

Open Budget Survey 2021

Questionnaire

Japan

May 2022

Country Questionnaire: Japan

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:

FY2021

Source:

Article 11 of Public Finance Law explains that fiscal year starts on 1st April and ends on 31st March.
<http://www.mof.go.jp/english/budget/budget/fy2002/brief/2002-35.htm>

Guidelines for FY2021 budget requests (ceiling), Summary of remarks by Minister of Finance
https://www.mof.go.jp/budget/budger_workflow/budget/fy2021/sy020721.pdf

Comment:

Peer Reviewer

Opinion: Agree

Comments: The first link above has been changed as follows.

<https://warp.ndl.go.jp/info:ndljp/pid/9927589/www.mof.go.jp/english/budget/budget/fy2002/brief/2002-35.htm>

Government Reviewer

Opinion: I choose not to review this question

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:

Guidelines for FY2021 budget requests (ceiling), Summary of remarks by Minister of Finance
https://www.mof.go.jp/budget/budger_workflow/budget/fy2021/sy020721.pdf

Comment:

Generally, "budget overview" and "Guidelines for FY20xx budget requests (ceiling)" are qualified as PBS. However, both have not been published under emergency response to COVID-19. It was decided to use an unusual way to formulate budget to reduce the burden of the ministries and agencies, local governments, ruling parties and so on. There is no document on "Guidelines for FY2021 budget requests (ceiling)", instead of that, Minister of Finance stated the policy of budget request at the Cabinet meeting on 21 July 2020. A deadline of budget request by the ministries and agencies was extended for one month by exceptional cabinet order. The budget amount will not be decided at the stage of budget request, and the mechanism and procedure will be simplified, which was clarified by the Minister of Finance at the Cabinet meeting on July 21, 2020. This remark is not qualified as PBS.

Peer Reviewer
Opinion: Agree

Government Reviewer

Opinion: Disagree

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

Comments: In the specific policy for the budget request for FY2021 announced by the Minister of Finance at the Cabinet meeting on 21 July 2020, the amount of the request is basically the same as the previous year, and other specific policies are indicated. · Guidelines for FY2021 budget requests (ceiling), Summary of remarks by Minister of Finance https://www.mof.go.jp/budget/budger_workflow/budget/fy2021/sy020721.pdf

IBP Comment

Many thanks to reviewers for their comments. The 2021 round of OBS will be assessing practices during 2020 and acknowledges that many will be affected by the covid pandemic and lockdown. A Pre-budget statement is meant to lay out broad policy objectives over the medium term. As per OBS methodology, 'Summary of remarks by Minister of Finance' does not qualify as a Pre-budget statement. Score here remains D.

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 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.

Answer:

Source:

Guidelines for FY2021 budget requests (ceiling), Summary of remarks by Minister of Finance
https://www.mof.go.jp/budget/budger_workflow/budget/fy2021/sy020721.pdf

Comment:

This remarks is not qualified as PBS.

Peer Reviewer
Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: 21/07/2020

IBP Comment

Please see answer PBS-2a for more information.

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:

Guidelines for FY2021 budget requests (ceiling), Summary of remarks by Minister of Finance
https://www.mof.go.jp/budget/budger_workflow/budget/fy2021/sy020721.pdf

Comment:

This remarks is not qualified as PBS.

Peer Reviewer
Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

Comments: The Minister of Finance made the statement at the Cabinet meeting on 21 July 2020, and the statement is posted on the Ministry of Finance website.

IBP Comment

Please see answer PBS-2a for more information.

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:

Guidelines for FY2021 budget requests (ceiling), Summary of remarks by Minister of Finance
https://www.mof.go.jp/budget/budger_workflow/budget/fy2021/sy020721.pdf

Comment:

This remarks is not qualified as PBS.

Peer Reviewer
Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: https://www.mof.go.jp/budget/budger_workflow/budget/fy2021/sy020721.pdf

IBP Comment

Please see answer PBS-2a for more information.

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, Word (.doc/.docx) or HTML 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 publicly available, therefore its machine readability cannot be assessed.

Answer:

d. Not applicable

Source:

Guidelines for FY2021 budget requests (ceiling), Summary of remarks by Minister of Finance
https://www.mof.go.jp/budget/budger_workflow/budget/fy2021/sy020721.pdf

Comment:

This remarks is not qualified as PBS.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

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:

Guidelines for FY2021 budget requests (ceiling), Summary of remarks by Minister of Finance
https://www.mof.go.jp/budget/budger_workflow/budget/fy2021/sy020721.pdf

Comment:

This remarks is not qualified as PBS.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree

Suggested Answer: e. Not applicable (the document is publicly available)

Comments: In the specific policy for the budget request for FY2021 announced by the Minister of Finance at the Cabinet meeting on 21 July 2020, the amount of the request is basically the same as the previous year, and other specific policies are indicated. · Guidelines for FY2021 budget requests (ceiling), Summary of remarks by Minister of Finance https://www.mof.go.jp/budget/budger_workflow/budget/fy2021/sy020721.pdf

IBP Comment

Please see answer PBS-2a for more information.

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:

Generally, "budget overview" and "Guidelines for FY20xx budget requests (ceiling)" are qualified as PBS. However, both have not been published under emergency response to COVID-19. It was decided to unusual way to formulate budget to be reduced the burden of the ministries and agencies, local governments, ruling parties and so on. There is no document on "Guidelines for FY2021 budget requests (ceiling)", instead of that, Minister of Finance stated the policy of budget request at the Cabinet meeting on 21 July 2020. A deadline of budget request by the ministries and agencies was extended for one month by exceptional cabinet order. The budget amount will not be decided at the stage of budget request, and the mechanism and procedure will be simplified, which was clarified by the Minister of Finance at the Cabinet meeting on July 21 2020. This remarks is not qualified as PBS.

Source:

Guidelines for FY2021 budget requests (ceiling), Summary of remarks by Minister of Finance
https://www.mof.go.jp/budget/budger_workflow/budget/fy2021/sy020721.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: n/a

IBP Comment

Please see answer PBS-2a for more information.

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 2021 State Budget" or "Guidelines for the Preparation of Annual Plan and Budget for 2020/21."

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

Answer:

n/a

Source:

Guidelines for FY2021 budget requests (ceiling), Summary of remarks by Minister of Finance
https://www.mof.go.jp/budget/budger_workflow/budget/fy2021/sy020721.pdf

Comment:

This remarks is not qualified as PBS.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: Guidelines for FY2021 budget requests (ceiling)

Comments: · Guidelines for FY2021 budget requests (ceiling), Summary of remarks by Minister of Finance
https://www.mof.go.jp/budget/budger_workflow/budget/fy2021/sy020721.pdf

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: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

b. No

Source:
Guidelines for FY2021 budget requests (ceiling), Summary of remarks by Minister of Finance
https://www.mof.go.jp/budget/budger_workflow/budget/fy2021/sy020721.pdf

Comment:
This remarks is not qualified as PBS.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

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:
FY2020

Source:
The House of Representative's website shows that EBP of FY2020 recieved on 20 January 2020.
http://www.shugiin.go.jp/internet/itdb_gian.nsf/html/gian/keika/1DCEBB2.htm

Comment:
EBP of FY2020 delivered to the Diet on 20 January 2020.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

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 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.

Answer:
20/1/2020

Source:
The House of Representative's website shows that EBP of FY2020 recieved on 20 January 2020.
http://www.shugiin.go.jp/internet/itdb_gian.nsf/html/gian/keika/1DCEBB2.htm

Comment:
EBP of FY2020 delivered to the Diet on 20 January 2020.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

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

The OBS methodology requires that for an EBP to be considered publicly available, it must be made available to the public while the legislature is still considering it and before the legislature approves (enacts) it. If the EBP is not released to the public before the legislature approves it, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the EBP.

The OBS definition of an Executive's Budget Proposal is a document(s) that (i) the executive submits to the legislature as a formal part of the budget approval process and (ii) the legislature either approves or on which it approves proposed amendments.

The OBS will treat the Executive's Budget Proposal as "Not Produced," in the following cases:

- *The executive does not submit the draft budget to the legislature; or*
- *The legislature receives the draft budget but does not approve it or does not approve recommendations on the draft budget;*
- *The legislature rejects the draft budget submitted by the executive, but the executive implements it without legislative approval; or*
- *There is no legislature, or the legislature has been dissolved.*

Answer:

a. At least three months in advance of the budget year, and in advance of the budget being approved by the legislature

Source:

20 January 2020 FY2020 Budget Proposal
<https://www.bb.mof.go.jp/hdocs/bxss010br2.html>

Comment:

EBP was decided by the Cabinet meeting on 20 December 2019. The outline of EBP publicly available at the same day. Full version of EBP was publicly available online on 20 January 2020, the day of submitting the Diet.

Peer Reviewer

Opinion: Agree

Comments: The document linked in the above URL (<https://www.bb.mof.go.jp/hdocs/bxss010br2.html>) is not the Budget Proposal itself, but the approved budget document. However, the Budget Proposal has the same contents as the approved budget document, since the ruling parties, which constitutes the cabinet with the right to propose the budget, usually pass the budget bill without any amendment at the Diet, under the parliamentary cabinet system.

Government Reviewer

Opinion: Agree

EBP-3a. If the EBP is published, what is the date of publication of the EBP?

Note that the date of publication is not necessarily the same date that is printed on the document.

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

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. 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:

20/1/2020

Source:

The House of Representative's website shows that EBP of FY2020 received on 20 January 2020.
http://www.shugiin.go.jp/internet/itdb_gian.nsf/html/gian/keika/1DCEBB2.htm

20 January 2020 FY2020 Budget Proposal
<https://www.bb.mof.go.jp/hdocs/bxss010br2.html>

Comment:

Full documents of EBP made available to public on 20 January 2020 at the same day of submitting the Diet.

Peer Reviewer

Opinion: Agree

Comments: The document linked in the above URL (<https://www.bb.mof.go.jp/hdocs/bxss010br2.html>) is not the Budget Proposal itself, but the approved budget document. However, the Budget Proposal has the same contents as the approved budget document, since the ruling parties, which constitutes the cabinet with the right to propose the budget, usually pass the budget bill without any amendment at the Diet, under the parliamentary cabinet system.

Government Reviewer

Opinion: Agree

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

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

Answer:

Full document of EBP was submitted to the Diet on 20 January 2020. EBP made available to public at the same day of submitting the Diet.

Source:

The House of Representative's website shows that EBP of FY2020 received on 20 January 2020.

http://www.shugiin.go.jp/internet/itdb_gian.nsf/html/gian/keika/1DCEBB2.htm

20 January 2020 FY2020 Budget Proposal
<https://www.bb.mof.go.jp/hdocs/bxss010br2.html>

Comment:

Peer Reviewer

Opinion: Agree

Comments: The document linked in the above URL (<https://www.bb.mof.go.jp/hdocs/bxss010br2.html>) is not the Budget Proposal itself, but the approved budget document. However, the Budget Proposal has the same contents as the approved budget document, since the ruling parties, which constitutes the cabinet with the right to propose the budget, usually pass the budget bill without any amendment at the Diet, under the parliamentary cabinet system.

Government Reviewer

Opinion: Agree

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

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

In the comment boxes below, researchers should also list any supporting documents to the EBP and their URL or weblink.

Answer:

<https://www.bb.mof.go.jp/hdocs/bxss010br2.html>

Source:

20 January 2020 FY2020 Budget Proposal
<https://www.bb.mof.go.jp/hdocs/bxss010br2.html>

Comment:

The website provides FY2020 EB data. But EBP did not amend anything through the deliberation of the both Houses, therefore the EBP and the EB was publicly available on this website.

FY2020 Budget(<https://www.bb.mof.go.jp/hdocs/bxss010br2.html>) includes

General Account EBP

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account EBP

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government Affiliated Agency Account EBP

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Budget reference materials by Article28 of Public Finance Act

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

FY2020 EBP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/index.html

Explanation of FY2020 Budget and FLIP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

Explanation of FY2020 tax and revenue stamp budget

https://www.mof.go.jp/tax_policy/reference/budget_explanation/008aR2a.pdf

Plan of FY2020 issuance of government bonds

https://www.mof.go.jp/jgbs/issuance_plan/fy2020/issuanceplan191220.pdf

FY2020 FLIP Plan

<https://www.mof.go.jp/filp/plan/fy2020/20191220.htm>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EBP-5. If the EBP is published, are the numerical data contained in the EBP or its supporting documents available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML 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 publicly available, therefore its machine readability cannot be assessed.

Answer:

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

Source:

EBP <https://www.bb.mof.go.jp/hdocs/bxss010br2.html>

General Account EBP <https://www.bb.mof.go.jp/server/2020/excel/DL202011001.xls>

Special Account EBP <https://www.bb.mof.go.jp/server/2020/excel/DL202012001.xls>

Government Affiliated Agency Account EBP <https://www.bb.mof.go.jp/server/2020/excel/DL202013001.xls>

Comment:

Excel data of key EBP documents is publicly available online.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EBP-6a. If the EBP is not publicly available, is it still produced?

If the EBP is not considered publicly available under the OBS methodology (and thus the answer to Question EBP-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question EBP-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

EBP is publicly available.(<https://www.bb.mof.go.jp/hdocs/bxss010br2.html>)

Comment:

EBP is publicly available.(<https://www.bb.mof.go.jp/hdocs/bxss010br2.html>)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EBP-6b. If you selected option "c" or "d" in question EBP-6a, please specify how you determined whether the EBP was produced for internal use only, versus not produced at all.

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

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

EBP-7. If the EBP is produced, please write the full title of the EBP.

For example, a title for the Executive's Budget Proposal could be "Draft Estimates of Revenue and Expenditure for BY 2020-21, 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:

FY2020 General Account Budget, FY2020 Special Account Budget, FY2020 Government Affiliated Organ Budget

Source:

FY2020 Budget Proposal

<https://www.bb.mof.go.jp/hdocs/bxss010br2.html>

Comment:

FY2020 Budget(<https://www.bb.mof.go.jp/hdocs/bxss010br2.html>) includes

General Account EBP

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account EBP

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government Affiliated Agency Account EBP

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Budget reference materials by Article28 of Public Finance Act

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

FY2020 EBP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/index.html

Explanation of FY2020 Budget and FLIP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

Explanation of FY2020 tax and revenue stamp budget

https://www.mof.go.jp/tax_policy/reference/budget_explanation/008aR2a.pdf

Plan of FY2020 issuance of government bonds

https://www.mof.go.jp/jgbs/issuance_plan/fy2020/issuanceplan191220.pdf

FY2020 FLIP Plan

<https://www.mof.go.jp/filp/plan/fy2020/20191220.htm>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

While the Citizens Budget was initially conceived as a simplified version of the Executive’s Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a “citizens” version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

a. Yes

Source:

Key point of FY2020 Budget

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/01.pdf

Summary of budget relating Cabinet, Reconstruction, and Foreign Affairs and Economic Cooperation

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/06.pdf

Summary of budget relating Economy and Industry, Environment, and Justice and Police

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/08.pdf

Summary of budget relating Internal Affairs and Finance

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/10.pdf

Summary of budget relating Education and Science

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/12.pdf
Summary of budget relating Social Security
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/14.pdf
Summary of budget relating Agriculture, Forestry and Fisheries
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/16.pdf
Summary of budget relating Ministry of Land, Infrastructure and Transportation and Public Works
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/18.pdf
Summary of budget relating Defense
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/20.pdf
Summary of budget relating Personnel Costs for Public Servants
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/22.pdf

Comment:

"Key point of FY2020 Budget" includes economic assumptions underlying the budget(p4) and revenue collection(p3,6). Each summary includes spending allocations and significant policy initiatives.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-1a. What is the fiscal year of the EB evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY2020 FY2020

Source:

Article11 of Public Finance Law explains that fiscal year starts on 1st April and ends on 31th March.

<http://www.mof.go.jp/english/budget/budget/fy2002/brief/2002-35.htm>

The House of Representative's website

http://www.shugiin.go.jp/internet/itdb_gian.nsf/html/gian/keika/1DCEBB2.htm

Comment:

The House of Representative's website shows that EBP of FY2020 received on 20 January 2020 and was passed by the House of Councilors on 27 March 2020

Peer Reviewer

Opinion: Agree

Comments: The first link above has been changed as follows.

<https://warp.ndl.go.jp/info:ndljp/pid/9927589/www.mof.go.jp/english/budget/budget/fy2002/brief/2002-35.htm>

Government Reviewer

Opinion: I choose not to review this question

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 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.

Answer:

27/3/2020

Source:
The House of Representative's website
http://www.shugiin.go.jp/internet/itdb_gian.nsf/html/gian/keika/1DCEBB2.htm

Comment:
The House of Representative's website shows that EBP of FY2020 received on 20 January 2020 and was passed by the House of Councilors on 27 March 2020

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

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

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

Answer:
a. Two weeks or less after the budget has been enacted

Source:
FY2020 Budget
<https://www.bb.mof.go.jp/hdocs/bxss010br2.html>
FY2020 Budget portal
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/fy2020.html

Comment:
FY2020 EBP was passed by the Diet without any amendment. Therefore, FY2020 EBP which had been publicly available online became FY2020 EB after that. FY2020 Budget portal site explains that FY2020 was approved exact same as EBP on 27 March 2020 by the Diet.

Therefore, for EB questions, the same EBP documents can be used to respond to these questions.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

EB-3a. If the EB is published, what is the date of publication of the EB?

Note that the date of publication is not necessarily the same date that is printed on the document. Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.

Answer:
27/3/2020

Source:
FY2020 Budget
<https://www.bb.mof.go.jp/hdocs/bxss010br2.html>
FY2020 Budget portal
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/fy2020.html

Comment:
FY2020 EBP was passed by the Diet without any amendment. Therefore, FY2020 EBP which had been publicly available online became FY2020 EB after that. FY2020 Budget portal site explains that FY2020 was approved exact same as EBP on 27 March 2020 by the Diet.

Therefore, for EB questions, the same EBP documents can be used to respond to these questions.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

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

Answer:
FY2020 EBP was passed by the Diet without any amendment. Therefore, FY2020 EBP which had been publicly available online became FY2020 EB after that. FY2020 Budget portal site explains that FY2020 was approved exact same as EBP on 27 March 2020 by the Diet.

Therefore, for EB questions, the same EBP documents can be used to respond to these questions.

Source:
FY2020 Budget
<https://www.bb.mof.go.jp/hdocs/bxss010br2.html>
FY2020 Budget portal
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/fy2020.html

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

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

Answer:
<https://www.bb.mof.go.jp/hdocs/bxss010br2.html>

Source:

FY2020 Budget
<https://www.bb.mof.go.jp/hdocs/bxss010br2.html>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

EB-5. If the EB is published, are the numerical data contained in the EB available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML 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 publicly available, therefore its machine readability cannot be assessed.

Answer:

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

Source:

EB <https://www.bb.mof.go.jp/hdocs/bxss010br2.html>
General Account EBP <https://www.bb.mof.go.jp/server/2020/excel/DL202011001.xls>
Special Account EBP <https://www.bb.mof.go.jp/server/2020/excel/DL202012001.xls>
Government Affiliated Agency Account EBP <https://www.bb.mof.go.jp/server/2020/excel/DL202013001.xls>

Comment:

Excel data of EB are made available as machine readable format.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

EB-6a. If the EB is not publicly available, is it still produced?

If the EB is not considered publicly available under the OBS methodology (and thus the answer to Question EB-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question EB-2)

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:
FY2020 Budget
<https://www.bb.mof.go.jp/hdocs/bxss010br2.html>

Comment:
The EB made available online to the public.

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:
FY2020 General Account, FY2020 Special Account, FY2020 Government-affiliated Organs Budget

Source:
FY2020 Budget
<https://www.bb.mof.go.jp/hdocs/bxss010br2.html>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

a. Yes

Source:

FY2020 Fiscal report on state of affairs
https://www.mof.go.jp/budget/report/46_report/fy2020/index.html
(Whole https://www.mof.go.jp/budget/report/46_report/fy2020/r02.pdf)
Japanese Public Finance FactSheet 2020
https://www.mof.go.jp/budget/fiscal_condition/related_data/202007.html
(Whole https://www.mof.go.jp/budget/fiscal_condition/related_data/202007_00.pdf)
Learning material of the budget
https://www.mof.go.jp/budget/fiscal_condition/related_data/202007_zaisei.pdf

Comment:

FY2020 Fiscal report on state of affairs was published according to the Public Finance Act.
Article46(1) of Public Finance Act says "When the budget plan is finalized, the Cabinet shall immediately report to the general public on the budget, revenue and expenditure accounts of the previous year, the current balance of public bonds, borrowings and national property, and general matters on public finance, in appropriate ways such as by announcement and printed matters."
<http://www.mof.go.jp/english/budget/budget/fy2002/brief/2002-35.htm>
Japanese Public Finance FactSheet 2020 and Learning material of the budget were issued on July 2020.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

CB-1. What is the fiscal year of the CB evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

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

Answer:

FY2020

Source:

FY2020 Fiscal report on state of affairs
https://www.mof.go.jp/budget/report/46_report/fy2020/index.html
(Whole https://www.mof.go.jp/budget/report/46_report/fy2020/r02.pdf)
Japanese Public Finance FactSheet 2020
https://www.mof.go.jp/budget/fiscal_condition/related_data/202007.html
(Whole https://www.mof.go.jp/budget/fiscal_condition/related_data/202007_00.pdf)
Learning material of the budget
https://www.mof.go.jp/budget/fiscal_condition/related_data/202007_zaisei.pdf

Comment:

Both EBP and EB have been assessed FY2020 Budget.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

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

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

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

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

Answer:

e. Not applicable (the document is publicly available)

Source:

FY2020 Fiscal report on state of affairs

https://www.mof.go.jp/budget/report/46_report/fy2020/index.html

(Whole https://www.mof.go.jp/budget/report/46_report/fy2020/r02.pdf)

Comment:

The CB for EB is publicly available online.

Further CBs are below.

Japanese Public Finance FactSheet 2020

https://www.mof.go.jp/budget/fiscal_condition/related_data/202007.html

(Whole https://www.mof.go.jp/budget/fiscal_condition/related_data/202007_00.pdf)

Learning material of the budget

https://www.mof.go.jp/budget/fiscal_condition/related_data/202007_zaisei.pdf

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

CB-2b. If you selected option "c" or "d" in question CB-2a, please specify how you determined whether the CB was produced for internal use only, versus not produced at all.

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

Answer:

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

CB-3a. If the CB is published, what is the date of publication of the CB?

*Note that the date of publication is not necessarily the same date that is printed on the document.
Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. 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:
14/4/2020

Source:
Website update information of April 2020
https://www.mof.go.jp/whats_new/202004.htm

Comment:
Website update information shows that FY2020 Fiscal report on state of affairs was posted on 14 April 2020.

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:
Website update information shows that FY2020 Fiscal report on state of affairs was posted on 14 April 2020.

Source:
Website update information of April 2020
https://www.mof.go.jp/whats_new/202004.htm

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:

https://www.mof.go.jp/budget/report/46_report/fy2020/index.html

Source:

FY2020 Fiscal report on state of affairs

https://www.mof.go.jp/budget/report/46_report/fy2020/index.html

(Whole https://www.mof.go.jp/budget/report/46_report/fy2020/r02.pdf)

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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 2020 People's Guide" or "2021 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:

FY2020 Fiscal report on state of affairs

Source:

FY2020 Fiscal report on state of affairs

https://www.mof.go.jp/budget/report/46_report/fy2020/index.html

(Whole https://www.mof.go.jp/budget/report/46_report/fy2020/r02.pdf)

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

FY2020 General Account Budget
FY2020 Special Account Budget
FY2020 Government Affiliated Organ Budget

Source:

FY2020 Fiscal report on state of affairs
https://www.mof.go.jp/budget/report/46_report/fy2020/index.html
(Whole https://www.mof.go.jp/budget/report/46_report/fy2020/r02.pdf)

Comment:

"FY2020 Fiscal report on state of affairs" explains EB of General Account, Special Account and Government-affiliated Organs, and FLIPS. Further Citizen's Budget for EBP and EB are below.

[BP Citizen's Budget]

FY2020 Fiscal report on state of affairs
https://www.mof.go.jp/budget/report/46_report/fy2020/index.html
(Whole https://www.mof.go.jp/budget/report/46_report/fy2020/r02.pdf)
Japanese Public Finance FactSheet 2020
https://www.mof.go.jp/budget/fiscal_condition/related_data/202007.html
(Whole https://www.mof.go.jp/budget/fiscal_condition/related_data/202007_00.pdf)
Learning material of the budget
https://www.mof.go.jp/budget/fiscal_condition/related_data/202007_zaisei.pdf

[EP Citizen's Budget]

FY2020 Fiscal report on state of affairs
https://www.mof.go.jp/budget/report/46_report/fy2020/index.html
(Whole https://www.mof.go.jp/budget/report/46_report/fy2020/r02.pdf)
Japanese Public Finance FactSheet 2020
https://www.mof.go.jp/budget/fiscal_condition/related_data/202007.html
(Whole https://www.mof.go.jp/budget/fiscal_condition/related_data/202007_00.pdf)
Learning material of the budget
https://www.mof.go.jp/budget/fiscal_condition/related_data/202007_zaisei.pdf

Peer Reviewer

Opinion: Agree

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:

FY2020 FY2020

Source:

State of National Treasury receipts and expenditure monthly report
https://www.mof.go.jp/budget/report/revenue_and_expenditure/index.htm
Quarterly budget execution survey report
https://www.mof.go.jp/budget/report/budget_use/index.htm
National Treasury Status report
https://www.mof.go.jp/exchequer/reference/exchequer_report/data.htm
Quarterly report on balance of public bonds, borrowing and government guaranteed liabilities
<https://www.mof.go.jp/jgbs/reference/gbb/data.htm>

Comment:

Most recent published IYR is for FY2020.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

c. At least every quarter, and within three months of the period covered

Source:

State of National Treasury receipts and expenditure

https://www.mof.go.jp/budget/report/revenue_and_expenditure/index.htm

(https://www.mof.go.jp/whats_new/202009.htm)

Quarterly budget execution survey report

https://www.mof.go.jp/budget/report/revenue_and_expenditure/index.htm

(https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0204a.html)

National Treasury Status report

https://www.mof.go.jp/exchequer/reference/exchequer_report/data.htm

(https://www.mof.go.jp/whats_new/202009.htm)

Quarterly report on balance of public bonds, borrowing and government guaranteed liabilities

<https://www.mof.go.jp/jgbs/reference/gbb/data.htm>

(<https://www.mof.go.jp/jgbs/reference/gbb/202006.html>)

Comment:

"State of National Treasury receipts and expenditure" is a monthly report of revenue and amount of each executive bodies expenditure with commentary and is published within 2 months of the period covered. Quarterly budget execution survey report contains figure of three months of the period by MoF with commentary and is published within 3 months of the period covered. Website update information shows that Quarterly budget execution survey report of first quarter of FY2020 was posted on 4 September 2020.

National Treasury Status report is a quarterly report which is required to publish by Article46-2 of Public Finance Law. The first quarter report of FY2020 was posted on 4 September

Report on balance of public bonds, borrowing and government guaranteed liabilities is published quarterly within 2 months of the end of each quarter. Website shows "balance of public bonds, borrowing and government guaranteed liabilities as of June 2020" was made publicly available online on 7 August 2020.

Executive bodies are required to publish particular items of budget execution report quarterly such as subsidies to external bodies, outsourcing expense, public works expense, taxi expense etc. since FY2012. "The guideline for publication scheme of budget execution" was issued by the Cabinet Secretariat.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IYRs-3a. If the IYRs are published, what are the dates of publication of the IYRs?

Specifically: if quarterly In-Year Reports are published, indicate the dates of publication of at least three of the last four IYRs that were publicly available. If monthly IYRs are published, indicate the dates of publication of at least seven of the last 12 IYRs that were publicly available.

Note that the date of publication is not necessarily the same date that is printed on the document.

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

Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2020 should be entered as 05 September 2020. If the document is not published or not produced, please mark this question "n/a."

Answer:

Monthly report as of end of April 2020 was publicly available online on 19 June 2020. Monthly report as of end of May 2020 was publicly available online on 20 July 2020. Monthly report as of end of June 2020 was publicly available online on 20 August 2020. Monthly report as of end of July 2020 was publicly available online on 18 September 2020. Monthly report as of end of August 2020 was publicly available online on 10 October 2020. Monthly report as of end of September 2020 was publicly available online on 20 November 2020. Monthly report as of end of October 2020 was publicly available online on 18 December 2020.

FY2020 First Quarter Budget Execution Survey Report was publicly available online on 4 September 2020. FY2020 Second Quarter Budget Execution Survey Report was publicly available online on 4 December 2020.

FY2020 First Quarter National Treasury Status report was publicly available online on 4 September 2020. FY2020 Second Quarter National Treasury Status report was publicly available online on 4 December 2020.

Balance of public bonds, borrowing and government guaranteed liabilities as of June 2020 (quarterly report) was made publicly available online on 7 August 2020.

Balance of public bonds, borrowing and government guaranteed liabilities as of September 2020(quarterly report) was made publicly available online on 10 November 2020.

Source:

Monthly report as of end of April 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0204a.html

Monthly report as of end of May 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0205a.html

Monthly report as of end of June 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0206a.html

Monthly report as of end of July 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0207a.html

Monthly report as of end of August 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0208a.html

Monthly report as of end of September 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0209a.html

Monthly report as of end of October 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0210a.html

Website update information-FY2020 First Quarter Budget Execution Survey Report

https://www.mof.go.jp/whats_new/202009.htm

Website update information-FY2020 Second Quarter Budget Execution Survey Report

https://www.mof.go.jp/whats_new/202012.htm

Website update information-FY2020 First Quarter National Treasury Status report

https://www.mof.go.jp/whats_new/202009.htm

Website update information-FY2020 Second Quarter National Treasury Status report

https://www.mof.go.jp/whats_new/202012.htm

Balance of public bonds, borrowing and government guaranteed liabilities as of June 2020

<https://www.mof.go.jp/jgbs/reference/gbb/202006.html>

Balance of public bonds, borrowing and government guaranteed liabilities as of September 2020

<https://www.mof.go.jp/jgbs/reference/gbb/202009.html>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: Monthly report as of end of August 2020 was publicly available online on 20 October 2020.

http://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2020/0208a.html

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:

Monthly report as of end of each month was publicly available online with issued date, day of 20th or nearby. The date of Quarterly reports being publicly available online could identify update information of MoF's website. First quarter report was publicly available online on 4 September 2020, and second quarter report was on 4 December 2020. National Treasury Status quarterly report was published same cycle of quarterly budget

execution survey report.

Quarterly report of Balance of public bonds, borrowing and government guaranteed liabilities was publicly available online with issued date, day of 10th or nearby.

Source:

Monthly report as of end of April 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0204a.html

Monthly report as of end of May 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0205a.html

Monthly report as of end of June 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0206a.html

Monthly report as of end of July 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0207a.html

Monthly report as of end of August 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0208a.html

Monthly report as of end of September 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0209a.html

Monthly report as of end of October 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0210a.html

Website update information-FY2020 First Quarter Budget Execution Survey Report

https://www.mof.go.jp/whats_new/202009.htm

Website update information-FY2020 Second Quarter Budget Execution Survey Report

https://www.mof.go.jp/whats_new/202012.htm

Website update information-FY2020 First Quarter National Treasury Status report

https://www.mof.go.jp/whats_new/202009.htm

Website update information-FY2020 Second Quarter National Treasury Status report

https://www.mof.go.jp/whats_new/202012.htm

Balance of public bonds, borrowing and government guaranteed liabilities as of June 2020

<https://www.mof.go.jp/jgbs/reference/gbb/202006.html>

Balance of public bonds, borrowing and government guaranteed liabilities as of September 2020

<https://www.mof.go.jp/jgbs/reference/gbb/202009.html>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

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

Answer:

https://www.mof.go.jp/budget/report/revenue_and_expenditure/index.htm

Source:

State of National Treasury receipts and expenditure monthly report as of end of October 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0210a.html

FY2020 Second Quarter Budget Execution Survey Report

https://www.mof.go.jp/exchequer/reference/exchequer_report/fy2020_2nd_quarter/index.html

FY2020 Second Quarter National Treasury Status report

https://www.mof.go.jp/exchequer/reference/exchequer_report/data.htm

https://www.mof.go.jp/exchequer/reference/exchequer_report/data.htm

Balance of public bonds, borrowing and government guaranteed liabilities as of September 2020

<https://www.mof.go.jp/jgbs/reference/gbb/202009.html>

Comment:

State of National Treasury receipts and expenditure monthly report

Monthly report as of end of April 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0204a.html

Monthly report as of end of May 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0205a.html

Monthly report as of end of June 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0206a.html

Monthly report as of end of July 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0207a.html

Monthly report as of end of August 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0208a.html

Monthly report as of end of September 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0209a.html

FY2020 First Quarter Budget Execution Survey Report

https://www.mof.go.jp/budget/report/budget_use/fy2020/02_1.html

FY2020 First Quarter National Treasury Status report

https://www.mof.go.jp/exchequer/reference/exchequer_report/fy2020_1st_quarter/index.html

Balance of public bonds, borrowing and government guaranteed liabilities as of June 2020

<https://www.mof.go.jp/jgbs/reference/gbb/202006.html>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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, Word (.doc/.docx) and HTML 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 publicly available, therefore their machine readability cannot be assessed.

Answer:

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

Source:

FY2020 Second Quarter National Treasury Status report

https://www.mof.go.jp/exchequer/reference/exchequer_report/fy2020_2nd_quarter/r022.xls

FY2020 First Quarter National Treasury Status report

https://www.mof.go.jp/exchequer/reference/exchequer_report/fy2020_1st_quarter/r021.xls

Comment:

Quarterly National Treasury Status report is contained the numerical data available in a machine readable format.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IYRs-6a. If the IYRs are not publicly available, are they still produced?

If the IYRs are not considered publicly available under the OBS methodology (and thus the answer to Question IYRs-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question IYRs-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

State of National Treasury receipts and expenditure monthly report as of end of October 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0210a.html

FY2020 Second Quarter Budget Execution Survey Report

https://www.mof.go.jp/exchequer/reference/exchequer_report/fy2020_2nd_quarter/index.html

FY2020 Second Quarter National Treasury Status report

https://www.mof.go.jp/exchequer/reference/exchequer_report/data.htm

https://www.mof.go.jp/exchequer/reference/exchequer_report/data.htm

Balance of public bonds, borrowing and government guaranteed liabilities as of September 2020

<https://www.mof.go.jp/jgbs/reference/gbb/202009.html>

Comment:

The documents are publicly available online.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IYRs-6b. If you selected option "c" or "d" in question IYRs-6a, please specify how you determined whether the IYRs were produced for internal use only, versus not produced at all.

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

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

IYRs-7. If the IYRs are produced, please write the full title of the IYRs.

For example, a title for the In-Year Report could be "Budget Monitoring Report, Quarter 1" or "Budget Execution Report January-March 2020."

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:

State of National Treasury receipts and expenditure monthly report
Quarterly Budget Execution Survey Report
Quarterly National Treasury Status report
Balance of public bonds, borrowing and government guaranteed liabilities

Source:

State of National Treasury receipts and expenditure monthly report as of end of October 2020
https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0210a.html

FY2020 Second Quarter Budget Execution Survey Report
https://www.mof.go.jp/exchequer/reference/exchequer_report/fy2020_2nd_quarter/index.html

FY2020 Second Quarter National Treasury Status report
https://www.mof.go.jp/exchequer/reference/exchequer_report/data.htm

https://www.mof.go.jp/exchequer/reference/exchequer_report/data.htm

Balance of public bonds, borrowing and government guaranteed liabilities as of September 2020
<https://www.mof.go.jp/jgbs/reference/gbb/202009.html>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

b. No

Source:

State of National Treasury receipts and expenditure monthly report as of end of October 2020
https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0210a.html

FY2020 Second Quarter Budget Execution Survey Report
https://www.mof.go.jp/exchequer/reference/exchequer_report/fy2020_2nd_quarter/index.html

FY2020 Second Quarter National Treasury Status report
https://www.mof.go.jp/exchequer/reference/exchequer_report/data.htm

https://www.mof.go.jp/exchequer/reference/exchequer_report/data.htm

Balance of public bonds, borrowing and government guaranteed liabilities as of September 2020
<https://www.mof.go.jp/jgbs/reference/gbb/202009.html>

Comment:
There are only IYRs which make available to public and these are not CB.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

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:
FY2020

Source:
Mid-year Economic Projection for FY2020 (Jul. 30, 2020)
<https://www5.cao.go.jp/keizai1/mitoshi/2020/r020730shisan-e.pdf>

Comment:
Most recent possibly published MY-R is for FY2020.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

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:
d. The MYR is not released to the public, or is released more than three months after the midpoint

Source:
Mid-year Economic Projection for FY2020 (Jul. 30, 2020)
<https://www5.cao.go.jp/keizai1/mitoshi/2020/r020730shisan-e.pdf>
Economic and Fiscal Projections for Medium to Long Term Analysis (Jul. 31, 2020)
<https://www5.cao.go.jp/keizai3/projection-e/projection202007.pdf>

Comment:

These reports include a partial element of MYR such as update the economic projection but does not provide necessary information as MYR. And these were published before midpoint of FY2020. There are not qualified as a Mid-Year Review.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

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 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.

Answer:

Source:
Mid-year Economic Projection for FY2020 (Jul. 30, 2020)
<https://www5.cao.go.jp/keizai1/mitoshi/2020/r020730shisan-e.pdf>
Economic and Fiscal Projections for Medium to Long Term Analysis (Jul. 31, 2020)
<https://www5.cao.go.jp/keizai3/projection-e/projection202007.pdf>

Comment:
These reports include a partial element of MYR such as update the economic projection but does not provide necessary information as MYR. And these were published before midpoint of FY2020. There are not qualified as a Mid-Year Review.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

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:
n/a

Source:
Mid-year Economic Projection for FY2020 (Jul. 30, 2020)
<https://www5.cao.go.jp/keizai1/mitoshi/2020/r020730shisan-e.pdf>
Economic and Fiscal Projections for Medium to Long Term Analysis (Jul. 31, 2020)
<https://www5.cao.go.jp/keizai3/projection-e/projection202007.pdf>

Comment:
These reports include a partial element of MYR such as update the economic projection but does not provide necessary information as MYR. And these were published before midpoint of FY2020. There are not qualified as a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

Source:

Mid-year Economic Projection for FY2020 (Jul. 30, 2020)

<https://www5.cao.go.jp/keizai1/mitoshi/2020/r020730shisan-e.pdf>

Economic and Fiscal Projections for Medium to Long Term Analysis (Jul. 31, 2020)

<https://www5.cao.go.jp/keizai3/projection-e/projection202007.pdf>

Comment:

These reports include a partial element of MYR such as update the economic projection but does not provide necessary information as MYR. And these were published before midpoint of FY2020. There are not qualified as a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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, Word (.doc/.docx) and HTML 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 publicly available, therefore its machine readability cannot be assessed.

Answer:

d. Not applicable

Source:

Mid-year Economic Projection for FY2020 (Jul. 30, 2020)

<https://www5.cao.go.jp/keizai1/mitoshi/2020/r020730shisan-e.pdf>

Economic and Fiscal Projections for Medium to Long Term Analysis (Jul. 31, 2020)

<https://www5.cao.go.jp/keizai3/projection-e/projection202007.pdf>

Comment:

These reports include a partial element of MYR such as update the economic projection but does not provide necessary information as MYR. And these were published before midpoint of FY2020. There are not qualified as a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

d. Not produced at all

Source:

Mid-year Economic Projection for FY2020 (Jul. 30, 2020)

<https://www5.cao.go.jp/keizai1/mitoshi/2020/r020730shisan-e.pdf>

Economic and Fiscal Projections for Medium to Long Term Analysis (Jul. 31, 2020)

<https://www5.cao.go.jp/keizai3/projection-e/projection202007.pdf>

Comment:

These reports include a partial element of MYR such as update the economic projection but does not provide necessary information as MYR. And these were published before midpoint of FY2020. There are not qualified as a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

"Mid-year Economic Projection for FY2020" and "Economic and Fiscal Projections for Medium to Long Term Analysis" are produced. Though these reports include a partial element of MYR such as update the economic projection, these do not provide necessary information as MYR. And these were published before midpoint of FY2020. There are not qualified as a Mid-Year Review.

Source:

Mid-year Economic Projection for FY2020 (Jul. 30, 2020)

<https://www5.cao.go.jp/keizai1/mitoshi/2020/r020730shisan-e.pdf>

Economic and Fiscal Projections for Medium to Long Term Analysis (Jul. 31, 2020)

<https://www5.cao.go.jp/keizai3/projection-e/projection202007.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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 2019/20" or "Mid-Year Report on the 2020 National Budget."

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

Answer:

n/a

Source:

Mid-year Economic Projection for FY2020 (Jul. 30, 2020)

<https://www5.cao.go.jp/keizai1/mitoshi/2020/r020730shisan-e.pdf>

Economic and Fiscal Projections for Medium to Long Term Analysis (Jul. 31, 2020)

<https://www5.cao.go.jp/keizai3/projection-e/projection202007.pdf>

Comment:

These reports include a partial element of MYR such as update the economic projection but does not provide necessary information as MYR. And these were published before midpoint of FY2020. There are not qualified as a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

b. No

Source:

Mid-year Economic Projection for FY2020 (Jul. 30, 2020)

<https://www5.cao.go.jp/keizai1/mitoshi/2020/r020730shisan-e.pdf>

Economic and Fiscal Projections for Medium to Long Term Analysis (Jul. 31, 2020)

<https://www5.cao.go.jp/keizai3/projection-e/projection202007.pdf>

Comment:

These reports include a partial element of MYR such as update the economic projection but does not provide necessary information as MYR. And these were published before midpoint of FY2020. There are not qualified as a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:
FY2019

Source:
Submission of FY2019 Year-End Report to the Diet
https://www.mof.go.jp/budget/budger_workflow/account/fy2019/ke0211.html

Comment:
The Cabinet submitted YER to the Diet on 20 November 2020.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

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:
b. Nine months or less, but more than six months, after the end of the budget year

Source:
Submission of FY2019 Year-End Report to the Diet
https://www.mof.go.jp/budget/budger_workflow/account/fy2019/ke0211.html
FY2019 Year-End Report
<https://www.bb.mof.go.jp/hdocs/bxss010br1a.html>

Comment:
FY2019 Year-End Report made available to the public on 20 November 2020 when it was submitted to the Diet. The end of fiscal year is 31th March.

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 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.

Answer:
20/11/2020

Source:
Submission of FY2019 Year-End Report to the Diet
https://www.mof.go.jp/budget/budger_workflow/account/fy2019/ke0211.html
FY2019 Year-End Report
<https://www.bb.mof.go.jp/hdocs/bxss010br1a.html>

Comment:
FY2019 Year-End Report made available to the public on 20 November 2020 when it was submitted to the Diet.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

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

Answer:
FY2019 Year-End Report made available to the public on 20 November 2020 when it was submitted to the Diet.

Source:
Submission of FY2019 Year-End Report to the Diet
https://www.mof.go.jp/budget/budger_workflow/account/fy2019/ke0211.html
FY2019 Year-End Report
<https://www.bb.mof.go.jp/hdocs/bxss010br1a.html>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

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

Answer:
[bb.mof.go.jp/hdocs/bxss010br1a.html](https://www.bb.mof.go.jp/hdocs/bxss010br1a.html)

Source:
Submission of FY2019 Year-End Report to the Diet

https://www.mof.go.jp/budget/budger_workflow/account/fy2019/ke0211.html
FY2019 Year-End Report
<https://www.bb.mof.go.jp/hdocs/bxss010br1a.html>

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, Word (.doc/.docx) and HTML 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 publicly available, therefore its machine readability cannot be assessed.

Answer:

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

Source:

<https://www.bb.mof.go.jp/hdocs/bxss010br1a.html>

Settlement of the FY 2019 General Account Revenues and Expenditures

<https://www.bb.mof.go.jp/server/2019/excel/DL201977001.xls>

Settlement of the FY2019 Special Account Revenues and Expenditures

<https://www.bb.mof.go.jp/server/2019/excel/DL201978001.xls>

Settlement of the FY2019 Government Affiliated organs

<https://www.bb.mof.go.jp/server/2019/excel/DL201976001.xls>

Statement of national tax recipient of FY2019

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201973001.pdf>

Increase or Decrease of commodities and total of amount at the end of FY2019

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL20197A0010.pdf>

Increase or Decrease of commodities and total of amount at the end of FY2019 by administrative units

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL20197A0012.pdf>

Amount of Claims held by the State of FY2019

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL20197C0010.pdf>

Amount of Claims held by ministries and agencies of FY2019

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL20197C0012.pdf>

Comment:

Key YER is publicly available as machine readable. But supporting documents are not provided as machine readable.

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:

FY2019 Year-End Report

<https://www.bb.mof.go.jp/hdocs/bxss010br1a.html>

Comment:

YER is publicly available.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

YER-6b. If you selected option "c" or "d" in question YER-6a, please specify how you determined whether the YER was produced for internal use only, versus not produced at all.

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

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

YER-7. If the YER is produced, please write the full title of the YER.

For example, a title for the Year-End Report could be "Consolidated Financial Statement for the Year Ended 31 March 2020" or "Annual Report 2019 Published by the Ministry of Finance and Planning." If the document is not produced at all, researchers should mark this question "n/a."

Answer:

Settlement of the FY2019 General Account Revenues and Expenditures

Source:

<https://www.bb.mof.go.jp/hdocs/bxss010br1a.html>

Comment:

Full title of other YER and supporting documents are below.

Settlement of the FY 2019 General Account Revenues and Expenditures
Settlement of the FY2019 Special Account Revenues and Expenditures
Settlement of the FY2019 Government Affiliated organs
Statement of national tax recipient of FY2019
Increase or Decrease of commodities and total of amount at the end of FY2019
Increase or Decrease of commodities and total of amount at the end of FY2019 by administrative units
Amount of Claims held by the State of FY2019
Amount of Claims held by ministries and agencies of FY2019

Peer Reviewer

Opinion: Disagree

Suggested Answer: Settlement of the FY2019 General Account Revenues and Expenditures, Settlement of the FY2019 Special Account Revenues and Expenditures, Settlement of the FY2019 Government Affiliated Organs

Comments: Full title of other YER and supporting documents are below. Increase or Decrease of commodities and total of amount at the end of FY2019 Increase or Decrease of commodities and total of amount at the end of FY2019 by administrative units Amount of Claims held by the State of FY2019 Amount of Claims held by ministries and agencies of FY2019

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: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

a. Yes

Source:

Explanation of FY2019 Settlement

https://www.mof.go.jp/budget/budger_workflow/account/fy2019/ke_setsumei01.html

(Whole

https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_zenntaibann.pdf)

Comment:

This document explain a state of revenue and expenditures of FY2019.

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:
FY2019

Source:
Latest Audit Report
<https://www.jbaudit.go.jp/report/new/index.html>

Comment:
Latest audit report was delivered to the Cabinet on 20 November 2020.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

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:
Update information
<https://www.jbaudit.go.jp/general/news/202010-12.html>

Comment:
Above website shows outline of FY2019 AR was posted online on 10 November 2020 and full FY2019 AR was posted online on 20 November 2020.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

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 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.

Answer:

20/11/2020

Source:
Update information
<https://www.jbaudit.go.jp/general/news/202010-12.html>

Comment:
Above website shows outline of FY2019 AR was posted online on 10 November 2020 and full FY2019 AR was posted online on 20 November 2020.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

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

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

Answer:
The Board of Audit's website update information shows outline of FY2019 AR was posted online on 10 November 2020 and full FY2019 AR was posted online on 20 November 2020.

Source:
Update information
<https://www.jbaudit.go.jp/general/news/202010-12.html>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

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://www.jbaudit.go.jp/report/new/all/index.html>

Source:
Latest AR
<https://www.jbaudit.go.jp/report/new/index.html>

Comment:
Latest AR webpage includes followings.
Outline <https://www.jbaudit.go.jp/report/new/summary01/index.html>
Full report <https://www.jbaudit.go.jp/report/new/all/index.html>
Characteristic case of FY2019 <https://www.jbaudit.go.jp/report/new/summary01/tokutyou.html>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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, Word (.doc/.docx) and HTML 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 publicly available, therefore its machine readability cannot be assessed.

Answer:

c. No

Source:

Outline <https://www.jbaudit.go.jp/report/new/summary01/index.html>

Full report <https://www.jbaudit.go.jp/report/new/all/index.html>

Characteristic case of FY2019 <https://www.jbaudit.go.jp/report/new/summary01/tokutyou.html>

Comment:

The documents are only available in PDF file.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

Outline <https://www.jbaudit.go.jp/report/new/summary01/index.html>

Full report <https://www.jbaudit.go.jp/report/new/all/index.html>

Characteristic case of FY2019 <https://www.jbaudit.go.jp/report/new/summary01/tokutyou.html>

Comment:

AR is publicly available.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

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:

Reports on inspection of the settlement of FY2019 account

Source:

Outline <https://www.jbaudit.go.jp/report/new/summary01/index.html>

Full report <https://www.jbaudit.go.jp/report/new/all/index.html>

Characteristic case of FY2019 <https://www.jbaudit.go.jp/report/new/summary01/tokutyou.html>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

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: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:
a. Yes

Source:

Outline <https://www.jbaudit.go.jp/report/new/summary01/index.html>

Characteristic case of FY2019 <https://www.jbaudit.go.jp/report/new/summary01/tokutyou.html>

Comment:

Feature and summary of FY2019 AR could be CB. Those were much easier to understand about AR than the report. This website explains following things. The Board of Audit tried to respond public concern about demanding budget expense. 1) How Audit Board works examining expense. 2) Overviews of result of AR 2019 such as how many and how much executive bodies misuse budget, audit body claimed to demand or state correction and so on. 3) Highlights case of AR 2019 which the public might have high interest. 4) Specific issue reports which were selected by audit board because of importance of budget spending and people's high interest.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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 can be used to access budget information.

Answer:
a. Yes

Source:

Budget and Settlement

<https://www.mof.go.jp/budget/>

Tax system

https://www.mof.go.jp/tax_policy/index.html

National Bonds

<https://www.mof.go.jp/jgbs/index.html>

FLIPS

<https://www.mof.go.jp/filp/index.html>

Budget and Settlement Document Database(MoF)

<http://www.bb.mof.go.jp/hdocs/bxsselect.html>

Comment:

"Budget and Settlement" is a portal for budget formulation, execution, settlement, and budget related information. "Tax system" is a portal for revenue information. "National Bonds" is a portal for detail information relating national bonds. "FLIPS" is a portal for detail information relating FLIPS. "Budget and Settlement Document Database" includes budget and settlement data from 1947.

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, machine readable file (or set of files)? If yes, please provide the necessary links in the comment/citation. For more information on machine readability, see:

<http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

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 disaggregated revenue and/or expenditure information for the current fiscal year; (b) consolidated files that contain disaggregated 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:

c. Yes, but only revenue data can be downloaded as a consolidated file

Source:

FY2020 Second Quarter National Treasury Status report

https://www.mof.go.jp/exchequer/reference/exchequer_report/fy2020_2nd_quarter/r022.xls

FY2020 First Quarter National Treasury Status report

https://www.mof.go.jp/exchequer/reference/exchequer_report/fy2020_1st_quarter/r021.xls

Comment:

The current fiscal year of Quarterly Revenue Data was provided as machine readable file. This file includes an amount of expenditure but less information.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

GQ-1c. On these websites/portals, can disaggregated revenue and/or expenditure data in consolidated, machine readable files be downloaded for multiple years in consistent formats? If yes, please provide the necessary links and details in the comment/citation. For more information on machine readability, see:

<http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

Answer:

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

Source:

Budget and Settlement Document Database

<https://www.bb.mof.go.jp/hdocs/bxsselect.html>

Comment:

Budget and Settlement can be downloaded from FY1947. From FY1947 to FY1969, PDF version is only available. From FY1969 to FY2010, PDF and XML version are only available. From 2011, Excel version is available.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. Yes

Source:

Think about the finance of Japan

https://www.mof.go.jp/budget/fiscal_condition/related_data/202007_zaisei.pdf

video clips on Japan's fiscal situation are available

<https://www.youtube.com/watch?v=CgFj1D41vk0&feature=youtu.be>

Comment:

Infographics are included in the above website.

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://kenyalaw.org:8181/exist/kenyalex/actview.xql?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:

The Constitution of Japan

<http://www.japaneselawtranslation.go.jp/law/detail/?printID=&ft=1&re=01&dn=1&x=0&y=0&co=01&ia=03&ky=%E6%86%B2%E6%B3%95&page=23&vm=02>

Public Finance Law

<https://warp.da.ndl.go.jp/info:ndljp/pid/6021713/www.mof.go.jp/english/budget/budget/fy2002/brief/2002-35.htm>

The Board of Audit Act

<http://www.japaneselawtranslation.go.jp/law/detail/?printID=&ft=2&re=01&dn=1&yo=%E4%BC%9A%E8%A8%88%E6%A4%9C%E6%9F%BB%E9%99%A2%E6%B3%95&x=0&y=0&ia=03&ky=&page=1&vm=0>

Comment:

The Constitution of Japan

Article 86. The Cabinet shall prepare

and submit to the Diet for its consideration and decision a budget for each fiscal year. Article 90. Final accounts of the expenditures and revenues of the State shall be audited annually by a Board of Audit and submitted by the Cabinet to the Diet, together with the statement of audit, during the fiscal year immediately following the period covered. The organization and competency of the Board of Audit shall be determined by law. Article 91. At regular intervals and at least annually the Cabinet shall report to the Diet and the people on the state of national finances.

Public Finance Law

This law regulates budget, execution and settlement process. Article 46 (Fiscal report on state of affairs) (1) When the budget plan is finalized, the Cabinet shall immediately report to the general public on the budget, revenue and expenditure accounts of the previous year, the current balance of public bonds, borrowings and national property, and general matters on public finance, in appropriate ways such as by announcement and printed matters.

(2) Other than those instances provided in the preceding paragraph, the Cabinet shall, at least every quarter, report to the Diet as well as to the general public on the status of the budget use, the national treasury funds and fiscal administration.

The Board of Audit Act

Article 20 (1) The Board of Audit audits the final accounts of the expenditures and revenues of the State, pursuant to the provisions of Article 90 of the Constitution of Japan, and also audits such accounts as are provided for by law. (2) The Board of Audit continuously conducts its audit, supervises financial management, ensures its adequacy, and rectifies any defects. (3) The Board of Audit shall conduct its audit with the objective of accuracy, regularity, economy, efficiency, effectiveness, or other objectives necessary for auditing. Article 21 The Board of Audit verifies the final accounts of the expenditures and revenues of the State through the results of its audit. Section 2 Scope of Audit Article 22 The following items require audits by the Board of Audit: (i) monthly expenditures and revenues of the State; (ii) receipt and payment of cash or receipt and issue of goods owned by the State as well as national property; (iii) acquisition and loss of claims held by the State and increases and decreases of national government bonds and other obligations; (iv) receipt and payment of cash or receipt and issue of precious metals and securities by the Bank of Japan on behalf of the State; (v) accounts of juridical persons to which the State has contributed half or more of the stated capital; (vi) accounts specified by law as being subject to audit by the Board of Audit.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

GQ-3. Is there at least one additional law 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:

Act on Access to Information Held by Administrative Organs <http://www.japaneselawtranslation.go.jp/law/detail/?ft=1&re=01&dn=1&x=0&y=0&co=01&ia=03&ky=%E6%83%85%E5%A0%B1%E5%85%AC%E9%96%8B%E6%B3%95&page=1>

Act on Access to Information Held by Incorporated Administrative Agency etc.

Comment:

The Act covers entire administrative organ including the Board of Audit. The Act on Access to Information Held by Incorporated Administrative Agency etc. guarantees right of access to information all incorporated administrative agencies, some of special corporations and the bank of Japan.

Peer Reviewer

Opinion: Disagree

Suggested Answer: a. Yes

Comments: The URL to the page of Act on Access to Information Held by Administrative Organs is incorrect. The correct URL is <http://www.japaneselawtranslation.go.jp/law/detail/?id=99&vm=04&re=01&new=1>

Government Reviewer

Opinion: I choose not to review this question

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:

EBP documentation presents all expenditure estimated by administrative unit. For example, General Account's EBP shows the total budget amount of each project affiliated to Ministries and Agencies, p37-80, as well as the component of the budget by Ministries and Agencies, p249-. Special Account's EBP shows detailed budget component by individual special account. Government-affiliated Organ's Account's EBP shows the detailed budget component by each organ.

General Account (p37-80[47-90], 249[258]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account(p15-42[23-50], 72[82]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (p5-8[10-13], 9[15]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Comment:

Following supporting documentations also include the budget information by administrative unit.

Budget reference materials by Article28 of Public Finance Act

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

FY2020 EBP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/index.html

Explanation of FY2020 Budget and FLIP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

2. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year by functional classification?

GUIDELINES:

Question 2 addresses the presentation of expenditure by functional classification. This classification indicates the programmatic purpose, sector, or objective for which the funds will be used, such as health, education, or defense. Administrative units are not necessarily aligned with functional classifications. For instance, in one country all functions connected with water supply (which fall into the "Housing" function) may be undertaken by a single government agency, while in another country they may be distributed across the Ministries of Environment, Housing, and Industrial Development. In the latter case, three ministries have programs addressing water supply, so three ministries contribute to one function. Similarly, some administrative units may conduct activities that cut across more than one function. For instance, in the example above, some programs of the Ministry of Environment would also be classified in the "environmental protection" function.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for the budget year organized by functional classification.

Answer:

a. Yes, expenditures are presented by functional classification.

Source:

"Explanation of FY2020 Budget and FLIP" explains and presents the budget and its estimation aggregated by function such as social insurance, education and science, defense and so on.

Explanation of FY2020 Budget and FLIP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/r02y_c.pdf

the programmatic purpose, sector, or objective for which the funds will be used, such as health, education, or defense.

"Point of each budget" is a main content of "FY2020 EBP" which explains an amount of expenditure to be used the programmatic purpose.
FY2020 EBP
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/index.html

Comment:

EBP documentation presents of estimates for functional categories. "Explanation of FY2020 Budget and FLIP" provides some explanation of budget on each functional category.

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:

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

Source:

Explanation of FY2020 Budget and FLIP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/r02y_c.pdf

Comment:

EBP presentation of the expenditures estimates for a limited set of functional categories does not meet international standards. Some functional category included EBP documentation are met to be international standards such as defense, education, interest payments, social protection. However, many of the standard components of the international functional classification are not provided as distinct categories of total expenditures (e.g. general public services, health, housing, environmental protection, recreation and culture, etc.).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

4. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year by economic classification?

GUIDELINES:

Question 4 asks whether the Executive's Budget Proposal or its supporting documentation presents expenditures for the budget year organized by economic classification. Economic classification provides information on the nature of the expenditure, such as whether funds are being used to pay for wages and

salaries, capital projects, or social assistance benefits. Please note that a presentation of expenditures by current and capital expenditures without additional disaggregation or detail will not qualify as an economic classification.

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:

General Account (eg. Cabinet p294-295[302-303])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account(eg. special account for earth quake reinsurance p84-85[93-94])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (eg. Okinawa Development Finance Corp p11-12[17-18])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Comment:

EBP documentation (combining separate documents for general account, special account and government-affiliated organs) presents estimates for all expenditures by economic classification.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

5. If the Executive's Budget Proposal or any supporting budget documentation presents expenditures for the budget year by economic classification, is the economic classification compatible with international standards?

GUIDELINES:

Question 5 asks whether a country's economic classification meets international standards. To answer "a," a country's economic classification must be consistent with the International Monetary Fund's (IMF) 2001 Government Finance Statistics (GFS). The GFS economic classification is presented here: <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf>. To learn more about Government Finance Statistics also refer to the entire IMF 2001 GFS manual (<http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf>).

Answer:

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

Source:

General Account (eg. Cabinet p294-295[302-303])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account(eg. special account for earth quake reinsurance p84-85[93-94])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (eg. Okinawa Development Finance Corp p11-12[17-18])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Comment:

EBP documentation includes some categories to be compatible with international standards (salaries, social benefits, subsidies and some grants). However, the economic classification used in EBP documentation does not meet international standards. It also does not include estimates for at least 3 of standard categories: for purchases of goods, services and for interest payments and Consumption of fixed capital.

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:

General Account(p37-80[47-90] eg. Cabinet p293[301])
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>
Special Account
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>
Government-affiliated Organ's Account (eg. Okinawa Development Finance Corp p10-11[17-18])
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>
Budget reference materials by Article28 of Public Finance Act
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>
FY2020 EBP
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/index.html
Explanation of FY2020 Budget and FLIP
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

Comment:

EBP documentation presents "program" level data accounting for all expenditures. Program level estimates are provided within a highly disaggregated administrative classification presentation of expenditures.

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:

Budget reference materials by Article28 of Public Finance Act presents expenditure estimates for a 3-year period (2018-2020) by administrative classification. But there is no requirement to estimate expenditure beyond the budget year.

Budget reference materials by Article28 of Public Finance Act(p1-3[5-7])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

Comment:

The other EBP documentations only present expenditure estimates for BY1 by functional and economic classification.

General Account (eg. Cabinet p293-295[301-303])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account(eg. special account for earth quake reinsurance p83-85[92-94])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (eg. Okinawa Development Finance Corp p10-12[16-18])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, multi-year expenditure estimates are presented by only one of the three expenditure classifications.

Comments: MOF provides 3-year expenditure estimates in Medium-Term fiscal projection for central Government General account It is presented by functional classification like debt interest, local allocation grants etc. <http://www.mof.go.jp/policy/budget/topics/outlook/sy0201a.html>

Researcher Response

This document includes multi-year expenditures but it does not present expenditure estimates by any of three classifications. It shows only expenditure estimates for servicing government bonds, and primary balance expenditure (social security, local allocation tax, and others).

IBP Comment

Researchers response and answer choice is confirmed.

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:

Budget reference materials by Article28 of Public Finance Act presents expenditure estimates for a 3-year period (2018-2020) by administrative classification. But there is no requirement to estimate expenditure beyond the budget year.

Budget reference materials by Article28 of Public Finance Act(p1-3[5-7])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

Comment:

The other EBP documentations only present expenditure estimates for BY1 by functional and economic classification.

General Account (eg. Cabinet p293-295[301-303])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account(eg. special account for earth quake reinsurance p83-85[92-94])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (eg. Okinawa Development Finance Corp p10-12[16-18])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: Functional classification

Comments: MOF provides 3-year expenditure estimates in "Medium-Term fiscal projection for central Government General account"

<http://www.mof.go.jp/policy/budget/topics/outlook/sy0201a.html>

Researcher Response

This document includes multi-year expenditures but it does not present expenditure estimates by any of three classifications. It shows only expenditure estimates for servicing government bonds, and primary balance expenditure (social security ,local allocation tax, and others).

8. Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two-years beyond the budget year) by program?

GUIDELINES:

Question 8 asks if multi-year expenditure estimates are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

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

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

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

Answer:

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

Source:

Explanation of FY2020 Budget and FLIP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/r02y_c.pdf

Comment:

EBP documentation only presents expenditure estimates by program for 2-year period by program - BY(FY2020) and BY-1(FY2019).

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:

General Account(p23-36[33-46], 187-194[197-204])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Explanation of FY2018 tax and revenue stamp budget(p1[5], 3[7]-)

https://www.mof.go.jp/tax_policy/reference/budget_explanation/008aR2a.pdf

Comment:

EBP documentations present individual sources of tax revenue accounting for all tax revenues.

Note: there are no broad 'other' categories that show unclassified revenue, therefore the score is 'A'.

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:

EBP documentation does present individual sources of non-tax revenue accounting for all non-tax revenues. General Account's EBP presents individual sources of non-tax revenue by administrative unit (eg. p187-194[197-204]).

General Account(p23-36[33-46], 187-194[197-204])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account(p17-45, eg. Special Account for earthquake reinsurance p83-84[92-93])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (p5-8, eg. Okinawa Development Finance Corp p9-10[15-16])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Comment:

Miscellaneous Revenues is less than 1% of total non-tax revenue.

General Account(p193-194[203-204])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

EBP's supporting documentation explains the ground of estimation.

Explanation of FY2020 Budget and FLIP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/r02y_d.pdf

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

11. Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for a multi-year period (at least two-years beyond the budget year)?

GUIDELINES:

Question 11 evaluates whether revenue estimates are presented for a multi-year period (at least two years beyond the budget year) by "category," that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of revenues classified by category for at least two years following the budget year in question.

Answer:

a. Yes, multi-year estimates of revenue are presented by category.

Source:

General Account(p23-36[33-46], 187-194[197-204])
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>
Explanation of FY2018 tax and revenue stamp budget(p1[5], 3[7]-)
https://www.mof.go.jp/tax_policy/reference/budget_explanation/008aR2a.pdf

Comment:

EBP and supporting documents present revenue estimates by category for BY(2020), BY1(2019) and BY2 but there is no information to estimates revenue for multi-year beyond BY.

Note; there are no forward looking estimates, only multi-year before BY.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer:

a. Yes, multi-year estimates of revenue are presented by category.

Comments: MOF provides 3-year expenditure estimates in "Medium-Term fiscal projection for central Government General account"
<http://www.mof.go.jp/policy/budget/topics/outlook/sy0201a.htm>

Researcher Response

I revised an answer on EBP-4 to include this documentation as a part of EBP. So an answer of this questionnaire is leaned from B to A.

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:

General Account(p23-36[33-46], 187-194[197-204])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Explanation of FY2018 tax and revenue stamp budget(p1[5], 3[7]-)

https://www.mof.go.jp/tax_policy/reference/budget_explanation/008aR2a.pdf

Comment:

EBP and supporting documents present revenue estimates by category for BY(2020), BY1(2019) and BY2 but there is no information to estimates revenue for multi-year beyond BY.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

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

Answer:

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

Source:

EBP documentation provides estimates for all three core elements related to government borrowing and debt in the budget year.

General Account includes "general provisions of the budget". Article16 of it provides legal limits of the amount of public bond.

General Account(p1-2[11-12])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

"FY2020 EBP" includes budget year estimates for all three core elements.

1. Net new borrowing Table: General Account Budget (Revenues and Expenditures), p.1 Graph: Trends in General Account Tax Revenues, Total Expenditures and Government Bond Issues, p.2 Graph: Government Bond Issues and Bond Dependency Ratio, p.3

2. Total outstanding debt: Table: Debt Situation, p.1 Graph: Trends in General Account Tax Revenues, Total Expenditures and Government Bond Issues, p.2 Graph: Accumulated Government Bonds Outstanding, p.4

3. Interest payments: Graph: Trends in Interest Payments and Interest Rate, p.6.
FY2020EBP
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/index.html
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/04.pdf

"Budget reference materials by Article28 of Public Finance Act" includes the total debt outstanding at the end of the budget year, p18-19, and the debt of the government affiliated organizations, p51-
Budget reference materials by Article28 of Public Finance Act(p18-19[22-23], p51-[55-])
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

Answer:

The amount of net new borrowing required during the budget year
The central government's total debt burden at the end of the budget year
The interest payments on outstanding debt for the budget year

Source:

EBP documentation provides estimates for all three core elements related to government borrowing and debt in the budget year.
General Account includes "general provisions of the budget". Article16 of it provides legal limits of the amount of public bond.
General Account(p1-2[11-12])
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

"FY2020 EBP" includes budget year estimates for all three core elements.

1. Net new borrowing Table: General Account Budget (Revenues and Expenditures), p.1 Graph: Trends in General Account Tax Revenues, Total Expenditures and Government Bond Issues, p.2 Graph: Government Bond Issues and Bond Dependency Ratio, p.3
2. Total outstanding debt: Table: Debt Situation, p.1 Graph: Trends in General Account Tax Revenues, Total Expenditures and Government Bond Issues, p.2 Graph: Accumulated Government Bonds Outstanding, p.4
3. Interest payments: Graph: Trends in Interest Payments and Interest Rate, p.6.

FY2020EBP
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/index.html
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/04.pdf

"Budget reference materials by Article28 of Public Finance Act" includes the total debt outstanding at the end of the budget year, p18-19, and the debt of the government affiliated organizations, p51-
Budget reference materials by Article28 of Public Finance Act(p18-19[22-23], p51-[55-])
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

14. "Does the Executive's Budget Proposal or any supporting budget documentation present information related to the composition of the total debt outstanding at the end of the budget year?"

(The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)"

GUIDELINES:

Question 14 focuses on the composition of government debt at the end of the budget year, asking whether "core" information related to its composition is presented. These core components include:

- interest rates on the debt;
- maturity profile of the debt; and
- whether the debt is domestic or external.

The interest rates affect the amount of interest that must be paid to creditors. The maturity profile indicates the final payment date of the loan, at which point the principal (and all remaining interest) is due to be paid; government borrowing typically includes a mix of short-term and long-term debt. As discussed in Question 13, domestic debt is held by a country's citizens, banks, and businesses, while external debt is held by foreigners. These factors related to the composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable.

Beyond these core elements, a government may also provide additional information related to the composition of its debt, including for instance: whether interest rates are fixed or variable; whether debt is callable; the currency of the debt; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); an analysis of the risk associated with the debt; and where appropriate, what the debt is being used to finance.

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

Answer:

b. Yes, the core information is presented for the composition of the total debt outstanding.

Source:

"Budget reference materials by Article 28 of Public Finance Act" presents the composition of the total debt outstanding at the end of the budget year of the government (p18-19[22-23]) and the government affiliated organs (p51[55]). This also includes the maturity profile of the debt (p21-48[25-52]) with a long-term annual debt repayment schedule.. Yearly plan for redemption of public bonds and debt.

Budget reference materials by Article 28 of Public Finance Act (p18-19, 21-48, p50)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

EBP documentation does present information for two core elements related to the composition of Government debt.

1. Interest rates on debt Graph: Trends in Interest Payments and Interest Rate as of FY2018 (not BY), p.7 Graph: Accumulated Government Bonds Outstanding, p.5 Graph: Government Bond Issues and Bond Dependency Ratio, p.4 Table: General Account Revenues, p.9-10 Additional information provided beyond the core elements: - long-term data series, p.3-10 - long-term data series for outstanding debt in relation to GDP, p.6 - consolidated central and local government debt, p.6 - international comparisons, p.12-13

FY2020 EBP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/index.html

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/04.pdf

Comment:

Core elements relates to whether debt is domestic or external is missing. The long-term data series provided for interest rates on debt does not include the budget year. But substantive information beyond the core elements are provided. Although the available information for interest rates is not complete, there is some relevant information provided.

Peer Reviewer

Opinion: Agree

Comments: Actually, external bonds have not been issued for a decade. However, the limit on the amount of foreign bonds that can be issued at the Special Account of Fiscal Investment and Loan Program is stipulated at FY2020 EBP. Special Account (p4[12])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government Reviewer

Opinion: I choose not to review this question

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

Answer:

Maturity profile of the debt

Whether the debt is domestic or external

Information beyond the core elements (please specify)

Source:

"Budget reference materials by Article 28 of Public Finance Act" includes the maturity profile of the debt (p21-48[25-52]) with a long-term annual debt repayment schedule and yearly plan for redemption of public bonds and debt.

Budget reference materials by Article 28 of Public Finance Act (p18-19[22-23], 21-48[25-52], p50[55]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

EBP documentation does present information for two core elements related to the composition of Government debt.

1. Accumulated Government Bonds Outstanding, p.5 Graph: Government Bond Issues and Bond Dependency Ratio, p.4 Table: General Account Revenues, p.9-10 Additional information provided beyond the core elements: - long-term data series, p.2-12 - long-term data series for outstanding debt in relation to GDP, p.6 - consolidated central and local government debt, p.6 - international comparisons, p.12-13

FY2020 EBP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/index.html

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/04.pdf

Comment:

National debt is domestic and the small amount of foreign issued bond is not issued by central government.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

15. "Does the Executive's Budget Proposal or any supporting budget documentation present information on the macroeconomic forecast upon which the budget projections are based?"

(The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)"

GUIDELINES:

Question 15 focuses on the macroeconomic forecast that underlies the budget's revenue and expenditure estimates, asking whether "core" information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:

- *nominal GDP level;*
- *inflation rate;*
- *real GDP growth; and*
- *interest rates.*

While the core macroeconomic information should be a standard feature of the Executive's Budget Proposal, the importance of some types of macroeconomic assumptions may vary from country to country. For example, the budget estimates of some countries are particularly affected by changes in the price of oil and other commodities.

Beyond these core elements, some governments also provide additional information related to the economic outlook, including for instance: short and long-term interest rates; rate of employment and unemployment; GDP deflator; price of oil and other commodities; current account; exchange rate; and composition of GDP growth.

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

Answer:

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

Source:

EBP documentation presents information for at least 3 of the 4 core elements (nominal GDP, inflation (price indexes) and real GDP (deflator), as well as some limited but useful information for the 4th core element (interest rates). In addition, there is also some macroeconomic information provided "beyond the core elements" (for employment, trade, consumption and selected sectoral indicators). Essentially the same macroeconomic data are presented in two separate locations/documents:

1. Explanation of FY2020 Budget and FILP, p.[19]
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/r02y_g.pdf

2. Explanation of FY2018 Tax and Stamp Revenue Budget, p.[27]
https://www.mof.go.jp/tax_policy/reference/budget_explanation/008a30a.pdf

3. FY2020 EBP
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/index.html
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/04.pdf

For interest rates, the long-term data series provided for interest rates (on Government bonds) does not include the budget year, but the long-term trend information is still useful. Graph: Trends in Interest Payments and Interest Rate, p.7

Comment:

Note: As OBS 2017, following comment was made by IBP's review.

Although the available information for interest rates is not complete, there is some relevant information provided. Moreover, in cases where only 1 core element may be missing (or incomplete), OBS methodology specifically allows for an "upgrade" of the assessment from "c" to "b" when documentation also includes presentation of additional substantive information "beyond the core elements", as is the case here.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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

Answer:

Nominal GDP level

Inflation rate

Real GDP growth

Information beyond the core elements (please specify)

Source:

EBP documentation presents information for at least 3 of the 4 core elements (nominal GDP, inflation (price indexes) and real GDP (deflator), as well as some limited but useful information for the 4th core element (interest rates until FY2018). In addition, there is also some macroeconomic information provided "beyond the core elements" (for employment, trade, consumption and selected sectoral indicators). Essentially the same macroeconomic data are presented in two separate locations/documents:

1. Explanation of FY2020 Budget and FILP, p.[19]

Nominal GDP level, inflation (price indexes), employment, trade, consumption and selected sectoral indicators

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/r02y_g.pdf

2. Explanation of FY2018 Tax and Stamp Revenue Budget, p.[27]

Real GDP growth, inflation (price indexes), employment, trade, consumption and selected sectoral indicators

https://www.mof.go.jp/tax_policy/reference/budget_explanation/008a30a.pdf

3 FY2020 EBP

For interest rates, the long-term data series provided for interest rates (on Government bonds) does not include the budget year, but the long-term trend information is still useful. Graph: Trends in Interest Payments and Interest Rate, p.7

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/index.html

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/04.pdf

Comment:

FY2020 EBP includes interest rates by FY2018

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/index.html

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/04.pdf

For interest rates, the long-term data series provided for interest rates (on Government bonds) does not include the budget year, but the long-term trend information is still useful. Graph: Trends in Interest Payments and Interest Rate, p.7

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

16. "Does the Executive's Budget Proposal or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget?"

(The core information must include estimates of the impact on expenditures, revenue, and debt of different assumptions for the inflation rate, real GDP growth, and interest rates.)"

GUIDELINES:

Question 16 focuses on the issue of whether the Executive's Budget Proposal shows how different macroeconomic assumptions affect the budget estimates (known as a "sensitivity analysis"). It asks whether "core" information related to a sensitivity analysis is presented, estimating the impact on expenditures, revenue, and debt of different assumptions for:

- *inflation rate;*
- *real GDP growth; and*
- *interest rates.*

A sensitivity analysis shows the effect on the budget of possible changes in some macroeconomic assumptions, and is important for understanding the impact of the economy on the budget; for instance, what would happen to revenue collections if GDP growth were slower than what is assumed in the budget proposal? Or what would happen to expenditure if inflation were higher than estimated? Or how will revenue be affected by a decrease in the price of oil?

As noted for Question 15, changes in certain macroeconomic assumptions, such as the price of oil and other commodities, can have a significant impact on the budget estimates. As a result, some sensitivity analyses may also examine the impact on the budget estimates of changes in assumptions such as the price of oil that are beyond the core elements of the inflation rate, real GDP growth, and interest rates.

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

Answer:

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

Source:

Comment:

Peer Reviewer
Opinion: Agree

Comments: Estimated impact on expenditures and revenues in subsequent years, published by the MoF and submitted to the Diet as a reference.
<https://www.mof.go.jp/policy/budget/topics/outlook/sy0202a.pdf>

Government Reviewer
Opinion: Agree

Researcher Response

Source "Medium-Term Fiscal Projection for Central Government General Account of FY2020" presents alternative projections of aggregate fiscal measures under 2 scenarios. This includes 2 macroeconomic assumption based on different nominal economic growth rate, the growth rate of consumer prices, and the 10-year bond interest rate.. Medium-Term Fiscal Projection for Central Government General Account
<https://www.mof.go.jp/policy/budget/topics/outlook/sy0202a.pdf> Comment The aggregate fiscal measures include total revenue, total expenditure with details of 3 category such as social security, local allocation tax, and others

17. Does the Executive's Budget Proposal or any supporting budget documentation present information for at least the budget year that shows how new policy

proposals, as distinct from existing policies, affect expenditures?

GUIDELINES:

Questions 17 and 18 ask about new policy proposals in the budget. In any given year, most of the expenditures and revenues in the budget reflect the continuation of existing policies. However, much of the attention during the budget debate is focused on new proposals – whether they call for eliminating an existing program, introducing a new one, or changing an existing program at the margins. Typically, these new proposals are accompanied by an increase, a decrease, or a shift in expenditures or revenues. Because these changes may have different impacts on people’s lives, the budget proposal should present sufficient detail about new policies and their budgetary impact.

Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer “a,” the Executive’s Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18) and a narrative discussion of the impact of these new policies. To answer “b” for either question, the Executive’s Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A “c” response applies if the presentation includes only a narrative discussion, or if it includes estimates that show the impact of only some, but not all, policy proposals (regardless of whether it also includes a narrative discussion). Answer “d” applies if no information is presented on the impact of new policy proposals.

Answer:

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

Source:

EBP documentation includes presentation of information for how all new budget proposals affect expenditures, together with a narrative explanation.

Explanation of FY2020 Budget and FILP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

Review section includes: - explanation of features of expenditures of FY2020 Budget by each main areas, p.4-10 - amount of expenditure in both FY2019 and FY2020 and the amount of increase or decrease, p.11-14

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/r02y_b.pdf

More specific explanation of changes in expenditures as a result of budget proposals is found in General Account,

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/r02y_c.pdf

Special Account, https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/r02y_e.pdf

and Government-affiliated organs

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/r02y_f.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

18. Does the Executive’s Budget Proposal or any supporting budget documentation present information for at least the budget year that shows how new policy proposals, as distinct from existing policies, affect revenues?

GUIDELINES:

Questions 17 and 18 ask about new policy proposals in the budget. In any given year, most of the expenditures and revenues in the budget reflect the continuation of existing policies. However, much of the attention during the budget debate is focused on new proposals – whether they call for eliminating an existing program, introducing a new one, or changing an existing program at the margins. Typically, these new proposals are accompanied by an increase, a decrease, or a shift in expenditures or revenues. Because these changes may have different impacts on people’s lives, the budget proposal should present sufficient detail about new policies and their budgetary impact.

Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer “a,” the Executive’s Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18) and a narrative discussion of the impact of these new policies. To answer “b” for either question, the Executive’s Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A “c” response applies if the presentation includes only a narrative discussion, or if it includes estimates that show the impact of only some, but not all, policy proposals (regardless of whether it also includes a narrative discussion). Answer “d” applies if no information is presented on the impact of new policy proposals.

Prior-year information constitutes an important benchmark for assessing the proposals for the upcoming budget year. Estimates of prior years should be presented in the same formats (in terms of classification) as the budget year to ensure that year-to-year comparisons are meaningful. For example, if the budget proposes shifting responsibility for a particular program from one administrative unit to another – such as shifting responsibility for the training of nurses from the health department to the education department – the prior-year figures must be adjusted before year-to-year comparisons of administrative budgets can be made.

Typically, when the budget proposal is submitted, the year prior to the budget year (BY-1), also known as the current year, has not ended, so the executive will provide estimates of the anticipated outcome for BY-1. The soundness of these estimates is directly related to the degree to which they have been updated to reflect actual expenditures to date, legislative changes that have occurred, and anticipated changes in macroeconomic, caseload, and other relevant factors for the remainder of the year.

The first year that can reflect actual outcomes, therefore, is generally two years before the budget year (BY-2). Thus the OECD recommends that data covering at least two years before the budget year (along with two years of projections beyond the budget year) are provided in order to assess fully the trends in the budget.

Answer:

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

Source:

EBP documentation includes presentation of information for how all new budget proposals affect expenditures, together with a narrative explanation.

Explanation of FY2020 Budget and FILP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

More specific explanation of changes in expenditures as a result of budget proposals is found in General Account,

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/r02y_c.pdf

Special Account, https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/r02y_e.pdf and Government-affiliated organs

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/r02y_f.pdf

EBP documentation also provides an explanation for the budget year (FY2020) forecast of revenue estimates and comparisons to the previous years estimates (FY2019). Documentation provides some measure and explanation for the impact of policy revisions to be implemented for the FY2020 budget.

Explanation of FY 2020 Tax and Stamp Revenue Budget

https://www.mof.go.jp/tax_policy/reference/budget_explanation/008aR2a.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:

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

Source:

EBP documentation includes estimates for BY-1 for each of the three expenditure classifications.

General Account(p37-80[47-90], eg. Cabinet p293-295[301-303])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account(eg. special account for earth quake reinsurance p83-85[92-94])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (eg. Okinawa Development Finance Corp p9-12[15-18])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Explanation of FY2020 Budget and FLIP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/r02y_c.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 detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-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:

EBP documentation includes estimates for BY-1 for each of the three expenditure classifications.

General Account(p37-80[47-90], eg. Cabinet p293-295[301-303])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account(eg. special account for earth quake reinsurance p83-85[92-94])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (eg. Okinawa Development Finance Corp p9-12[15-18])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Explanation of FY2020 Budget and FLIP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/r02y_c.pdf

Comment:

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:

b. No, expenditure estimates for BY-1 have not been updated from the original enacted levels.

Source:

Expenditure estimates for BY-1 presented in EBP documentation have not been updated from the original enacted levels.

General Account(p37-80[47-90], eg. Cabinet p293-295[301-303])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account(eg. special account for earth quake reinsurance p83-85[92-94])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (eg. Okinawa Development Finance Corp p9-12[15-18])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Comment:

The EBP is not updated, however, the government updates the budget through supplemental budget almost twice a year.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

EBP presents estimates of expenditure for prior to the budget year by administrative, economic, or functional classification. "Budget reference materials by Article28 of Public Finance Act" presents estimates of expenditure for BY-2 by administrative unit and functional classification.

General Account(p37-80[47-90], eg. Cabinet p293-295[301-303])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account(eg. special account for earth quake reinsurance p83-85[92-94])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (eg. Okinawa Development Finance Corp p9-12[15-18])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Budget reference materials by Article28 of Public Finance Act (p1-3[5-7], 5-16[9-20], 51[55]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, expenditure estimates for BY-2 and prior years are presented by all three expenditure classifications (by administrative, economic, and functional classification).

Comments: They are presented by administrative, economic, and functional classification.

Researcher Response

I agree that the documentations present the budget year estimates of expenditure by three classification. These documentations present expenditure estimates by administrative and functional classifications for BY-2, but by economic classification for only the budget year. The answer should be stayed.

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

Functional classification

Source:

EBP presents estimates of expenditure for prior to the budget year by administrative, economic, or functional classification. "Budget reference materials by Article28 of Public Finance Act" presents estimates of expenditure for BY-2 by administrative unit and functional classification.

General Account(p37-80[47-90], eg. Cabinet p293-295[301-303])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account(eg. special account for earth quake reinsurance p83-85[92-94])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (eg. Okinawa Development Finance Corp p9-12[15-18])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Budget reference materials by Article28 of Public Finance Act (p1-3[5-7], 5-16[9-20], 51[55]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

EBP documentation presents estimates expenditure for BY-1 at the all individual program level.

"Budget reference materials by Article28 of Public Finance Act" presents estimates of expenditure for BY-2 by administrative unit, including programs.

General Account(p37-80[47-90], eg. Cabinet p293-295[301-303])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account(eg. special account for earth quake reinsurance p83-85[92-94])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (eg. Okinawa Development Finance Corp p9-12[15-18])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Budget reference materials by Article28 of Public Finance Act (p1-3[5-7], 5-16[9-20], 51[55]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

Comment:

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:

"Budget reference materials by Article28 of Public Finance Act" presents actual expenditure data for BY-2 (FY2018).

Budget reference materials by Article28 of Public Finance Act (p1-3[5-7], 5-16[9-20], 51[55]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

Comment:

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:

Comment:

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:

EBP documentation presents revenue estimates for BY-1 for individual sources of revenue accounting for all revenues.

General Account(p187-194[197-204])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account(eg. special account for earth quake reinsurance p84-86[92-94])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (eg. Okinawa Development Finance Corp p9-11[15-17])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Budget reference materials by Article28 of Public Finance Act (p1-3[5-7], 5-16[9-20], 51[55]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

Explanation of FY2020 Budget and FILP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/r02y_d.pdf

Comment:

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:

b. No, revenue estimates for BY-1 have not been updated from the original enacted levels.

Source:

EBP revenue estimates for BY-1 have not been updated from the original enacted levels.

General Account(p187-194[197-204])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account(eg. special account for earth quake reinsurance p84-86[92-94])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (eg. Okinawa Development Finance Corp p9-11[15-17])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Comment:

The EBP is not updated, however, the government updates the budget through supplemental budget almost twice a year.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

EBP documentation presents revenue estimates revenue estimates by category for BY-1 and BY-2. "Budget reference materials by Article28 of Public Finance Act" presents estimates by category for BY-2 and BY-1.

General Account(p187-194[197-204])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account(eg. special account for earth quake reinsurance p84-86[92-94])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (eg. Okinawa Development Finance Corp p9-11[15-17])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Budget reference materials by Article28 of Public Finance Act (p1-3[5-7], 5-16[9-20], 51[55]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

Comment:

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:

"Budget reference materials by Article28 of Public Finance Act" presents estimates by category for BY-2 and BY-1.

Budget reference materials by Article28 of Public Finance Act (p1-3[5-7], 5-16[9-20], 51[55]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.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:

"Budget reference materials by Article28 of Public Finance Act" presents actual revenue data for BY-2 (FY2018) .

Budget reference materials by Article28 of Public Finance Act (p1-3[5-7], 5-16[9-20], 51[55]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

Comment:

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. Please note that for the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

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:

EBP documentation does present information for two core elements related to the composition of Government debt.

1. Interest rates on debt Graph: Trends in Interest Payments and Interest Rate as of FY2018 (not BY), p.7 Graph: Accumulated Government Bonds Outstanding, p.5 Graph: Government Bond Issues and Bond Dependency Ratio, p.4 Table: General Account Revenues, p.9-10 Additional information provided beyond the core elements: - long-term data series, p.3-10 - long-term data series for outstanding debt in relation to GDP, p.6 - consolidated central and local government debt, p.6 - international comparisons, p.12-13

FY2020 EBP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/index.html

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/04.pdf

Comment:

As OBS 2017, below comment was made.

Note: Although the available information for interest rates is not complete, there is some relevant information provided. Moreover, in cases where only 1 core element may be missing (or incomplete), OBS methodology specifically allows for an "upgrade" of the assessment from "c" to "b" when documentation also includes presentation of additional substantive information "beyond the core elements", as is the case here.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 total debt outstanding 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:

The most recent year for which the debt figures present in EBP documentation reflect actual outcomes is BY-2. "Budget reference materials by Article28 of Public Finance Act" includes the maturity profile of the debt (p21-48[25-52]) with a long-term annual debt repayment schedule and yearly plan for redemption of public bonds and debt.

Budget reference materials by Article28 of Public Finance Act(p14[18], 18-19[22-23], 51[55]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

EBP documentation does present information for two core elements related to the composition of Government debt.

1. Interest rates on debt Graph: Trends in Interest Payments and Interest Rate as of FY2018 (not BY), p.7 Graph: Accumulated Government Bonds Outstanding, p.5 Graph: Government Bond Issues and Bond Dependency Ratio, p.4 Table: General Account Revenues, p.9-10 Additional information provided beyond the core elements: - long-term data series, p.3-10 - long-term data series for outstanding debt in relation to GDP, p.6 - consolidated central and local government debt, p.6 - international comparisons, p.12-13

FY2020 EBP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/index.html

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/04.pdf

Comment:

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.

Please provide in the comments a list of all known extra-budgetary funds.

Answer:

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

Source:

EBP documentation includes an explanation and accounting for all extra-budgetary funds (EBFs). EBP documentation presents an explanation of the purpose and the financial flows for all EBFs in a section of the document entitled "Explanation of FY2020 Budget and FLIP" devoted to "Special

Accounts".

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/r02y_e.pdf

Additional detailed information about Special Account finances for individual administrative units (both expenditures and revenues) is provided in: Special Account <https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Examples of Special Accounts (EBFs) include: Local allocation tax and concession tax distribution special account Earthquake reinsurance special account JGB debenture fund special account Foreign exchange fund special account Fiscal investment loan special account Energy countermeasure special account Labor insurance special account Special pension account Food stable supply special account National forestry project debt management special account Trade reinsurance special account Patent special account Automobile safety special account East Japan great earthquake disaster reconstruction special account

Comment:

Peer Reviewer

Opinion: Agree

Comments: Trade reinsurance special account was abolished in 2017, and privatized as the Nippon Export and Investment Insurance, Co., Ltd..

Government Reviewer

Opinion: Agree

34. Does the Executive's Budget Proposal or any supporting budget documentation present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year?

GUIDELINES:

Question 34 asks whether the Executive's Budget Proposal or supporting documents present the finances of the central government on a consolidated basis, showing both its budgetary and extra-budgetary activities. Virtually all of the questions in the OBS questionnaire focus on budgetary central government – the activities of the ministries, departments, or agencies of central government. In addition, Question 33 asks about extra-budgetary funds, such as social security funds that are not included in the budget.

Coverage is an important aspect of fiscal reporting. Budget documents should cover the full scope of government's financial activity. In many countries, extra-budgetary activities are substantial, and can represent a sizable share of the central government's activities. To get a full picture of the central government's finances, therefore, it is necessary to examine both activities that are included in the budget and those that are extra-budgetary. This question asks whether such a consolidated presentation of central government finances is provided.

The central government is only one component of the overall public sector. The public sector also includes other levels of government, such as state and local government, and public corporations. (See Box 2.1 under Principle 1.1.1 of the IMF's Fiscal Transparency Handbook (2018):

<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml> For the purpose of answering this question, please consider only the central government level.

In order to answer "a," the Executive's Budget Proposal or supporting documentation must present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year.

Answer:

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

Source:

EBP documentation includes full reporting on both budgetary and extra-budgetary funds. The main EBP documentation includes 3 separate reports for:

General Account(p187-194[197-204])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account(eg. special account for earth quake reinsurance p84-86[92-94])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (eg. Okinawa Development Finance Corp p9-11[15-17])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

The consolidated reporting across these 3 segments of central government finances is provided in: Budget reference materials by Article28 of Public Finance Act (p1-3[5-7], 5-16[9-20], 51[55]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

35. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of intergovernmental transfers for at least the budget year?

GUIDELINES:

Question 35 asks about intergovernmental transfers. In many cases, the central government supports the provision of a good or service by a lower level of government through an intergovernmental transfer of funds. This is necessary because, independent from the level of administrative decentralization that exists in a given country, the capacity for revenue collection of a local government is unlikely to be sufficient to pay for all its expenses. However, because the activity is not being undertaken by an administrative unit of the central government, it is unlikely to receive the same level of review in the budget. Thus it is important to include in the budget proposal a statement that explicitly indicates the amount and purposes of these transfers.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all intergovernmental transfers and a narrative discussing these transfers. If a narrative discussion is not included, but estimates for all intergovernmental transfers are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, intergovernmental transfers (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of intergovernmental transfers are presented.

Answer:

a. Yes, estimates of all intergovernmental transfers are presented, along with a narrative discussion.

Source:

BP documentation provides estimates for all intergovernmental transfers, as well as a (short) narrative explanation of the purposes for the transfers.

A narrative explanation can be found in: Explanation of FY2020 Budget and FLIP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/r02y_e.pdf

Additional financial details about both 1. Local allocation tax grants 2. Specific purpose grants to local governments can also be found in the accounting for each administrative unit. General Account (eg. Cabinet office p.313[321], 320[328])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>, Special Account <https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Comment:

Peer Reviewer
Opinion: Agree

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

Answer:

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

Source:

EBP documentation does not include any alternative displays of expenditures to illustrate the financial impact of policies on different groups of citizens.

General Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Budget reference materials by Article28 of Public Finance Act

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

Explanation of FY2020 Budget and FILP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

FY2020 EBP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/index.html

Comment:

Peer Reviewer

Opinion: Agree

Comments: EBP and some supporting budget documentations estimate of policies that are intended to benefit directly the most impoverished populations, but do not include any alternative displays of expenditures that illustrate the financial impact of policies on different groups of citizens.

Government Reviewer

Opinion: Agree

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:

None of the above

Source:

EBP documentation does not include any alternative displays of expenditures to illustrate the financial impact of policies on different groups of citizens.

General Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Budget reference materials by Article28 of Public Finance Act
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>
Explanation of FY2020 Budget and FILP
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html
FY2020 EBP
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/index.html

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

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.

Please provide in the comments a list of all known public corporations.

Answer:

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

Source:

EBP documentation provides estimates of some but not all transfers to public corporations, along with some narrative explanation as well. "Explanation of FY2020 Budget and FLIP" presents estimates of transfers as loans and capital investment to Government-affiliated organs, special corporations and corporations of which the government invest majority. It includes overview and explanation by corporations. EBP documentation for General Account also includes estimates of transfers as grant, subsidies, interest subsidies and capital investment which are for Incorporated Administrative Agency, Government-affiliated organs, special corporations, corporations of which the government invest majority and others. The documentation includes some narrative description, and the relevant information is spread throughout the document(s).

Relevant Special Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>
General Account provides data for contributions and for grants and subsidies for operation to incorporated administrative agency and others.
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>
Government-affiliated Organ's Account Capital funding from government
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>
Explanation of FY2010 Budget and FLIP
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html
Appended chart, p13
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/r02y_g.pdf
FILP Plan, pp.1-9[5-13]
https://www.mof.go.jp/budget/budger_workflow/budget/fy2018/seifuan30/h30y_h.pdf
Budget reference materials by Article28 of Public Finance Act
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

Comment:

NTT, JR and NHK are special public corporation, but are missing comprehensive information in the budget documents. NTT and JR are listed enterprise and NHK is broadcasting corporation operated by license fee. There are some more such kind special public corporation.

Peer Reviewer

Opinion: Agree

Comments: NHK does not fit into the above point. Individually of the EBP, income and expenditure budget, business plan, and funding plan of NHK must be approved by the Diet each fiscal year in accordance with Article 70 of the Broadcasting Act. Broadcasting Act <http://www.japaneselawtranslation.go.jp/law/detail/?id=2954&vm=04&re=01&new=1> Explanation by NHK <https://www.nhk.or.jp/faq-corner/1nhk/01/01-01-11.html> NHK's income and expenditure budget, business plan, and funding plan of FY2020 <https://www.nhk.or.jp/info/pr/kyoukaihou/assets/pdf/20210401ex.pdf> Deliberative process in FY2020 <https://www.sangiin.go.jp/japanese/joho1/kousei/gian/201/meisai/m201350201001.htm> Incidentally, just in paper form, a document listing all transfers to public corporations has been provided to Diet members during the budget process every year as documents to be submitted by the MoF to the Budget Committee of the Diet. The documents are disclosed in the "Collection of Fiscal Documents" edited by the Budget Committee Research Office of the House of Councillors. Budget Committee Research Office of the House of Councillors, ed., "Collection of Fiscal Documents in FY2008" <https://ndlonline.ndl.go.jp/#!/detail/R300000001-100009322503-00?lang=en> List of all transfers to public corporations is in Table 4-27. Of course, it was also being published in FY2020.

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:

b. Yes, the core information is presented for all quasi-fiscal activities.

Source:

EBP documentation provides extensive reporting about a range of quasi-fiscal activities (QFAs) used by the Government to direct financial support for specific policy objectives through a variety of mechanisms. EBP documentation provides both estimates of the amounts allocated to support various QFAs, as well as narrative discussion of the specific mechanisms (e.g. "special" loan programs). While the reporting is fragmented, making it difficult to assess the full scope of QFAs, interest rate subsidies appear to be a particularly broadly used form of QFAs in Japan. Other types of QFA mechanisms include price subsidies and foreign exchange loss compensation funds. EBP documentation providing relevant information about QFAs include:

Explanation of FY2020 Budget and FLIP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

Budget reference materials by Article 28 of Public Finance Act

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

General Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>
Government-affiliated Organ's Account
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Comment:
Government-affiliated Organ's Account is for special purpose bank or loan program such like JICA, Okinawa Development Finance Corp, JBIC and Japan Finance Corporation.
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>
FLIP
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/r02y_h.pdf
In the General Account, it includes a lot of special programs not to provide subsidies directly, but provide subsidies through private or public sector.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

39. Does the Executive's Budget Proposal or any supporting budget documentation present information on financial assets held by the government for at least the budget year?

(The core information must include a listing of the assets, and an estimate of their value.)

GUIDELINES:

Question 39 focuses on financial assets held by the government, asking whether "core" information related to these assets is presented. These core components include:

- A listing of the financial assets; and
- An estimate of their value.

Governments own financial assets such as cash, bonds, or equities. Unlike private sector businesses, however, few governments maintain balance sheets that show the value of their assets and liabilities.

Beyond the core information, some governments may also provide other information about financial assets, including for example: a discussion of their purpose; historical information on defaults; differences between reported values and market values; and a summary of financial assets as part of the government's balance sheet.

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

Answer:

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

Source:

EBP documentation does provide some information about both the value of the stock of Government-held financial assets and the flow of funds for purchases of financial assets and receipts/revenue derived from financial assets. However, EBP documentation does not provided a detailed listing of the value of individual assets. EBP documentation providing relevant information about Government-held financial assets include:

Budget reference materials by Article28 of Public Finance Act, p50[55]-

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

Special Account (see tables showing balance sheets for individual accounts)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (see tables showing balance sheets for individual accounts)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Comment:

Note: Additional information including a listing of assets and estimates of their values, while not fully reported in EBP documentation, is publicly available on the website.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

40. Does the Executive's Budget Proposal or any supporting budget documentation present information on nonfinancial assets held by the government for at least the budget year?

(The core information must include a listing of the assets by category.)

GUIDELINES:

Question 40 focuses on nonfinancial assets held by the government, asking whether "core" information related to these assets is presented. The core information is a listing of nonfinancial assets, grouped by the type (or category) of asset.

Nonfinancial assets are things of value that the government owns or controls (excluding financial assets) such as land, buildings, and machinery. The valuation of public nonfinancial assets can be problematic, particularly in cases where the asset is not typically available on the open market (such as a government monument). In these cases, it is considered acceptable to provide summary information in budget documents from a country's register of assets. But, in some cases, governments are able to value their nonfinancial assets; some present a summary of nonfinancial assets as part of their balance sheets. For an example of how nonfinancial assets are presented in one of the many supporting documents to the New Zealand Executive's Budget Proposal, see the Forecast Financial Statement 2011, Notes to the Financial Statements (Continued), Note 14, accessible here: <https://treasury.govt.nz/sites/default/files/2011-05/befu11-pt6of8.pdf>.

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

Answer:

b. Yes, the core information is presented for all nonfinancial assets.

Source:

EBP documentation does provide a listing and valuation of Government-held non-financial assets. The table presented in the "Budget reference materials by Article28 of Public Finance Act" provides a breakdown by main categories of non-financial assets such as land, forest, buildings, machinery and others) Table: National property inventory, p.50[55]
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

Comment:

The document includes valuation of Government-held non-financial assets at the end of FY2018 and FY2019, and estimated amount of the end of FY2020.

In addition, the Ministry of Finance also maintains a national property database that includes non-financial assets.

<https://www.kokuyuzaisan.mof.go.jp/info/>

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

41. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure arrears for at least the budget year?

GUIDELINES:

Question 41 asks about estimates of expenditure arrears, which arise when government has entered into a commitment to spend funds but has not made the payment when it is due. (For more information see sections 3.49-3.50 of the IMF's GFS Manual 2001, <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf> (page 29)). Though equivalent to borrowing, this liability is often not recorded in the budget, making it difficult to assess fully a government's financial position. Moreover, the obligation to repay this debt affects the government's ability to pay for other activities.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all expenditure arrears and a narrative discussing the arrears. If a narrative discussion is not included, but estimates for all expenditure arrears are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, expenditure arrears (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of expenditure arrears are presented. Answer "d" also applies if information is only

available for the changes in arrears, and not the stock or balance of arrears.

If expenditure arrears do not represent a significant problem in your country, please mark "e." However, please exercise caution in answering this question. Public expenditure management laws and regulations often will allow for reasonable delays, perhaps 30 or 60 days, in the routine payment of invoices due. Expenditure arrears impacting a small percentage of expenditure that are due to contractual disputes should not be considered a significant problem for the purpose of answering this question.

Answer:

e. Not applicable/other (please comment).

Source:

There are no expenditure arrears. All payments are made in accordance with planned timing of expenditures and progress against planned activities/outputs.

Comment:

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/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859/24788-9781484331859.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:

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

Source:

EBP documentation does provide information about a range of contingent liabilities, including both a broad use of loan guarantees and Government-supported insurance programs. The information provided does include estimates and some narrative discussion to explain the purpose/rationale for specific support mechanisms that take the form of a contingent liability. However, the narrative discussion does not provide explanation of the policy rationale for each QFA mechanism and some core elements are not provided, such as a valuation of the total stock of all such contingent liabilities.

General Account: Article 12 of General Provision regulates the limitation of the bond of Government-affiliated Organs and Incorporated Administrative Agency, p9-16[19-26]

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Explanation of FY2020 Budget and FLIP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

Comment:

Note: Article 12 of General Budget Provision of the General Account regulates the use of and the amount of contracted guarantees, p9-16.

Government is technically unable to guarantee any liabilities without also including a general budget provision. General Budget Provision of the Special Account regulates the limitation of the amount of bond issuance, loan, floating debt, etc., p2-14[10-21].

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.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 provide any information related to future liabilities and the sustainability of finances over the longer term.

General Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Budget reference materials by Article 28 of Public Finance Act (p1-3[5-7], 5-16[9-20], 51[55]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

Explanation of FY2020 Budget and FILP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

FY2020 EBP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/index.html

Explanation of FY2020 tax and revenue stamp budget

https://www.mof.go.jp/tax_policy/reference/budget_explanation/008aR2a.pdf

Plan of FY2020 issuance of government bonds

https://www.mof.go.jp/jgbs/issuance_plan/fy2020/index.html

FY2020 FLIP Plan

<https://www.mof.go.jp/filp/plan/fy2020/20191220.htm>

Medium-Term Fiscal Projection for Central Government General Account

<https://www.mof.go.jp/budget/topics/outlook/sy0201a.htm>

Comment:

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:

e. Not applicable/other (please comment).

Source:

Japan does not receive donor assistance.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

45. Does the Executive's Budget Proposal or any supporting budget documentation present information on tax expenditures for at least the budget year?

(The core information must include a statement of purpose or policy rationale for each tax expenditure, the intended beneficiaries, and an estimate of the revenue foregone.)

GUIDELINES:

Question 45 focuses on tax expenditures, asking whether "core" information related to these tax preferences is presented. These core components must include for both new and existing tax expenditures:

- a statement of purpose or policy rationale;
- a listing of the intended beneficiaries; and
- an estimate of the revenue foregone.

Tax expenditures arise as a result of exceptions or other preferences in the tax code provided for specified entities, individuals, or activities. Tax expenditures often have the same impact on public policy and budgets as providing direct subsidies, benefits, or goods and services. For example, encouraging a company to engage in more research through a special tax break can have the same effect as subsidizing it directly through the expenditure side of the budget, as it still constitutes a cost in terms of foregone revenues. However, expenditure items that require annual authorization are likely to receive more scrutiny than tax breaks that are a permanent feature of the tax code.

Beyond the core information, some governments may also provide other information about tax expenditures, including for example: the intended beneficiaries by sector and income class (distributional impact); a statement of the estimating assumptions, including the definition of the benchmark against which the foregone revenue is measured; and a discussion of tax expenditures as part of a general discussion of expenditures for those program areas that receive both types of government support (in order to better inform policy choices). For more details on tax expenditures, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and Principle 1.1.4 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

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

Answer:

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

Source:

EBP documentation presents an estimate of the revenue foregone. However, the other core element are missing.

Explanation of FY 2020 Tax and Stamp Revenue Budget, p1-19[5-23]

https://www.mof.go.jp/tax_policy/reference/budget_explanation/008aR2a.pdf

There is some information on tax foregone such like amount of basic deduction and deduction for spouse of personal income tax in it. But there are very few information included.

Comment:

Note: Although there is no tax expenditure statement for the budget year, the Government reports to the Diet about survey results concerning special tax treatment, but the report is for BY-2 (two years behind). FY2018 survey result (January 2020)

https://www.mof.go.jp/tax_policy/reference/stm_report/fy2020/index.htm

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

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:

b. Yes, estimates of all earmarked revenues are presented, but a narrative discussion is not included.

Source:

EBP documentation presents estimates of all earmarked revenues, but a narrative discussion is not included. Several acts regulate accounting procedures for "earmarked" revenues. Special Accounts are established to manage earmarked revenues. Article1-2(b) of Act on Special Account regulates that earmarked revenue as tax revenue must be merged as revenue of General Account to keep comprehensiveness of national fiscal condition. Earmarked revenues are then transferred to Special Accounts. For example, the Act on Special Account has articles specifying uses of special purpose revenue. The Act on Electric Power Development Taxation and Aviation Fuel Tax Transfer Act specify uses of tax revenue.

Act on Special Account(JP)

https://elaws.e-gov.go.jp/document?lawid=419AC0000000023_20210401_502AC0000000046

Act on Electric Power Development Taxation(JP)

https://elaws.e-gov.go.jp/document?lawid=349AC0000000079_20200401_427AC0000000047

Aviation Fuel Tax Transfer Act(JP)

https://elaws.e-gov.go.jp/document?lawid=347AC0000000007_20160401_000000000000000

Article17(p20[30]) of General budget provision (for earmarked uses of the consumption tax) of General Account specifies purpose to be used consumption tax revenue .There is a description to be specified what to be used it but not sufficient information provided in narrative discussion.
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

47. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for the budget year?

GUIDELINES:

Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget – that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-18 of New Zealand's 2011 Statement of Intent (<http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16>), one of the many documents supporting its budget.

In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.

Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.

Answer:

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

Source:

EBP documentation does present estimates showing how the proposed budget is linked to the government's policy goals for the budget year, along with narrative discussion about the budget-policy linkages. "Explanation of FY2020 Budget and FLIP" includes both estimates of budget proposals and discussion of how proposed expenditures for the budget year relate to the Government policies.

General Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Budget reference materials by Article28 of Public Finance Act (p1-3[5-7], 5-16[9-20], 51[55]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

FY2020 EBP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/index.html

Explanation of FY2020 Budget and FILP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

FY2020 FLIP Plan

<https://www.mof.go.jp/filp/plan/fy2020/20191220.htm>

Comment:

Peer Reviewer

Opinion: Agree

Comments: Each ministry publishes a list of the budget amounts corresponding to each policy before EBP is approved. Correspondence with the budget for each ministry's policy https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2020/r2yosan_seihyolink.htm

Government Reviewer

Opinion: Agree

48. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for a multi-year period (for at least two years beyond the budget year)?

GUIDELINES:

Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget – that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-18 of New Zealand's 2011 Statement of Intent (<http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16>), one of the many documents supporting its budget.

In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.

Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.

Answer:

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:

BP documentation does not provide information on the link between the budget and the government's stated policy goals for a multi-year period.

General Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Budget reference materials by Article28 of Public Finance Act (p1-3[5-7], 5-16[9-20], 51[55]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202014001.pdf>

FY2020 EBP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/index.html
Explanation of FY2020 Budget and FILP
https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html
FY2020 FLIP Plan
<https://www.mof.go.jp/filp/plan/fy2020/20191220.htm>

Comment:

Peer 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.

Comments: Each ministry publishes a list of the budget amounts corresponding to each policy, including budget amounts in the previous fiscal year and a (brief) narrative discussion before EBP is approved. Correspondence with the budget for each ministry's policy

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2020/r2yosan_seihyolink.htm

Government Reviewer

Opinion: Agree

49. Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on inputs to be acquired for at least the budget year?

GUIDELINES:

Question 49 asks about the availability of nonfinancial data on inputs for the budget year. (Nonfinancial data on outputs and outcomes are addressed in Question 50.)

The budget should disclose not only the amount of money that is being allocated on a program but also any information needed to analyze that expenditure. Nonfinancial data and performance targets associated with budget proposals are used to assess the success of a given policy. For example, even when allocated funds are spent according to plan, there remains the question of whether the policy delivered the results that it aimed to achieve.

Nonfinancial data can include information on:

Inputs - These are the resources assigned to achieve results. For example, in regards to education, nonfinancial data on inputs could include the number of books to be provided to each school or the materials to be used to build or refurbish a school.

Outputs - These are products and services delivered as a result of inputs. For example, the number of pupils taught every year; the number of children that received vaccines; or the number of beneficiaries of a social security program.

Outcomes - These are the intended impact or policy goals achieved. For example, an increase in literacy rates among children under 10, or a reduction in rates of maternal mortality.

In addition, governments that set performance targets must use nonfinancial data for outputs and outcomes to determine if these targets have been met.

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on inputs for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on inputs for each individual program is organized by functions. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on inputs for all administrative units or all functions, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on inputs are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on inputs is presented.

Answer:

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

Source:

EBP includes information on the maximum number of government personnel which is approved. Any further non-financial data on inputs dose not present EBP and the supporting documentation.

General Account (eg. Cabinet p303-308[311-316])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account(eg. special account for earth quake reinsurance p88[97])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (eg. Okinawa Development Finance Corp p13[19])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Comment:

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:

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

Source:

EBP and supporting documentation do not present non-financial data on results (outputs or outcomes) to be produced during the budget year.

General Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account

<https://www.bb.mof.go.jp/server/2018/dlpdf/DL201813001.pdf>

Explanation of FY2020 tax and revenue stamp budget

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

FY2020 EBP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/index.html

FY2020 FLIP Plan

<https://www.mof.go.jp/filp/plan/fy2020/20191220.htm>

Plan of FY2020 issuance of government bonds

https://www.mof.go.jp/jgbs/issuance_plan/fy2020/index.html

Comment:

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:

d. No, performance targets are not assigned to nonfinancial data on results, or the budget does not present nonfinancial data on results.

Source:

EBP documentation does not present performance targets assigned to non-financial data on results.

General Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account

<https://www.bb.mof.go.jp/server/2018/dlpdf/DL201813001.pdf>

Explanation of FY2020 tax and revenue stamp budget

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

FY2020 EBP

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/index.html

FY2020 FLIP Plan

<https://www.mof.go.jp/filp/plan/fy2020/20191220.htm>

Plan of FY2020 issuance of government bonds

https://www.mof.go.jp/jgbs/issuance_plan/fy2020/index.html

Comment:

Peer Reviewer

Opinion: Agree

Comments: Performance targets assigned to nonfinancial data on results are presented in "Administrative Project Review Sheet," published by ministries every year. Headquarter for the Promotion of Administrative Reform in Cabinet Secretariat compiles them. List of Administrative Project Review Sheets by ministry in FY2020 <https://www.gyokaku.go.jp/review/fusyo/index.html> Database of key items on Administrative Project Review Sheets by budget year <https://www.gyokaku.go.jp/review/database/index.html> Administrative Project Review Sheets are made by project, and performance targets assigned to nonfinancial data are set in each project. The sheets are not submitted to the Diet and used for budget requests for next budget year. In Administrative Project Review Sheet, performance targets assigned to nonfinancial data on results in the budget year is published in the sheet in two years.

Government Reviewer

Opinion: Agree

52. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations in at least the budget year?

GUIDELINES:

Question 52 asks whether the budget highlight policies, both new and existing, that benefit the poorest segments of society. This question is intended to assess only those programs that directly address the immediate needs of the poor, such as through cash assistance programs or the provision of housing, rather than indirectly, such as through a stronger national defense. This information is of particular interest to those seeking to bolster government's commitment to anti-poverty efforts. For purposes of answering this question, a departmental budget (such for the Department of Social Welfare) would not be considered acceptable. In general, this question is asking whether the EBP includes a special presentation that pulls together estimates of all the relevant policies in one place. However, if the country uses "program budgeting," where programs are presented as expenditure categories with specific and identified objectives, and it identifies anti-poverty programs within each administrative unit, then that is also acceptable for this question.

The IBP Budget Brief, "How Transparent are Governments When it Comes to Their Budget's Impact on Poverty and Inequality?"

(<https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf>) includes a discussion of countries that have provided information on how its policies affect the poor.

For instance, Pakistan provides a detailed breakdown of pro-poor expenditure as part of its 2017-18 budget proposal. In one document, the government sets out policy priorities, expected outputs, and estimates of past and future spending for several programs aimed at poverty alleviation. Another supporting document provides a comprehensive overview of ongoing policies, including a chapter on social safety nets, covering both financial and performance information of poverty alleviation schemes over a period of eight years. (http://www.finance.gov.pk/budget/mtbf_2018_21.pdf and http://www.finance.gov.pk/survey_1718.html).

To answer "a," the Executive's Budget Proposal or supporting documentation must for at least the budget year both present estimates covering all policies that are intended to benefit the most impoverished populations and include a narrative discussion that specifically addresses these policies. (For countries using program budgeting that breaks out individual anti-poverty programs, there should be a separate narrative associated with each such program.) Answer "b" if a narrative discussion is not included, but estimates for all policies that are intended to benefit the most impoverished populations are presented. Answer "c" if the presentation includes estimates covering only some, but not all, policies that are intended to benefit the most impoverished populations (regardless of whether it also includes a narrative discussion). Answer "d" if no estimates of policies that are intended to benefit the most impoverished populations are presented.

Answer:

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

Source:

EBP documentation does present estimates for all policies intended to benefit the country's most impoverished and disadvantaged populations such as includes single parent family support, livelihood protection, and support for disabled, along with a narrative description highlighting the main elements of those policies and budget proposals.

General Account, p641[647], 658-659[664-665]

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Explanation of FY2020 Budget and FLIP, p22-24[3-5]

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy020120.html

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/seifuan2019/r02y_c.pdf

Comment:

Peer Reviewer

Opinion: Agree

Comments: EBP and some supporting budget documentations do not include any alternative displays of expenditures that illustrate the financial impact of policies on different groups of citizens, but estimate of policies that are intended to benefit directly the most impoverished populations.

There are other detailed budget documentations that present estimates of policies that are intended to benefit directly the most impoverished populations. Reference materials on the budget proposal under the jurisdiction of the Ministry of Health, Labor and Welfare

<https://www.mhlw.go.jp/wp/yosan/yosan/20syokanyosan/index.html> Detailed statement of each item of General Account expenditures by ministry

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2020/r2kakumokutousho.htm

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:

c. Yes, a timetable is released, but it lacks important details.

Source:

"The guideline for FY2020 budget request" included the deadline of budget demands by ministries and agencies. Any further information on timetable for formulating the EBP is missing.

The guideline for FY2020 budget request, p6

https://www.mof.go.jp/budget/budger_workflow/budget/fy2020/sy010731.pdf

Comment:

MoF makes EBP related documents available to the public in the website step by step every year. It's possible to speculate the timetable because almost same schedule has been taken by the government every year.

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:

The Pre-Budget Statement of FY2021 has not been produced due to unusual circumstance affected by COVID-19.

Comment:

Peer Reviewer

Opinion: Agree

Comments: Though PBS itself does not present information on the macroeconomic forecast, the Mid-year Economic Projection, estimated by the Cabinet Office is usually presented before the approval of guidelines for budget requests. At a meeting in July of Council on Economic and Fiscal Policy, chaired by the Prime Minister, the Mid-year Economic Projection and guidelines for budget requests are discussed on the same day. Hence the projection is expected to be for the budget requests. It includes three core elements, except interest rates. For FY2020, at the 5th meeting on July 29th of Council on Economic and Fiscal Policy, they were discussed. https://www5.cao.go.jp/keizai-shimon/english/2019_agenda.html Order of agendas at the 5th meeting <https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2019r/0729/agenda.html> For FY2021, PBS was not produced, as you mentioned. At the 12th meeting on July 30th, 2020 of the Council, only the Mid-year Economic Projection was discussed. https://www5.cao.go.jp/keizai-shimon/english/2020_agenda.html However, this year, at the 10th meeting on July 6th of the Council, the Mid-year Economic Projection and guidelines for FY2022 budget requests were discussed on the same day again. https://www5.cao.go.jp/keizai-shimon/english/2021_agenda.html

Government Reviewer

Opinion: I choose not to review this question

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

- 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:

The Pre-Budget Statement of FY2021 has not been produced due to unusual circumstance affected by COVID-19.

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: PBS of FY2021 is exceptional. Usually, PBS presents some information on the government’s expenditure policies and priorities. For FY2020, PBS of FY2020 specified basic policies and criteria for estimating requests for social security expenditures, transfers to local governments, discretionary expenditures, and mandatory expenditures, respectively. Also it set out priority policy issues and each ministry was allowed to request more budget. Other budget years except FY 2021 are almost similar. PBS of FY2020
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2020/sy010731.pdf

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: In the specific policy for the budget request for FY2021 announced by the Minister of Finance at the Cabinet meeting on 21 July 2020, the amount of the request is basically the same as the previous year, and other specific policies are indicated. - Guidelines for FY2021 budget requests (ceiling), Summary of remarks by Minister of Finance https://www.mof.go.jp/budget/budger_workflow/budget/fy2021/sy020721.pdf

IBP Comment

Many thanks to the reviewers for their comments. As noted in PBS-2, the Summary Remarks by Minister of Finance does not qualify as Pre-Budget Statement. The 2021 round of OBS will be assessing practices during 2020 and acknowledges that many will be affected by the covid pandemic and lockdown. Given that the PBS for 2021 was 'Not Produced', indicators assessing its comprehensiveness are scored D.

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:

The Pre-Budget Statement of FY2021 has not been produced due to unusual circumstance affected by COVID-19.

Comment:

Peer Reviewer

Opinion: Agree

Comments: PBS of FY2021 is exceptional, but other budget years except FY 2021 are the same.

Government Reviewer

Opinion: I choose not to review this question

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. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

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:

The Pre-Budget Statement of FY2021 has not been produced due to unusual circumstance affected by COVID-19.

Comment:

Peer Reviewer

Opinion: Agree

Comments: PBS of FY2021 is exceptional, but other budget years except FY 2021 are the same.

Government Reviewer
Opinion: I choose not to review this question

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:

The Pre-Budget Statement of FY2021 has not been produced due to unusual circumstance affected by COVID-19.

Comment:

Peer Reviewer

Opinion: Agree

Comments: PBS of FY2021 is exceptional, but other budget years except FY 2021 are the same.

Government Reviewer

Opinion: I choose not to review this question

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:

a. Yes, the Enacted Budget presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

EB documentation presents all expenditure estimated by administrative unit. For example, General Account's EBP shows the total budget amount of each project affiliated to Ministries and Agencies, p37-80, as well as the component of the budget by Ministries and Agencies, p249-. Special Account's EBP shows detailed budget component by individual special account. Government-affiliated Organ's Account's EBP shows the detailed budget component by each organ.

General Account (p37-80[47-90], 249[258]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account(p15-42[23-50], 72[82]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (p5-8[10-13], 9[15]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

FY2020 Fiscal report on state of affairs (p34-46[40-49])

https://www.mof.go.jp/budget/report/46_report/fy2020/r02.pdf

Comment:

It was noted at OBS 2017 that the functional classification data is especially weak relative to the standard international functional classification and there are also shortcomings with the economic classification relative to the international standard.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Answer:

Administrative classification

Economic classification

Functional classification

Source:

General Account (p37-80[47-90], 249[258]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account(p15-42[23-50], 72[82]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (p5-8[10-13], 9[15]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

FY2020 Fiscal report on state of affairs (p34-46[40-49])

https://www.mof.go.jp/budget/report/46_report/fy2020/r02.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

60. Does the Enacted Budget present expenditure estimates for individual programs?

GUIDELINES:

Question 60 asks if expenditure estimates in the Enacted Budget are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable 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 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:

a. Yes, the Enacted Budget presents estimates for programs accounting for all expenditures.

Source:

EB documentation presents "program" level data accounting for all expenditures. Program level estimates are provided within a highly disaggregated administrative classification presentation of expenditures.

General Account (p37-80[47-90], 249[258]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account(p15-42[23-50], 72[82]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (p5-8[10-13], 9[15]-)

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

61. Does the Enacted Budget present revenue estimates by category (such as tax and non-tax)?

GUIDELINES:

Question 61 asks whether revenue estimates in the Enacted Budget are presented by "category"— that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Enacted Budget must present revenue estimates classified by category.

Answer:

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

Source:

EB documentation does present individual sources of non-tax revenue accounting for all non-tax revenues. General Account's EB presents individual sources of non-tax revenue by administrative unit (eg. p187-194[197-204]).

General Account(p23-36[33-46], 187-194[197-204])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account(p17-45, eg. Special Account for earthquake reinsurance p83-84[92-93])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (p5-8, eg. Okinawa Development Finance Corp p9-10[15-16])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Comment:

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:

a. Yes, the Enacted Budget presents individual sources of revenue accounting for all revenue.

Source:

EB documentation does present individual sources revenue.

General Account(p23-36[33-46], 187-194[197-204])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Special Account(p17-45, eg. Special Account for earthquake reinsurance p83-84[92-93])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Government-affiliated Organ's Account (p5-8, eg. Okinawa Development Finance Corp p9-10[15-16])

<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202013001.pdf>

Comment:

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. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," the Enacted Budget must present all three estimates of borrowing and debt. For a "b" answer, the Enacted Budget must present two of those three estimates. For a "c" answer, the Enacted Budget must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the Enacted Budget.

Answer:

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

Source:

EB documentation provides estimates for all three core elements related to government borrowing and debt in the budget year. One document includes budget year estimates for all three core elements.

1. Net new borrowing

Graph: Government Bond Issues and Bond Dependency Ratio, p.2[5]

Graph: Trends in General Account Tax Revenues, Total Expenditures and Government Bond Issues, p.4[7]

2. Total outstanding debt:

Graph: Trends in General Account Tax Revenues, Total Expenditures and Government Bond Issues, p.4[7] Graph: Accumulated Government Bonds Outstanding, p.5[8]

Table: Accumulated Local and Central Government Bonds Outstanding, p.5[8]

3. Interest payments:

Graph: Trends in Interest Payments and Interest Rate, p.22[25]
Graph: Transition of Major Expenditure Items in the General Account, p.438[41]

Japanese Public Finance Fact Sheet, July 2020 (EN)
<https://www.mof.go.jp/english/budget/budget/fy2020/04.pdf>

Comment:

"Japanese Public Finance Fact Sheet" was published July 2020 including 2 supplemental budget information (p4-5[7-8], 43-47[46-50], 51[54], 53-54[56-57]).

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

64. What information is provided in the Citizens Budget?

(The core information must include expenditure and revenue totals, the main policy initiatives in the budget, the macroeconomic forecast upon which the budget is based, and contact information for follow-up by citizens.)

GUIDELINES:

Question 64 focuses on the content of the Citizens Budget, asking whether "core" information is presented. These core components include:

- *expenditure and revenue totals;*
- *the main policy initiatives in the budget;*
- *the macroeconomic forecast upon which the budget is based; and*
- *contact information for follow-up by citizens.*

To answer "a," the Citizens Budget or supporting documentation must present all of the above core information as well as some additional information beyond the core elements. To answer "b," the Citizens Budget must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if the Citizens Budget includes some of the core components above, but other core pieces of information are not included. Answer "d" applies if a Citizens Budget is not published.

Answer:

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

Source:

CB documentation provides information beyond the core elements. There are several separate documents viewed as part of the full CB documentation. One document is the "Japanese Public Finance Fact Sheet", which alone provides: total expenditures and revenues breakdown of expenditures by main sectors and types of expenditures breakdown of revenues by main sources (specific taxes, revenue from bond and other (non-tax) revenues data for government borrowing and total debt, including the composition of debt by different types of debt instruments long-term data series for expenditures, revenues and debt international comparisons of fiscal conditions and trends fiscal projections for different macroeconomic forecast scenarios (baseline growth vs "economic revival case" macroeconomic indicators highlights of the main policy initiatives across sectors analysis of key factors (e.g. demographic data) driving expenditures for key sectors (especially for social security and health sectors)

Japanese Public Finance Fact Sheet, July 2020 (EN)

<https://www.mof.go.jp/english/budget/budget/fy2020/04.pdf>

Learning material of finances issued on July 2020

https://www.mof.go.jp/budget/fiscal_condition/related_data/202007_zaisei.pdf

Think about the finance of Japan, July 2020

https://warp.da.ndl.go.jp/info:ndljp/pid/11520360/www.mof.go.jp//budget/fiscal_condition/related_data/202007_kanryaku.pdf

Other CB documentation provides: more detailed program-level information additional information about macroeconomic conditions and forecasts

detailed information about revenue sources contact information

FY2020 Fiscal report on state of affairs

https://www.mof.go.jp/budget/report/46_report/fy2020/r02.pdf

Comment:

These documents do not have contact information. Also these do not have any information that MoF receives feedback about the documents. There is only URL information of MoF website top page or postal address of MoF without any information which specific office or division in charge.

Therefore the score is B.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: these do not have any information that MoF receives feedback about the documents. <https://www.mof.go.jp/application-contact/feedback/index.html>

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: With regard to the contact information and feedback, it is possible to ask questions and give opinions to MOF via MOF's website. It is also possible to ask officers of MOF to give a face-to-face lecture via Internet. <https://www2.mof.go.jp/enquete/ja/index.php>
http://www.mof.go.jp/budget/fiscal_condition/related_data/koen.html

IBP Comment

Many thanks to the reviewers. IBP worked with researcher to revise response to A (from B). This link "ご意見箱" is located at a footer of the website, and contact with Ministry of Finance is accessible to most citizens.

65. How is the Citizens Budget disseminated to the public?

GUIDELINES:

Question 65 asks how the Citizens Budget is disseminated to the public. Citizens Budgets should be made available to a variety of audiences. Therefore paper versions and an Internet posting of a document might not be sufficient.

To answer "a," the executive must use three or more different types of creative media tools to reach the largest possible share of the population, including those who otherwise would not normally have access to budget documents or information. Dissemination would also be pursued at the very local level, so that the coverage is targeted both by geographic area and population group (e.g., women, elderly, low income, urban, rural, etc.). Option "b" applies if significant dissemination efforts are made through a combination of two means of communications, for instance, both posting the Citizens Budget on the executive's official website and distributing printed copies of it. Option "c" applies if the Citizens Budget is disseminated through only posting on the executive's official website. Option "d" applies when the executive does not publish a Citizens Budget.

Answer:

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

Source:

CBs are disseminated to the public through paper versions, an internet posting, and offering an opportunity that Finance Bureau staff visits school, university, work place etc. to explain Japan's finances.

Distribution by paper

https://www.mof.go.jp/budget/fiscal_condition/related_data/haifu.html

Offering an opportunity to explain Japan's finances

https://www.mof.go.jp/budget/fiscal_condition/related_data/koen.html

Comment:

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:

c. Yes, the executive has established mechanisms to identify the public's requirements for budget information in the Citizen's Budget, but these mechanisms are not accessible.

Source:

"Various surveys aiming at improving public relations materials" to be conducted by a research company includes survey to verify the effect of "Learning material of Japan's finances" subject to elementary and junior high school students and their parent. This would say to be aimed to improve the contents of CB.

https://www.mof.go.jp/about_mof/mof_budget/release/itaku/seikabutsu/2019kouhou_03.pdf

However, 23 children and their parent were subject of this survey extremely limited. This mechanism are not accessible and widely used by the public.

https://www.mof.go.jp/about_mof/mof_budget/release/itaku/seikabutsu/2019kouhou_02.pdf

Comment:

The whole survey report

https://www.mof.go.jp/about_mof/mof_budget/release/itaku/seikabutsu/2019kouhou_04.pdf

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

67. Are "citizens" versions of budget documents published throughout the budget process?

GUIDELINES:

Question 67 asks if "citizens" versions of budget documents are published throughout the budget process. While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle.

To answer "a," a citizens version of at least one budget document is published for each of the four stages of the budget process (budget formulation, enactment, execution, and audit) – for a total of at least four citizens budget documents throughout the process. Option "b" applies if a citizens version of a budget document is published for at least two of the four stages of the budget process. Option "c" applies if a citizens version of a budget document is published for at least one of the four stages of the budget process. Select option "d" if no "citizens" version of budget documents is published.

Answer:

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

Source:

CB documents are produced for 3 stages of the budget cycle (EB, YER and AR).

1. Enacted Budget

Japanese Public Finance FactSheet 2020 issued in July 2020 (EN)

<https://www.mof.go.jp/english/budget/budget/fy2020/04.pdf>

FY2020 Fiscal report on state of affairs

https://www.mof.go.jp/budget/report/46_report/fy2020/index.html

Learning material of the finances issued in July 2020

https://www.mof.go.jp/budget/fiscal_condition/related_data/202007_zaisei.pdf

Think about the finance of Japan issued in July 2020

https://warp.da.ndl.go.jp/info:ndljp/pid/11520360/www.mof.go.jp//budget/fiscal_condition/related_data/202007_kanryaku.pdf

2. Year-End Report

Explanation of FY2019 YER

https://www.mof.go.jp/budget/budger_workflow/account/fy2017/ke_setsumei29.html

3. Audit Report

Outline <https://www.jbaudit.go.jp/report/new/summary01/index.html>

Characteristic case of FY2019 <https://www.jbaudit.go.jp/report/new/summary01/tokutyou.html>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

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

Source:

IYR documentation presents actual expenditure for 2 of 3 expenditure classifications - by administrative unit and functional classification . Actual expenditures by economic classification is not presented.

Administrative classification:

State of National Treasury receipts and expenditure https://www.mof.go.jp/budget/report/revenue_and_expenditure/index.htm

October 2020

expenditure by administrative unit

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0210b.html

expenditure by special account

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0210c.html

expenditure by Government-affiliated organs

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0210d.html

Functional classification:

Quarterly budget execution survey report

https://www.mof.go.jp/budget/report/revenue_and_expenditure/index.htm

Second quarter execution report (p6-44)

https://www.mof.go.jp/budget/report/budget_use/fy2020/02_2a.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Answer:

Administrative classification
Functional classification

Source:

Administrative classification:
State of National Treasury receipts and expenditure https://www.mof.go.jp/budget/report/revenue_and_expenditure/index.htm
October 2020
expenditure by administrative unit
https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0210b.html
expenditure by special account
https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0210c.html
expenditure by Government-affiliated organs
https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0210d.html

Functional classification:

Quarterly budget execution survey report
https://www.mof.go.jp/budget/report/revenue_and_expenditure/index.htm
Second quarter execution report (p6-44)
https://www.mof.go.jp/budget/report/budget_use/fy2020/02_2a.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

69. Do the In-Year Reports present actual expenditures for individual programs?

GUIDELINES:

Question 69 asks if expenditure estimates in In-Year Reports are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable 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:

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

Source:

Quarterly budget execution survey report presents actual expenditure for all programs.

Quarterly budget execution survey report
https://www.mof.go.jp/budget/report/revenue_and_expenditure/index.htm
Second quarter execution report (p6-44)
https://www.mof.go.jp/budget/report/budget_use/fy2020/02_2a.pdf

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

70. Do the In-Year Reports compare actual year-to-date expenditures with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

GUIDELINES:

Question 70 asks whether In-Year Reports compare actual expenditures to-date with either the enacted levels or actual expenditures for the same period in the previous year.

The OECD recommends that the reports contain the total year-to-date expenditures in a format that allows for a comparison with the budget's forecast expenditures (based on enacted levels) for the same period.

To answer "a," comparisons must be made for expenditures presented in the In-Year Reports

Answer:

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

Source:

IYR documents do provide comparison by administrative unit between actual year-to-date expenditures with the same period in the previous year.
FY2018 budget execution Second quarter, p1
https://www.mof.go.jp/budget/report/budget_use/fy2020/02_2a.pdf

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer:

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

Comments: IYR documents do provide limited amount of comparison between actual year-to-date expenditures with the same period in the previous year. https://www.mof.go.jp/budget/report/budget_use/fy2020/02_2a.pdf

Researcher Response

FY2020 budget execution Second quarter[p1] includes the same period of previous year's expenditure.
https://www.mof.go.jp/budget/report/budget_use/fy2020/02_2a.pdf The answer is revised.

71. Do In-Year Reports present actual revenue by category (such as tax and non-tax)?

GUIDELINES:

Questions 71 asks whether In-Year Reports present actual revenues by "category"— that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," In-Year Reports must present revenue estimates classified by category.

Answer:

a. Yes, In-Year Reports present actual revenue by category.

Source:

IYR documentations present actual tax and non-tax revenues.

State of National Treasury receipts and expenditure
https://www.mof.go.jp/budget/report/revenue_and_expenditure/index.htm
As of October 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0210a.html

Quarterly budget execution survey report of FY2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/index.htm

Second quarter, p2-5

https://www.mof.go.jp/budget/report/budget_use/fy2020/02_2a.pdf

National Treasury Status report

https://www.mof.go.jp/exchequer/reference/exchequer_report/data.htm

Second quarter of FY2020

https://www.mof.go.jp/exchequer/reference/exchequer_report/fy2020_2nd_quarter/index.html

Quarterly report on balance of public bonds, borrowing and government guaranteed liabilities

<https://www.mof.go.jp/jgbs/reference/gbb/data.htm>

As of September 2020

<https://www.mof.go.jp/jgbs/reference/gbb/202009.html>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

72. Do In-Year Reports present the individual sources of revenue for actual revenues collected?

GUIDELINES:

Question 72 asks whether In-Year Reports present actual collections of individual sources of revenue (such as income taxes, VAT, etc.). The question applies to both tax and non-tax revenue.

To answer "a," In-Year Reports must present actual collections for all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," In-Year Reports must present actual collections for individual sources of revenue that when combined account for at least two-thirds of all revenue collected, but not all revenue. A "c" answer applies if In-Year Reports present individual sources of actual revenue that account for less than two-thirds of all revenue collected. Answer "d" applies if individual sources of actual revenue are not presented.

Answer:

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

Source:

IER documentations present all individual sources of revenues.

State of National Treasury receipts and expenditure

https://www.mof.go.jp/budget/report/revenue_and_expenditure/index.htm

As of October 2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0210a.html

Quarterly report includes a status of tax receiving.

Quarterly budget execution survey report of FY2020

https://www.mof.go.jp/budget/report/revenue_and_expenditure/index.htm

Second quarter, p4-5

https://www.mof.go.jp/budget/report/budget_use/fy2020/02_2a.pdf

National Treasury Status report

https://www.mof.go.jp/exchequer/reference/exchequer_report/data.htm

Second quarter of FY2020

https://www.mof.go.jp/exchequer/reference/exchequer_report/fy2020_2nd_quarter/index.html

Quarterly report on balance of public bonds, borrowing and government guaranteed liabilities

<https://www.mof.go.jp/jgbs/reference/gbb/data.htm>

As of September 2020

<https://www.mof.go.jp/jgbs/reference/gbb/202009.html>

Comment:

There are 6 categories; tax and stamp income(租税及印紙収入), government profits and government income(官業益金及官業収入), government asset consolidation income(政府資産整理収入), miscellaneous income(雑収入), public debt(公債金), and acceptance of previous year's

surplus(前年度剰余金受入). This is a sufficient information presenting the individual sources of revenue for actual revenues collected.
State of National Treasury receipts and expenditure
https://www.mof.go.jp/budget/report/revenue_and_expenditure/fy2020/0210a.html

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

73. Do the In-Year Reports compare actual year-to-date revenues with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

GUIDELINES:

Question 73 asks whether In-Year Reports compare actual revenues to-date with either the enacted levels or actual revenues for the same period in the previous year.

The OECD recommends that the reports contain the total year-to-date revenues in a format that allows for a comparison with the budget's forecast revenues (based on enacted levels) for the same period.

To answer "a," comparisons must be made for revenues presented in the In-Year Reports.

Answer:

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

Source:

IYR documents do provide limited amount of comparison between actual year-to-date revenue with the same period in the previous year.

Budget execution survey report

https://www.mof.go.jp/budget/report/budget_use/index.htm

Second quarter of FY2020 budget execution, p1

https://www.mof.go.jp/budget/report/budget_use/fy2020/02_2a.pdf

Comment:

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. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

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:

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

Source:

IYR documentation presents data for 2 estimates related to government borrowing and debt.

1. Net new borrowing.

Budget execution survey report(JP)

https://www.mof.go.jp/budget/report/budget_use/index.htm

Second quarter of FY2020 budget execution, p1,3

https://www.mof.go.jp/budget/report/budget_use/fy2020/02_2.html

2. amount of total debt (public bonds)

Balance of public bonds, borrowing and government guaranteed liabilities as of September 2020(quarterly report)

<https://www.mof.go.jp/jgbs/reference/gbb/202009.html>

Comment:

MoF provides information on its website for the other 2 core elements - amount of total debt (public bonds) and for interest payments, but not as part of the IYR documentation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

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

Source:

IYR documentation provides information regarding the composition of total outstanding debt and the maturity profile of the debt. This does not include the interest payment and whether the debt is domestic or external.

Balance of public bonds, borrowing and government guaranteed liabilities as of September 2020(quarterly report)

<https://www.mof.go.jp/jgbs/reference/gbb/202009.html>

Comment:

A note on internal and external debt in Japan:

There is no external debt. The annual statistical report of the debt of FY2017 includes information of the debt since FY2002 (94-5[5-6]). There is no record to issue external bond.

https://www.mof.go.jp/jgbs/publication/annual_report/2019/nenpou03.pdf

The ratio of national debts held by overseas is published by following two documents.

<https://www.mof.go.jp/jgbs/reference/appendix/holdings02.pdf>

<https://www.mof.go.jp/jgbs/reference/appendix/breakdown.pdf>

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 underway, 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:

d. No, the estimates for macroeconomic forecast have not been updated.

Source:

Mid-year Economic Projection for FY2020 (Jul. 30, 2020)

<https://www5.cao.go.jp/keizai1/mitoshi/2020/r020730shisan-e.pdf>

Economic and Fiscal Projections for Medium to Long Term Analysis (Jul. 31, 2020)

<https://www5.cao.go.jp/keizai3/projection-e/projection202007.pdf>

Comment:

These reports include a partial element of MYR such as update the economic projection but does not provide necessary information as MYR. And these were published before midpoint of FY2020. There are not qualified as a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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 underway, and provides an explanation of the update. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.

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:

Mid-year Economic Projection for FY2020 (Jul. 30, 2020)
<https://www5.cao.go.jp/keizai1/mitoshi/2020/r020730shisan-e.pdf>
Economic and Fiscal Projections for Medium to Long Term Analysis (Jul. 31, 2020)
<https://www5.cao.go.jp/keizai3/projection-e/projection202007.pdf>

Comment:

These reports include a partial element of MYR such as update the economic projection but does not provide necessary information as MYR. And these were published before midpoint of FY2020. There are not qualified as a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

78. Does the Mid-Year Review of the budget present updated 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 for the budget year underway 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. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.

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:

Mid-year Economic Projection for FY2020 (Jul. 30, 2020)
<https://www5.cao.go.jp/keizai1/mitoshi/2020/r020730shisan-e.pdf>
Economic and Fiscal Projections for Medium to Long Term Analysis (Jul. 31, 2020)
<https://www5.cao.go.jp/keizai3/projection-e/projection202007.pdf>

Comment:

These reports include a partial element of MYR such as update the economic projection but does not provide necessary information as MYR. And these were published before midpoint of FY2020. There are not qualified as a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

Mid-year Economic Projection for FY2020 (Jul. 30, 2020)

<https://www5.cao.go.jp/keizai1/mitoshi/2020/r020730shisan-e.pdf>

Economic and Fiscal Projections for Medium to Long Term Analysis (Jul. 31, 2020)

<https://www5.cao.go.jp/keizai3/projection-e/projection202007.pdf>

Comment:

These reports include a partial element of MYR such as update the economic projection but does not provide necessary information as MYR. And these were published before midpoint of FY2020. There are not qualified as a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

79. Does the Mid-Year Review of the budget present updated 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 for the budget year underway. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.

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 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-year Economic Projection for FY2020 (Jul. 30, 2020)

<https://www5.cao.go.jp/keizai1/mitoshi/2020/r020730shisan-e.pdf>

Economic and Fiscal Projections for Medium to Long Term Analysis (Jul. 31, 2020)

<https://www5.cao.go.jp/keizai3/projection-e/projection202007.pdf>

Comment:

These reports include a partial element of MYR such as update the economic projection but does not provide necessary information as MYR. And these were published before midpoint of FY2020. There are not qualified as a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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 underway, and provides an explanation of the update. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must include updated revenue estimates and explain all of the differences between the initial levels presented in the Executive's Budget Proposal (or the Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the revenue estimates must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated revenue estimates, but no explanation for the revisions is provided. A "d" response applies if the revenue estimates have not been updated.

Answer:

d. No, revenue estimates have not been updated.

Source:

Mid-year Economic Projection for FY2020 (Jul. 30, 2020)

<https://www5.cao.go.jp/keizai1/mitoshi/2020/r020730shisan-e.pdf>

Economic and Fiscal Projections for Medium to Long Term Analysis (Jul. 31, 2020)

<https://www5.cao.go.jp/keizai3/projection-e/projection202007.pdf>

Comment:

These reports include a partial element of MYR such as update the economic projection but does not provide necessary information as MYR. And these were published before midpoint of FY2020. There are not qualified as a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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

GUIDELINES:

Question 81 asks whether revenue estimates for the budget year underway in the Mid-Year Review are presented by "category"— that is, whether tax and non-tax sources of revenue are shown separately. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must present revenue estimates classified by category.

Answer:

b. No, the Mid-Year Review does not present revenue estimates by category.

Source:

Mid-year Economic Projection for FY2020 (Jul. 30, 2020)

<https://www5.cao.go.jp/keizai1/mitoshi/2020/r020730shisan-e.pdf>

Economic and Fiscal Projections for Medium to Long Term Analysis (Jul. 31, 2020)

<https://www5.cao.go.jp/keizai3/projection-e/projection202007.pdf>

Comment:

These reports include a partial element of MYR such as update the economic projection but does not provide necessary information as MYR. And these were published before midpoint of FY2020. There are not qualified as a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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

GUIDELINES:

Question 82 asks whether revenue estimates for individual sources of revenue for the budget year underway are presented in the Mid-Year Review. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must present all sources of revenue individually, accounting for all revenues, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Mid-Year Review must present individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Mid-Year Review presents estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" applies if individual sources of revenue are not presented in the Mid-Year Review.

Answer:

d. No, the Mid-Year Review does not present individual sources of revenue.

Source:

Mid-year Economic Projection for FY2020 (Jul. 30, 2020)

<https://www5.cao.go.jp/keizai1/mitoshi/2020/r020730shisan-e.pdf>

Economic and Fiscal Projections for Medium to Long Term Analysis (Jul. 31, 2020)

<https://www5.cao.go.jp/keizai3/projection-e/projection202007.pdf>

Comment:

These reports include a partial element of MYR such as update the economic projection but does not provide necessary information as MYR. And these were published before midpoint of FY2020. There are not qualified as a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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 underway, and provides an explanation of the update.

Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:

- The amount of net new borrowing required during the budget year;
- The central government's total debt burden at the end of the budget year; and
- The interest payments on the outstanding debt for the budget year.

Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:

- interest rates on the debt;
- maturity profile of the debt; and
- whether the debt is domestic or external.

To answer "a," the Mid-Year Review must include an updated estimates of borrowing and debt, including its composition, and explain all of the differences between the initial estimates presented in the Executive's Budget Proposal (or Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the estimates of borrowing and debt must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated estimates, but no explanation for the revisions is provided. A "d" response applies if the estimates of borrowing and debt have not been updated.

Answer:

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

Source:

Mid-year Economic Projection for FY2020 (Jul. 30, 2020)

<https://www5.cao.go.jp/keizai1/mitoshi/2020/r020730shisan-e.pdf>

Economic and Fiscal Projections for Medium to Long Term Analysis (Jul. 31, 2020)

<https://www5.cao.go.jp/keizai3/projection-e/projection202007.pdf>

Comment:

These reports include a partial element of MYR such as update the economic projection but does not provide necessary information as MYR. And these were published before midpoint of FY2020. There are not qualified as a Mid-Year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

84. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?

GUIDELINES:

Question 84 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual expenditures for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all expenditures, along with a narrative discussion. Answer "b" if estimates of the differences for all expenditures are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all expenditures, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report

Answer:

a. Yes, estimates of the differences between the enacted levels and the actual outcome for all expenditures are presented, along with a narrative discussion.

Source:

YER documentation includes estimates of the differences between the enacted levels and the actual outcome for all expenditures, along with a narrative discussion. Reporting of financial data, including amounts of year-end actual outcomes and the comparisons to original (and revised) budgeted amounts, are provided in the following four YER documentations.

1. Settlement of the FY 2019 General Account Revenues and Expenditures

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201972001.pdf>

This document provides: a. Data on actual budget (=enacted budget + supplemental budget + carryover from FY2018), budget revisions and actual expenditures by administrative unit and by main items (p.5-9[8-12]) b. Data on actual budget, carryover from FY2018, usage of reserve fund, budget revisions, actual expenditure, amount of carryover to FY2020 and unused balances by administrative unit and by project/program(p10-44[13-47], 58-97[61-100]).

2. Reference Documents of Settlement of the FY2019 General Account Revenues and Expenditures

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201977001.pdf>

This document includes data on enacted budget (including the supplemental budget), amount carried over from FY2018, usage of reserve fund, actual budget, actual expenditures, carry over to FY2021 and balances by administrative unit, projects/programs, and economic classification(p67[65]-).

3. Settlement of the FY2019 Special Account Revenues and Expenditures

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201975001.pdf>

This document includes data on enacted budget (including the supplemental budget), carried over from FY2018, usage of reserve fund, actual budget and remaining balances.

4. Reference Documents of Settlement of the FY2019 Special Account Revenues and Expenditures

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201978001.pdf>

This document includes data on enacted budget (including supplemental budget), amount carried over from FY2018, usage of reserve fund, actual budget (=enacted budget +carried over from FY2018), actual expenditures (for FY2019) and the expected carry over to FY2020 of unused funds. Narrative discussion (and data): The following two citations provide data, as well as narrative discussion of year-end finances (and performance/expected outputs), including variances between budgeted/planned and actual outcomes (financial and non-financial) at a program/project level.

5. Settlement of the FY2019 Government-affiliated organs

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201976001.pdf>

This document includes PL, BS, inventory, CF and actual data on enacted budget, actual expenditures and unused funds by organs and projects. Narrative discussion (and data) of important accounting policy, asset and debt is included.

6. Explanation of FY2019 Settlement

https://www.mof.go.jp/budget/budger_workflow/account/fy2019/ke_setsumei01.html

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

85. Does the Year-End Report present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 85 asks if expenditure estimates in the Year-End Report are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer “a,” the Year-End Report must present expenditure estimates by all three of the expenditure classifications. Answer “b” if expenditure estimates are presented by two of these three classifications. Answer “c” if expenditure estimates are presented by one of the three classifications. Answer “d” if expenditure estimates are not presented by any of the three classifications in the Year-End Report.

Answer:

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

Source:

1. Settlement of the FY 2019 General Account Revenues and Expenditures, <https://www.bb.mof.go.jp/server/2019/dlpdf/DL201972001.pdf> presents actual expenditure estimates by administrative units (p.10[13]), and by functional classification (p58-97[61-100]).

2. Reference Documents of Settlement of the FY2019 General Account Revenues and Expenditures, <https://www.bb.mof.go.jp/server/2019/dlpdf/DL201977001.pdf>, presents actual expenditure estimates by administrative, economic, and functional

classification (eg. Cabinet, p100-103[94-97]).

3. Settlement of the FY2019 Special Account Revenues and Expenditures, <https://www.bb.mof.go.jp/server/2019/dlpdf/DL201975001.pdf>, presents actual expenditure estimates of special account with functional classification (eg. Earthquake reinsurance special account, p. 5[8])

4. Reference Documents of Settlement of the FY2019 Special Account Revenues and Expenditures, <https://www.bb.mof.go.jp/server/2019/dlpdf/DL201978001.pdf>, presents actual expenditure estimates of each special account with aggregate by program/activity level items and economic categories of spending along with information about which ministries and agencies have jurisdiction.

5. Settlement of the FY2019 Government-affiliated organs, <https://www.bb.mof.go.jp/server/2019/dlpdf/DL201976001.pdf>, presents actual expenditure estimates of each government-affiliated organ with aggregate by program/activity-level items and economic categories of spending (eg. Okinawa Development Finance Corporation, p.3-6[4-7], 7-8[8-9](P/L))

6. Explanation of FY2019 Settlement (https://www.mof.go.jp/budget/budger_workflow/account/fy2019/ke_setsumei01.html) presents actual expenditure estimates by functional classification of General Account (p12-14), by special account (p16), and by government affiliated organs (p17). https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_01.pdf
This documentation included expenditures estimates by functional classification of General Account (p25[8]-https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_ippann.pdf), by Special Account (p236[3]https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_tokkai.pdf) and by Government-affiliated Organs (p435[1]https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_seikann.pdf).
https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_ippann.pdf

Comment:

Following comment was noted at OBS2017.

It should be noted that (as in the case of EBP and EB documentation), the data provided for functional categories is not complete relative to a well-defined functional classification. although it is acknowledged that there are references to some of the standard functional categories such as defense and education.

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:

1. Settlement of the FY 2019 General Account Revenues and Expenditures, <https://www.bb.mof.go.jp/server/2019/dlpdf/DL201972001.pdf> presents actual expenditure estimates by administrative units (p.10[13]), and by functional classification (p58-97[61-100]).

2. Reference Documents of Settlement of the FY2019 General Account Revenues and Expenditures, <https://www.bb.mof.go.jp/server/2019/dlpdf/DL201977001.pdf>, presents actual expenditure estimates by administrative, economic, and functional classification (eg. Cabinet, p100-103[94-97]).

3. Settlement of the FY2019 Special Account Revenues and Expenditures, <https://www.bb.mof.go.jp/server/2019/dlpdf/DL201975001.pdf>, presents actual expenditure estimates of special account with functional classification (eg. Earthquake reinsurance special account, p. 5[8])

4. Reference Documents of Settlement of the FY2019 Special Account Revenues and Expenditures, <https://www.bb.mof.go.jp/server/2019/dlpdf/DL201978001.pdf>, presents actual expenditure estimates of each special account with aggregate by program/activity level items and economic categories of spending along with information about which ministries and agencies have jurisdiction.

5. Settlement of the FY2019 Government-affiliated organs, <https://www.bb.mof.go.jp/server/2019/dlpdf/DL201976001.pdf>, presents actual expenditure estimates of each government-affiliated organ with aggregate by program/activity-level items and economic categories of spending (eg. Okinawa Development Finance Corporation, p.3-6[4-7], 7-8[8-9](P/L))

6. Explanation of FY2019 Settlement (https://www.mof.go.jp/budget/budger_workflow/account/fy2019/ke_setsumei01.html) presents actual expenditure estimates by functional classification of General Account (p12-14), by special account (p16), and by government affiliated organs (p17). https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_01.pdf

This documentation included expenditures estimates by functional classification of General Account (p25[8]-https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_ippann.pdf), by Special Account (p236[3]-https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_tokkai.pdf) and by Government-affiliated Organs (p435[1]-https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_seikann.pdf).

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

86. Does the Year-End Report present expenditure estimates for individual programs?

GUIDELINES:

Question 86 asks if expenditure estimates in the Year-End Report are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable 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:

a. Yes, the Year-End Report presents estimates for programs accounting for all expenditures.

Source:

1. Settlement of the FY 2019 General Account Revenues and Expenditures, <https://www.bb.mof.go.jp/server/2019/dlpdf/DL201972001.pdf> presents actual expenditure estimates for program level (p58-97[61-100]).

2. Reference Documents of Settlement of the FY2019 General Account Revenues and Expenditures, <https://www.bb.mof.go.jp/server/2019/dlpdf/DL201977001.pdf>, presents actual expenditure estimates for program level (eg. Cabinet, p100-103[94-97]).

3. Settlement of the FY2019 Special Account Revenues and Expenditures, <https://www.bb.mof.go.jp/server/2019/dlpdf/DL201975001.pdf>, presents actual expenditure estimates of special account for program level (eg. Earthquake reinsurance special account, p. 5[8])

4. Reference Documents of Settlement of the FY2019 Special Account Revenues and Expenditures, <https://www.bb.mof.go.jp/server/2019/dlpdf/DL201978001.pdf>, presents actual expenditure estimates of each special account with aggregate by program/activity level items.

5. Settlement of the FY2019 Government-affiliated organs, <https://www.bb.mof.go.jp/server/2019/dlpdf/DL201976001.pdf>, presents actual expenditure estimates of each government-affiliated organ with aggregate by program/activity-level items (eg. Okinawa Development Finance Corporation, p.3-6[4-7], 7-8[8-9](P/L))

6. Explanation of FY2019 Settlement (https://www.mof.go.jp/budget/budger_workflow/account/fy2019/ke_setsumei01.html) presents actual expenditure estimates for program level of General Account (p25[8]-https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_ippann.pdf), by Special Account (p236[3]-https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_tokkai.pdf) and by Government-affiliated Organs (p435[1]-https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_seikann.pdf).

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer

Opinion: Agree

87. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?

GUIDELINES:

Question 87 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual revenues for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all revenues, along with a narrative discussion. Answer "b" if estimates of the differences for all revenues are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all revenues, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report.

Answer:

a. Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, along with a narrative discussion.

Source:

1. Settlement of the FY 2019 General Account Revenues and Expenditures, <https://www.bb.mof.go.jp/server/2019/dlpdf/DL201972001.pdf> presents the differences between the enacted levels and the actual outcome for revenues (p1-4[4-7], 45-57[48-60]).

2. Reference Documents of Settlement of the FY2019 General Account Revenues and Expenditures, <https://www.bb.mof.go.jp/server/2019/dlpdf/DL201977001.pdf>, presents the differences between the enacted levels and the actual outcome for revenues (p3-15[5-17], eg. Cabinet, p100-103[94-97]).

3. Settlement of the FY2019 Special Account Revenues and Expenditures, <https://www.bb.mof.go.jp/server/2019/dlpdf/DL201975001.pdf>, presents the differences between the enacted levels and the actual outcome for revenues (eg. Earthquake reinsurance special account, p. 5[8])

4. Reference Documents of Settlement of the FY2019 Special Account Revenues and Expenditures, <https://www.bb.mof.go.jp/server/2019/dlpdf/DL201978001.pdf>, presents the differences between the enacted levels and the actual outcome for revenues(eg. Earthquake reinsurance special account, p. 13-15[14-16])

5. Settlement of the FY2019 Government-affiliated organs, <https://www.bb.mof.go.jp/server/2019/dlpdf/DL201976001.pdf>, presents the differences between the enacted levels and the actual outcome for revenues (eg. Okinawa Development Finance Corporation, p.3-5[4-6])

6. Explanation of FY2019 Settlement (https://www.mof.go.jp/budget/budger_workflow/account/fy2019/ke_setsumei01.html) presents the differences between the enacted levels and the actual outcome for revenues of General Account (https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_18.pdf), Special Account (https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_tokkai.pdf), and Government-affiliated organs (https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_seikann.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 present revenue data by category such as tax and non-tax. Items 1. and 2. cited below presents revenue data by category such as tax, non-tax and public bonds, with tax and non-tax revenues categorized by specific items and by administrative units: 3. and 4. presents revenue data for special accounts: 5. presents information on revenues by individual organization, account and items with narrative:

1. Settlement of the FY 2019 General Account Revenues and Expenditures (p1-4[4-7], 45-57[48-60])
<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201972001.pdf>

2. Reference Documents of Settlement of the FY2019 General Account Revenues and Expenditures(p3-15[5-17], eg. Cabinet, p100-103[94-97]).
<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201977001.pdf>

3. Settlement of the FY2019 Special Account Revenues and Expenditures (eg. Earthquake reinsurance special account, p. 5[8])
<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201975001.pdf>

4. Reference Documents of Settlement of the FY2019 Special Account Revenues and Expenditures (eg. Earthquake reinsurance special account, p. 13-15[14-16])
<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201978001.pdf>

5. Explanation of FY2019 Settlement (https://www.mof.go.jp/budget/budger_workflow/account/fy2019/ke_setsumei01.html)
General Account
https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_18.pdf
Special Account https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_tokkai.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 present revenue data by category such as tax and non-tax. Items 1. and 2. cited below presents revenue data by category such as tax, non-tax and public bonds, with tax and non-tax revenues categorized by specific items and by administrative units: 3. and 4. presents revenue data for special accounts: 5. presents information on revenues by individual organization, account and items with narrative:

1. Settlement of the FY 2019 General Account Revenues and Expenditures (p1-4[4-7], 45-57[48-60])
<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201972001.pdf>

2. Reference Documents of Settlement of the FY2019 General Account Revenues and Expenditures(p3-15[5-17], eg. Cabinet, p100-103[94-97]).
<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201977001.pdf>

3. Settlement of the FY2019 Special Account Revenues and Expenditures (eg. Earthquake reinsurance special account, p. 5[8])
<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201975001.pdf>

4. Reference Documents of Settlement of the FY2019 Special Account Revenues and Expenditures (eg. Earthquake reinsurance special account, p.

13-15[14-16])
<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201978001.pdf>

5. Explanation of FY2019 Settlement (https://www.mof.go.jp/budget/budger_workflow/account/fy2019/ke_setsumei01.html)
General Account
https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_18.pdf
Special Account https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_tokkai.pdf

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

90. Does the Year-End Report present the differences between the original estimates of government borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year?

GUIDELINES:

Question 90 asks whether the Year-End Report includes estimates of the differences between the original estimates and the actual outcome for the fiscal year for borrowing and debt, including its composition, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:

- *the amount of net new borrowing required during the budget year;*
- *the central government's total debt burden at the end of the budget year; and*
- *the interest payments on the outstanding debt for the budget year.*

Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

c. Yes, estimates of the differences between some but not all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented.

Source:

YER documentation provides estimates of the differences between some but not all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for FY2019. The YER documents cited below provide sufficient data for comparison of original budget and actual outcomes for the following core elements related to government debt and borrowing, including the composition of government debt: 1. amount of net new borrowing required during the budget year, 2. central government's total debt burden at the end of the budget year, 3. interest payments on the outstanding debt for the budget year, 4. whether debt is domestic or external. Some information can also be found for the other two core elements, but not enough to support the comparison of original budget estimates and actual year-end outcomes. Interest rates on the debt and maturity profile of the debt are missing. There is no extensive narrative provided in the YER documentation with regard to government debt borrowing.

1. Settlement of the FY 2019 General Account Revenues and Expenditures
<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201972001.pdf>
Net new borrowing p3[6], 51[54]

2. Reference Documents of Settlement of the FY2019 General Account Revenues and Expenditures
<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201977001.pdf>
Net new borrowing p14[16]
Net new borrowing, Total debt and domestic/external total debt p759[734], 880-881[855-856]

3. Settlement of the FY2019 Special Account Revenues and Expenditures

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201975001.pdf>

Total debt and domestic/external total debt p3[6]

4. Reference Documents of Settlement of the FY2019 Special Account Revenues and Expenditures

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201978001.pdf>

Interest payments p24,27-28

5. Settlement of the FY2019 Government-affiliated organs

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201976001.pdf>

eg, Interest payments and total debt of Okinawa Development Finance Corporation, p4[5], 6-10[7-11]

6. Explanation of FY2019 Settlement

https://www.mof.go.jp/budget/budger_workflow/account/fy2019/ke_setsumei01.html

Debt and Credit p515-517, 528[36]

https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_38.pdf

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, estimates of the differences between some but not all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented.

Comments: Based on the above, "c" seems to be appropriate, because 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.

Government Reviewer

Opinion: Agree

IBP Comment

Many thanks to peer reviewer. IBP worked with researcher to revise response to C.

90b. Based on the response to Question 90, check the box(es) to identify which estimates of government borrowing and debt, including its composition, have the differences between the original forecast and the actual outcome for the year presented in the Year-End Report:

Answer:

The amount of net new borrowing required during the budget year

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

The interest payments on outstanding debt for the budget year

Whether the debt is domestic or external

Source:

YER documentation provides estimates of the differences between some but not all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for FY2019. The YER documents cited below provide sufficient data for comparison of original budget and actual outcomes for the following core elements related to government debt and borrowing, including the composition of government debt: 1. amount of net new borrowing required during the budget year, 2. central government's total debt burden at the end of the budget year, 3. interest payments on the outstanding debt for the budget year, 4. whether debt is domestic or external. Some information can also be found for the other two core elements, but not enough to support the comparison of original budget estimates and actual year-end outcomes. Interest rates on the debt and maturity profile of the debt are missing. There is no extensive narrative provided in the YER documentation with regard to government debt borrowing.

1. Settlement of the FY 2019 General Account Revenues and Expenditures

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201972001.pdf>

Net new borrowing p3[6], 51[54]

2. Reference Documents of Settlement of the FY2019 General Account Revenues and Expenditures

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201977001.pdf>

Net new borrowing p14[16]

Net new borrowing, Total debt and domestic/external total debt p759[734], 880-881[855-856]

3. Settlement of the FY2019 Special Account Revenues and Expenditures

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201975001.pdf>

Total debt and domestic/external total debt p3[6]

4. Reference Documents of Settlement of the FY2019 Special Account Revenues and Expenditures

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201978001.pdf>

Interest payments p24,27-28

5. Settlement of the FY2019 Government-affiliated organs

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201976001.pdf>

eg, Interest payments and total debt of Okinawa Development Finance Corporation, p4[5], 6-10[7-11]

6. Explanation of FY2019 Settlement

https://www.mof.go.jp/budget/budger_workflow/account/fy2019/ke_setsumei01.html

Debt and Credit p515-517

https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_38.pdf

Comment:

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:

b. Yes, estimates of the differences between all the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented, but a narrative discussion is not included.

Source:

YER documentation includes both data and narrative discussion for comparison of the original macroeconomic assumptions for the fiscal year and the actual outcomes for that year.

Explanation of FY2019 Settlement

https://www.mof.go.jp/budget/budger_workflow/account/fy2019/ke_setsumei01.html

1. Review - includes narrative discussion with references to data (nominal and real growth GDP) for FY2019 p.1

https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_01.pdf

2. Appendix - tables inclusive of FY2018 and FY2019 (nominal GDP level, inflation rate, and real GDP growth) , p.537[45]

https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_39.pdf

Comment:

Interest rate is not presented.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

91b. Based on the response to Question 91, check the box(es) to identify which elements of the macroeconomic forecast have the differences between the original forecast and the outcome for the year presented in the Year-End Report:

Answer:

Nominal GDP level
Inflation rate
Real GDP growth
Information beyond the core elements

Source:

Appendix of "Explanation of FY2019 Settlement" includes nominal GDP level, inflation rate, and real GDP growth of estimates and actual outcome on FY2018 and FY2019

Explanation of FY2019 Settlement

https://www.mof.go.jp/budget/budger_workflow/account/fy2019/ke_setsumei01.html

1. Review - includes narrative discussion with references to data (nominal and real growth GDP) for FY2019 p.1

https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_01.pdf

2. Appendix - tables inclusive of FY2018 and FY2019 (nominal GDP level, inflation rate, and real GDP growth) , p.537[45]

https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_39.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

YER documentation does provide extensive information with an inventory of goods owned by Government ministries and agencies as of the end of the FY2019 and measurement of the change since the end of the preceding year (FY2018). "Explanation of FY2019 Settlement" presents nonfinancial data on inputs and the actual outcome with narrative by programs. However, there is no comparison to the budgeted amount of non-financial inputs planned to be purchased or acquired during the fiscal year.

Increase or decrease of government owned commodities and amount of the end of FY2019

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL20197A0010.pdf>

Increase or decrease of government owned commodities and amount of the end of FY2017 by administrative unit

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL20197A0012.pdf>

Explanation of FY2019 Settlement

https://www.mof.go.jp/budget/budger_workflow/account/fy2019/ke_setsumei01.html

General Account's nonfinancial data on inputs and the actual outcome (eg. 31-35[14-18])

https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_ippann.pdf

Debt and Credit, p487-488[5-6]
https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_38.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:

YER documentation does provide extensive information with an inventory of goods owned by Government ministries and agencies as of the end of the FY2019 and measurement of the change since the end of the preceding year (FY2018). "Explanation of FY2019 Settlement" presents nonfinancial data on inputs and the actual outcome with narrative by programs. However, there is no comparison to the budgeted amount of non-financial inputs planned to be purchased or acquired during the fiscal year.

Increase or decrease of government owned commodities and amount of the end of FY2019

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL20197A0010.pdf>

Increase or decrease of government owned commodities and amount of the end of FY2017 by administrative unit

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL20197A0012.pdf>

Explanation of FY2019 Settlement

https://www.mof.go.jp/budget/budger_workflow/account/fy2019/ke_setsumej01.html

General Account's nonfinancial data on inputs and the actual outcome (eg. 31-35[14-18])

https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_ippann.pdf

Debt and Credit, p487-488[5-6]

https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_38.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:

a. Yes, estimates of the differences between the enacted level for all policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are presented, along with a narrative discussion.

Source:

YER documentation provides estimates of the differences between the enacted level of spending and actual outcomes for all of the policies intended to benefit directly the country's most impoverished and disadvantaged populations. The YER documentation cited below includes the enacted level and actual expenditure for livelihood protection programs, as well as some explanation of these livelihood protection programs. Data on other social protection programs are also provided along with a narrative description highlighting the main elements of those policies and outcomes.

1. Settlement of the FY 2019 General Account Revenues and Expenditures, p76[79]

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201972001.pdf>

2. Reference Documents of Settlement of the FY2019 General Account Revenues and Expenditures, p381-382[365-366]

<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201977001.pdf>

3. Explanation of FY2019 Settlement

https://www.mof.go.jp/budget/budger_workflow/account/fy2019/ke_setsume01.html

General Account's nonfinancial data on inputs and the actual outcome (eg. 31-35[14-18])

https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_ippann.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:

b. Yes, estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome are presented, but a narrative discussion is not included.

Source:

Estimates of the differences between the original estimates of EBFs and actual outcomes are presented in the special account documentation cited

below, along with very limited or no narrative discussion.

1. Settlement of the FY2019 Special Account Revenues and Expenditures
<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201975001.pdf>
2. Reference Documents of Settlement of the FY2019 Special Account Revenues and Expenditures
<https://www.bb.mof.go.jp/server/2019/dlpdf/DL201978001.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: Explanation of FY2019 Settlement, but not YER itself, provides a narrative discussion of extra-budgetary funds.

https://www.mof.go.jp/budget/budger_workflow/account/fy2019/ke_setsumei01.html

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:

Financial statement is published as a separate report. Financial Statement of FY2018 issued on 31 January 2020

https://www.mof.go.jp/budget/report/public_finance_fact_sheet/fy2018/20200131houdouhappyou.html

Consolidated financial statements of FY2018 issued on 31 March 2020

https://www.mof.go.jp/budget/report/public_finance_fact_sheet/fy2018/20200331houdouhappyou.html

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

97. What type of audits (compliance, financial, or performance) has the Supreme Audit Institution (SAI) conducted and made available to the public?

GUIDELINES:

Question 97 asks about the types of audits conducted by the Supreme Audit Institution (SAI). There are three basic types of audits:

- *Financial audits are intended to determine if an entity's financial information is accurate (free from errors or fraud) and presented in accordance with the applicable financial reporting and regulatory framework. See ISSAI 200 (<http://www.issai.org/issai-framework/3-fundamental-auditing-principles.htm>) for more detail.*
- *Compliance audits look at the extent to which the relevant regulations and procedures have been followed. See ISSAI 400 (<https://www.issai.org/pronouncements/issai-400-compliance-audit-principles/>) for more details.*

- Performance audits assess whether activities are adhering to the principles of economy, efficiency, and effectiveness. See ISSAI 300 (<https://www.issai.org/pronouncements/issai-300-performance-audit-principles/>) 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 Audit Board conducts all 3 types of audits as part of its annual audit report. The scope of audit activities includes: Financial audit: i) whether the final accounts accurately reflect the financial status such as the execution of the budgets (Accuracy); Compliance audit: ii) whether the financial management is properly conducted in conformity with the approved budgets, laws and regulations (Regularity); Performance audit: iii) whether the implementation of projects and programs or budget execution is administered with the minimum cost (Economy); iv) whether the projects and programs gain the maximum result with the given cost or have the best cost-efficient outcome (Efficiency); v) whether the projects and programs achieve the intended results and produce the expected effects (Effectiveness).

FY2019 Audit report

<https://www.jbaudit.go.jp/report/new/all/index.html>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

98. What percentage of expenditures within the mandate of the Supreme Audit Institution (SAI) has been audited?

GUIDELINES:

Question 98 focuses on the coverage of audits by the Supreme Audit Institution (SAI), asking what percentage of expenditures within the SAI's mandate has been audited.

The SAI's mandate is typically defined in statute. Only expenditures related to budgetary central government (ministries, departments, and agencies) that are within the SAI's mandate should be considered for this question. (Question 99 addresses audits of extra-budgetary funds.) Further, the question does not apply to "secret programs" (for example, security-related expenditures that are confidential). Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.

Only the Audit Report identified in Section 1 should be used to answer this question. Financial audits and compliance audits, or a hybrid of the two, can be taken into account to answer this question. Performance audits should not be considered for this question.

To answer "a," all expenditures within the SAI's mandate must be audited. A "b" response applies if at least two-thirds, but not all, expenditures within the SAI's mandate have been audited. A "c" response is appropriate when less than two-thirds of expenditures within the SAI's mandate have been audited. A "d" response applies when no expenditures have been audited.

Answer:

a. All expenditures within the SAI's mandate have been audited.

Source:

All expenditures within the SAI's mandate have been audited. The Audit Board audits all expenditures of the general account with an examination of vouchers. The Board audits financial statements of special accounts. The audit report includes audit result of the Imperial household, the Diet, the court, all administrative units, all incorporated administrative agencies, some of special corporations, government-affiliated organs and other entities.

FY2019 Audit report.

<https://www.jbaudit.go.jp/report/new/index.html>

Scope of Audit

<https://www.jbaudit.go.jp/jbaudit/target/index.html>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

a. All extra-budgetary funds within the SAI's mandate have been audited.

Source:

The Audit Report includes audit results for all EBFs. Article19(1) of Act on special account regulates that any minister with authority (jurisdiction) for a special account has an obligation to produce financial statement and send it to Minister of Finance. Article19(2) regulates that the Cabinet has an obligation to submit those financial statements after auditing by the Audit Board. The audit report includes the results of an examination of all special account financial statements. Article19(1) and (2) of Act on special account

Act on Special Account(JP)

https://elaws.e-gov.go.jp/document?lawid=419AC0000000023_20210401_503AC0000000008

FY2019 Audit report.

<https://www.jbaudit.go.jp/report/new/index.html>

examination of special account financial statement https://www.jbaudit.go.jp/report/new/all/pdf/fy01_11_tokukai.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

The annual audit report prepared by the Audit Board does include an executive summary.

Outline of FY2019 Audit report

<https://www.jbaudit.go.jp/report/new/summary01/index.html>

Characteristic case of FY2019 Audit report

<https://www.jbaudit.go.jp/report/new/summary01/tokutyou.html>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

The executive does not 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. The Supreme Audit Board has followed up with action taken by the executive bodies to reflect the recommendation or findings.

Follow up

<https://www.jbaudit.go.jp/effort/followup.html>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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 Audit Report itself includes information about the status of corrective actions required to address improper facts, with information about what actions have been taken by ministries and agencies, the Diet and the Court. The Audit Report also includes a status report with information about improvement measures in relation to audit opinions and recommendations arising from the audit. According to the comments in the Audit Report: 205 items were pointed out as improper facts, 14 items required action for improvement 24 items had corrective actions taken for improvement in FY2019. There is also a status report on follow-up actions taken with respect to audit recommendations in previous years.

FY2019 Audit report

<https://www.jbaudit.go.jp/report/new/index.html>

Outline of audit results

https://www.jbaudit.go.jp/report/new/summary01/pdf/fy01_01_taiyou.pdf

Inspection results for corrective action required to address improper facts

<https://www.jbaudit.go.jp/report/new/summary01/iken.html>

Status of inspection results for corrective actions to improper facts recorded in audit report

https://www.jbaudit.go.jp/report/new/summary01/pdf/fy01_04_jigo.pdf

Status of improvement measures completed by authorities based on audit findings and recommendations of prior FY

<https://www.jbaudit.go.jp/report/new/summary01/kaizen.html>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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/>) and the High Council for Public Finances in France (Haut Conseil des finances publiques, <https://www.hcftp.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:

Fiscal System Council is set by Act for Establishment of the Ministry of Finance. Council on Economic and Fiscal Policy is set by Act for Establishment of the Cabinet Office. Those are set by law but lack of independence.

Comment:

There are 2 bodies, one is Council on Economic and Fiscal Policy chaired by Prime Minister, and other is the Finance Ministry's Fiscal System Council. But both are not fit for IFI principle. Those have an advisory and analytical role in some part.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

104. Does the Independent Fiscal Institution (IFI) publish macroeconomic and/or fiscal forecasts?

GUIDELINES:

Question 104 assesses whether an Independent Fiscal Institution (IFI) has a role in producing the macroeconomic forecast (e.g., GDP growth, inflation, interest rates, etc.) and/or the fiscal forecast (revenues, expenditure, deficits, and debt), and if so, what kind of role it has. Macroeconomic and/or fiscal forecasting is a typical core function across IFIs, but their role in forecasting takes several forms (von Trapp et al. 2016, p. 17 and Table 2). Some IFIs produce just a macroeconomic forecast, while others produce a complete fiscal forecast (which also typically requires an underlying macroeconomic forecast). In some cases, the fiscal forecast reflects continuation of current budget policies; such forecasts can be used by the legislature, the media, or the public to assess the projections in the executive's budget reflecting the government's policy proposals.

Some IFIs produce the official macroeconomic and fiscal forecasts used in the executive's budget. In other cases, IFIs do not prepare their own independent forecasts, but rather produce an assessment of the official estimates, or provide an opinion on, or endorsement of, the government's forecasts. Some others have no role at all in forecasting.

To answer "a", there must be an IFI that publishes both its own macroeconomic AND fiscal forecasts. Answer "b" applies if an IFI publishes its own macroeconomic OR fiscal forecast (but not both). Answer "c" applies if the IFI does not publish a macroeconomic or fiscal forecast, but rather publishes an assessment of the official forecasts produced by the executive and used in the budget. Choose option "d" if there is no IFI; or if there is an IFI that neither publishes its own macroeconomic and/or fiscal forecasts, nor a commentary on the official forecasts for the budget.

Macroeconomic forecasts may include indicators relating to economic output and economic growth, inflation, and the labor market, amongst others. Fiscal forecasts may include estimates of revenues, expenditures, the budget balance, and debt. If the answer is "a" or "b," please specify which indicators and estimates are included in the forecasts and whether the forecast is used by government as the official forecast. If the answer is "c," please describe the nature and depth of the assessment (e.g., the length of the commentary, or whether it covers both economic and fiscal issues).

Answer:

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:

Fiscal System Council is set by Act for Establishment of the Ministry of Finance. Council on Economic and Fiscal Policy is set by Act for Establishment of the Cabinet Office. Those are set by law but lack of independence.

Comment:

There are 2 bodies, one is Council on Economic and Fiscal Policy chaired by Prime Minister, and other is the Finance Ministry's Fiscal System Council. But both are not fit for IFI principle. Those have an advisory and analytical role in some part.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

105. Does the Independent Fiscal Institution (IFI) publish its own costings of new policy proposals, to assess their impact on the budget?

GUIDELINES:

Question 105 assesses whether an Independent Fiscal Institution (IFI) has a costing function that involves assessing the budgetary implications of new policy proposals for both revenues and expenditures, and if so, what kind of role it has. Many IFIs have a costing role, but with substantial diversity in the nature and extent of this work (von Trapp et al 2016, pp. 17-18 and Table 2). Some assess virtually all new policy proposals, while others cost only a selection of new policy proposals. Others only publish opinions on, or scrutinize the costings of, budget measures produced by the executive.

To answer "a," the IFI must publish its own costings of all (or virtually all) new policy proposals. Answer "b" applies if the IFI publishes its own costings, but only for major new policy proposals – for instance, only those proposals that cost or save above a certain amount. Answer "c" applies if the IFI publishes its own costings, but only on a limited number of proposals. This could occur, for instance, if the IFI lacked the capacity to assess proposals dealing with certain sectors. Instead of producing a cost estimate, it can also publish an assessment of the estimates produced by the executive. Answer "d" applies if there is no IFI; or if the IFI does not publish its own costings of new policy proposals or provide an assessment of the official costings of new policy proposals.

Answer:

d. No, there is no IFI; or the IFI does not publish its own costings of new policy proposals.

Source:

Fiscal System Council is set by Act for Establishment of the Ministry of Finance. Council on Economic and Fiscal Policy is set by Act for Establishment of the Cabinet Office. Those are set by law but lack of independence.

Comment:

There are 2 bodies, one is Council on Economic and Fiscal Policy chaired by Prime Minister, and other is the Finance Ministry's Fiscal System Council. But both are not fit for IFI principle. Those have an advisory and analytical role in some part.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

Fiscal System Council is set by Act for Establishment of the Ministry of Finance. Council on Economic and Fiscal Policy is set by Act for Establishment of the Cabinet Office. Those are set by law but lack of independence.

Comment:

There are 2 bodies, one is Council on Economic and Fiscal Policy chaired by Prime Minister, and other is the Finance Ministry's Fiscal System Council. But both are not fit for IFI principle. Those have an advisory and analytical role in some part.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

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 debated budget policies prior to the tabling of the Executive's Budget Proposal for the most recent budget year before the research cut-off date. In general, prior to discussing the Executive's Budget Proposal for the coming year, the legislature should have an opportunity to review the government's broad budget priorities and fiscal parameters. Often times this information is laid out in a Pre-Budget Statement, which the executive presents to the legislature for debate. (See Questions 54-58.)

A number of countries conduct a pre-budget debate in the legislature around six months before the start of the budget year. In some cases, they adopt laws that guide the upcoming budget, for example the Budget Guidelines Law in Brazil and the Spring Fiscal Policy Bill in Sweden. A pre-budget debate can serve two main purposes: 1) to allow the executive to inform the legislature of its fiscal policy intentions by presenting updated reports on its annual and medium-term budget strategy and policy priorities; and 2) to establish "hard" multi-year fiscal targets or spending ceilings, which the government must adhere to when preparing its detailed spending estimates for the upcoming budget year.

To answer "a," the full legislature must debate budget policy prior to the tabling of the Executive's Budget Proposal and approve recommendations for the upcoming budget.

Answer "b" applies if a legislative committee (but not the full legislature) debates budget policy prior to the tabling of the Executive's Budget Proposal, and approves recommendations for the budget. Option "b" also applies if, in addition to the action by the committee, the full legislature also debates budget policy in advance of the budget, but does not approve recommendations.

Answer "c" applies if the full legislature and/or a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, but does not approve recommendations for the budget. Answer "d" applies if neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.

In your comment, please indicate the dates of the budget debate, and if both the full legislature and a legislative committee held a debate. Note that a debate does not need to be open to the public, but a public record of the meeting or a public notice that the meeting occurred is required. In addition, please indicate whether the budget debate was focused on a Pre-Budget Statement published by the Executive. If the Executive did not publish a Pre-Budget Statement, then please indicate what served as the focus of the legislature's debate (for instance, a report released by an IFI or some other institution).

Answer:

d. No, neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.

Source:

Committee on the budget in the Lower House session in 2020
The 201st ordinary session, January-June 2020
https://www.shugiin.go.jp/internet/itdb_rchome.nsf/html/rchome/News/yosan201.htm
The 202nd extraordinary session, September 2020
https://www.shugiin.go.jp/internet/itdb_rchome.nsf/html/rchome/News/yosan202.htm
The 203rd extraordinary session, October-December 2020
https://www.shugiin.go.jp/internet/itdb_rchome.nsf/html/rchome/News/yosan203.htm

Comment:

Committee on the budget in the Diet doesn't hold a session for debating budget policy before tabling EBP. As the government usually submits the supplemental budget proposal to the Diet every year, the committee holds a session for debating supplemental budget proposal in the extraordinary session and sometimes at the beginning of the ordinary session but it is not a session of budget policy.

Peer Reviewer
Opinion: Agree

Comments: Only the Cabinet has the right to submit a budget proposal, stipulated by the Constitution. Diet Members do not have the right.

Government Reviewer
Opinion: I choose not to review this question

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 most recent budget year the legislature receives the Executive's Budget Proposal. International good practice recommends that the Executive's Budget Proposal should be submitted to the legislature far enough in advance to allow the legislature time to review it properly, or at least three months prior to the start of the fiscal year. (See, for instance, Principle 2.2.2 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>)).

For the purposes of responding to this question, if – and only if – the most recent budget submission occurred later than usual as a result of a particular event, such as an election, please use a more normal year as the basis for the response. If, however, delays have been observed for more than one budget year, and the legislature has not received the Executive's Budget Proposal in a timely manner on more than one occasion in the last three years, then "d" will be the appropriate answer.

To answer "a," the legislature must receive the Executive's Budget Proposal at least three months in advance of the start of the budget year. Answer "b" applies if the legislature receives the Executive's Budget Proposal at least two months, but less than three months, before the start of the budget year. Answer "c" applies if the legislature receives the Executive's Budget Proposal at least one month, but less than two months, before the start of the budget year. Answer "d" applies if the legislature does not receive the Executive's Budget Proposal at least one month prior to the start of the budget year, or does not receive it at all.

Answer:

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

Source:

Deliberation Process of FY2020 EBP in the Diet

https://www.shugiin.go.jp/internet/itdb_iinkai.nsf/html/gianrireki/201_201_yosan_4.htm

Comment:

Deliberation Process of FY2020 EBP in the Diet shows that the Diet received it on 20 January 2020.

Peer Reviewer

Opinion: Agree

Comments: An ordinary session of the Diet shall be annually convoked in January as a rule, stipulated by Article 2 of Diet Law. Diet Law

<https://www.sangiin.go.jp/eng/law/diet/index.htm> And the budget proposal must first be submitted to the House of Representatives, stipulated by Article 60 of the Constitution. Also, according to this article, the decision of the House of Representatives shall be the decision of the Diet, in the case of failure by the House of Councillors to take final action within 30 days, the period of recess excluded, after the receipt of the budget passed by the House of Representatives. Therefore, usually the Cabinet submits EBP to the Diet in January, and aims for it to be passed by the House of Representatives in February in order that it can be approved before the start of the budget year in April.

Government Reviewer

Opinion: I choose not to review this question

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:

Deliberation Process of FY2020 EBP in the Diet
https://www.shugiin.go.jp/internet/itdb_iinkai.nsf/html/gianrireki/201_201_yosan_4.htm

Comment:

Deliberation Process of FY2020 EBP in the Diet shows that the Diet received it on 27 March 2020.

Peer Reviewer

Opinion: Agree

Comments: The decision of the House of Representatives shall be the decision of the Diet, in the case of failure by the House of Councillors to take final action within 30 days, the period of recess excluded, after the receipt of the budget passed by the House of Representatives, stipulated by Article 60 of the Constitution. <http://www.japaneselawtranslation.go.jp/law/detail/?id=174&vm=04&re=01&new=1>

Government Reviewer

Opinion: I choose not to review this question

110. Does the legislature have the authority in law to amend the Executive's Budget Proposal?

GUIDELINES:

Question 110 examines the legislature's power to amend—as opposed to simply accept or reject—the budget proposal presented by the executive. This question is about legal authority rather than actions the legislature takes in practice. The legislature's powers to amend the budget can vary substantially across countries.

The "a" response is appropriate only if there are no restrictions on the right of the legislature to modify the Executive's Budget Proposal, including its right to change the size of the proposed deficit or surplus. The "b" response would be appropriate if, for instance, the legislature is restricted from changing the deficit or surplus, but it still has the power to increase or decrease funding and revenue levels. The more limited "c" response would apply if, for instance, the legislature can only re-allocate spending within the totals set in the Executive's Budget Proposal or can only decrease funding levels or increase revenues. Finally, response "d" would apply if the legislature may not make any changes (or only small technical changes), or if amendments must first be approved by the executive. In these cases, the legislature is essentially only able to approve or reject the budget as a whole. If the answer is "b" or "c", please indicate the nature of the amendment powers available to the Parliament and how they are limited.

Answer:

a. Yes, the legislature has unlimited authority in law to amend the Executive's Budget Proposal.

Source:

The Constitution of Japan

[http://www.japaneselawtranslation.go.jp/law/detail/?](http://www.japaneselawtranslation.go.jp/law/detail/?printID=&ft=1&re=01&dn=1&x=0&y=0&co=01&ia=03&ky=%E6%97%A5%E6%9C%AC%E5%9B%BD%E6%86%B2%E6%B3%95&page=14&vm=02)

[printID=&ft=1&re=01&dn=1&x=0&y=0&co=01&ia=03&ky=%E6%97%A5%E6%9C%AC%E5%9B%BD%E6%86%B2%E6%B3%95&page=14&vm=02](http://www.japaneselawtranslation.go.jp/law/detail/?printID=&ft=1&re=01&dn=1&x=0&y=0&co=01&ia=03&ky=%E6%97%A5%E6%9C%AC%E5%9B%BD%E6%86%B2%E6%B3%95&page=14&vm=02)

Article 83. The power to administer national finances shall be exercised as the Diet shall determine. Article 85. No money shall be expended, nor shall the State obligate itself, except as authorized by the Diet.

Article 86. The Cabinet shall prepare and submit to the Diet for its consideration and decision a budget for each fiscal year.

Public Finance Law

<https://warp.da.ndl.go.jp/info:ndljp/pid/6021713/www.mof.go.jp/english/budget/budget/fy2002/brief/2002-35.htm>

Article 19 (Reduction of the amount of estimated expenditure of independent organizations) In cases where the Cabinet reduces the estimated expenditure of the Diet, the court and the Board of Audit, and the Cabinet shall, with regard to the estimated expenditure of the Diet, the court and the Board of Audit, report the details of the said reduction in the revenue and expenditure budget, and also specify the necessary finance for the Diet to correct the amount of expenditure pertaining to the Diet, the court and the Board of Audit.

Comment:

There is no provision in law to limit EBP amendment by the Diet. But governmental opinion stated in the committee on budget in the lower house in 1952 that the Diet has an authority to amend EBP as far as not to damage right to submit EBP of the Cabinet.

Peer Reviewer

Opinion: Agree

Comments: Article 57-II of the Diet Law stipulates that a motion of budgetary amendment to be taken up in a plenary sitting must be supported by at least fifty Members in the House of Representatives, and at least twenty in the House of Councillors.

<https://www.sangiin.go.jp/eng/law/diet/index.htm>

Government Reviewer

Opinion: I choose not to review this question

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:

Deliberation Process of FY2020 EBP in the Diet
https://www.shugiin.go.jp/internet/itdb_iinkai.nsf/html/gianrireki/201_201_yosan_4.htm

Comment:

EBP was approved without amendment by the Diet with majority vote in both houses.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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. 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:

c. Yes, a specialized budget or finance committee examined the Executive's Budget Proposal, but it did not publish a report with findings and recommendations prior to the budget being adopted.

Source:

Deliberation Process of FY2020 EBP in the Diet
https://www.shugiin.go.jp/internet/itdb_iinkai.nsf/html/gianrireki/201_201_yosan_4.htm

Progress of the committee on Budget of the House of the Councillors in the 201 ordinary session
<https://www.sangiin.go.jp/japanese/joho1/kousei/gian/201/meisai/m201150201004.htm>

Comment:

The both house committees did not publish any report with findings and recommendations both prior and after to the budget being adopted. The deliberation minutes and result of voting were published.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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 note that the examination of sectoral budgets by a specialized budget or finance committee is assessed in Question 112 and should not be considered for this question.

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:

Deliberation Process of FY2020 EBP in the Diet
https://www.shugiin.go.jp/internet/itdb_iinkai.nsf/html/gianrireki/201_201_yosan_4.htm

Progress of the committee on Budget of the House of the Councillors in the 201 ordinary session
<https://www.sangiin.go.jp/japanese/joho1/kousei/gian/201/meisai/m201150201004.htm>

Comment:

EBP is examined only by the committee on budget according to the commitment by the both House rule. Other sectoral standing committees were not committed to examine EBP.

Peer Reviewer

Opinion: Agree

Comments: Other sectoral standing committees deliberates on amendments or new enactments of laws necessary to implement EB.

Government Reviewer
Opinion: I choose not to review this question

114. In the past 12 months, did a committee of the legislature examine in-year implementation of the Enacted Budget during the relevant budget execution period?

GUIDELINES:

Question 114 is about legislative oversight of budget execution. It assesses whether and how often a committee examined the implementation of the budget during the budget execution period (i.e., financial year) for which it was approved, and whether this resulted in an official report with findings and recommendations. This question does not apply to the ex post review of implementation following the end of the budget year as part of the audit stage, which is assessed separately. Nor does it apply to the legislature's review of the budget that it may undertake as part of the process of considering a supplemental budget during the year. In-year monitoring by the legislature will be affected by the frequency that the executive publishes In-Year Reports.

To answer "a," a committee must have examined in-year implementation of the Enacted Budget at least three times during the course of the relevant budget year and published reports with findings and recommendations. Answer "b" applies where this occurred only once or twice during the year.

Exception: If a legislature is in session only twice during the year, and it examines the implementation of the budget during both sessions, then it would be eligible for an "a" response.

Choose "c" if a committee examined in-year implementation (without regard to frequency), but did not publish any report with findings and recommendations. Answer "d" applies where no committee examined in-year implementation.

If the answer is "a" or "b," please specify the name of the committee and when it reviewed budget implementation, and provide a copy of its report(s). If the answer is "c," please specify the name of the committee and when it reviewed budget implementation.

For purposes of responding to this question, if more than one committee holds in-year reviews of the budget, use the committee that is best performing – that is, the one that examines in-year implementation the most times and that publishes a report.

Answer:

d. No, a committee did not examine in-year implementation.

Source:

The committees in the House of the Representatives jurisdiction
http://www.shugiin.go.jp/internet/itdb_iinkai.nsf/html/iinkai/iinkai_jounin.htm

The committees in the House of the Councillors jurisdiction
http://www.sangiin.go.jp/japanese/kon_kokkaijyoho/iinkai/tiinkai.html

Comment:

There is no committee to examine in-year implementation as a classification of matters under the jurisdiction of both Houses.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

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:

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.

Source:

Public Finance Law

<https://warp.da.ndl.go.jp/info:ndljp/pid/6021713/www.mof.go.jp/english/budget/budget/fy2002/brief/2002-35.htm>

Article 33 (Transfer and diversion of budget)

(1) With regard to the expenses allocated for each department and division or the expenses for each paragraph within each department and division as determined in the expenditure budget or continued budget, the head of each Ministry or Agency shall be prohibited from transferring or diverting the said expenses among the departments and divisions or paragraphs. However, based on the necessity for implementation of the budget plan, only in cases where such a transfer or diversion was previously approved by the Diet under the budget, shall such a transfer or diversion be permissible upon obtaining the approval of the Minister of Finance.

Article15 of General Provision of Budget(P18) <https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

Comment:

EB includes "general provisions of budget". The Diet approved this provision as a part of EB. Article 15 of general provisions of budget regulates a condition to be able to transfer of a budget appropriation from one section or one paragraph to another in the individual executive body based on article33(1) of public finance law. The legislature comprehensively approves prior to shifting funds when EB was approved. So it is likely lack of jurisdiction of the legislature but it cannot say the legislature does not have any power to shifting funds.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

116. Does the executive seek approval from the legislature prior to spending excess revenue (that is, amounts higher than originally anticipated) that may become available during the budget execution period, and is it legally required to do so?

GUIDELINES:

Question 116 examines whether the executive receives approval from the legislature prior to spending excess revenue, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if additional revenue is collected unexpectedly during the year, which often happens in oil/mineral-dependent countries, and it was not accounted for in the Enacted Budget, there should be a procedure in place to ensure that the legislature approves any proposed use of these "new" funds. If such requirements are not in place, the executive might deliberately underestimate revenue in the budget proposal it submits to the legislature, in order to have additional resources to spend at the executive's discretion, with no legislative control.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before spending any funds resulting from higher-than-expected revenues, and it does so in practice. Answer "b" applies if the executive obtains legislative approval before spending excess revenue, but is not legally required to do so. Answer "c" applies if the executive is legally required to receive legislative approval before spending excess revenue, but does not do so in practice. Answer "d" applies if prior legislative approval is not legally required for the executive to spend excess revenue and the executive does not obtain legislative approval in practice. A "d" response applies if the legislature only approves the additional spending after it has already occurred.

Typically, legislative approval of additional spending beyond what was reflected in the Enacted Budget would occur with the adoption of a supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.

Answer:

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

Source:

Public Finance Law

<https://warp.da.ndl.go.jp/info:ndljp/pid/6021713/www.mof.go.jp/english/budget/budget/fy2002/brief/2002-35.htm>

Article 6 (Redemption of public bonds as are result of surplus in the national treasury funds)

(1) In cases where surplus is generated in the current account in each fiscal year, an amount not exceeding half the amount of the said surplus shall, unless otherwise required by other laws, be used for the redemption of public bonds and repayment of borrowing within two years from the said fiscal year in which the surplus was generated.

(2) The calculation of surplus mentioned in the preceding paragraph shall be determined by Cabinet order. Article 14 (Budget) Revenue and expenditure of a fiscal year shall be incorporated in the budget plan. Article 29 (Supplementary budget) The Cabinet may, only in the following cases, prepare a supplementary budget in accordance with the budget planning procedures and submit the said budget to the Diet:

1) in cases where an additional budget is prepared to compensate a shortfall in expenses pertaining to the duties of the state according to the laws or contracts; to pay the expenses which become particularly imperative due to the matters that arise after the budget plan is established (including the expenses which is only to be transferred within the national treasury funds in the relevant fiscal year); and to bear liabilities

2) in cases where, due to matters that arise after the budget plan is established, an amendment other than preparation of an additional budget is made to the budget plan Article 41 (Carry-over of surplus to accounts in the following fiscal year) In every fiscal year, in cases where surplus of revenue and expenditure is produced on accounts, the said surplus shall be carried over to the revenue of the subsequent fiscal year.

Comment:

Public Finance Law requires entire revenue and expenditure of FY shall be incorporated in the budget. Therefore, if the Cabinet plans to execute the budget larger than enacted budget due to excess revenue, it is necessary to draft supplemental budget and to be approved by the Diet. When surplus funds arises at the end of the FY, these funds is used for the redemption of public bonds and repayment of borrowing (see Article6, 41). Article 6 and 41 do not require to be approved by the legislatures.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

117. Does the executive seek approval from the legislature prior to reducing spending below the levels in the Enacted Budget in response to revenue shortfalls (that is, revenues lower than originally anticipated) or other reasons during the budget execution period, and is it legally required to do so?

GUIDELINES:

Question 117 examines whether the executive receives approval from the legislature prior to cutting spending below the levels in the Enacted Budget in response to revenue shortfalls or for any other reason, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if less revenue is collected unexpectedly during the year, the legislature should approve or reject any proposed reductions in expenditures that are implemented as a result. If such requirements are not in place, the executive might substantially change the composition of the budget at the executive's discretion, with no legislative control.

Typically, legislative approval of proposals to reduce spending below the levels reflected in the Enacted Budget would occur as part of the supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before implementing spending cuts in response to revenue shortfalls or for other reasons, and it does so in practice. Answer "b" applies if the executive received legislative approval before implementing such cuts, but is not legally required to do so. Answer "c" applies if the executive is legally required to obtain legislative approval before implementing such cuts, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to implement such cuts and the executive does not obtain such approval in practice. A "d" response applies if the legislature only approves the spending cuts after they have already occurred.

Answer:

a. The executive is required by law or regulation to obtain approval from the legislature prior to reducing spending below the enacted levels in response to revenue shortfalls or other reasons, and it does so in practice.

Source:

Public Finance Law

<http://www.mof.go.jp/english/budget/budget/fy2002/brief/2002-35.htm>

Article 29 (Supplementary budget)

The Cabinet may, only in the following cases, prepare a supplementary budget in accordance with the budget planning procedures and submit the said budget to the Diet:

1) in cases where an additional budget is prepared to compensate a shortfall in expenses pertaining to the duties of the state according to the laws or contracts; to pay the expenses which become particularly imperative due to the matters that arise after the budget plan is established (including the expenses which is only to be transferred within the national treasury funds in the relevant fiscal year); and to bear liabilities

2) in cases where, due to matters that arise after the budget plan is established, an amendment other than preparation of an additional budget is made to the budget plan

First Supplemental Budget of General Account of FY2020
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202021001.pdf>
First Supplemental Budget of Special Account of FY2020
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202022001.pdf>

Second Supplemental Budget of General Account of FY2020
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202021002.pdf>
Second Supplemental Budget of Special Account of FY2020
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202022002.pdf>

Comment:
Article29(2) of Public Finance Law regulates in cases of an amendment other than preparation of an additional budget.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: After approved the supplementary budget, even if there are revenue shortfalls at the time of settlement, expenditures up to the approved amounts are allowed. Prior legislative approval is not required for spending cuts in response to revenue shortfalls. When a shortfall arises in revenues in General Account at the time of settlement due to an unforeseeable decrease in tax revenues, the amount of the shortfall is covered from the settlement adjustment fund, and the shortfall is transferred back to the fund by the following two fiscal years, as stipulated by Act on Account Settlement Adjustments Fund. Act on Account Settlement Adjustments Fund <http://www.japaneselawtranslation.go.jp/law/detail/?id=1060&vm=02&re=02&new=1> Revenue shortfalls in General Account at the time of settlement arose in FY1981, FY1992, FY1993, FY1997, FY2001, and FY2008.

Government Reviewer

Opinion: Agree

IBP Comment

IBP confirms researchers response of A. This indicator is assessing reducing expenditure due to revenue shortfall. In this case, the government needs to form supplemental budget if it is necessary to reduce expenditure. Hence, A applies.

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:

d. No, a committee did not examine the Audit Report on the annual budget.

Source:

The Constitution

<http://www.japaneselawtranslation.go.jp/law/detail/?printID=&ft=1&re=01&dn=1&x=0&y=0&co=01&ia=03&ky=%E6%86%B2%E6%B3%95&page=23&vm=02>

Article 90. Final accounts of the expenditures and revenues of the State shall be audited annually by a Board of Audit and submitted by the Cabinet to the Diet, together with the statement of audit, during the fiscal year immediately following the period covered.

Comment:

The Board of Audit has an obligation to submit audit report but the report is just referred by the legislatures. Audit Report does not require to be approve by the Diet.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

The Board of Audit Act

<http://www.japaneselawtranslation.go.jp/law/detail/?printID=&ft=1&re=01&dn=1&x=0&y=0&co=01&ia=03&ky=%E4%BC%9A%E8%A8%88%E6%A4%9C%E6%9F%BB%E9%99%A2&page=1&vm=02>

Article 1 The Board of Audit has a status independent from the Cabinet.

Article 2 The Board of Audit is organized with an Audit Commission consisting of three Commissioners, and a General Executive Bureau. Article 3 The person elected by the Commissioners from among themselves is appointed President of the Board of Audit by the Cabinet.

Article 4 (1) Commissioners are appointed by the Cabinet, with the consent of both Houses of the Diet.

(2) Notwithstanding the provisions of the preceding paragraph, if the term of office of a Commissioner expires or a vacancy occurs among the Commissioners, and the consent of both Houses of the Diet cannot be obtained because the Diet is not in session or due to the dissolution of the House of Representatives, the Cabinet may appoint a Commissioner without obtaining the consent of both Houses of the Diet.

(3) In the case referred to in the preceding paragraph, approval must be sought from both Houses of the Diet at the first session of the Diet convened after the appointment. If approval is not obtained from both Houses of the Diet, the relevant Commissioner will automatically retire from office.

(4) The Emperor attests the appointment and dismissal of Commissioners.

Article 6 A Commissioner retires from office upon a resolution by both Houses of the Diet, if, by the consensus of the other Commissioners, the Commissioner is found to be unable to perform his/her duties due to a mental or physical disorder or a fact is found that constitutes a breach of obligation in the course of duty.

Article 7 A Commissioner forfeits his/her office if he/she is sentenced to a punishment of imprisonment without work or greater by a criminal court.

Article 8 Except in cases referred to in the latter part of Article 4 paragraph (3) and the preceding two Articles, a Commissioner does not forfeit his/her office against his/her will.

Comment:

The appointment of commissioners is mandatory given final consent by the Diet and to be attested by the Emperor. Regarding the president of the board of audit, article 3 of the Board of Audit Act says that "The person elected by the Commissioners from among themselves is appointed President of the Board of Audit by the Cabinet."

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

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:

The Board of Audit Act

<http://www.japaneselawtranslation.go.jp/law/detail/?printID=&ft=1&re=01&dn=1&x=0&y=0&co=01&ia=03&ky=%E4%BC%9A%E8%A8%88%E6%A4%9C%E6%9F%BB%E9%99%A2&page=1&vm=02>

Article4(4) The Emperor attests the appointment and dismissal of Commissioners.

Article5(3) Commissioners retire from office upon reaching the age of 65.

Article 6 A Commissioner retires from office upon a resolution by both Houses of the Diet, if, by the consensus of the other Commissioners, the Commissioner is found to be unable to perform his/her duties due to a mental or physical disorder or a fact is found that constitutes a breach of obligation in the course of duty.

Article 7 A Commissioner forfeits his/her office if he/she is sentenced to a punishment of imprisonment without work or greater by a criminal court.

Article 8 Except in cases referred to in the latter part of Article 4 paragraph (3) and the preceding two Articles, a Commissioner does not forfeit his/her office against his/her will.

Comment:

The president of the board of audit is elected by commissioners. There is no regulation to be removed as the president of the board by the executive body so far. There is a provision to remove commissioner in cases of special occasions. Article 6 of The Board of Audit Act regulates the case of removing commissioner by the consensus of the other commissioners at particular cases which are provided by the Act. When it happens, it is necessary to be approved by the Diet.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

121. Who determines the budget of the Supreme Audit Institution (SAI)?

GUIDELINES:

Question 121 asks who determines the budget of the Supreme Audit Institution (SAI). To ensure objective audits of government budgets, another important component of the SAI's independence from the executive is the extent to which the SAI's budget is determined by a body other than the executive, and whether the SAI has adequate resources to fulfill its mandate.

Answer "a" applies if the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate, AND either the SAI determines its own budget and then submits it to the executive (which accepts it with little or no change) or directly to the legislature, or the budget of the SAI is determined

directly by the legislature or judiciary (or some independent body). Answer "b" applies if the SAI's budget is determined by the executive (absent a recommendation from the SAI), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate. Answer "c" applies if the legislature or judiciary (or some independent body) determines the SAI's budget, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Answer "d" applies if the executive determines the SAI's budget, and the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Please provide evidence in support of the assessment that the funding level is or is not broadly consistent with the resources the SAI needs to fulfill its mandate.

Answer:

a. The SAI determines its own budget (i.e., submits it to the executive, which accepts it with little or no change, or directly to the legislature), or the budget of the SAI is determined by the legislature or judiciary (or some independent body), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.

Source:

Public Finance Law

<http://www.mof.go.jp/english/budget/budget/fy2002/brief/2002-35.htm>

Article 17 (Estimate of revenue and expenditure, etc.)

(1) The speaker of the House of Representatives, President of the House of Councilors, Chief Judge of the Supreme Court and President of the Board of Audit shall, every fiscal year, prepare documents on revenue, expenditure, continued expenses, approved expenses to be carried over to the following year and the act of bearing liabilities with national treasury funds within each jurisdiction, and submit the said documents to the Cabinet so as to help the Cabinet incorporating and coordinating the budget plan.

Article 18 (Estimate of revenue and expenditure, etc.)

(1) The Minister of Justice shall take the estimate mentioned in the preceding Article into account and make the necessary adjustments, and prepare the estimate of revenue, expenditure, continued expenses, approved expenses to be carried over to the following year and the act of bearing liabilities with national treasury funds to be subject to the Cabinet decision.

(2) When the Cabinet intends to make the decision mentioned in the preceding paragraph, with regard to the estimate of expenditure concerning the Diet, the court and the Board of Audit, the Cabinet shall previously ask the speaker of the House of Representatives, President of the House of Councilors, Chief Judge of the Supreme Court and President of the Board of Audit for the opinions on the said decision.

Article 19 (Reduction of the amount of estimated expenditure of independent organizations)

In cases where the Cabinet reduces the estimated expenditure of the Diet, the court and the Board of Audit, and the Cabinet shall, with regard to the estimated expenditure of the Diet, the court and the Board of Audit, report the details of the said reduction in the revenue and expenditure budget, and also specify the necessary finance for the Diet to correct the amount of expenditure pertaining to the Diet, the court and the Board of Audit.

Article 20 (Preparation of the specification of revenue budget and request of the planned expenses, etc.)

(1) The Minister of Finance shall prepare the specification of the revenue budget every fiscal year in accordance with the Cabinet decision mentioned in Article 18.

(2) The speaker of the House of Representatives, President of the House of Councilors, Chief Judge of the Supreme Court and President of the Board of Audit, Prime Minister and other Ministers (hereinafter referred to as head of each Ministry or Agency) shall prepare, every fiscal year, the request of planned expenses, request of continued expenses, request of approved expenses to be carried over to the following year and request the act of bearing liabilities with national treasury funds (hereinafter referred to as the request of planned expenses, etc.) not exceeding the estimated amount decided by the Cabinet as stipulated in Article 18, and submit the said request to the Minister of Finance.

Article 21 (Budget planning)

The Minister of Finance shall prepare the budget plan based on the specification of revenue budget as well as the request of planned expenses, etc. of the House of Representatives, the House of Councilors, the court, the Board of Audit, the Prime Minister, the Management Coordination Agency and each Ministry (hereinafter referred to as each Ministry or Agency), and the said budget plan shall be subject to the Cabinet decision.

Comment:

The budget of SAI is a part of EBP. Requested budget by SAI is examined and coordinated by the Ministry of Finance. Article 19 of Public Finance Act requires to add detail of estimated budget by SAI in a case of reducing requested budget. Article 18(2) requires to the Cabinet asking SAI's opinion or comment prior determining EBP.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

b. The SAI has significant discretion, but faces some limitations.

Source:

The Board of Audit Act

[http://www.japaneselawtranslation.go.jp/law/detail/?](http://www.japaneselawtranslation.go.jp/law/detail/?printID=&ft=1&re=01&dn=1&x=0&y=0&co=01&ia=03&ky=%E4%BC%9A%E8%A8%88%E6%A4%9C%E6%9F%BB%E9%99%A2&page=1&vm=02)

[printID=&ft=1&re=01&dn=1&x=0&y=0&co=01&ia=03&ky=%E4%BC%9A%E8%A8%88%E6%A4%9C%E6%9F%BB%E9%99%A2&page=1&vm=02](http://www.japaneselawtranslation.go.jp/law/detail/?printID=&ft=1&re=01&dn=1&x=0&y=0&co=01&ia=03&ky=%E4%BC%9A%E8%A8%88%E6%A4%9C%E6%9F%BB%E9%99%A2&page=1&vm=02)

Article 20 (1) The Board of Audit audits the final accounts of the expenditures and revenues of the State, pursuant to the provisions of Article 90 of the Constitution of Japan, and also audits such accounts as are provided for by law.

(2) The Board of Audit continuously conducts its audit, supervises financial management, ensures its adequacy, and rectifies any defects.

(3) The Board of Audit shall conduct its audit with the objective of accuracy, regularity, economy, efficiency, effectiveness, or other objectives necessary for auditing.

Article 24 (1) An entity subject to audit by the Board of Audit must, pursuant to the regulations on the Submission of Accounts set forth by the Board of Audit, regularly submit statements of accounts (including electromagnetic records (meaning records made in an electronic form, a magnetic form, or any other form not recognizable through human perception, and which are set forth by Board of Audit Regulations as those for use in computer data-processing; the same applies in the following paragraph) on which the matters that are to be stated in the relevant statement of accounts have been recorded; the same applies hereafter) and documentary evidence (including electromagnetic records on which the matters that are to be stated in the relevant documentary evidence have been recorded; the same applies hereafter) to the Board of Audit.

(2) Other documents specified by the Board of Audit (including electromagnetic records on which the matters that are to be stated in the relevant documents have been recorded) may be submitted to the Board of Audit regarding the receipt and payment of cash or receipt and issue of goods and securities owned or retained by the State, in place of the statements of accounts and documentary evidence set forth in the preceding paragraph.

Article 25 The Board of Audit may dispatch its staff to conduct field audits on a regular or temporary basis. In such cases, the entity subject to the field audits must accept such audits.

Article 26 The Board of Audit may, if necessary for an audit, request the entity subject to the audit to submit its books, documents, other materials, or reports, and may question any relevant party or request such party to appear. In such a case, the entity that has been requested to submit its books, documents, other materials, or reports, or the party questioned or requested to appear must respond accordingly.

Article 27 If one of the following facts occurs with regard to financial management subject to audit by the Board of Audit, the head of the relevant department, the supervising authority, or other person similarly responsible must report this immediately to the Board of Audit: (i) discovery of a crime in connection with an accounting; (ii) discovery of loss of cash, securities, or other property.

Article 28 The Board of Audit may, if necessary for an audit, ask government agencies, public entities, and any other party to submit materials, give expert opinions, etc.

Article 34 If there are items that the Board of Audit finds, in the course of its audit, to violate laws and regulations on financial management or to be improper, it may immediately present its opinions on the financial management to, or demand appropriate measures with regard to the financial management from, the head of the relevant department or from the relevant parties, and may have them take measures to rectify and improve subsequent management.

Article 35 (1) If the Board of Audit has been requested by an interested party to examine the conduct of an official who handles accounting for the State with regard to the handling of financial management, the Board of Audit must examine that official's conduct and, if the Board of Audit considers it necessary for such conduct to be corrected in consequence, it must notify the competent authorities or other responsible parties of this judgment.

(2) If the competent authorities or responsible parties have been notified as referred to in the preceding paragraph, they must take appropriate measures pursuant to the judgment of which they have been notified.

Article 36 If, as a result of its audit, the Board of Audit finds there to be matters necessitating improvement with regard to laws and regulations, systems, or administration, it may present its opinions to, or demand measures for improvement from, the competent authorities or other responsible parties.

Article 37 (1) The Board of Audit shall be notified of the following cases in advance and may present its opinions thereon: (i) enactment, amendment, or repeal of laws and regulations concerning State financial management; (ii) enactment, amendment, or repeal of rules and regulations concerning State handling and accounting of cash, goods, and securities, or bookkeeping.

(2) If an official who handles accounting for the State requests an opinion from the Board of Audit with regard to a matter he/she is unsure of in connection with the performance of his/her official duties, the Board of Audit must present its opinion about this.

Comment:

SAI basically has full discretion. There is a little limitation which SAI can not examine actual evidence of expenditure like receipt in case of specific expenditures such like secret service fund. However, in a said case, executive body must submit and create document regarding expenditures instead of actual evidence.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

d. No, the audit processes of the SAI are reviewed neither by an independent agency nor by a unit within the SAI.

Source:

Organization of the Board <http://www.jbaudit.go.jp/english/jbaudit/organization.html>

The Board of Audit Act

<http://www.japaneselawtranslation.go.jp/law/detail/?printID=&ft=1&re=01&dn=1&x=0&y=0&co=01&ia=03&ky=%E4%BC%9A%E8%A8%88%E6%A4%9C%E6%9F%BB%E9%99%A2&page=1&vm=02>

Comment:

There is no article regarding reviewing activities of the board of audit at the board of audit act. There is no division or section for it in the office of the board of audit.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

a. Frequently (i.e., five times or more).

Source:

The Audit Committee, The House of the Councillors, 30/11/2020
<https://kokkai.ndl.go.jp/#/detail?minId=120314103X00120201130&t=7>

The Committee on Financial Affairs, the House of Representatives, 24/11/2020
<https://kokkai.ndl.go.jp/#/detail?minId=120304376X00320201124&t=11>

The Committee on Internal Affairs and Communications, the House of the Councillors, 24/11/2020
<https://kokkai.ndl.go.jp/#/detail?minId=120314601X00320201124&t=12>

The Committee on Health, Labour and Welfare, the House of Representatives, 2020/11/13
<https://kokkai.ndl.go.jp/#/detail?minId=120304260X00320201113&t=18>

The Audit Committee, the House of the Councillors, 22/6/2020
<https://kokkai.ndl.go.jp/#/detail?minId=120114103X00120200622&t=33>

The Committee on Agriculture, Forestry and Fisheries, the House of the Councillors, 16/6/2020
<https://kokkai.ndl.go.jp/#/detail?minId=120115007X01420200616&t=38>

The Committee on Budget, the House of Representatives, 9/6/2020
<https://kokkai.ndl.go.jp/#/detail?minId=120105261X02620200609&t=42>

The Committee on Budget, the House of the Councillors, 25/3/2020
<https://kokkai.ndl.go.jp/#/detail?minId=120115261X01420200325&t=87>

The Committee on Budget, the House of the Councillors, 23/3/2020
<https://kokkai.ndl.go.jp/#/detail?minId=120115261X01320200323&t=89>

First subcommittee of the Committee on Budget, the House of Representatives, 25/2/2020
<https://kokkai.ndl.go.jp/#/detail?minId=120105266X00120200225&t=102>

Comment:

The president or other senior staffs of the board of audit appeared at several standing committees or special committee of the both Houses. The Board of Audit Act has provisions regarding submitting report to the Diet and presenting opinion at the Diet. Last 12 month, it can be counted more than 10 times which the board of audit presented at committees of the Diet to explain very briefly about report which the board of audit submitted or answer a question by MP.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

c. Yes, the executive uses participation mechanisms during the budget formulation 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:

Fiscal System Council

https://www.mof.go.jp/about_mof/councils/fiscal_system_council/index.html

The Act for Establishment of Ministry of Finance, Article 6 and 7

[http://elaws.e-gov.go.jp/search/elawsSearch/elaws_search/lsg0500/detail?](http://elaws.e-gov.go.jp/search/elawsSearch/elaws_search/lsg0500/detail?lawid=411AC0000000095_20171001_429AC0000000038&openerCode=1)

[lawid=411AC0000000095_20171001_429AC0000000038&openerCode=1](http://elaws.e-gov.go.jp/search/elawsSearch/elaws_search/lsg0500/detail?lawid=411AC0000000095_20171001_429AC0000000038&openerCode=1)

Comment:

The Fiscal System Council was established by article 6 of the Act for Establishment of Ministry of Finance. Article 7 of the Act provides the range of authority including deliberation and providing recommendation of an important matter of the budget, the settlement, and fiscal system. The Council consists scholars, people from private sector and some other experts. Due to its legal basis, the Council deliberates and makes a recommendation on the budget policy prior to the Cabinet decision of EBP.

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 at least one vulnerable and underrepresented community and/or civil society organization 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:

Fiscal System Council

https://www.mof.go.jp/about_mof/councils/fiscal_system_council/index.html

The Act for Establishment of Ministry of Finance, Article 6 and 7

[http://elaws.e-gov.go.jp/search/elawsSearch/elaws_search/lsg0500/detail?](http://elaws.e-gov.go.jp/search/elawsSearch/elaws_search/lsg0500/detail?lawid=411AC0000000095_20171001_429AC0000000038&openerCode=1)

[lawid=411AC0000000095_20171001_429AC0000000038&openerCode=1](http://elaws.e-gov.go.jp/search/elawsSearch/elaws_search/lsg0500/detail?lawid=411AC0000000095_20171001_429AC0000000038&openerCode=1)

Comment:

The Fiscal System Council includes a member from social welfare sector. However, such a member represents a specific social welfare issue, doesn't represent sufficient vulnerable and underrepresented parts of the population. There is any further concrete steps to include individuals or CSOs representing vulnerable and underrepresented parts of the population.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

Answer "d" applies if requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

b. The executive's engagement with citizens covers at least three (but less than six) of the above-mentioned topics.

Source:

Fiscal System Council

https://www.mof.go.jp/about_mof/councils/fiscal_system_council/index.html

Proposal on FY2021 Fiscal Formulation, 25 November 2020

https://www.mof.go.jp/about_mof/councils/fiscal_system_council/sub-of_fiscal_system/report/zaiseia20201125/zaiseia20201125.html

Proposal

https://www.mof.go.jp/about_mof/councils/fiscal_system_council/sub-of_fiscal_system/report/zaiseia20201125/01.pdf

Reference materials

https://www.mof.go.jp/about_mof/councils/fiscal_system_council/sub-of_fiscal_system/report/zaiseia20201125/03.pdf

Comment:

Proposal for FY2021 Fiscal Formulation includes 3, 4, 5 and 6. Proposal

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. The executive's engagement with citizens covers all six topics.

Comments: Council on Economic and Fiscal Policy set by Act for Establishment of the Cabinet Office, which includes members from private sectors, discusses macroeconomic and fiscal forecasts. <https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2020/0731/agenda.html>

<https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2020/1208/agenda.html>

IBP Comment

Many thanks to government reviewer for their comments. However, we could not see tax issues being discussed. As such, answer choice B is maintained.

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:

Administrative Project Review

<https://www.gyokaku.go.jp/review/review.html>

Open Review Process by the Ministries and Agencies in 2020

<https://www.gyokaku.go.jp/review/fusyo/index.html>

Open Review process by the Administrative Reform Promotion Council, November 2020

<https://www.gyokaku.go.jp/review/aki/index.html>

Suggestion box

<https://www.gyokaku.go.jp/review/ikenbosyu/index.html>

Comment:

Administrative Project Review is conducted by Administrative Reform Promotion Council every year. As part of the process, more than 5,000 government project sheets are made available to public and anyone can comment on a project sheet. Selected projects were reviewed in open process by the expert panels which were set by ministries and agencies. Projects selected by Administrative Reform Promotion Council were reviewed in open process by the expert panel. The results and comments by experts of review process were made available to public but these do not include information on what kind of comments are considered, and how many comments the executive receives.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 at least one vulnerable and underrepresented community and/or civil society organization 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:

Administrative Project Review

<https://www.gyokaku.go.jp/review/review.html>

Open Review Process by the Ministries and Agencies in 2020

<https://www.gyokaku.go.jp/review/fusyo/index.html>

Open Review process by the Administrative Reform Promotion Council, November 2020

<https://www.gyokaku.go.jp/review/aki/index.html>

Suggestion box

<https://www.gyokaku.go.jp/review/ikenbosyu/index.html>

Comment:

Anyone can input a comment in the process of Administrative Project Review. But there is no concrete steps receive input from vulnerable and underrepresented parts of the population in the process. Expert panels for Administrative Project Review do not include representative from vulnerable and underrepresented parts of the population.

Peer Reviewer

Opinion: Agree

Comments: Incidentally, in the fall 2020 Administrative Project Review, policy issues of poor or single-parent households were discussed, although on an ad hoc basis. <https://www.gyokaku.go.jp/review/aki/R02/1st2nd/index.html>

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the executive takes concrete steps to receive input from individuals from and/or organizations representing vulnerable and underrepresented parts of the population on the implementation of the annual budget.

Comments: Issues related to Social security are often discussed at the Fiscal System Council, which includes members familiar with a social security sector.

IBP Comment

Many thanks to the reviewers. As administrative reviews by Ministry of Finance did not include vulnerable or marginalized communities, answer choice B is maintained.

130. During the implementation of the annual budget, which of the following topics does the executive's engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Changes in macroeconomic circumstances
2. Delivery of public services
3. Collection of revenue
4. Implementation of social spending
5. Changes in deficit and debt levels
6. Implementation of public investment projects

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider all of the mechanisms currently used by the executive to promote public participation during the implementation of the annual budget.

Please note that while the public engagement can/may cover other topics -- and for this reason the other questions assessing the executive's engagement with the public during budget implementation can be answered on the basis of engagement on topics other than the six listed above -- for the purpose of answering this question, "key topics" are considered to be ONLY the ones listed above. If the executive's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.

Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

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:

b. The executive's engagement with citizens covers at least three (but less than six) of the above-mentioned topics.

Source:

Administrative Project Review

<https://www.gyokaku.go.jp/review/review.html>

Open Review Process by the Ministries and Agencies in 2020

<https://www.gyokaku.go.jp/review/fusyo/index.html>

Open Review process by the Administrative Reform Promotion Council, November 2020

<https://www.gyokaku.go.jp/review/aki/index.html>

Suggestion box
<https://www.gyokaku.go.jp/review/ikenbosyu/index.html>

Comment:

In the Administrative Project Review process, about 5,000 entire government project sheets were made available to public. Anyone can input a comment for them and some of the projects were reviewed by expert panels in open meeting. 5,000 project sheets include Delivery of public services, Implementation of social spending, Implementation of public investment projects.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 there 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:

Administrative Project Review
<https://www.gyokaku.go.jp/review/review.html>
Open Review Process by the Ministries and Agencies in 2020
<https://www.gyokaku.go.jp/review/fusyo/index.html>
Open Review process by the Administrative Reform Promotion Council, November 2020
<https://www.gyokaku.go.jp/review/aki/index.html>
Suggestion box

<https://www.gyokaku.go.jp/review/ikenbosyu/index.html>

Comment:

Administrative Project Review(<https://www.gyokaku.go.jp/review/review.html>) includes information on annual timeline of review process in a phase of implementation. This also includes information on the review process and purpose but does not include information on public engagement process and purpose except doing open process. Entire government project sheets are prepared and are made available to public. This is the scope of the subject matter which anyone can input a comment during Administrative Project Review (<https://www.gyokaku.go.jp/review/ikenbosyu/index.html>). There is no explanation on constraints but it can say public provide comments only for project sheets. There is no explanation on intended outcomes of the public engagement, there is only explanation on intended outcomes of entire process.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

Fiscal System Council
https://www.mof.go.jp/about_mof/councils/fiscal_system_council/index.html

Proposal on FY2021 Fiscal Formulation, 25 November 2020

https://www.mof.go.jp/about_mof/councils/fiscal_system_council/sub-of_fiscal_system/report/zaiseia20201125/zaiseia20201125.html
Proposal

Comment:

Fiscal System Council published a proposal but the executive did not provide a report on how public inputs have been used or not used.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, the executive provides a written record which includes either the list of the inputs received or a report or summary on how they were used.

Comments: MoF published a report on how public inputs have been used (but not on how they have not been used), at the meeting of Fiscal System Council held on March 18th, 2021. https://www.mof.go.jp/about_mof/councils/fiscal_system_council/sub-of_fiscal_system/proceedings/material/20210318zaiseia.html Report to general remarks part of Proposal on FY2021 Fiscal Formulation https://www.mof.go.jp/about_mof/councils/fiscal_system_council/sub-of_fiscal_system/proceedings/material/zaiseia20210318/02.pdf Report to each policy part of Proposal on FY2021 Fiscal Formulation https://www.mof.go.jp/about_mof/councils/fiscal_system_council/sub-of_fiscal_system/proceedings/material/zaiseia20210318/03.pdf

Government Reviewer

Opinion: Agree

IBP Comment

Many thanks to the reviewer. IBP agrees to revise to C (from D).

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:

c. Yes, the executive provides a written record which includes either the list of the inputs received or a report or summary on how they were used.

Source:

Cabinet office

https://www.cao.go.jp/yosan/pdf/r2/2_naikaku_reflection.pdf

Personal Information Protection Commission

https://www.ppc.go.jp/files/pdf/R3_haneijoukyoushirabe.pdf

Fair Trade Commission

<https://www.jftc.go.jp/soshiki/kyotsukoukai/review/r2/r3tenkenkekka.pdf>

National Police Agency

<https://www.npa.go.jp/policies/budget/review/r2/reviewsheet/03haneijoukyou.xlsx>

Financial Service Agency

https://www.fsa.go.jp/common/budget/kourituka/03_R2/saishu/haneijoukyou.pdf

Consumer Affairs Agency

https://www.caa.go.jp/policies/budget/review/2020/assets/review_2020_201012_0001.pdf

Reconstruction Agency

https://www.reconstruction.go.jp/topics/main-cat8/sub-cat8-3/review_r01/rs2019page/r01r02yosan-gaisan-youkyu.html

Ministry of Internal Affairs and Communication
https://www.soumu.go.jp/main_content/000711519.xlsx
Ministry of Justice
<http://www.moj.go.jp/content/001330125.xlsx>
Ministry of Foreign Affairs
<https://www.mofa.go.jp/mofaj/files/100108168.pdf>
Ministry of Finance
https://www.mof.go.jp/about_mof/mof_budget/review/2020/yosan_hanei01.xls
Ministry of Education, Culture, Sports, Science and Technology
https://www.mext.go.jp/content/20200402-mxt_kaikessou02-000006040_1_1016.xlsx
Ministry of Health, Labour and Welfare
https://www.mhlw.go.jp/jigyo_shiwake/dl_2020/hanei01.xlsx
Ministry of Agriculture, Forestry and Fisheries
<https://www.maff.go.jp/j/budget/review/R2/f/xls/02jigyo.xlsx>
Ministry of Economy, Trade and Industry
https://www.meti.go.jp/information_2/publicoffer/review2020/reflection/reflection.html
Ministry of Land, Infrastructure Transportation and Tourism
<https://www.mlit.go.jp/common/001368382.xlsx>
Ministry of Environment
<http://www.env.go.jp/guide/budget/review/2020/r02haneijokyo.xlsx>
Nuclear Regulation Authority
<https://www.nsr.go.jp/data/000331467.xlsx>
Ministry of Defense
https://www.mod.go.jp/j/approach/hyouka/rev_suishin/r02/xls/r02_kekka_01.xlsx

Comment:

Each Ministries and Agencies has provided a written record of the conclusion and recommendation by the the expert panel that participates the Administrative Project Review Process by the Administrative Reform Promotion Council. The report includes some information how ministries and agencies have reflected the recommendation to next fiscal year's budget demands. There is an opportunity to input comments by the public, but the report does not include how citizen's inputs used to assist in monitoring.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

Administrative Project Review
<https://www.gyokaku.go.jp/review/review.html>

Fiscal System Council

https://www.mof.go.jp/about_mof/councils/fiscal_system_council/index.html

FY2021 Budget Formulating Process

https://www.mof.go.jp/budget/budger_workflow/budget/fy2021/fy2021.html

Comment:

There are two participation processes, one is Administrative Project Review by the Administrative Reform Promotion Council and the other is Fiscal System Council. Each process is incorporated into the timetable for formulating the EBP but these are separated processes in charge of different executive bodies. The Executive does not provide a comprehensive timetable.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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 – 134 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 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 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 an 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 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:

d. The requirements for a “c” response or above are not met.

Source:

Administrative Project Review

<https://www.gyokaku.go.jp/review/review.html>

Fiscal System Council

https://www.mof.go.jp/about_mof/councils/fiscal_system_council/index.html

Comment:

There is no open participation mechanism or official opportunity for input public opinion for directly EBP formulation process except Administrative Project Review and Fiscal System Council. There are many individual councils and committees to discuss the government project and policy in line ministries but these discussion dose not focus on the budget formulation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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)*
- *The legislature has a provision (via standing orders or in law) through which the public can submit their inputs, and members of the public or CSOs actively use it to submit opinions on the budget.*

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 on the budget 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:

The Diet Law

<http://www.sangiin.go.jp/eng/law/diet/> (<http://www.sangiin.go.jp/eng/law/diet/>)

Article 51. A Committee may hold open hearings on important matters of popular concern and for general purposes, and may hear views from the interested parties or people of learning and experience. Open hearings as mentioned in the preceding paragraph must be held on the overall budget and important bills concerning revenue. This provision does not apply, however, to matters which have the same content as those on which open hearings have already been held.

Comment:

Article 51 of the Diet Law requires to hold public hearing before vote at the budget committee for the both House. Invited expert or specific individuals only can participate. And generally, public hearing is held right before vote to EBP at the budget committee.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

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:

The Diet Law

<http://www.sangiin.go.jp/eng/law/diet/>

Article 51. A Committee may hold open hearings on important matters of popular concern and for general purposes, and may hear views from the interested parties or people of learning and experience. Open hearings as mentioned in the preceding paragraph must be held on the overall budget and important bills concerning revenue. This provision does not apply, however, to matters which have the same content as those on which open hearings have already been held.

Comment:

Article 51 of the Diet Law requires to hold public hearing before vote for EBP at the budget committee. But the public hearing was held with invited

expert or specific individuals. They can only participate the hearing. MPs who are member of the committee may ask the Cabinet about six key topics if they are interested in those. But the committee itself does not hold any thematic session to discuss six key topics. It is depend on what points MP is interested in.

Peer Reviewer

Opinion: Agree

Comments: Invited expert or specific individuals may talk about six key topics at the public hearing. It depends on what points they, as well as MPs, are interested in.

Government Reviewer

Opinion: I choose not to review this question

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 makes available a video recording of the relevant legislative session or 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:

The Diet Law

<http://www.sangiin.go.jp/eng/law/diet/>

Article 51. A Committee may hold open hearings on important matters of popular concern and for general purposes, and may hear views from the interested parties or people of learning and experience. Open hearings as mentioned in the preceding paragraph must be held on the overall budget and important bills concerning revenue. This provision does not apply, however, to matters which have the same content as those on which open hearings have already been held.

Comment:

Article 51 of the Diet Law requires to hold public hearing before the vote for EBP at the budget committee in the both House. Invited expert or specific individuals only can participate. And generally, public hearing is held right before vote at budget committee. There is no time to provide feedback to public.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

139. Does the legislature hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the Audit Report?

GUIDELINES:

This question reflects the GIFT principle on "Sustainability," "Transparency," and "Complementarity" and assesses the extent to which the participation mechanism(s) used by the legislative are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.

A key constitutional role of the legislature in almost all countries is to oversee the government's management of public resources. While the Supreme Audit Institution is responsible for checking the government's accounts and publishing the outcome of their audits, for accountability purposes it is essential that the legislature reviews and scrutinizes those reports, and checks on whether the executive is taking the appropriate corrective actions based on the Supreme Audit Institution's recommendations.

Holding public hearings to review audit findings allows the public to learn more about how the government has managed its resources for the budget years that have ended, and demand accountability in case of mismanagement and irregularities. Reviewing and discussing those reports in public is therefore a key responsibility of a legislature.

Please note that by "Audit Report" we refer to the same audit report assessed in the transparency section of this Survey, i.e., one of the eight key budget documents that all governments (in this case, the Supreme Audit Institution) must produce, according to best practice.

Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) have put in place and using to allow the public to participate in their deliberations on the Audit Report.

Mechanisms through which members of the public reach out to individual members of parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.

To answer "a," the national legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).

Answer "b" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *No testimony is allowed from the public; BUT*
- *There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.*

Answer "c" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *No testimony is allowed from the public;*
- *No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, BUT*
- *The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)*

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the Audit Report.

Answer:

c. Yes, public hearings on the Audit Report are held. No testimony from the public is provided during the 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:

The Diet Law

<http://www.sangiin.go.jp/eng/law/diet/>

Article 106. When a witness or voluntary testifier is summoned to or speaks at a House for its consideration or investigation, travelling expenses and per diem shall be paid to such a person according to the scale separately provided for.

Comment:

There is no official opportunity regarding participation mechanisms including holding public hearing on the Audit Report. It is possible to invite voluntary testifier for committee's session to hear about the Audit Report.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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).

Please note that formal mechanisms that do not explicitly seek the public's input in the audit program (such as general comment submission boxes on the SAI's website) should not be considered for this question.

Answer:

b. The requirements for an "a" response are not met.

Source:

The Board of Audit Act h

<http://www.japaneselawtranslation.go.jp/law/detail/?printID=&ft=1&re=01&dn=1&x=0&y=0&co=01&ia=03&ky=%E4%BC%9A%E8%A8%88%E6%A4%9C%E6%9F%BB%E9%99%A2%E6%B3%95&page=1&vm=02>

Audit Activities

<http://www.jbaudit.go.jp/english/effort/index.html>

Comment:

The Board of Audit does not provide any opportunity to accept suggestion from public. There is only mechanism to receive suggestion or request on audit from the Diet.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

The Board of Audit Act h

[http://www.japaneselawtranslation.go.jp/law/detail/?](http://www.japaneselawtranslation.go.jp/law/detail/?printID=&ft=1&re=01&dn=1&x=0&y=0&co=01&ia=03&ky=%E4%BC%9A%E8%A8%88%E6%A4%9C%E6%9F%BB%E9%99%A2%E6%B3%95&page=1&vm=02)

[printID=&ft=1&re=01&dn=1&x=0&y=0&co=01&ia=03&ky=%E4%BC%9A%E8%A8%88%E6%A4%9C%E6%9F%BB%E9%99%A2%E6%B3%95&page=1&vm=02](http://www.japaneselawtranslation.go.jp/law/detail/?printID=&ft=1&re=01&dn=1&x=0&y=0&co=01&ia=03&ky=%E4%BC%9A%E8%A8%88%E6%A4%9C%E6%9F%BB%E9%99%A2%E6%B3%95&page=1&vm=02)

Audit Activities

<http://www.jbaudit.go.jp/english/effort/index.html>

Comment:

The Board of Audit does not provide any opportunity to accept suggestion from public. There is only mechanism to receive suggestion or request on audit from the Diet.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

The Board of Audit Act h

[http://www.japaneselawtranslation.go.jp/law/detail/?](http://www.japaneselawtranslation.go.jp/law/detail/?printID=&ft=1&re=01&dn=1&x=0&y=0&co=01&ia=03&ky=%E4%BC%9A%E8%A8%88%E6%A4%9C%E6%9F%BB%E9%99%A2%E6%B3%95&page=1&vm=02)

[printID=&ft=1&re=01&dn=1&x=0&y=0&co=01&ia=03&ky=%E4%BC%9A%E8%A8%88%E6%A4%9C%E6%9F%BB%E9%99%A2%E6%B3%95&page=1&vm=02](http://www.japaneselawtranslation.go.jp/law/detail/?printID=&ft=1&re=01&dn=1&x=0&y=0&co=01&ia=03&ky=%E4%BC%9A%E8%A8%88%E6%A4%9C%E6%9F%BB%E9%99%A2%E6%B3%95&page=1&vm=02)

Audit Activities

<http://www.jbaudit.go.jp/english/effort/index.html>

Comment:

The Board of Audit does not provide any opportunity to accept suggestion from public. There is only mechanism to receive suggestion or request on audit from the Diet.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question