spokes person and public information officer to provide and dissemination information of the OAG to the mass public.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Interview with Mr. Iswar Nepal, Deputy Audit General of OAG of Nepal,

Comment:

OAG Nepal has put in place a formal mechanism to involve CSOs in the performance audit.. CSO representatives have been consulted while selecting topics for performance audit during the execution of audit in field and have also been involved in the dissemination of audit finance. OAG Nepal has developed a guide line for engaging CSOs in performance audit. There is also a high level committee comprising representatives from CSOs in the head office of OAG. In coordination with CSOs the head office selects partners in the field to conduct performance audit. The audit process involves focus Group discussion, interviews with beneficiaries, field observations and site verification. OAGN has designated a focal person from its office to coordinate the works. CSOs are being trained now to ensure their quality engagement in audit process. They have come up with a concept of citizen auditor who are being involved in planning, implementation and follow-up phase of the audit.

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:

Interview with Mr Iswar Nepal, Deputy Auditor General of OAGN.

Comment:

The policy of adopting Citizen Participatory Audit (CPA) has been stimulating the participation of the citizen in the audit. Availability of the CPA webpage has emerged as a potential medium to enhance information dissemination and capacity building. The OAGN has constituted a committee to perform CPA related functions. The committee has been imparting training to potential CSOs to build their capacity and enhance participation in the audit process. However, there are no formal mechanisms through which the public can participate in audit investigation. The Stakeholder Engagement Strategy (2019-23) has been recently introduced by OAGN which has envisaged the areas of engaging CSOs, media, citizens in audit proces.

<https://oagnep.gov.np/wp-content/uploads/2019/01/SES-Strategy-Final.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree