Open Budget Index Highlights

Nepal scores 36 percent out of a possible 100 percent on the Open Budget Index 2006. The Index evaluates the quantity of information provided to citizens in the seven key budget documents that all governments should make public during the course of the budget year. Nepal’s performance indicates that the government provides citizens with minimal information on the central government’s budget and financial activities and that there is much room for improvement.

The executive’s budget proposal is one of the most important documents released during the budget year. Nepal’s proposal provides some information to the public, scoring 47 percent out of a possible 100 percent of the information needed to present the public with a comprehensive picture of the government’s financial activity. This suggests that there is room for improvement.

Governments should report to citizens regularly during the budget year on their spending, revenue collection and borrowing with in-year reports. Nepal provides some information in its in-year reports; however it would greatly strengthen public accountability by increasing the comprehensiveness of the in-year reports as well as that of the mid-year review. This document provides the public with updates on what can be expected for the second half of the budget year. Year-end reports by the executive are not released in a timely manner and lack the details needed to facilitate comparisons between enacted levels and actual outcomes. While Nepal does make its audit report public, it does not provide any information on whether the audit report’s recommendations are successfully implemented.

Citizens require both access to information, and opportunities during the budget’s consideration to use that information, to ensure their informed participation in budget debates. Nepal’s score on the Open Budget Index suggests that the public’s access to information has to be improved. The researchers also found that opportunities for citizen participation could be increased. For example, the legislature does not hold public hearings on the budget in which the public can participate.

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