

Open Budget Survey 2023

Questionnaire

Japan

May 2024

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:

FY2023

Source:

(a) Public Finance Law, 1947, Article 11

<https://warp.da.ndl.go.jp/info:ndljp/pid/3532909/www.mof.go.jp/english/budget/budget/fy2002/brief/2002-35.htm>

(b) Budget overview of FY2023

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiry0_03-1.pdf

(c) Guidelines for FY2023 budget requests (ceiling)

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy220729c.pdf

Comment:

Article 11 of Public Finance Law explains that the fiscal year starts on 1 April and ends on 31 March.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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

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

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

Answer:

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

Source:

(a) Budget overview of FY2023

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiry0_03-1.pdf

(b) Guidelines for FY2023 budget requests (ceiling)

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy220729c.pdf

Comment:

These two documents constitute the PBS. Both were published on 29 July 2022 which is at least 8 months prior to FY2023 starting from 1 April 2023.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

29/7/2022

Source:

(a) Budget overview of FY2023

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiryu_03-1.pdf
publication <https://www.cao.go.jp/press/2022/index.html>

(b) Guidelines for FY2023 budget requests (ceiling)

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy220729c.pdf
publication https://www.mof.go.jp/public_relations/whats_new/202207.html

Comment:

The Budget overview of FY2023 was approved by the Council of Economic and Fiscal Policy on 29 July 2022 and published on 1 August 2022 according to the Cabinet office's website.

The Guidelines for FY2023 budget requests (ceiling) were approved by Cabinet on 29 July 2022 and published on the same day according to the Ministry of Finance's website.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

According to press release information on the Cabinet Office website, the documents including the Budget overview of FY2023 from the July 29,

2022 meeting of the Council on Economic and Fiscal Policy were posted on the website on 1 August 2022. According to the 'what's new information' on the Ministry of Finance's website, Guidelines for FY2023 budget requests (ceiling) was posted on the website on 29 July 2022.

Source:

(a) Budget overview of FY2023

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiry0_03-1.pdf

publication <https://www.cao.go.jp/press/2022/index.html>

(b) Guidelines for FY2023 budget requests (ceiling)

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy220729c.pdf

publication https://www.mof.go.jp/public_relations/whats_new/202207.html

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiry0_03-1.pdf

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy220729c.pdf

Source:

(a) Budget overview of FY2023

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiry0_03-1.pdf

(b) Guidelines for FY2023 budget requests (ceiling)

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy220729c.pdf

Comment:

Two documents constitute the PBS. They were both published within the appropriate time frame.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

c. No

Source:

(a) Budget overview of FY2023

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiry0_03-1.pdf

(b) Guidelines for FY2023 budget requests (ceiling)

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy220729c.pdf

Comment:

The documents are available only in PDF format, and as such are not machine-readable.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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

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

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

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

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

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

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

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

Answer:

e. Not applicable (the document is publicly available)

Source:

(a) Budget overview of FY2023

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiry0_03-1.pdf

(b) Guidelines for FY2023 budget requests (ceiling)

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy220729c.pdf

Comment:

The PBS documents are publicly available.

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion:

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

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

Answer:

n/a

Source:

(a) Budget overview of FY2023

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiryo_03-1.pdf

(b) Guidelines for FY2023 budget requests (ceiling)

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy220729c.pdf

Comment:

The PBS documents are publicly available.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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

For example, a title for the Pre-Budget Statement could be "Proposed 2023 State Budget" or "Guidelines for the Preparation of Annual Plan and Budget for 2022/23."

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

Answer:

Budget overview of FY2023

Guidelines for FY2023 budget requests

Source:

(a) Budget overview of FY2023

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiryo_03-1.pdf

(b) Guidelines for FY2023 budget requests (ceiling)

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy220729c.pdf

Comment:

Two documents constitute the PBS.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Main points of Guidelines for FY2023 budget requests (ceiling)

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy220729b.pdf

(b) Image of Guidelines for FY2023 budget requests (ceiling)

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy220729a.pdf

Comment:

The Budget overview of FY2023 document is only produced in a full (formal) version.

Both of the source documents cited are relatively easier to understand than the full version of the PBS, however they don't comprise a CB.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

FY2022

Source:

(a) House of Representatives website

https://www.shugiin.go.jp/internet/itdb_iinkai.nsf/html/gianrireki/208_208_yosan_1.htm

Comment:

The House of Representative's website shows that the EBP of FY2022 was received on 17 January 2022.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

17/1/2022

Source:

(a) House of Representatives website
https://www.shugiin.go.jp/internet/itdb_iinkai.nsf/html/gianrireki/208_208_yosan_1.htm

Comment:

The House of Representative's website shows that the EBP of FY2022 was received on 17 January 2022.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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:

(a) Ministry of Finance's website
https://www.mof.go.jp/public_relations/whats_new/2022budget.html

(b) Cabinet Decision
<https://www.kantei.go.jp/jp/kakugikettei/2022/index.html>

(c) FY2022 Budget Proposal
<https://www.bb.mof.go.jp/hdocs/bxss010br4.html>

Comment:

The full version of the EBP was made available to the public on 17 January 2022, the day of submission to the Diet. However, the EBP was decided on at the Cabinet meeting of 23 December 2021, with its outline being made publicly available on the same day.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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 2022 should be entered as 05/09/2022. 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:

17/1/2022

Source:

(a) Ministry of Finance's website
https://www.mof.go.jp/public_relations/whats_new/2022budget.html

(b) Cabinet Decision
<https://www.kantei.go.jp/jp/kakugikettei/2022/index.html>

(c) FY2022 Budget Proposal
<https://www.bb.mof.go.jp/hdocs/bxss010br4.html>

Comment:

The full version of the EBP was made available to the public on 17 January 2022, the day of submission to the Diet. However, the EBP was decided on at the Cabinet meeting of 23 December 2021, with its outline being made publicly available on the same day.

The URL for the FY2022 EBP is the same as the Enacted Budget due to the EBP being approved without amendment by the Diet.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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

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

Answer:

The full version of the EBP was made available to the public on 17 January 2022, the day of submission to the Diet. However, the EBP was decided on at the Cabinet meeting of 23 December 2021, with its outline being made publicly available on the same day. Therefore, while a part of the EBP was publicly available on 23 December 2021, the publication date for the EBP itself should be 17 January 2022.

Source:

(a) Ministry of Finance's website

https://www.mof.go.jp/public_relations/whats_new/2022budget.html

(b) Cabinet Decision

<https://www.kantei.go.jp/jp/kakugikettei/2022/index.html>

(c) FY2022 Budget Proposal

<https://www.bb.mof.go.jp/hdocs/bxss010br4.html>

(d) General Account EBP

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(e) Special Account EBP

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(f) Government Affiliated Agency Account EBP

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

(g) Budget reference materials by Article 28 of Public Finance Act

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

(h) FY2022 EBP

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/fy2022.html

(i) Explanation of FY2022 Budget and Fiscal Investment and Loan Plan (FLIP)

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html

(j) Explanation of FY2022 tax and revenue stamp budget

https://www.mof.go.jp/tax_policy/reference/budget_explanation/008aR4a.pdf

(k) Plan of FY2022 issuance of government bonds

https://www.mof.go.jp/jgbs/issuance_plan/fy2022/issuanceplan211224.pdf

(l) FY2022 FLIP Plan

<https://www.mof.go.jp/policy/filp/plan/fy2022/index.html>

Comment:

The URL for the FY2022 EBP is the same as the Enacted Budget due to the EBP being approved without amendment by the Diet.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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/bxss010br4.html>

Source:

(a) FY2022 Budget Proposal

<https://www.bb.mof.go.jp/hdocs/bxss010br4.html>

(b) General Account EBP

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(c) Special Account EBP

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(d) Government Affiliated Agency Account EBP

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

(e) Budget reference materials by Article28 of Public Finance Act

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

(f) FY2022 EBP

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/fy2022.html

(g) Explanation of FY2022 Budget and FLIP

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html

(h) Explanation of FY2022 tax and revenue stamp budget

https://www.mof.go.jp/tax_policy/reference/budget_explanation/008aR4a.pdf

(i) Plan of FY2022 issuance of government bonds

https://www.mof.go.jp/jgbs/issuance_plan/fy2022/issuanceplan211224.pdf

(j) FY2022 FLIP Plan

<https://www.mof.go.jp/policy/filp/plan/fy2022/index.html>

Comment:

The full version of the EBP was made available to the public on 17 January 2022, the day of submission to the Diet.

The URL for the FY2022 EBP is the same as the Enacted Budget due to the EBP being approved without amendment by the Diet.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account EBP

<https://www.bb.mof.go.jp/server/2022/excel/DL202211001.xls>

(b) Special Account EBP

<https://www.bb.mof.go.jp/server/2022/excel/DL202212001.xls>

(c) Government Affiliated Agency Account EBP

<https://www.bb.mof.go.jp/server/2022/excel/DL202213001.xls>

Comment:

Numerical data of key EBP documents is publicly available online in .xls format.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) FY2022 Budget Proposal

<https://www.bb.mof.go.jp/hdocs/bxss010br4.html>

Comment:

The EBP is publicly available.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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:

n/a

Source:

(a) FY2022 Budget Proposal
<https://www.bb.mof.go.jp/hdocs/bxss010br4.html>

Comment:

The EBP is publicly available.

Peer Reviewer
Opinion: Agree

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 2022-23, 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:

FY2022 General Account Budget
FY2022 Special Account Budget
FY2022 Government Affiliated Organ Budget

Source:

(a) FY2022 Budget Proposal
<https://www.bb.mof.go.jp/hdocs/bxss010br4.html>

(b) General Account EBP
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(c) Special Account EBP
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(d) Government Affiliated Agency Account EBP
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

(e) Budget reference materials by Article28 of Public Finance Act
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

(f) FY2022 EBP
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/fy2022.html

(g) Explanation of FY2022 Budget and FLIP
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html

(h) Explanation of FY2022 tax and revenue stamp budget
https://www.mof.go.jp/tax_policy/reference/budget_explanation/008aR4a.pdf

(i) Plan of FY2022 issuance of government bonds
https://www.mof.go.jp/jgbs/issuance_plan/fy2022/issuanceplan211224.pdf

(j) FY2022 FLIP Plan
<https://www.mof.go.jp/policy/filp/plan/fy2022/index.html>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Key points of FY2022 Budget
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/01.pdf

(b) Summary of budget: Cabinet, Reconstruction, and Foreign Affairs and Economic Cooperation
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/06.pdf

(c) Summary of budget: Economy and Industry, Environment, and Justice and Police
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/08.pdf

(d) Summary of budget: Internal Affairs and Finance
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/10.pdf

(e) Summary of budget: Education and Science
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/12.pdf

(f) Summary of budget: Social Security
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/14.pdf

(g) Summary of budget: Agriculture, Forestry and Fisheries
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/16.pdf

(h) Summary of budget: Ministry of Land, Infrastructure and Transportation and Public Works
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/18.pdf

(i) Summary of budget: Defense
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/20.pdf

(j) Summary of budget: Personnel Costs for Public Servants
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/22.pdf

Comment:

The "Key points of FY2022 Budget" document includes economic assumptions underlying the budget (p. 12) and revenue collections (p. 9, 10). Each sector summary includes spending allocations and significant policy initiatives.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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

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

Answer:

FY 2022 FY 2022

Source:

(a) The House of Representative's website
https://www.shugiin.go.jp/internet/itdb_iinkai.nsf/html/gianrireki/208_208_yosan_1.htm

Comment:

The House of Representative's website shows that the EBP for FY2022 was received on 17 January 2022, and passed by the House of Councilors on 22 March 2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

22/3/2022

Source:

(b) The House of Representative's website
https://www.shugiin.go.jp/internet/itdb_iinkai.nsf/html/gianrireki/208_208_yosan_1.htm

Comment:

The House of Representative's website shows that the EBP for FY2022 was received on 17 January 2022, and passed by the House of Councilors on 22 March 2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) FY2022 Enacted Budget
<https://www.bb.mof.go.jp/hdocs/bxss010br4.html>

(b) FY2022 Budget Portal
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/fy2022.html

Comment:

FY2022 EBP was passed by the Diet without amendment. Therefore, FY2022 EB is the same as FY2022 EBP.

The full version of the EBP was made available to the public on 17 January 2022, the day of submission to the Diet. The EBP was decided on at the Cabinet meeting of 23 December 2021, with its outline being made publicly available on the same day.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

22/3/2022 22/3/2022

Source:

(a) Ministry of Finance's website update information

https://www.mof.go.jp/public_relations/whats_new/2022budget.html

(b) FY2022 Budget

<https://www.bb.mof.go.jp/hdocs/bxss010br4.html>

(c) FY2022 Budget portal

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/fy2022.html

Comment:

FY2022 EBP was passed by the Diet without amendment. Therefore, FY2022 EB is the same as FY2022 EBP. The full version of the EBP was made available to the public on 17 January 2022. It was passed by the House of Councilors on 22 March 2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

FY2022 EBP was passed by the Diet without amendment. Therefore, FY2022 EB is the same as FY2022 EBP. The full version of the EBP was made available to the public on 17 January 2022, with an outline being available from 23 December 2021. It was passed by the House of Councilors on 22 March 2022.

Source:

(a) Ministry of Finance's website update information

https://www.mof.go.jp/public_relations/whats_new/2022budget.html

(b) FY2022 Budget

<https://www.bb.mof.go.jp/hdocs/bxss010br4.html>

(c) FY2022 Budget portal

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/fy2022.html

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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/bxss010br4.html>

Source:

(a) FY2022 Budget

<https://www.bb.mof.go.jp/hdocs/bxss010br4.html>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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:

(a) General Account EBP

<https://www.bb.mof.go.jp/server/2022/excel/DL202211001.xls>

(b) Special Account EBP

<https://www.bb.mof.go.jp/server/2022/excel/DL202212001.xls>

(c) Government Affiliated Agency Account EBP

<https://www.bb.mof.go.jp/server/2022/excel/DL202213001.xls>

Comment:

Numerical data of key EB documents is publicly available online in .xls format.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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:

(a) FY2022 Budget

<https://www.bb.mof.go.jp/hdocs/bxss010br4.html>

Comment:

The EB is publicly available.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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:

n/a

Source:

Comment:

Peer Reviewer

Opinion: Agree

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 2023."

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

Answer:

FY2022 General Account Budget

FY2022 Special Account Budget

FY2022 Government Affiliated Agency Budget

Source:

(a) FY2022 Budget

<https://www.bb.mof.go.jp/hdocs/bxss010br4.html>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) FY2022 Fiscal report on state of affairs

https://www.mof.go.jp/policy/budget/report/46_report/fy2021/20220411150240.html

(PDF: https://www.mof.go.jp/policy/budget/report/46_report/r041.pdf)

(b) Japanese Public Finance Factsheet, April 2022

https://warp.da.ndl.go.jp/info:ndljp/pid/12319061/www.mof.go.jp/policy/budget/fiscal_condition/related_data/202204.html

(PDF: https://warp.da.ndl.go.jp/info:ndljp/pid/12319061/www.mof.go.jp/policy/budget/fiscal_condition/related_data/202204_00.pdf)

(c) Learning material of the budget, April 2022

https://warp.da.ndl.go.jp/info:ndljp/pid/12319061/www.mof.go.jp/policy/budget/fiscal_condition/related_data/202204_zaisei.pdf

(d) Key points of FY2022 Budget

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/01.pdf

(e) Summary of budget: Cabinet, Reconstruction, and Foreign Affairs and Economic Cooperation

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/06.pdf

(f) Summary of budget: Economy and Industry, Environment, and Justice and Police

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/08.pdf

(g) Summary of budget: Internal Affairs and Finance

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/10.pdf

(h) Summary of budget: Education and Science

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/12.pdf

(i) Summary of budget: Social Security

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/14.pdf

(j) Summary of budget: Agriculture, Forestry and Fisheries

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/16.pdf

(k) Summary of budget: Ministry of Land, Infrastructure and Transportation and Public Works

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/18.pdf

(l) Summary of budget: Defense

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/20.pdf

(m) Summary of budget: Personnel Costs for Public Servants

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/22.pdf

Comment:

The FY2022 Fiscal report on state of affairs was published according to the Public Finance Act, Article 46: "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."

The Japanese Public Finance Factsheet 2022 and budget learning material were issued on April 2022.

FY2022 EB is the same as the EBP, such that the citizen versions of the EBP also apply to the EB.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

FY2022

Source:

(a) FY2022 Fiscal report on state of affairs
https://www.mof.go.jp/policy/budget/report/46_report/fy2021/20220411150240.html
(PDF: https://www.mof.go.jp/policy/budget/report/46_report/r041.pdf)

(b) Japanese Public Finance Factsheet, April 2022
https://warp.da.ndl.go.jp/info:ndljp/pid/12319061/www.mof.go.jp/policy/budget/fiscal_condition/related_data/202204.html
(PDF: https://warp.da.ndl.go.jp/info:ndljp/pid/12319061/www.mof.go.jp/policy/budget/fiscal_condition/related_data/202204_00.pdf)

(c) Learning material of the budget, April 2022
https://warp.da.ndl.go.jp/info:ndljp/pid/12319061/www.mof.go.jp/policy/budget/fiscal_condition/related_data/202204_zaisei.pdf

Comment:

The CB simplifies the EBP/EB for FY2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) FY2022 Fiscal report on state of affairs
https://www.mof.go.jp/policy/budget/report/46_report/fy2021/20220411150240.html
(PDF: https://www.mof.go.jp/policy/budget/report/46_report/r041.pdf)

(b) Japanese Public Finance Factsheet, April 2022
https://warp.da.ndl.go.jp/info:ndljp/pid/12319061/www.mof.go.jp/policy/budget/fiscal_condition/related_data/202204.html
(PDF: https://warp.da.ndl.go.jp/info:ndljp/pid/12319061/www.mof.go.jp/policy/budget/fiscal_condition/related_data/202204_00.pdf)

(c) Learning material of the budget, April 2022
https://warp.da.ndl.go.jp/info:ndljp/pid/12319061/www.mof.go.jp/policy/budget/fiscal_condition/related_data/202204_zaisei.pdf

(d) Key points of FY2022 Budget
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/01.pdf

(e) Summary of budget: Cabinet, Reconstruction, and Foreign Affairs and Economic Cooperation
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/06.pdf

(f) Summary of budget: Economy and Industry, Environment, and Justice and Police
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/08.pdf

(g) Summary of budget: Internal Affairs and Finance
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/10.pdf

(h) Summary of budget: Education and Science
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/12.pdf

(i) Summary of budget: Social Security
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/14.pdf

(j) Summary of budget: Agriculture, Forestry and Fisheries
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/16.pdf

(k) Summary of budget: Ministry of Land, Infrastructure and Transportation and Public Works
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/18.pdf

(l) Summary of budget: Defense
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/20.pdf

(m) Summary of budget: Personnel Costs for Public Servants
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/22.pdf

Comment:

According to the Ministry of Finance's website the FY2022 Fiscal report on state of affairs has been publicly available since 12 April 2022. The Key points of FY2022 Budget and the further documents cited have been publicly available since 23 December 2021.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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

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

Answer:

n/a

Source:

Comment:

Peer Reviewer

Opinion: Agree

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 2022 should be entered as 05/09/2022. 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:

12/4/2022

Source:

(a) Ministry of Finance website: April 2022 update information
https://www.mof.go.jp/public_relations/whats_new/202204.html

Comment:

The Ministry of Finance's website shows that the FY2022 Fiscal report on state of affairs was posted on 12 April 2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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

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

Answer:

The Ministry of Finance's website shows that the FY2022 Fiscal report on state of affairs was posted on 12 April 2022

Source:

(a) Ministry of Finance website: April 2022 update information
https://www.mof.go.jp/public_relations/whats_new/202204.html

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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/policy/budget/report/46_report/fy2021/20220411150240.html

Source:

(a) FY2022 Fiscal report on state of affairs

https://www.mof.go.jp/policy/budget/report/46_report/fy2021/20220411150240.html

(PDF: https://www.mof.go.jp/policy/budget/report/46_report/r041.pdf)

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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 2022 People's Guide" or "2023 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:

FY2022 Fiscal report on state of affairs

Source:

(a) FY2022 Fiscal report on state of affairs

https://www.mof.go.jp/policy/budget/report/46_report/fy2021/20220411150240.html

(PDF: https://www.mof.go.jp/policy/budget/report/46_report/r041.pdf)

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

FY2022 General Account Budget
FY2022 Special Account Budget
FY2022 Government Affiliated Agency Budget

Source:

(a) FY2022 Fiscal report on state of affairs

https://www.mof.go.jp/policy/budget/report/46_report/fy2021/20220411150240.html
(PDF: https://www.mof.go.jp/policy/budget/report/46_report/r041.pdf)

(b) Japanese Public Finance Factsheet, April 2022

https://warp.da.ndl.go.jp/info:ndljp/pid/12319061/www.mof.go.jp/policy/budget/fiscal_condition/related_data/202204.html
(PDF: https://warp.da.ndl.go.jp/info:ndljp/pid/12319061/www.mof.go.jp/policy/budget/fiscal_condition/related_data/202204_00.pdf)

(c) Learning material of the budget, April 2022

https://warp.da.ndl.go.jp/info:ndljp/pid/12319061/www.mof.go.jp/policy/budget/fiscal_condition/related_data/202204_zaisei.pdf

(d) Key points of FY2022 Budget

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/01.pdf

(e) Summary of budget: Cabinet, Reconstruction, and Foreign Affairs and Economic Cooperation

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/06.pdf

(f) Summary of budget: Economy and Industry, Environment, and Justice and Police

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/08.pdf

(g) Summary of budget: Internal Affairs and Finance

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/10.pdf

(h) Summary of budget: Education and Science

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/12.pdf

(i) Summary of budget: Social Security

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/14.pdf

(j) Summary of budget: Agriculture, Forestry and Fisheries

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/16.pdf

(k) Summary of budget: Ministry of Land, Infrastructure and Transportation and Public Works

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/18.pdf

(l) Summary of budget: Defense

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/20.pdf

(m) Summary of budget: Personnel Costs for Public Servants

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/22.pdf

Comment:

The FY2020 Fiscal report on state of affairs explains the EB of the General Account, Special Account and Government Affiliated Organs, and FLIPS. Further CBs for EBP/ EB are also cited.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

FY2022

Source:

(a) State of National Treasury receipts and expenditure monthly report
https://www.mof.go.jp/budget/report/revenue_and_expenditure/index.htm

(b) Quarterly budget execution report
https://www.mof.go.jp/budget/report/budget_use/index.htm

(c) National Treasury Status report
https://www.mof.go.jp/exchequer/reference/exchequer_report/data.htm

(d) Quarterly report on balance of public bonds, borrowing and government guaranteed liabilities
<https://www.mof.go.jp/jgbs/reference/gbb/data.htm>

Comment:

The most recently published IYR is for FY2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) State of National Treasury receipts and expenditure monthly report
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/index.htm
(https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0410a.html)

(b) Quarterly budget execution report
https://www.mof.go.jp/policy/budget/report/budget_use/index.htm
(https://www.mof.go.jp/public_relations/whats_new/202212.html)

(c) National Treasury Status report (quarterly)
https://www.mof.go.jp/exchequer/reference/exchequer_report/data.htm
(https://www.mof.go.jp/public_relations/whats_new/202212.html)

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

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

Comment:

The State of National Treasury Revenue and Expenditure report is published monthly, containing executive bodies' revenue and expenditure with narratives. It is published within 2 months of the period covered, for example the report for October 2022 was published on 20 December 2022.

Quarterly budget execution reports contain three month data with narratives. They are published within three months of the period covered. For example, website update information shows that the quarterly budget execution survey report for the second quarter of FY2022 was posted on 6 December 2022.

The National Treasury Status report is a quarterly report required in terms of Article 46-2 of the Public Finance Law. The first quarter report of FY2022 was posted on 6 December 2022.

The report on balance of public bonds, borrowing and government guaranteed liabilities is published quarterly within two months of the end of each quarter. For example, website information shows that the report as of September 2022 was made publicly available on 10 November 2022.

Further, since FY2012, executive bodies have been required to publish particular items of budget execution on a quarterly basis, such as subsidies to external bodies, outsourcing expenditure, public works expenditure, and taxi expenditure. A guideline for the publication scheme of budget execution was issued by the Cabinet Secretariat.

Peer Reviewer

Opinion: Agree

Comments: Details of monthly tax and stamp revenues of the general account (and some special accounts) are published in "Tax and Stamp Revenues" https://www.mof.go.jp/english/policy/tax_policy/taxes_and_stamp_revenues/index.htm (English version, but PDF files only) https://www.mof.go.jp/tax_policy/reference/taxes_and_stamp_revenues/data.htm (Excel files available, but Japanese version)

Government Reviewer

Opinion:

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 2022 should be entered as 05 September 2022. If the document is not published or not produced, please mark this question "n/a."

Answer:

State of National Treasury Revenue and Expenditure monthly report

- April 2022: Published 20 June 2022
- May 2022: Published 20 July 2022
- June 2022: Published 19 August 2022
- July 2022: Published 20 September 2022
- August 2022: Published 20 October 2022
- September 2022: Published 18 November 2022
- October 2022: Published 20 June 2022

Quarterly budget execution report

- FY2022 Second Quarter Report: Published 6 December 2022
- FY2022 First Quarter Report: Published 2 September 2022
- FY2021 Fourth Quarter Report: Published 28 June 2022

Quarterly National Treasury Status report

- FY2022 Second Quarter Report: Published 6 December 2022
- FY2022 First Quarter Report: Published 2 September 2022

- FY2021 Fourth Quarter Report: Published 28 June 2022

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

- March 2022: Published 10 May 2022

- June 2022: Published 10 August 2022

- September 2022: Published 10 November 2022

Source:

(a) State of National Treasury Revenue and Expenditure monthly report

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

https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0404a.html

https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0405a.html

https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0406a.html

https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0407a.html

https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0408a.html

https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0409a.html

https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0410a.html

(b) Quarterly budget execution report

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

Update information:

https://www.mof.go.jp/public_relations/whats_new/202206.html

https://www.mof.go.jp/public_relations/whats_new/202209.html

https://www.mof.go.jp/public_relations/whats_new/202212.html

(c) Quarterly National Treasury Status report

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

Update information:

https://www.mof.go.jp/public_relations/whats_new/202206.html

https://www.mof.go.jp/public_relations/whats_new/202209.html

https://www.mof.go.jp/public_relations/whats_new/202212.html

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

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

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) State of National Treasury Revenue and Expenditure monthly report: Published online with a publication date. The date is also seen on the update information on the Ministry of Finance's website.

(b) The Quarterly budget execution report: The posted date is listed on the update information on the Ministry of Finance's website.

(c) Quarterly National Treasury Status report: The posted date is listed on the update information on the Ministry of Finance's website.

(d) Quarterly report on balance of public bonds, borrowing and government guaranteed liabilities: Publication date can be seen on the reports' website.

Source:

(a) State of National Treasury Revenue and Expenditure monthly report
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/index.htm
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0404a.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0405a.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0406a.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0407a.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0408a.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0409a.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0410a.html

(b) Quarterly budget execution report
https://www.mof.go.jp/policy/budget/report/budget_use/index.htm
Update information:
https://www.mof.go.jp/public_relations/whats_new/202206.html
https://www.mof.go.jp/public_relations/whats_new/202209.html
https://www.mof.go.jp/public_relations/whats_new/202212.html

(c) Quarterly National Treasury Status report
https://www.mof.go.jp/policy/exchequer/reference/exchequer_report/data.htm
Update information:
https://www.mof.go.jp/public_relations/whats_new/202206.html
https://www.mof.go.jp/public_relations/whats_new/202209.html
https://www.mof.go.jp/public_relations/whats_new/202212.html

(d) Quarterly report on balance of public bonds, borrowing and government guaranteed liabilities
<https://www.mof.go.jp/jgbs/reference/gbb/data.htm>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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/policy/budget/report/revenue_and_expenditure/fy2022/0410a.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0411b.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0411c.html
https://www.mof.go.jp/policy/budget/report/budget_use/fy2022/04_2.html
https://www.mof.go.jp/policy/exchequer/reference/exchequer_report/fy2022_2nd_quarter/index.html
<https://www.mof.go.jp/jgbs/reference/gbb/202209.html>

Source:

(a) State of National Treasury Revenue and Expenditure monthly report
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/index.htm

(b) Quarterly budget execution report
https://www.mof.go.jp/policy/budget/report/budget_use/index.htm

(c) Quarterly National Treasury Status report
https://www.mof.go.jp/exchequer/reference/exchequer_report/data.htm

(d) Quarterly report on balance of public bonds, borrowing and government guaranteed liabilities
<https://www.mof.go.jp/jgbs/reference/gbb/data.htm>

Comment:

(a) State of National Treasury Revenue and Expenditure monthly report
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/index.htm
April 2022
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0404a.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0404b.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0404c.html
May 2022
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0405a.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0405b.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0405c.html
June 2022
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0406a.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0406b.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0406c.html
July 2022
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0407a.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0407b.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0407c.html
August 2022
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0408a.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0408b.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0408c.html
September 2022
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0409a.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0409b.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0409c.html
October 2022
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0410a.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0410b.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0410c.html

(b) Quarterly budget execution report
https://www.mof.go.jp/policy/budget/report/budget_use/index.htm
FY2021 Fourth quarter
https://www.mof.go.jp/policy/budget/report/budget_use/fy2021/03_4.html
FY2022 First quarter
https://www.mof.go.jp/policy/budget/report/budget_use/fy2022/04_1.html
FY2022 Second quarter
https://www.mof.go.jp/policy/budget/report/budget_use/fy2022/04_2.html

(c) Quarterly National Treasury Status report
https://www.mof.go.jp/policy/exchequer/reference/exchequer_report/data.htm
FY2021 Fourth quarter
https://www.mof.go.jp/policy/exchequer/reference/exchequer_report/fy2021_4th_quarter/index.html
FY2022 First quarter
https://www.mof.go.jp/policy/exchequer/reference/exchequer_report/fy2022_1st_quarter/index.html
FY2022 Second quarter
https://www.mof.go.jp/policy/exchequer/reference/exchequer_report/fy2022_2nd_quarter/index.html

(d) Quarterly report on balance of public bonds, borrowing and government guaranteed liabilities
<https://www.mof.go.jp/jgbs/reference/gbb/data.htm>
FY2021 Fourth quarter
<https://www.mof.go.jp/jgbs/reference/gbb/202203.html>

FY2022 First quarter
<https://www.mof.go.jp/jgbs/reference/gbb/202206.html>
FY2022 Second quarter
<https://www.mof.go.jp/jgbs/reference/gbb/202209.html>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Quarterly National Treasury Status report

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

FY2021 Fourth quarter

https://www.mof.go.jp/policy/exchequer/reference/exchequer_report/fy2021_4th_quarter/index.html

FY2022 First quarter

https://www.mof.go.jp/policy/exchequer/reference/exchequer_report/fy2022_1st_quarter/index.html

FY2022 Second quarter

https://www.mof.go.jp/policy/exchequer/reference/exchequer_report/fy2022_2nd_quarter/index.html

Comment:

Quarterly National Treasury Status reports contain numerical data that is downloadable in .xls format.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) State of National Treasury Revenue and Expenditure monthly report
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/index.htm

(b) Quarterly budget execution report
https://www.mof.go.jp/policy/budget/report/budget_use/index.htm

(c) Quarterly National Treasury Status report
https://www.mof.go.jp/exchequer/reference/exchequer_report/data.htm

(d) Quarterly report on balance of public bonds, borrowing and government guaranteed liabilities
<https://www.mof.go.jp/jgbs/reference/gbb/data.htm>

Comment:

The documents are publicly available online.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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 2022."

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 Revenue and Expenditure monthly report
Quarterly budget execution report
Quarterly National Treasury Status report
Quarterly report on balance of public bonds, borrowing and government guaranteed liabilities

Source:

- (a) State of National Treasury Revenue and Expenditure monthly report
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/index.htm
- (b) Quarterly budget execution report
https://www.mof.go.jp/policy/budget/report/budget_use/index.htm
- (c) Quarterly National Treasury Status report
https://www.mof.go.jp/exchequer/reference/exchequer_report/data.htm
- (d) Quarterly report on balance of public bonds, borrowing and government guaranteed liabilities
<https://www.mof.go.jp/jgbs/reference/gbb/data.htm>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

- (a) Quarterly budget execution report
https://www.mof.go.jp/policy/budget/report/budget_use/index.htm
- (b) Quarterly National Treasury Status report
https://www.mof.go.jp/exchequer/reference/exchequer_report/data.htm

Comment:

While an outline of the quarterly budget execution and National Treasury Status reports are published, these are not considered CBs.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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:

FY2022

Source:

(a) Mid-Year Economic Projection for FY2022
https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0725/shiry0_03-2.pdf

(b) Economic and Fiscal Projections for Medium to Long Term Analysis
https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiry0_01-2.pdf

Comment:

Documents containing an element of a MYR were published on 25 and 29 July 2022.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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:

(a) Mid-Year Economic Projection for FY2022
https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0725/shiry0_03-2.pdf

(b) Economic and Fiscal Projections for Medium to Long Term Analysis

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiryo_01-2.pdf

Comment:

These documents partially include some elements of a MYR, such as an update of economic projections but they do not provide the remaining information relevant to a MYR, and are also published before the midpoint of FY2022, such that they do not qualify as a MYR.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

Source:

(a) Mid-Year Economic Projection for FY2022

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0725/shiryo_03-2.pdf

(b) Economic and Fiscal Projections for Medium to Long Term Analysis

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiryo_01-2.pdf

Comment:

These documents partially include some elements of a MYR, such as an update of economic projections but they do not provide the remaining information relevant to a MYR, and are also published before the midpoint of FY2022, such that they do not qualify as a MYR.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Mid-Year Economic Projection for FY2022

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0725/shiryo_03-2.pdf

(b) Economic and Fiscal Projections for Medium to Long Term Analysis
https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiryō_01-2.pdf

Comment:

These documents partially include some elements of a MYR, such as an update of economic projections but they do not provide the remaining information relevant to a MYR, and are also published before the midpoint of FY2022, such that they do not qualify as a MYR.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Mid-Year Economic Projection for FY2022
https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0725/shiryō_03-2.pdf

(b) Economic and Fiscal Projections for Medium to Long Term Analysis
https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiryō_01-2.pdf

Comment:

These documents partially include some elements of a MYR, such as an update of economic projections but they do not provide the remaining information relevant to a MYR, and are also published before the midpoint of FY2022, such that they do not qualify as a MYR.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Mid-Year Economic Projection for FY2022
https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0725/shiry0_03-2.pdf

(b) Economic and Fiscal Projections for Medium to Long Term Analysis
https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiry0_01-2.pdf

Comment:

These documents partially include some elements of a MYR, such as an update of economic projections but they do not provide the remaining information relevant to a MYR, and are also published before the midpoint of FY2022, such that they do not qualify as a MYR.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Mid-Year Economic Projection for FY2022
https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0725/shiry0_03-2.pdf

(b) Economic and Fiscal Projections for Medium to Long Term Analysis
https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiry0_01-2.pdf

Comment:

These documents partially include some elements of a MYR, such as an update of economic projections but they do not provide the remaining information relevant to a MYR, and are also published before the midpoint of FY2022, such that they do not qualify as a MYR.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

n/a

Source:

(a) Mid-Year Economic Projection for FY2022

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0725/shiry0_03-2.pdf

(b) Economic and Fiscal Projections for Medium to Long Term Analysis

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiry0_01-2.pdf

Comment:

These documents partially include some elements of a MYR, such as an update of economic projections but they do not provide the remaining information relevant to a MYR, and are also published before the midpoint of FY2022, such that they do not qualify as a MYR.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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

For example, a title for the Mid-Year Review could be "Semi-annual Budget Performance Report, FY 2021/22" or "Mid-Year Report on the 2022 National Budget."

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

Answer:

n/a

Source:

(a) Mid-Year Economic Projection for FY2022

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0725/shiry0_03-2.pdf

(b) Economic and Fiscal Projections for Medium to Long Term Analysis

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiry0_01-2.pdf

Comment:

These documents partially include some elements of a MYR, such as an update of economic projections but they do not provide the remaining information relevant to a MYR, and are also published before the midpoint of FY2022, such that they do not qualify as a MYR.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Mid-Year Economic Projection for FY2022

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0725/shiryo_03-2.pdf

(b) Economic and Fiscal Projections for Medium to Long Term Analysis

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiryo_01-2.pdf

Comment:

These documents partially include some elements of a MYR, such as an update of economic projections but they do not provide the remaining information relevant to a MYR, and are also published before the midpoint of FY2022, such that they do not qualify as a MYR. A CB is not produced.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

FY2021

Source:

(a) Summary of FY2021 settlement

https://www.mof.go.jp/policy/budget/budger_workflow/account/fy2021/index.html

(b) FY2021 YER

<https://www.bb.mof.go.jp/hdocs/bxss010br3a.html>

Comment:

A summary of the FY2021 settlement was made available to the public on 29 July 2022. The YER was submitted to the Diet on 18 November 2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Submission of FY2021 YER to the Diet
https://www.mof.go.jp/policy/budget/budger_workflow/account/fy2021/ke0411.html

(b) FY2021 YER
<https://www.bb.mof.go.jp/hdocs/bxss010br3a.html>

(c) Summary of FY2021 settlement
https://www.mof.go.jp/policy/budget/budger_workflow/account/fy2021/index.html
https://www.mof.go.jp/policy/budget/budger_workflow/account/fy2021/ke040729.pdf

Comment:

The end of the fiscal year is 31 March. The FY2021 YER was made available to the public on 17 November 2022 when it was submitted to the Diet. A summary of the FY2021 settlement of account was released on 29 July 2022, however it is very brief and does not qualify as a YER.

Peer Reviewer

Opinion: Agree

Comments: The fiscal year ends on March 31, but cash receipts and disbursements for the year are due by July 31, after which the Board of Audit conducts an audit of the settlements. Only after the Board of Audit's report on the audit of the settlements to the Cabinet is issued, can the settlements be submitted to the Diet.

Government Reviewer

Opinion:

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 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

17/11/2022 17/11/2022

Source:

(a) Submission of FY2021 YER to the Diet
https://www.mof.go.jp/policy/budget/budger_workflow/account/fy2021/ke0411.html

(b) Ministry of Finance's website update information
https://www.mof.go.jp/public_relations/whats_new/202211.html

(c) FY2021 YER
<https://www.bb.mof.go.jp/hdocs/bxss010br3a.html>

Comment:
The Ministry of Finance's website update information shows that the "Submission of FY2021 YER to the Diet" was posted on 17 November 2022.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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:
The Ministry of Finance's website update information shows that the "Submission of FY2021 YER to the Diet" was posted on 17 November 2022.

Source:
(a) Submission of FY2021 YER to the Diet
https://www.mof.go.jp/policy/budget/budger_workflow/account/fy2021/ke0411.html

(b) Ministry of Finance's website update information
https://www.mof.go.jp/public_relations/whats_new/202211.html

(c) FY2021 YER
<https://www.bb.mof.go.jp/hdocs/bxss010br3a.html>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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

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

Answer:
https://www.mof.go.jp/policy/budget/budger_workflow/account/fy2021/index.html <https://www.bb.mof.go.jp/hdocs/bxss010br3a.html>

Source:

(a) Submission of FY2021 YER to the Diet
https://www.mof.go.jp/policy/budget/budger_workflow/account/fy2021/ke0411.html

(b) FY2021 YER
<https://www.bb.mof.go.jp/hdocs/bxss010br3a.html>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) FY2021 YER
<https://www.bb.mof.go.jp/hdocs/bxss010br3a.html>

(b) Settlement of the FY 2021 General Account Revenues and Expenditures
<https://www.bb.mof.go.jp/server/2021/excel/DL202177001.xls>

(c) Settlement of the FY2021 Special Account Revenues and Expenditures
<https://www.bb.mof.go.jp/server/2021/excel/DL202178001.xls>

(d) Settlement of the FY2021 Government Affiliated Organs
<https://www.bb.mof.go.jp/server/2021/excel/DL202176001.xls>

(e) Statement of national tax recipient FY2021
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202173001.pdf>

(f) Increase or decrease of commodities and total amount at the end of FY2021
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL20217A0010.pdf>

(g) Increase or decrease of commodities and total amount at the end of FY2021 by administrative unit
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL20217A0012.pdf>

(h) Amount of claims held by the State FY2021
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL20217C0010.pdf>

(i) Amount of claims held by ministries and agencies FY2021
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL20217C0012.pdf>

(j) Explanation of FY2021 Settlement of Account
https://www.mof.go.jp/policy/budget/budger_workflow/account/fy2021/ke_setsumei03.html

Comment:

Key YER documents are publicly available in .xls format, while supporting documents are not provided in machine readable formats.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) FY2021 YER

<https://www.bb.mof.go.jp/hdocs/bxss010br3a.html>

Comment:

The YER is publicly available.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

n/a

Source:

Comment:

Peer Reviewer

Opinion: Agree

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 2022" or "Annual Report 2021 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 FY2021 General Account Revenues and Expenditures
Settlement of the FY2021 Special Account Revenues and Expenditures
Settlement of the FY2021 Government Affiliated Agency

Source:

(a) FY2021 YER

<https://www.bb.mof.go.jp/hdocs/bxss010br3a.html>

Comment:

The full titles of supporting documents are as follows:

- Statement of national tax recipient FY2021
- Increase or decrease of commodities and total amount at the end of FY2021
- Increase or decrease of commodities and total amount at the end of FY2021 by administrative unit
- Amount of claims held by the State FY2021
- Amount of claims held by ministries and agencies FY2021
- Explanation of FY2021 Settlement of Account

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Explanation of FY2021 Settlement of Account

https://www.mof.go.jp/policy/budget/budger_workflow/account/fy2021/ke_setsumei03.html

(PDF: https://www.mof.go.jp/policy/budget/budger_workflow/account/fy2021/kessan_03_zenntaibann.pdf)

Comment:

The CB document explains the revenue and expenditure outcome for FY2021.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

FY2021

Source:

(a) 2021 Audit Report

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

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Board of Audit website update information
<https://www.jbaudit.go.jp/general/news/202210-12.html>

Comment:

The Board of Audit's website shows that an outline of the FY2021 AR was posted online on 7 November 2022, while the complete AR was posted on 18 November 2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

18/11/2022

Source:

(a) Board of Audit website update information
<https://www.jbaudit.go.jp/general/news/202210-12.html>

Comment:

The Board of Audit's website shows that an outline of the FY2021 AR was posted online on 7 November 2022, while the complete AR was posted on 18 November 2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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 shows that an outline of the FY2021 AR was posted online on 7 November 2022, while the complete AR was posted on 18 November 2022.

Source:

(a) Board of Audit website update information
<https://www.jbaudit.go.jp/general/news/202210-12.html>

(b) 2021 Audit Report
<https://www.jbaudit.go.jp/report/new/index.html>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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

Source:

(a) 2021 Audit Report
<https://www.jbaudit.go.jp/report/new/index.html>

(b) 2021 Audit Report Outline
<https://www.jbaudit.go.jp/report/new/summary03/index.html>

(c) Characteristic case of FY2021
<https://www.jbaudit.go.jp/report/new/tokutyou03.html>

Comment:

Peer Reviewer

Opinion: Agree

Comments: English version of Audit Report Outline is available at <https://www.jbaudit.go.jp/english/report/index.html>

Government Reviewer

Opinion:

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:

(a) 2021 Audit Report
<https://www.jbaudit.go.jp/report/new/index.html>

(b) 2021 Audit Report Outline
<https://www.jbaudit.go.jp/report/new/summary03/index.html>

(c) Characteristic case of FY2021
<https://www.jbaudit.go.jp/report/new/tokutyu03.html>

Comment:

The documents are only available in PDF format.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) 2021 Audit Report
<https://www.jbaudit.go.jp/report/new/index.html>

(b) 2021 Audit Report Outline
<https://www.jbaudit.go.jp/report/new/summary03/index.html>

(c) Characteristic case of FY2021
<https://www.jbaudit.go.jp/report/new/tokutyu03.html>

Comment:

The AR is publicly available.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

n/a

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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

For example, a title for the Audit Report could be "Annual General Reports of the Controller and Auditor General." If the document is not produced at all, researchers should mark this question "n/a."

Answer:

The FY2021 Audit Report

Source:

(a) 2021 Audit Report

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

(b) 2021 Audit Report Outline

<https://www.jbaudit.go.jp/report/new/summary03/index.html>

(c) Characteristic case of FY2021

<https://www.jbaudit.go.jp/report/new/tokutyu03.html>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) 2021 Audit Report
<https://www.jbaudit.go.jp/report/new/index.html>

(b) 2021 Audit Report Outline
<https://www.jbaudit.go.jp/report/new/summary03/index.html>

(c) Characteristic case of FY2021
<https://www.jbaudit.go.jp/report/new/tokuty03.html>

Comment:

The characteristic case and the outline of the FY2021 AR can be considered CBs as they are much easier to understand than the report.

The Board of Audit tried to respond to public concerns about demanding budget expenses by providing information on: 1) How the Audit Board examines expenditure; 2) Overviews of the result of AR 2021 such as how many and how executive bodies misused budgets, where the audit body claimed to demand state correction; 3) Highlights case of AR 2021 in which the public may have high interest; and through 4) Specific issue reports selected by the Audit Board because of their importance in terms of budget spending and high public interest.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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 (<https://www.gov.br/economia/pt-br/assuntos/planejamento-e-orcamento/orcamento>). 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:

(a) Budget and Settlement portal

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

(b) Tax System portal

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

(c) National Bonds portal

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

(d) FILPS portal

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

(d) Budget and Settlement Document Database

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

Comment:

- Budget and Settlement is a portal for budget formulation, execution, settlement, and other budget related information.
- The Tax System portal contains revenue information.
- The National Bonds portal provides detailed information relating to national bonds.
- The FLIPS portal provides detailed public loan and investment information.
- The Budget and Settlement Document Database contains budget and settlement data from 1947.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

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

Source:

(a) FY2022 Fourth Quarter National Treasury Status report

https://www.mof.go.jp/policy/exchequer/reference/exchequer_report/fy2022_4th_quarter/r044.xlsx

Comment:

Quarterly Revenue Data is provided in machine readable formats, with the latest data provided being for the fourth quarter of FY2022. Current FY data has however not yet been provided on the Ministry of Finance's website.

Peer Reviewer

Opinion: Disagree

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

Comments: The Ministry of Finance has provided current FY data for each of revenue and expenditure in a consolidated file in a machine readable format on its website as "Fiscal Statistics." <https://www.mof.go.jp/policy/budget/reference/statistics/index.htm>

<https://www.mof.go.jp/policy/budget/reference/statistics/data.htm> Also consolidated files that contain disaggregated revenue or expenditure information for multiple years in consistent formats have been provided. After that fiscal year has begun, the details of revenue and expenditure of the FY are also downloadable in a machine readable format on the Ministry of Finance's website as "Ministry of Finance statistics monthly."

https://www.mof.go.jp/pri/publication/zaikin_geppo/hyou04.htm

Government Reviewer

Opinion:

Researcher Response

I revised the answer from "d" to "a". [Source] (a) Statistic Data <https://warp.da.ndl.go.jp/info:ndljp/pid/12364970/www.mof.go.jp/policy/budget/reference/statistics/data.htm> [Comment] (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; Budget and settlement classification Budget settlement and net total

IBP Comment

The response has been revised from "d" to "a" as revenue and expenditure data for the current fiscal year can be downloaded in a machine readable set of files.

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:

(a) Budget and Settlement Document Database
<https://www.bb.mof.go.jp/hdocs/bxsselect.html>

Comment:

Budget and settlement data can be downloaded from FY1947. From FY1947 to FY1969, only PDF versions are available. From FY1969 to FY2010, only PDF and XML versions are available. From 2011, the data can be downloaded in Excel format.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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.

GQ-1d asks the researcher to list any government websites or portals where infographics/visualizations or other similar tools used to simplify data access and analysis are present. For example, in South Africa the Vulekamali portal (<https://vulekamali.gov.za>) is a project by the National Treasury which contains visualizations of the Consolidated Budget Summary, by departments budget, by division of revenue and by infrastructure budget distribution. (See for example <https://vulekamali.gov.za/2022-23/national/departments/basic-education/>). Other countries that have developed portals that include fiscal visualization and graphics include: Brazil's Transparency Portal (<https://portaldatransparencia.gov.br/>), which presents line graphs, bar graphs, pie charts, and visual maps of electronic invoices, public expenditure, public revenue, annual budget, transferred resources, resources transferred by location of beneficiary, among other information. (<https://portaldatransparencia.gov.br/orcamento> and <https://portaldatransparencia.gov.br/transferencias>). Additionally, United States Department of the Treasury, Fiscal Data portal (<https://fiscaldata.treasury.gov/>) is a one-stop shop for federal financial data that uses charts, exhibits, and figures.

Answer:

a. Yes

Source:

(a) Think about the finance of Japan

https://warp.da.ndl.go.jp/info:ndljp/pid/12654173/www.mof.go.jp/policy/budget/fiscal_condition/related_data/202204_zaisei.pdf

(b) Think about the finance of Japan FY2022

<https://www.youtube.com/watch?v=i7gAASjONxo>

Comment:

Infographics are included in the website and video clip cited above.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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://finance.gov.mk/wp-content/uploads/2009/05/Audit-law.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:

(a) The Constitution of Japan

<https://www.japaneselawtranslation.go.jp/en/laws/view/174/en>

(b) Public Finance Law, 1947

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

(c) The Board of Audit Act

<https://www.japaneselawtranslation.go.jp/en/laws/view/4423/en>

Comment:

(a) 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.

(b) Public Finance Law

This law regulates budget, execution and settlement processes.

- 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.

(c) 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) receipts and payments of cash and receipts and transfers of goods owned by the State as well as those of national property; (iii) acquisition or loss of claims held by the State, or an increase or decrease in government bonds and other obligations; (iv) receipts and payments of cash, and receipts and transfers 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 50 percent or more of their stated capital; (vi) accounts specified by law as being subject to audit by the Board of Audit.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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. For more information on access to information legislation (constitutional provisions, laws, and regulations), including examples of model laws, see: <https://www.rti-rating.org/country-data/> and <https://www.constituteproject.org/>.

Answer:

a. Yes

Source:

(a) Act on Access to Information Held by Administrative Organs
<https://www.japaneselawtranslation.go.jp/en/laws/view/3765>

Comment:

The Act covers the entire administrative organ including the Board of Audit.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account EBP (p. 39-82 [49-92], 241 [251]-)
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account EBP (p.15-41[23-49], 67[75]-)
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account EBP (p. 5-8[10-13], 9[15]-)
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

(d) Budget reference materials by Article 28 of the Public Finance Act
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

(e) Outline of FY2022 EBP
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2023/seifuan2023/index.html

(f) Explanation of FY2022 Budget and FLIP
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html

Comment:

EBP documents present all expenditure estimated by administrative unit. For example, the General Account EBP shows the total budgeted amount for each project by ministry and agency (p. 39-82), as well as the component of the budget by ministry and agency (p. 241-). The Special Account EBP shows detailed budget components by individual special account. The Government Affiliated Agency Account EBP shows the detailed budget component by each organ.

Further support documents also include budget information by administrative unit.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Explanation of FY2022 Budget and FLIP

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/tousyoyosetu3.pdf

Comment:

The "Explanation of FY2022 Budget and FLIP" explains and presents the budget by function the sector, or objective for which the funds will be used, such as health, education, or defense.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Explanation of FY2022 Budget and FLIP

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/tousyoyosetu3.pdf

Comment:

While some functional categories included in EBP documents meet international standards such as defense, education, interest payments, and social protection; many components are not provided as distinct categories of total expenditures in line with international standards, for example: general public services, health, housing, environmental protection, recreation and culture.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account EBP (eg. Cabinet p. 286-287 [294-295])

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account EBP (eg. special account for earth quake reinsurance p. 93-94 [99-100])

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account EBP (eg. Okinawa Development Finance Corp p. 11-12 [17-18])

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

Comment:

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

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account EBP (eg. Cabinet p. 286-287 [294-295])

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account EBP (eg. special account for earth quake reinsurance p. 93-94 [99-100])

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account EBP (eg. Okinawa Development Finance Corp p. 11-12 [17-18])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

Comment:

While EBP documents include some economic classification categories compatible with international standards, including: salaries, social benefits, subsidies and some grants; in general they are not. This includes estimates for at least three standard categories: purchases of goods and services, interest payments and consumption of fixed capital.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account EBP (p. 39-82 [49-82] eg. Cabinet p. 285[293])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account EBP
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account EBP (eg. Okinawa Development Finance Corp p. 10-11 [16-17])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

(d) Budget reference materials by Article 28 of Public Finance Act
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

(e) Outline of FY2022 EBP
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2023/seifuan2023/index.html

(f) Explanation of FY2022 Budget and FLIP
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html

Comment:

EBP documents present program level data for all expenditures. Program level estimates are provided within a highly disaggregated administrative classification presentation of expenditures.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Budget reference materials by Article 28 of Public Finance Act (p. 1-3[5-7])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

(b) General Account EBP (eg. Cabinet p. 285-287 [293-295])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(c) Special Account EBP (eg. special account for earth quake reinsurance p. 78-80 [85-87])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(d) Government Affiliated Agency Account EBP (eg. Okinawa Development Finance Corp p. 10-12 [16-18])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

Comment:

Budget reference materials by Article 28 of Public Finance Act present expenditure estimates for the 2020 to 2022 period by administrative classification. Expenditures estimates are not presented beyond the budget year. The other EBP documents only present expenditure estimates by functional and economic classification for BY+1.

Peer Reviewer

Opinion: Agree

Comments: The Ministry of Finance provides multi-year expenditure estimates for some functional classifications, such as social security expenses, Local Allocation Tax grants, and expenditure for debt redemption and interest payment as Medium-Term fiscal projection for Central Government General Account <https://www.mof.go.jp/policy/budget/topics/outlook/sy0401a.html>
<https://www.mof.go.jp/policy/budget/topics/outlook/index.htm>

Government Reviewer
Opinion:

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:

(a) Budget reference materials by Article 28 of Public Finance Act (p. 1-3[5-7])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

(b) General Account EBP (eg. Cabinet p. 285-287 [293-295])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(c) Special Account EBP (eg. special account for earth quake reinsurance p. 78-80 [85-87])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(d) Government Affiliated Agency Account EBP (eg. Okinawa Development Finance Corp p. 10-12 [16-18])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

Comment:

Budget reference materials by Article 28 of Public Finance Act present expenditure estimates for the 2020 to 2022 period by administrative classification. Expenditures estimates are not presented beyond the budget year. The other EBP documents only present expenditure estimates by functional and economic classification for BY+1.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Explanation of FY2022 Budget and FLIP

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/tousyoyosetu3.pdf

(b) FY2022 EBP

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/index.html

Comment:

EBP documents only presents expenditure estimates by program for the BY(FY2022) and BY-1(FY2021).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account EBP (p. 25-38 [35-48], 175-236 [186-247])

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account EBP (p. 15-41 [23-49], 67 [75]-)

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account EBP (p. 5-8 [10-13], 9 [15]-)

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

(d) Explanation of FY2022 tax and revenue stamp budget (p.1 [5], 3 [7]-)
https://www.mof.go.jp/tax_policy/reference/budget_explanation/008aR4a.pdf

Comment:

EBP documents present all individual sources of tax revenue.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account EBP (p. 25-38 [35-48], 175-236 [186-247])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account EBP (p. 15-41 [23-49], 67 [75]-, eg. Special Account for earthquake reinsurance p. 78 [85])
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

(c) Government Affiliated Agency Account EBP (p. 5-8 [10-13], 9 [15]-)
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

(d) Explanation of FY2022 tax and revenue stamp budget (p. 1 [5], 3 [7]-)
https://www.mof.go.jp/tax_policy/reference/budget_explanation/008aR4a.pdf

(e) EBP's supporting documentation: Explanation of FY2022 Budget and FLIP
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/tousyoyosetu4.pdf

Comment:

EBP documents present all individual sources of non-tax revenue. The General Account EBP presents individual sources of non-tax revenue by administrative unit (eg. p. 189-190 [200-201]). Miscellaneous revenues account for less than 1% of total non-tax revenue (calculated using EBP supporting documents).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Medium-Term fiscal projection for central Government General account
<https://www.mof.go.jp/policy/budget/topics/outlook/sy0401a.html>

Comment:

The Medium-Term fiscal projection for central Government General account presents revenue estimates by category from FY2023 to FY2025.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Budget reference materials by Article 28 of Public Finance Act (p. 5-14 [9-18])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

(b) General Account EBP (p. 25-38 [35-48], 175-236 [186-247])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(c) Special Account EBP (p. 15-41 [23-49], 67[75]-)

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(d) Government Affiliated Agency Account EBP (p. 5-8 [10-13], 9 [15]-)

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

(e) Explanation of FY2022 tax and revenue stamp budget (p. 1[5], 3[7]-)

https://www.mof.go.jp/tax_policy/reference/budget_explanation/008aR4a.pdf

Comment:

Individual sources of revenue are presented in the General Account EBP and other account documentation only for the BY and BY-1.

Budget reference materials by Article 28 of the Public Finance Act do not present revenue estimates for the multi-year period by individual sources.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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 entire 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 entire 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 if no information on borrowing and debt is presented for the entire budget year.

Answer:

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

Source:

(a) General Account EBP (p. 1 [12])

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

(b) FY2022 EBP

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/index.html
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/04.pdf

(c) Budget reference materials by Article 28 of Public Finance Act (p. 17-48 [21-52], p51-[55-])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

Comment:

The General Account EBP presents the general provisions of the budget, with Article 16 providing legal limits pertaining to the amount of public bonds.

The FY2022 EBP document includes budget year estimates for all three core elements:

1. Net new borrowing: Table: General Account Budget (Revenues and Expenditures), p. 2[3] Graph: Trends in General Account Tax Revenues, Total Expenditures and Government Bond Issues, p. 3[4] Graph: Government Bond Issues and Bond Dependency Ratio, p. 4[5].
2. Total outstanding debt: Table: Debt Situation, p. 1[3] Graph: Trends in General Account Tax Revenues, Total Expenditures and Government Bond Issues, p. 2 Graph: Accumulated Government Bonds Outstanding, p. 5-6[6-7]
3. Interest payments: Graph: Trends in Interest Payments and Interest Rate, p.7[8].

The budget reference materials by Article 28 of Public Finance Act document includes the total debt outstanding at the end of the budget year, p. 17, and the debt of the government affiliated organizations, p. 51- [55-].

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account EBP (p. 1 [12])
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202011001.pdf>

(b) FY2022 EBP
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/index.html
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/04.pdf

(c) Budget reference materials by Article 28 of Public Finance Act (p. 17-48 [21-52], p51-[55-])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

Comment:

The General Account EBP presents the general provisions of the budget, with Article 16 providing legal limits pertaining to the amount of public bonds.

The FY2022 EBP document includes budget year estimates for all three core elements:

1. Net new borrowing: Table: General Account Budget (Revenues and Expenditures), p. 2[3] Graph: Trends in General Account Tax Revenues, Total Expenditures and Government Bond Issues, p. 3[4] Graph: Government Bond Issues and Bond Dependency Ratio, p. 4[5].
2. Total outstanding debt: Table: Debt Situation, p. 1[3] Graph: Trends in General Account Tax Revenues, Total Expenditures and Government Bond Issues, p. 2 Graph: Accumulated Government Bonds Outstanding, p. 5-6[6-7]
3. Interest payments: Graph: Trends in Interest Payments and Interest Rate, p.7[8].

The budget reference materials by Article 28 of Public Finance Act document includes the total debt outstanding at the end of the budget year, p. 17,

and the debt of the government affiliated organizations, p. 51- [55-].

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Budget reference materials by Article 28 of Public Finance Act (p.17-19 [21-23], p. 20-49 [24-53], p. 51- [55-])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

(b) FY2022 EBP

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/fy2022.html
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/04.pdf

Comment:

Budget reference materials by Article 28 of the Public Finance Act present the composition of the total debt outstanding of the government at the end of the budget year (p.17-19 [21-23]) and government affiliated organs (p.51 [55]-). This also includes the maturity profile of the debt (p. 20-49 [24-53]) with a long-term annual debt repayment schedule, and yearly plan for the redemption of public bonds and debt.

The FY2022 EBP presents information for some core elements related to the composition of government debt:

Interest rates on debt Graph: Trends in Interest Payments and Interest Rate as of FY2020 (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.

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

Peer Reviewer

Opinion: Agree

Comments: External government bonds have not been issued since FY2003, leaving only domestic bonds. "Annual Report of Government Bonds in FY 2019" (p.34-35 [44-45]) https://www.mof.go.jp/jgbs/publication/annual_report/2019/nenpou00.pdf On a fiscal year-end outstanding basis, foreign bonds were fully repaid in FY1987, and there have been no fiscal year-end balances since then. Foreign currency bonds are issued as currency substitute securities, but they are fully redeemed during the fiscal year.

Government Reviewer

Opinion:

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

Information beyond the core elements (please specify)

Interest rates on the debt

Source:

(a) Budget reference materials by Article 28 of Public Finance Act (p.17-19 [21-23], p. 20-49 [24-53], p. 51- [55-])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

(b) FY2022 EBP

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/fy2022.html

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/04.pdf

Comment:

Budget reference materials by Article 28 of the Public Finance Act present the composition of the total debt outstanding of the government at the end of the budget year (p.17-19 [21-23]) and government affiliated organs (p.51 [55]-). This also includes the maturity profile of the debt (p. 20-49 [24-53]) with a long-term annual debt repayment schedule, and yearly plan for the redemption of public bonds and debt.

The FY2022 EBP presents information for some core elements related to the composition of government debt:

Interest rates on debt Graph: Trends in Interest Payments and Interest Rate as of FY2020 (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.

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

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Explanation of FY2022 Budget and FLIP p. [16]

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/tousyoyosetu7.pdf

(b) Explanation of FY2022 tax and revenue stamp budget p. 24[28]

https://www.mof.go.jp/tax_policy/reference/budget_explanation/008aR4a.pdf

(c) Outline of FY2022 EBP p. 7[8]

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2023/seifuan2023/index.html

Comment:

EBP documents present complete information for 3 of the 4 core elements: nominal GDP, inflation (price indexes) and real GDP (deflator), as well as more limited for the 4th core element: interest rates. In addition, there is information provided beyond the core elements on employment, trade, consumption and selected sectoral indicators.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Explanation of FY2022 Budget and FLIP p. [16]
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/tousyoyosetu7.pdf

(b) Explanation of FY2022 tax and revenue stamp budget p. 24[28]
https://www.mof.go.jp/tax_policy/reference/budget_explanation/008aR4a.pdf

(c) Outline of FY2022 EBP p. 7[8]
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2023/seifuan2023/index.html

Comment:

EBP documents present complete information for 3 of the 4 core elements: nominal GDP, inflation (price indexes) and real GDP (deflator), as well as more limited for the 4th core element: interest rates. In addition, there is information provided beyond the core elements on employment, trade, consumption and selected sectoral indicators.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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.

For an example of how a sensitivity analysis may be presented in the Executive's Budget Proposal, see the following:

- *The United States in its 2021 Budget Analytical Perspectives includes a section titled Sensitivity of the Budget to Economic Assumptions along with a table that shows the impact of each economic scenario on revenues, spending, and the deficit. (see pages 16 – 17, <https://www.govinfo.gov/content/pkg/BUDGET-2021-PER/pdf/BUDGET-2021-PER.pdf>).*
- *The Philippines in its 2021 Budget of Expenditures and Sources of Financing (BESF) presents the impact of different macroeconomic assumptions on expenditures, revenue, and debt (see page 131, Table A.6 titled “Budget Sensitivity to Macroeconomic Parameters, 2021,” <https://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2021/A6.pdf>); pages 12-13, Technical Notes on the 2021 Proposed National Budget <https://www.dbm.gov.ph/images/pdf/files/Technical-Notes-on-the-2021-Proposed-National-Budget.pdf>).*

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:

(a) Medium-Term Fiscal Projection for Central Government General Account of FY2022
<https://www.mof.go.jp/policy/budget/topics/outlook/sy0401a.pdf>

Comment:

The Medium-Term Fiscal Projection for Central Government General Account of FY2022 presents alternative projections of aggregate fiscal measures on two scenarios. This includes two macroeconomic assumptions based on different nominal economic growth rates, the growth rates of consumer prices, and the 10-year bond interest rates. The aggregate fiscal measures include total revenue, total expenditure with details provided for a other items, including social security, and local allocation tax.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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 of the impact of the new policies, 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:

(a) Explanation of FY2022 Budget and FLIP

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html

(b) Explanation of FY2022

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/tousyoyosetu2.pdf

(c) General Account

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/tousyoyosetu3.pdf

(d) Special Account

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/tousyoyosetu5.pdf

(e) Government Affiliated Agencies

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/tousyoyosetu6.pdf

Comment:

EBP documents present information on how all new budget proposals affect expenditures, together with narrative explanations.

The review section includes an explanation of FY2022 expenditure features, the budget by each main area, p. 3-8, amount of expenditure in both FY2021 and FY2022, and increase/decrease amounts, p. 9-13.

More specific explanations of changes in expenditures as a result of budget proposals are found in the General Account, the Special Account, and the Government Affiliated Agencies Account.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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 of the impact of the new policies, 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:

(a) Explanation of FY2022 Budget and FLIP

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html

(b) Explanation of FY2022

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/tousyoyosetu2.pdf

(c) General Account

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/tousyoyosetu4.pdf

(d) Special Account

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/tousyoyosetu5.pdf

(e) Government Affiliated Agencies

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/tousyoyosetu6.pdf

(f) Explanation of FY2022 tax and revenue stamp budget

https://www.mof.go.jp/tax_policy/reference/budget_explanation/008aR4a.pdf

Comment:

EBP documents present information on how all new budget proposals affect revenue, together with narrative explanations.

The Review section includes: an explanation of the features of revenue of FY2022 Budget by main area, p. 2-3, amount of revenue in both FY2021 and FY2022, and the amount of increase/decrease, p. 9-13.

More specific explanations of changes in revenue as a result of budget proposals are found in the General Account, the Special Account, and the Government Affiliated Agencies Account.

EBP documents also provide an explanation for the budget year (FY2022) forecast of revenue estimates and comparisons to the previous year's estimates (FY2021). Documentation provides some measure and explanation of the impact of policy revisions to be implemented for the FY2022 budget.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account EBP (eg. Cabinet p. 285-290 [293-295])

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Explanation of FY2022 Budget and FLIP

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html

(c) Special Account EBP (eg. special account for earth quake reinsurance p. 77-80 [84-87])

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(d) Government Affiliated Agency Account EBP (eg. Okinawa Development Finance Corp p. 9-12 [15-18], 16-23 [22-29])

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

Comment:

EBP documents include estimates for BY-1 for each of the three expenditure classifications.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

20. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for the year preceding the budget year (BY-1)?

GUIDELINES:

Question 20 asks if expenditure estimates for the year before the budget year (BY-1) are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

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

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-1. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures for BY-1. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for only less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Answer:

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

Source:

(a) General Account EBP (p. 39-82 [49-82] eg. Cabinet p. 285[293])

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account EBP

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account EBP (eg. Okinawa Development Finance Corp p. 10-11 [16-17])

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

(d) Explanation of FY2022 Budget and FLIP

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/tousyoyosetu3.pdf

Comment:

EBP documents present expenditure by individual programs for BY-1.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account EBP (p. 39-82 [49-82] eg. Cabinet p. 285[293])

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account EBP

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account EBP (eg. Okinawa Development Finance Corp p. 10-11 [16-17])

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

Comment:

The original expenditure estimate for BY-1 was not been updated in EBP.

According to the FY2021 Supplemental Budget, General Account expenditures have been amended by program and economic classification (eg. Cabinet p.161-163 [167-169]- <https://www.bb.mof.go.jp/server/2021/dlpdf/DL202121001.pdf>).

However, expenditures estimates for BY-1 in the EBP are not the same as supplemental budget estimates. In the General Account, there is also a note that "the previous year's budget amount has been reclassified for comparison with this current year's request, so it does not match the approved budget amount" (p. 285[293]).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account EBP (p. 39-82 [49-82] eg. Cabinet p285[293])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account EBP
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account EBP (eg. Okinawa Development Finance Corp p.10-11[16-17])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

(d) Budget reference materials by Article 28 of Public Finance Act p. 1-4[5-8],p. 5-15[9-19], p. 51-[55-]
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

Comment:

Budget reference materials by Article 28 of Public Finance Act present estimates of expenditure for BY-2 by administrative unit and functional classification.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account EBP (p. 39-82 [49-82] eg. Cabinet p285[293])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account EBP
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account EBP (eg. Okinawa Development Finance Corp p.10-11[16-17])

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

(d) Budget reference materials by Article 28 of Public Finance Act p. 1-4[5-8],p. 5-15[9-19], p. 51-[55-]
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

Comment:

Budget reference materials by Article 28 of Public Finance Act present estimates of expenditure for BY-2 by administrative unit and functional classification.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account EBP (p. 39-82 [49-82] eg. Cabinet p. 285 [293])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account EBP
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account EBP (eg. Okinawa Development Finance Corp p.10-11[16-17])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

(d) Budget reference materials by Article 28 of Public Finance Act p. 1-4 [5-8], p. 5-15 [9-19], p. 51-[55-]
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

Comment:

Budget reference materials by Article 28 of the Public Finance Act present estimates of expenditure for BY-2 by administrative unit, including by program. Other EBP documents present expenditure estimates for BY-1 by individual program.

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion:

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:

(a) Budget reference materials by Article 28 of Public Finance Act p. 1-4 [5-8], p. 5-15 [9-19], p. 51-[55]
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

Comment:

The Budget reference materials by Article 28 of Public Finance Act present actual expenditure data for BY-2 (FY2020).

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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:

(a) Budget reference materials by Article 28 of Public Finance Act p. 8 [12]
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

Comment:

The EBP supporting documents present revenue by category for BY-1.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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:

(a) General Account EBP (p. 175-236 [186-247])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account EBP (eg. special account for earth quake reinsurance p.78 [85], 79 [86])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account EBP (eg. Okinawa Development Finance Corp p. 9-10 [15-16], 11 [17])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

Comment:

EBP documents present revenue estimates for BY-1 by individual sources.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account EBP (p. 175-[186-])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) FY2021 Supplemental Budget (p. 95-[104-])
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202121001.pdf>

Comment:

The EBP does not reflect updated actual revenue collections. The government updates budget estimates through the supplemental budget published

about twice a year.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account EBP (p. 175-236 [186-247])

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account EBP (eg. special account for earth quake reinsurance p.78 [85], 79 [86])

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account EBP (eg. Okinawa Development Finance Corp p. 9-10 [15-16], 11 [17])

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

(d) Budget reference materials by Article 28 of Public Finance Act (p. 6 [10],9 [13],13 [17], 51- [55-])

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

Comment:

Budget reference materials by Article 28 of the Public Finance Act present estimates by category for BY-2 and BY-1.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Budget reference materials by Article 28 of Public Finance Act (p. 6 [10], 9 [13], 13 [17])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

Comment:

Budget reference materials by Article 28 of the Public Finance Act present estimates by category for BY-2 and BY-1.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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 Article 28 of Public Finance Act (p. 4[8])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

Comment:

Budget reference materials by Article 28 of the Public Finance Act show actual revenue data for BY-2 (FY2020).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

FY2022 EBP

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/index.html

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/seifuan2022/04.pdf

Comment:

EBP documents present information for some core elements related to the composition of government debt:

- Interest rates on debt Graph: Trends in Interest Payments and Interest Rate as of FY2020 (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 presented 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

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Budget reference materials by Article 28 of Public Finance Act (p.13 [17], 17-18 [22-23], 51 [55]-)
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

Comment:

The most recent year for which the debt figures presented in EBP documents reflect actual outcomes is BY-2. Budget reference materials by Article 28 of the Public Finance Act includes the maturity profile of the debt (p. 20-49 [24-53]) with a long-term annual debt repayment schedule and yearly plan for the redemption of public bonds and debt.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Explanation of FY2022 Budget and FLIP: Special Accounts

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/tousyoyosetu5.pdf

(b) Special Account EBP

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

Comment:

EBP documents include data and narrative explanations for all extra-budgetary funds (EBFs). The Explanation of FY2022 Budget and FLIP document has a section devoted to "Special Accounts" that explains the purpose and the financial flows for all EBFs.

Additional detailed information about Special Account finances for individual administrative units (both expenditures and revenues) is provided in the Special Account EBP.

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; Patent special account; Automobile safety special account; and the East Japan great earthquake disaster reconstruction special account.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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, including both revenues and expenditures, 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:

(a) General Account EBP (p. 175-183 [186-194])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account EBP (eg. special account for earth quake reinsurance p. 78-79 [85-86], 84 [91])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account EBP (eg. Okinawa Development Finance Corp p. 9-11 [15-17], 14-23 [14-23])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

(d) Budget reference materials by Article 28 of Public Finance Act (p. 1-14 [5-17], 51 [55]-)
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

Comment:

The EBP presents a full report of both budgetary and extra-budgetary funds in 3 separate documents: General Account EBP; Special Account EBP; and the Government Affiliated Agencies Account EBP.

Consolidated reporting across these 3 segments of the central government finances is provided in the Budget reference materials by Article 28 of Public Finance document.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Explanation of FY2022 Budget and FLIP https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/tousyoyosetu5.pdf

(b) General Account EBP (eg. Ministry of Internal Affairs and Communications p. 419 [425], 424-425 [430-431])
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(c) Special Account EBP (p. 68-70 [76-78], 72-73 [80-81])
<https://www.bb.mof.go.jp/server/2020/dlpdf/DL202012001.pdf>

Comment:

EBP documents present estimates for all intergovernmental transfers, as well as brief narrative explanations of the purpose of the transfers in the Explanation of FY2022 Budget and FLIP document.

Additional financial details about local allocation tax grants, and specific purpose grants to local governments can also be found in the accounting for each administrative unit, shown in the General Account EBP and Special Account EBP.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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 budget policies on different groups of citizens, for at least the budget year?

GUIDELINES:

Question 36 asks about "alternative displays" of expenditures that highlight the financial impact of policies on different groups of citizens. As discussed above, expenditures are typically presented by at least one of three classifications – administrative, functional, and economic classifications (see Questions 1-5) – and by individual program (Question 6). In addition, governments can provide alternative displays to emphasize different aspects of expenditure policies and to show who benefits from these expenditures.

For the purpose of answering this question, the alternative presentation must differ from the presentations (such as administrative, functional, or economic classifications or presentation by program) used to answer other questions. The alternative display can cover all expenditures or only a portion of expenditures. For instance, it can show how all expenditures are distributed according to geographic region or it can show how selected expenditures (such as the health budget or the agriculture budget) are distributed to different regions. But such a geographic display must be something different than the presentation of intergovernmental transfers used to answer question 35. One exception is when a country includes a special presentation of all policies intended to benefit the most impoverished populations (and is used to answer Question 52) then that can be considered an alternative display for purposes of answering this question as well. Finally, brief fact sheets showing how proposals in the budget benefit particular groups would be insufficient; only more detailed presentations would be considered.

The IBP Budget Brief, "How Transparent are Governments When it Comes to Their Budget's Impact on Poverty and Inequality?"

(<https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf>) includes a discussion of the importance of alternative displays of budget information and provides a number of examples. For instance,

- Bangladesh in its 2017-18 Budget included a detailed supplementary Gender Budgeting Report, which presents the spending dedicated to advancing women across various departments. (<https://mof.portal.gov.bd/site/page/3bb14732-b5b1-44df-9921-efedf1496295>).
- The UK's 2017 budget included a supplementary analysis that provided a distributional analysis of the budget by households in different income groups (see https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/661465/distributional_analysis_autumn_budget_2017.pdf).
- South Africa's 2017 Budget Review goes beyond the standard presentation of intergovernmental transfers, discussing the redistribution that results from national revenue flowing to the provinces and municipalities and presenting the allocations on a per capita basis (see chapter 6, <http://www.treasury.gov.za/documents/national%20budget/2017/review/FullBR.pdf>).

To answer "a," the Executive's Budget Proposal or supporting documentation must include at least three different presentations that illustrate the financial impact of policies on different groups of citizens for at least the budget year. To answer "b," the Executive's Budget Proposal or supporting documentation must include at least two different alternative displays of expenditures. A "c" applies if only one type of alternative display of expenditure is presented. Answer "d" applies if no alternative display of expenditure is presented.

Answer:

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

Source:

(a) General Account EBP

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account EBP
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account EBP
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

(d) Budget reference materials by Article 28 of Public Finance Act
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

(e) FY2022 EBP
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/fy2022.html

(f) Explanation of FY2022 Budget and FLIP
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html

Comment:

While EBP documents present estimate of policies that are intended to benefit directly the most impoverished populations, they do not include any alternative displays of expenditures that illustrate the financial impact of policies on different groups of citizens.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account EBP
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account EBP
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account EBP
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

(d) Budget reference materials by Article 28 of Public Finance Act
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

(e) FY2022 EBP
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/fy2022.html

(f) Explanation of FY2022 Budget and FLIP
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html

Comment:

While EBP documents present estimate of policies that are intended to benefit directly the most impoverished populations, they do not include any alternative displays of expenditures that illustrate the financial impact of policies on different groups of citizens.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Special Account EBP

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(b) General Account EBP

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(c) Government Affiliated Agency Account EBP: Capital funding

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

(d) Explanation of FY2022 Budget and FLIP

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html

-Appended chart, p 10, 13-14

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/tousyoyosetu7.pdf

-FILP Plan, p. 1-9 [5-13]

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/tousyoyosetu8.pdf

(e) Budget reference materials by Article 28 of Public Finance Act, p. 51- [55-]

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

(f) List of special public corporations

https://www.soumu.go.jp/main_content/000876791.pdf

Comment:

EBP documents provide estimates of some but not all transfers to public corporations, along with some narrative explanations. The Explanation of FY2022 Budget and FLIP presents estimates of transfers as loans and capital investment to government-affiliated organs, special corporations and corporations for which the government is a major shareholder. It includes an overview and explanation by corporation. The General Account EBP also includes estimates of transfers as grants, subsidies, interest subsidies, and capital investment for: the Incorporated Administrative Agency, government affiliated organs, special corporations, corporations of which the government is a major shareholder, and others. The documentation includes some narrative descriptions, with relevant information spread throughout.

As of 1st April 2023, 34 special public corporations exist. Some are listed enterprises for which the government is not a major shareholder, such as the Public Broadcasting Corporation financed by a mandatory broadcasting fee, with a different budget approval mechanism. Budget documents lack comprehensive information on these enterprises.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

- (a) Explanation of FY2022 Budget and FLIP
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html
- (b) Budget reference materials by Article 28 of Public Finance Act
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>
- (c) General Account EBP
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>
- (d) Special Account EBP
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(e) Government Affiliated Agency Account EBP
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

(f) Explanation of FY2022 Budget and FLIP
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/tousyoyosetu8.pdf

Comment:

EBP documents provide 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 documents provide estimates of the amounts allocated to support various QFAs, as well as narrative discussions 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 are a particularly broadly used form of QFAs. Other types of QFA mechanisms include price subsidies and foreign exchange loss compensation funds.

The Government Affiliated Agencies Account EBP provides information for special purpose bank or loan programs, such as the JICA, Okinawa Development Finance Corp, JBIC and Japan Finance Corporation.

The General Account EBP includes a lot of special programs that don't provide subsidies directly, but rather provide subsidies through the private or public sector.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Budget reference materials by Article 28 of Public Finance Act, p. 50 [55]-
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

(b) Special Account EBP: See tables showing balance sheets for individual accounts
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account EBP: See tables showing balance sheets for individual accounts
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

Comment:

EBP documents do provide some information about the value of government-held financial assets as well as the flow of funds to purchase financial assets and the receipts/revenue derived from financial assets. However, they don't include a detailed list containing the value of individual assets.

Additional information including a list of assets and estimates of their values, while not fully reported in EBP documents, is publicly available on the website. For a list of national properties see: https://www.mof.go.jp/policy/national_property/list/index.html

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Budget reference materials by Article 28 of Public Finance Act: Table: National property inventory, p. 50 [54]
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

(b) National property database
<https://www.kokuyuzaisan.mof.go.jp/info/>

Comment:

EBP documents provide a list and valuation of government held non-financial assets at the end of FY2020 and FY2021, and estimated amounts at the end of FY2022. The Budget reference materials by Article 28 of Public Finance Act provides a table (p. 50 [54]) with a breakdown by main category of non-financial assets such as land, forest, buildings, machinery, and others). In addition, the Ministry of Finance also maintains a national property database that includes information on non-financial assets.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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 the planned timing of expenditures and progress against planned activities/outputs.

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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

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

GUIDELINES:

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

- a statement of purpose or policy rationale for each contingent liability;
- the new contingent liabilities for the budget year, such as new guarantees or insurance commitments proposed for the budget year; and
- the total amount of outstanding guarantees or insurance commitments at the end of the budget year. This reflects the gross exposure of the

government in the case that all guarantees or commitments come due (even though that may be unlikely to occur).

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

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

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

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

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

Answer:

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

Source:

(a) General Account EBP: Article12, p. 8-16 [19-27]
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account EBP, p. 2-14[10-22].
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account EBP
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

Comment:

EBP documents provide information about a range of contingent liabilities, including the broad use of loan guarantees and government supported insurance programs. The information provided includes 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 explanations of the policy rationale for each QFA mechanism and some core elements, such as a valuation of the total stock of all contingent liabilities.

Government is technically unable to guarantee any liabilities without also including a general budget provision. Article 12 of the General Budget Provision of the General Account EBP regulates the use of and the amount of contracted guarantees, p. 8-16. The General Budget Provision of the Special Account EBP regulates the limitation of the amount of bond issuance, loan, floating debt, etc., p. 2-14 [10-22].

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

43. Does the Executive's Budget Proposal or any supporting budget documentation present projections that assess the government's future liabilities and the sustainability of its finances over the longer term?

(The core information must cover a period of at least 10 years and include the macroeconomic and demographic assumptions used and a discussion of the fiscal implications and risks highlighted by the projections.)

GUIDELINES:

Question 43 focuses on government's future liabilities and the sustainability of its finances over the longer-term, asking whether "core" information related to these issues is presented. These core components must include:

- Projections that cover a period of at least 10 years.
- The macroeconomic and demographic assumptions used in making the projections.
- A discussion of the fiscal implications and risks highlighted by the projections. Good public financial management calls for budgets to include fiscal sustainability analyses.

The IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>) recommends that governments regularly publish the projected evolution of the public finances over the longer term (see Principle 3.1.3.). Future liabilities are a particularly important element when assessing the sustainability of public finances over the long term. Future liabilities are the result of government commitments that, unlike contingent liabilities, are virtually certain to occur at some future point and result in an expenditure. A typical example consists of government obligations to pay pension benefits or cover health care costs of future retirees. Under a cash accounting system, only current payments associated with such obligations are recognized in the budget. To capture the future impact on the budget of these liabilities, a separate statement is required.

Beyond the core information, some governments may also provide other information about the sustainability of their finances, including for example: projections that cover 20 or 30 years; multiple scenarios with different sets of assumptions; assumptions about other factors (such as the depletion of natural resources) that go beyond just the core macroeconomic and demographic data; and a detailed presentation of particular programs that have long time horizons, such as civil service pensions.

For more details on future liabilities, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>).

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

Answer:

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

Source:

(a) General Account EBP

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account EBP

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account EBP

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

(d) Budget reference materials by Article 28 of Public Finance Act

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

(e) FY2022 EBP

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/fy2022.html

(f) Explanation of FY2022 Budget and FLIP

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html

(g) Explanation of FY2022 tax and revenue stamp budget

https://www.mof.go.jp/tax_policy/reference/budget_explanation/008aR4a.pdf

(h) Plan of FY2022 issuance of government bonds

https://www.mof.go.jp/jgbs/issuance_plan/fy2022/issuanceplan211224.pdf

(i) FY2022 FLIP Plan
<https://www.mof.go.jp/policy/filp/plan/fy2022/index.html>

Comment:

The EBP documents do not include projects that assess the government's future liabilities and the sustainability of its finances over the longer term.

Budget reference materials by Article 28 of Public Finance Act include a long term plan for the redemption of past issued government bonds.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

The government does not receive donor assistance.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Explanation of FY 2022 Tax and Stamp Revenue Budget, p. 8-16 [8-21]
https://www.mof.go.jp/tax_policy/reference/budget_explanation/008aR4a.pdf

(b) FY2021 special tax measures survey results (January 2022)
https://www.mof.go.jp/tax_policy/reference/stm_report/fy2021/index.htm

Comment:

An estimate of revenue foregone is presented, with some information on tax foregone, such as the basic spousal income tax deduction amount, however the information presented is limited. Information on the other core elements is lacking.

Although there is no tax expenditure statement for the budget year, the government reports to the Diet on special tax measures survey results, however the report is for BY-2.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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

(a) Act on Special Accounts, 2007

https://elaws.e-gov.go.jp/document?lawid=419AC0000000023_20210401_502AC0000000046

(b) Electric Power Development Taxation Act, 1960

https://elaws.e-gov.go.jp/document?lawid=349AC0000000079_20200401_427AC0000000047

(c) Aviation Fuel Tax Transfer Act, 1972

https://elaws.e-gov.go.jp/document?lawid=347AC0000000007_20160401_000000000000000

(d) General Budget EBP: Article 18 (p. 20-23 [31-34])

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

Comment:

EBP documents present estimates of all earmarked revenues, however a narrative discussion is not included. Several acts regulate the accounting procedures for earmarked revenues, with special accounts established to manage earmarked revenues. Article 1-2(b) of the Act on Special Accounts regulates that earmarked revenue must be merged with General Account revenue to maintain the comprehensiveness of the national fiscal accounts. Earmarked revenues are then transferred to special accounts. For example, the Act on Special Accounts has articles specifying the uses for special purpose revenue. The Act on Electric Power Development Taxation and Aviation Fuel Tax Transfer Act also specifies the uses of earmarked tax revenue. Article 18 (p. 20-23 [31-34]) of the General Account EBP specifies the purpose for which consumption tax revenue can be used. There is a description regarding its use, but insufficient information is provided in the narrative discussion.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Explanation of FY2022 Budget and FLIP
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html

Comment:

EBP documents present estimates showing how the proposed budget is linked to the government's policy goals for the budget year, along with narrative discussions. The Explanation of FY2022 Budget and FLIP document includes both estimates of budget proposals and discussions of how proposed expenditures for the budget year relate to government policies.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) FY2022 EBP
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/fy2022.html

(b) Explanation of FY2022 Budget and FLIP
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html

Comment:

EBP documents do not present multi-year period information on how the budget is linked to government's policy, only presenting information for the budget year.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account EBP (eg. Cabinet p. 380-407 [388-415])

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account EBP (eg. special account for earth quake reinsurance p. 83[90])

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account EBP (eg. Okinawa Development Finance Corp p.13[19])

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

Comment:

EBP documents include information on the approved maximum number of government personnel, however there is no further non-financial data on inputs.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account EBP

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account EBP

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account EBP

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

(d) Budget reference materials by Article 28 of Public Finance Act

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

(e) FY2022 EBP

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/fy2022.html

(f) Explanation of FY2022 Budget and FLIP

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html

Comment:

EBP documents do not present nonfinancial data on results.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account EBP

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account EBP

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account EBP

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

(d) Budget reference materials by Article 28 of Public Finance Act

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202214001.pdf>

(e) FY2022 EBP

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/fy2022.html

(f) Explanation of FY2022 Budget and FLIP

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html

Comment:

EBP documents do not present nonfinancial data on results.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account EBP, p. 637-640 [641-644], 642-643 [646-647]
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Explanation of FY2022 Budget and FLIP, p.15-19[2-6]
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy030118.html
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/tousyoyosetu3.pdf

Comment:

EBP documents present estimates of all policies intended to benefit the country's most impoverished and disadvantaged populations, such as single parent family support, livelihood protection, support for the disabled and abused, child protection, along with narrative descriptions highlighting the main elements of those policies and budget proposals.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, estimates of policies that are intended to benefit directly the country's most impoverished populations are not presented.

Comments: As Researcher states, EBP documents present estimates of all policies intended to benefit the country's most impoverished and disadvantaged populations, such as single parent family support, livelihood protection, support for the disabled and abused, child protection, along with narrative descriptions highlighting the main elements of those policies and budget proposals. However, they also include administrative costs, and the documents do not purely show benefit amounts.

Government Reviewer

Opinion:

Researcher Response

According to OBS methodology, administrative costs do not need to be excluded, such that my answer remains unchanged.

IBP Comment

The response remains unchanged as administrative policy costs are typically budgeted together with core costs and are necessary for relevant policies to be practically implemented. In line with this, the OBS methodology does not require that administrative costs be excluded.

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:

(a) Guideline for FY2022 budget requests, p. 5
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy220729c.pdf

Comment:

The guideline for FY2022 budget requests included the deadline for budget submissions by ministries and agencies, however any further information is lacking.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

54. Does the Pre-Budget Statement present information on the macroeconomic forecast upon which the budget projections are based?

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

GUIDELINES:

Question 54 focuses on the macroeconomic forecast that underlies the Pre-Budget Statement, asking whether "core" information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:

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

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

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

Answer:

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

Source:

(a) Budget overview of FY2023
https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiry0_03-1.pdf

(b) Guidelines for FY2023 budget requests (ceiling)
https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy220729c.pdf

Comment:

The PBS documents do not present the core components of the macroeconomic forecast.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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

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

GUIDELINES:

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

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

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

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

Answer:

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

Source:

(a) Budget overview of FY2023

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiryo_03-1.pdf

(b) Guidelines for FY2023 budget requests (ceiling)

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy220729c.pdf

Comment:

The PBS documents do not present an estimate of total expenditures and while there is some discussion of expenditure policies and priorities, it is quite limited.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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

estimates for the upcoming budget?

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

GUIDELINES:

Question 56 focuses on the government's revenue policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these policies is presented. These core components include:

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

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

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

Answer:

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

Source:

(a) Budget overview of FY2023

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiry0_03-1.pdf

(b) Guidelines for FY2023 budget requests (ceiling)

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy220729c.pdf

Comment:

The PBS documents do not present either an estimate of total revenues or information related to the government's revenue policies and priorities.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Budget overview of FY2023

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiryo_03-1.pdf

(b) Guidelines for FY2023 budget requests (ceiling)

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy220729c.pdf

Comment:

The PBS documents do not present any of the three estimates related to government borrowing and debt.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

58. Does the Pre-Budget Statement present estimates of total expenditures for a multi-year period (at least two-years beyond the budget year)?

GUIDELINES:

Question 58 asks about multi-year expenditure estimates in the Pre-Budget Statement.

To answer "a," expenditure estimates for at least two years beyond the upcoming budget year must be presented. The estimates must be for at least total expenditures, but could include more detail than just the aggregate total.

Answer:

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

Source:

(a) Budget overview of FY2023

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiryo_03-1.pdf

(b) Guidelines for FY2023 budget requests (ceiling)

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/sy220729c.pdf

Comment:

The PBS documents do not present multi-year estimates of total expenditures.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

Comment:

EB documents present expenditure estimates by administrative unit, economic, and functional classification. For example, the General Account presents the total budgeted amount for each project by ministries and agencies, p. 39-82 [49-92], and the component of the budget estimated by the three expenditure classifications, p. 243-[249-]. The Special Account presents detailed budget components by individual special account. The Government Affiliated Agency Account presents detailed budget components by state organ.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account p. 39-82 [49-92], 243-[249-]
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account p. 15-41 [23-49], 67- [75-]
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account p. 5-12 [10-18], 26-43 [31-48], 96-97 [101-102]
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

Comment:**Peer Reviewer**

Opinion: Agree

Government Reviewer

Opinion:

60. Does the Enacted Budget present expenditure estimates for individual programs?**GUIDELINES:**

Question 60 asks if expenditure estimates in the Enacted Budget are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

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

To answer "a," the Enacted Budget must present all programs, which account for all expenditures, in the budget year. To answer "b," the Enacted Budget must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if the Enacted Budget presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Enacted Budget.

Answer:

a. Yes, the Enacted Budget presents estimates for programs accounting for all expenditures.

Source:

(a) General Account p. 39-82 [49-92], 243- [249-]
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account p.15-41 [23-49], 67- [75-]
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account p. 5-12 [10-18], 26-43 [31-48], 96-97 [101-102]
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

Comment:

EB documents present expenditure by program. Program level estimates are provided within a highly disaggregated administrative classification presentation of expenditures.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account p. 25-38 [33-48], 175-186 [236-247]

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account p.15-41 [23-49], 67- [75-]

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account p. 5-12 [10-18], 26-43 [31-48], 96-97 [101-102]

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

Comment:

EB documents present individual sources of tax and non-tax revenue. The General Account presents individual sources of non-tax revenue by administrative unit (p. 175-186 [236-247]). The Special Account and Government Affiliated Agency Account also present individual source of revenue by account and organ.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account p. 25-38 [35-48], 175-236 [186-247]
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Special Account p.15-41 [23-49], 67 -[75-]
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202212001.pdf>

(c) Government Affiliated Agency Account (p. 5-8 [10-13], 9 [15]-)
<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202213001.pdf>

Comment:

The General Account presents all individual sources of revenue. The Special Account and Government Affiliated Agency Account also present individual source of revenue by accounts and organs.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) General Account

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

(b) Japanese Public Finance Factsheet, April 2022 (EN)

<https://www.mof.go.jp/english/policy/budget/budget/fy2022/03.pdf>

Comment:

EB documents present estimates for all three core elements related to government borrowing and debt in the budget year.

1. Net new borrowing:

General Account: p. 32 [42], 183 [194]

Fact Sheet Graph: Trends in General Account Tax Revenues, Total Expenditures and Government Bond Issues, and Government Bond Issues and Bond Dependency Ratio, p. 3-4 [6-7]

2. Total outstanding debt:

Fact Sheet Graph: Accumulated Government Bonds Outstanding, p. 5 [8]

Factsheet Table: Accumulated Local and Central Government Bonds Outstanding, p. 6 [9]

3. Interest payments:

Fact Sheet Graph: Interest Payments, p. 1 [4]

Fact Sheet Graph: Trends in Interest Payments and Interest Rate, p. 22 [25]

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Japanese Public Finance Fact Sheet, April 2022 (EN)

<https://www.mof.go.jp/english/policy/budget/budget/fy2022/03.pdf>

(b) Learning material of the budget, April 2022

https://warp.da.ndl.go.jp/info:ndljp/pid/12319061/www.mof.go.jp/policy/budget/fiscal_condition/related_data/202204_zaisei.pdf

(c) Think about the finance of Japan, April 2022

https://warp.da.ndl.go.jp/info:ndljp/pid/12251877/www.mof.go.jp/policy/budget/fiscal_condition/related_data/202204_kanryaku.pdf

(d) FY2022 Fiscal report on state of affairs

https://www.mof.go.jp/policy/budget/report/46_report/fy2021/20220411150240.html

(e) Contact information for follow-up briefing by Ministry of Finance

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

(f) Contact form for Finance administration and budget execution

<https://www.mof.go.jp/application-contact/feedback/index.html>

Comment:

CB documents provide information beyond the core elements. For instance, the Japanese Public Finance Factsheet provides: total expenditure and revenue; breakdown of expenditure by main sector and type; breakdown of revenue by main source (specific taxes, revenue from bonds 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 expenditure data series; revenue and debt international comparisons of fiscal conditions and trends; fiscal projections for different macroeconomic forecast scenarios (baseline growth vs "economic revival case" macroeconomic indicators highlight the main policy initiatives across sectors); and analysis of key factors (e.g. demographic data) driving expenditure for main sectors (especially social security and health). The Ministry of Finance's website also contains contact information for follow-up by citizens.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Process to request delivery of paper copies

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

(b) Contact information for follow-up briefing by Ministry of Finance

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

Comment:

CBs are disseminated to the public through paper copies, online, and Finance Bureau staff providing briefing sessions, on request, to explain Japan's finances to schools, universities, workplaces, seminars, etc.

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion:

66. Has the executive established mechanisms to identify the public's requirements for budget information prior to publishing the Citizens Budget?

GUIDELINES:

Question 66 asks whether the executive has established mechanisms to identify the public's requirements for budget information before publishing a Citizens Budget. What the public wants to know about the budget might differ from the information the executive includes in technical documents that comprise the Executive's Budget Proposal or the Enacted Budget; similarly, different perspectives might exist on how the budget should be presented, and this may vary depending on the context. For this reason the executive should consult with the public on the content and presentation of the Citizens Budget.

To answer "a," the executive must have established mechanisms to consult with the public, and these mechanisms for consultation are both accessible and widely used by the public. Such mechanisms can include focus groups, social networks, surveys, hotlines, and meetings/events in universities or other locations where people gather to discuss public issues. In countries where Citizens Budgets are consistently produced and released, it may be sufficient for the government to provide the public with contact information and feedback opportunities, and subsequently use the feedback to improve its management of public resources.

Option "b" applies if the executive has established mechanisms for consultation that are accessible to the public, but that the public nonetheless does not use frequently. That is, the public does not typically engage with the executive on the content of the Citizens Budget, even though the executive has created opportunities for such consultation. Option "c" applies if the executive has established mechanism for consultation with the public, but they are poorly designed and thus not accessible to the public. Option "d" applies if the executive has not created any mechanisms to seek feedback from the public on the content of the Citizens Budget.

Answer:

d. No, the executive has not established any mechanisms to identify the public's requirements for budget information in the Citizen's Budget.

Source:

(a) Surveys aiming at improving public relations materials, p. 41-44, 106-111.
https://www.mof.go.jp/about_mof/mof_budget/release/itaku/seikabutsu/2021koho.pdf

Comment:

Surveys aiming at improving public relations materials are conducted by a research company. They include questions aimed at improving public relations on fiscal information, the accessibility of tools or media, to the public (p. 41-44, 106-111).

The document evaluated for the OBS2021 included direct questions aimed at improving the contents of the CB. While the document evaluated for the OBS 2023 may have questions aimed at improving fiscal policy information dissemination, it is unlikely that the aim is to improve the contents of the CB itself.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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:

1. Enacted Budget CB documents, April 2022:

(a) Japanese Public Finance Factsheet 2022 (EN)

<https://www.mof.go.jp/english/policy/budget/budget/fy2022/03.pdf>

(b) FY2022 Fiscal report on state of affairs

https://www.mof.go.jp/policy/budget/report/46_report/fy2021/20220411150240.html

(c) Learning material of the finances

https://warp.da.ndl.go.jp/info:ndljp/pid/12319061/www.mof.go.jp/policy/budget/fiscal_condition/related_data/202204_zaisei.pdf

(d) Think about the finance of Japan

https://warp.da.ndl.go.jp/info:ndljp/pid/12251877/www.mof.go.jp/policy/budget/fiscal_condition/related_data/202204_kanryaku.pdf

2. Year-End Report CB document

(e) Explanation of FY2019 YER

https://www.mof.go.jp/policy/budget/budger_workflow/account/fy2021/index.html

3. Audit Report CB documents

(f) Outline of FY2021

<https://www.jbaudit.go.jp/report/new/summary03/index.html>

(g) Characteristic case of FY2021

<https://www.jbaudit.go.jp/report/new/tokutyou03.html>

Comment:

CB documents are produced for the stages of the budget cycle: EB, YER and AR.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) State of National Treasury Revenue and Expenditure monthly report: October 2022
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/index.htm
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0410b.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0410c.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0410d.html

(b) Quarterly budget execution report

https://www.mof.go.jp/policy/budget/report/budget_use/index.htm
FY2022 Second quarter, p. 6-43
https://www.mof.go.jp/policy/budget/report/budget_use/fy2022/04_2.html

Comment:

IYR documents present actual expenditure by administrative unit and functional classification. The administrative classification is presented in the State of National Treasury revenue and expenditure monthly reports, while the functional classification is presented in quarterly budget execution reports. Actual expenditures by economic classification are not presented.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) State of National Treasury Revenue and Expenditure monthly report
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/index.htm
October 2022:
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/index.htm
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0410b.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0410c.html
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0410d.html

(b) Quarterly budget execution report

https://www.mof.go.jp/policy/budget/report/budget_use/index.htm
FY2022 Second quarter, p. 6-43
https://www.mof.go.jp/policy/budget/report/budget_use/fy2022/04_2.html

Comment:

IYR documents present actual expenditure by administrative unit and functional classification. The administrative classification is presented in the State of National Treasury revenue and expenditure monthly reports, while the functional classification is presented in quarterly budget execution reports. Actual expenditures by economic classification are not presented.

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion:

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:

(a) Quarterly budget execution report
https://www.mof.go.jp/policy/budget/report/budget_use/index.htm
FY2022 Second quarter, p. 6-43
https://www.mof.go.jp/policy/budget/report/budget_use/fy2022/04_2.html

Comment:

IYR documents present actual expenditure by individual program.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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:

(a) Quarterly budget execution report
https://www.mof.go.jp/policy/budget/report/budget_use/index.htm
FY2022 Second quarter, p. 1
https://www.mof.go.jp/policy/budget/report/budget_use/fy2022/04_2.html

Comment:

IYR documents compare actual year-to-date expenditures by administrative unit with the same period in the previous year (p. 1).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) State of National Treasury Revenue and Expenditure monthly report:
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/index.htm
October 2022:
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0410a.html

(b) Quarterly budget execution report
https://www.mof.go.jp/policy/budget/report/budget_use/index.htm
FY2022 Second quarter, p. 1-4
https://www.mof.go.jp/policy/budget/report/budget_use/fy2022/04_2.html

Comment:

Actual tax and non-tax revenues are presented in the State of National Treasury revenue and expenditure monthly reports, as well as in quarterly budget execution reports.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) State of National Treasury Revenue and Expenditure monthly report
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/index.htm
October 2022:
https://www.mof.go.jp/policy/budget/report/revenue_and_expenditure/fy2022/0410a.html

(b) Quarterly budget execution report
https://www.mof.go.jp/policy/budget/report/budget_use/index.htm
FY2022 Second quarter, p. 3-6
https://www.mof.go.jp/policy/budget/report/budget_use/fy2022/04_2a.pdf

(c) Quarterly National Treasury Status report
https://www.mof.go.jp/exchequer/reference/exchequer_report/data.htm
FY2022 Second quarter
https://www.mof.go.jp/policy/exchequer/reference/exchequer_report/fy2022_2nd_quarter/index.html

(d) Quarterly report on balance of public bonds, borrowing and government guaranteed liabilities
<https://www.mof.go.jp/jgbs/reference/gbb/data.htm>
FY2022 Second quarter
<https://www.mof.go.jp/jgbs/reference/gbb/202209.html>

Comment:

IYR documents present the individual sources of revenue for actual revenue collected.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Quarterly budget execution report

https://www.mof.go.jp/policy/budget/report/budget_use/index.htm
FY2022 Second quarter, p. 1
https://www.mof.go.jp/policy/budget/report/budget_use/fy2022/04_2a.pdf

Comment:

IYR documents do provide some comparison between actual year-to-date revenue with the same period in the previous year

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Quarterly budget execution report
https://www.mof.go.jp/budget/report/budget_use/index.htm
FY2022 Second quarter, p. 1,3
https://www.mof.go.jp/policy/budget/report/budget_use/fy2022/04_2a.pdf

(b) Quarterly report on balance of public bonds, borrowing and government guaranteed liabilities
FY2022 Second quarter
<https://www.mof.go.jp/jgbs/reference/gbb/202209.html>

Comment:

IYR documents presents data for net new borrowing in quarterly budget execution reports; and the amount of total debt (public bonds) in quarterly

reports on balance of public bonds, borrowing and government guaranteed liabilities.

While information is available on the Ministry of Finance's website for interest payments, this information is not presented in IYR documents.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

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

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

FY2022 Second quarter

<https://www.mof.go.jp/jgbs/reference/gbb/202209.html>

Comment:

IYR documents present information regarding the composition of total outstanding debt and the maturity profile of the debt. Information is not presented on interest payments and whether the debt is domestic or external. It should however be noted that Japan does not have external debt, with the annual statistical report of the debt for FY2021, that includes debt information since FY2004 (p. 4-9 [19-24]), not showing any external bond issuance.

(https://www.mof.go.jp/jgbs/publication/annual_report/2021/2021nenpou00.pdf).

The ratio of national debts held overseas is published in the 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:

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:

(a) Mid-Year Economic Projection for FY2022

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0725/shiryo_03-2.pdf

(b) Economic and Fiscal Projections for Medium to Long Term Analysis

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiryo_01-2.pdf

Comment:

These documents partially include some elements of a MYR, such as an update of economic projections but they do not provide the remaining information relevant to a MYR, and are also published before the midpoint of FY2022, such that they do not qualify as a MYR.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Mid-Year Economic Projection for FY2022

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0725/shiryo_03-2.pdf

(b) Economic and Fiscal Projections for Medium to Long Term Analysis

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiryo_01-2.pdf

Comment:

These documents partially include some elements of a MYR, such as an update of economic projections but they do not provide the remaining information relevant to a MYR, and are also published before the midpoint of FY2022, such that they do not qualify as a MYR.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Mid-Year Economic Projection for FY2022

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0725/shiryo_03-2.pdf

(b) Economic and Fiscal Projections for Medium to Long Term Analysis

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiryo_01-2.pdf

Comment:

These documents partially include some elements of a MYR, such as an update of economic projections but they do not provide the remaining information relevant to a MYR, and are also published before the midpoint of FY2022, such that they do not qualify as a MYR.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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:

(a) Mid-Year Economic Projection for FY2022

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0725/shiryo_03-2.pdf

(b) Economic and Fiscal Projections for Medium to Long Term Analysis

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiryo_01-2.pdf

Comment:

These documents partially include some elements of a MYR, such as an update of economic projections but they do not provide the remaining information relevant to a MYR, and are also published before the midpoint of FY2022, such that they do not qualify as a MYR.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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:

(a) Mid-Year Economic Projection for FY2022
https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0725/shiryo_03-2.pdf

(b) Economic and Fiscal Projections for Medium to Long Term Analysis
https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiryo_01-2.pdf

Comment:

These documents partially include some elements of a MYR, such as an update of economic projections but they do not provide the remaining information relevant to a MYR, and are also published before the midpoint of FY2022, such that they do not qualify as a MYR.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Mid-Year Economic Projection for FY2022
https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0725/shiryo_03-2.pdf

(b) Economic and Fiscal Projections for Medium to Long Term Analysis
https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiryo_01-2.pdf

Comment:

These documents partially include some elements of a MYR, such as an update of economic projections but they do not provide the remaining information relevant to a MYR, and are also published before the midpoint of FY2022, such that they do not qualify as a MYR.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Mid-Year Economic Projection for FY2022

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0725/shiry0_03-2.pdf

(b) Economic and Fiscal Projections for Medium to Long Term Analysis

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiry0_01-2.pdf

Comment:

These documents partially include some elements of a MYR, such as an update of economic projections but they do not provide the remaining information relevant to a MYR, and are also published before the midpoint of FY2022, such that they do not qualify as a MYR.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Mid-Year Economic Projection for FY2022

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0725/shiry0_03-2.pdf

(b) Economic and Fiscal Projections for Medium to Long Term Analysis

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiry0_01-2.pdf

Comment:

These documents partially include some elements of a MYR, such as an update of economic projections but they do not provide the remaining information relevant to a MYR, and are also published before the midpoint of FY2022, such that they do not qualify as a MYR.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Mid-Year Economic Projection for FY2022

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0725/shiryo_03-2.pdf

(b) Economic and Fiscal Projections for Medium to Long Term Analysis

https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0729/shiryo_01-2.pdf

Comment:

These documents partially include some elements of a MYR, such as an update of economic projections but they do not provide the remaining information relevant to a MYR, and are also published before the midpoint of FY2022, such that they do not qualify as a MYR.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Settlement of the FY 2021 General Account Revenues and Expenditures
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202172001.pdf>

(b) Reference Documents of Settlement of the FY2021 General Account Revenues and Expenditures
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202177001.pdf>

(c) Settlement of the FY2021 Special Account Revenues and Expenditures
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202175001.pdf>

(d) Reference Documents of Settlement of the FY2021 Special Account Revenues and Expenditures
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202178001.pdf>

(e) Settlement of the FY2021 Government Affiliated Organs
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202176001.pdf>

(f) Explanation of FY2021 Settlement
https://www.mof.go.jp/policy/budget/budger_workflow/account/fy2021/ke_setsumei03.html

Comment:

YER documents include estimates of the differences between the enacted levels and the actual outcome for all expenditures, along with narrative discussions.

(a) Settlement of the FY 2021 General Account Revenues and Expenditures provides: a. Data on actual budget (=enacted budget + supplemental budget + carryover from FY2020), budget revisions and actual expenditures by administrative unit and by main items (p. 5-12 [9-16]); and b. Data on actual budget, carryover from FY2020, usage of reserve fund, budget revisions, actual expenditure, amount of carryover to FY2022 and unused balances by administrative unit and by project/program (p. 13-52 [17-52], 66-100 [78-113]).

(b) Reference Documents of Settlement of the FY2021 General Account Revenues and Expenditures includes data on enacted budget (including the supplemental budget), amount carried over from FY2020, usage of reserve fund, actual budget, actual expenditures, carry over to FY2023 and balances by administrative unit, projects/programs, and economic classification (p. 69 [67]).

(c) Settlement of the FY2021 Special Account Revenues and Expenditures includes data on the enacted budget (including the supplemental budget), carried over from FY2020, usage of reserve fund, actual budget and remaining balances.

(d) Reference Documents of Settlement of the FY2021 Special Account Revenues and Expenditures includes data and narratives on the enacted budget (including supplemental budget), amount carried over from FY2020, usage of reserve fund, actual budget (=enacted budget +carried over from FY2020), actual expenditures (for FY2021) and the expected carry over to FY2022 of unused funds.

(e) and (f) provide data, as well as narrative discussions of year-end finances (and performance/expected outputs), including variances between budgeted/planned and actual outcomes (financial and non-financial) at program/project level. The Settlement of the FY2021 Government Affiliated Organs includes data by organs and projects.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Settlement of the FY 2021 General Account Revenues and Expenditures

<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202172001.pdf>

(b) Reference Documents of Settlement of the FY2021 General Account Revenues and Expenditures

<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202177001.pdf>

(c) Settlement of the FY2021 Special Account Revenues and Expenditures

<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202175001.pdf>

(d) Reference Documents of Settlement of the FY2021 Special Account Revenues and Expenditures

<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202178001.pdf>

(e) Settlement of the FY2021 Government Affiliated Organs

<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202176001.pdf>

Comment:

(a) Settlement of the FY 2021 General Account Revenues and Expenditures presents actual expenditure estimates by administrative unit (p. 9 [13]), and by functional classification (p. 66-100 [78-113]).

(b) Reference Documents of Settlement of the FY2021 General Account Revenues and Expenditures presents actual expenditure estimates by administrative unit, economic, and functional classification (eg. Cabinet, p. 100-104 [94-98]).

(c) Settlement of the FY2021 Special Account Revenues and Expenditures presents the actual expenditure estimates of special accounts with a functional classification (eg. Earthquake reinsurance special account, p. 5 [8]).

(d) Reference Documents of Settlement of the FY2021 Special Account Revenues and Expenditures presents the actual expenditure estimates of each special account with aggregates by program/activity level and economic categories of spending, along with information about which ministries and agencies have jurisdiction.

(e) Settlement of the FY2021 Government Affiliated Organs presents the actual expenditure estimates of each organ with aggregates by program/activity-level items and economic categories of spending (eg. Okinawa Development Finance Corporation, p. 3-6 [4-7], 7-8 [8-9]).

It should be noted that as in the case of EBP/EB documents, the data provided in respect of functional categories is not fully aligned to an international standard, although some standard functional categories are used, such as defense and education.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Settlement of the FY 2021 General Account Revenues and Expenditures

<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202172001.pdf>

(b) Reference Documents of Settlement of the FY2021 General Account Revenues and Expenditures

<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202177001.pdf>

(c) Settlement of the FY2021 Special Account Revenues and Expenditures

<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202175001.pdf>

(d) Reference Documents of Settlement of the FY2021 Special Account Revenues and Expenditures

<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202178001.pdf>

(e) Settlement of the FY2021 Government Affiliated Organs

<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202176001.pdf>

Comment:

(a) Settlement of the FY 2021 General Account Revenues and Expenditures presents actual expenditure estimates by administrative unit (p. 9 [13]), and by functional classification (p. 66-100 [78-113]).

(b) Reference Documents of Settlement of the FY2021 General Account Revenues and Expenditures presents actual expenditure estimates by administrative unit, economic, and functional classification (eg. Cabinet, p. 100-104 [94-98]).

(c) Settlement of the FY2021 Special Account Revenues and Expenditures presents the actual expenditure estimates of special accounts with a functional classification (eg. Earthquake reinsurance special account, p. 5 [8]).

(d) Reference Documents of Settlement of the FY2021 Special Account Revenues and Expenditures presents the actual expenditure estimates of each special account with aggregates by program/activity level and economic categories of spending, along with information about which ministries and agencies have jurisdiction.

(e) Settlement of the FY2021 Government Affiliated Organs presents the actual expenditure estimates of each organ with aggregates by program/activity-level items and economic categories of spending (eg. Okinawa Development Finance Corporation, p. 3-6 [4-7], 7-8 [8-9]).

It should be noted that as in the case of EBP/EB documents, the data provided in respect of functional categories is not fully aligned to an international standard, although some standard functional categories are used, such as defense and education.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Settlement of the FY 2021 General Account Revenues and Expenditures
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202172001.pdf>

(b) Reference Documents of Settlement of the FY2021 General Account Revenues and Expenditures
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202177001.pdf>

(c) Settlement of the FY2021 Special Account Revenues and Expenditures
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202175001.pdf>

(d) Reference Documents of Settlement of the FY2021 Special Account Revenues and Expenditures
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202178001.pdf>

(e) Settlement of the FY2021 Government Affiliated Organs
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202176001.pdf>

(f) Explanation of FY2021 Settlement
https://www.mof.go.jp/policy/budget/budger_workflow/account/fy2021/kessan_03_zenntaibann.pdf

Comment:

(a) Settlement of the FY 2021 General Account Revenues and Expenditures, presents actual expenditure estimates at the program level (p. 66-100 [78-113]).

(b) Reference Documents of Settlement of the FY2021 General Account Revenues and Expenditures presents actual expenditure estimates at the program level (eg. Cabinet, p. 100-104 [94-98]).

(c) Settlement of the FY2021 Special Account Revenues and Expenditures presents actual expenditure estimates of special accounts at the program level (eg. Earthquake reinsurance special account, p. 5 [8]).

(d) Reference Documents of Settlement of the FY2021 Special Account Revenues and Expenditures presents actual expenditure estimates for each special account with aggregates by program/activity level items.

(e) Settlement of the FY2021 Government Affiliated Organs presents the actual expenditure estimates of each organ with aggregates by program/activity-level items (eg. Okinawa Development Finance Corporation, p. 3-6 [4-7], 7-8 [8-9]).

(f) Explanation of FY2021 Settlement presents actual expenditure estimates at a program level of the General Account (p. 26-215 [34-223], Special Account (p. 226- [234-]), and Government Affiliated Organs (p421-[429-]).

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Settlement of the FY 2021 General Account Revenues and Expenditures
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202172001.pdf>

(b) Reference Documents of Settlement of the FY2021 General Account Revenues and Expenditures
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202177001.pdf>

(c) Settlement of the FY2021 Special Account Revenues and Expenditures
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202175001.pdf>

(d) Reference Documents of Settlement of the FY2021 Special Account Revenues and Expenditures
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202178001.pdf>

(e) Settlement of the FY2021 Government Affiliated Organs
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202176001.pdf>

(f) Explanation of FY2021 Settlement
https://www.mof.go.jp/policy/budget/budger_workflow/account/fy2021/kessan_03_zenntaibann.pdf

Comment:

(a) Settlement of the FY 2021 General Account Revenues and Expenditures presents the differences between the enacted levels and the actual outcome for revenues (p. 2-4 [4-8], 53-65[57-69]).

(b) Reference Documents of Settlement of the FY2021 General Account Revenues and Expenditures present the differences between the enacted levels and the actual outcome for revenues (p. 3-61 [5-62]).

(c) Settlement of the FY2021 Special Account Revenues and Expenditures presents the differences between the enacted levels and the actual outcome for revenues (eg. Earthquake reinsurance special account, p. 5[8]).

(d) Reference Documents of Settlement of the FY2021 Special Account Revenues and Expenditures presents the differences between the enacted levels and the actual outcome for revenues (eg. Earthquake reinsurance special account, p. 17]).

(e) Settlement of the FY2021 Government Affiliated Organs presents the differences between the enacted levels and the actual outcome for revenues (eg. Okinawa Development Finance Corporation, p. 3-6 [4-7], 7-8 [8-9]).

(f) Explanation of FY2021 Settlement presents the differences between the enacted levels and the actual outcome for revenues of the General Account (p. 217-223 [225-231], Special Account (p. 226- [234-]), and Government Affiliated Organs (p. 421- [429-]).

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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:

(a) Settlement of the FY 2021 General Account Revenues and Expenditures, p. 2-4 [4-8], 53-65 [57-69].
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202172001.pdf>

(b) Reference Documents of Settlement of the FY2021 General Account Revenues and Expenditures, p 3-61 [5-62]).
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202177001.pdf>

(c) Settlement of the FY2021 Special Account Revenues and Expenditures (eg. Earthquake reinsurance special account, p. 5 [8])
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202175001.pdf>

(d) Reference Documents of Settlement of the FY2021 Special Account Revenues and Expenditures (eg. Earthquake reinsurance special account, p. 17))
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202178001.pdf>

(e) Settlement of the FY2021 Government Affiliated Organs (eg. Okinawa Development Finance Corporation, p. 3-6 [4-7], 7-8 [8-9])
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202176001.pdf>

(f) Explanation of FY2021 Settlement: General Account (p. 217-223 [225-231], Special Account (p. 226- [234-]), and Government Affiliated Organs (p. 421- 429-))
https://www.mof.go.jp/policy/budget/budger_workflow/account/fy2021/kessan_03_zenntaibann.pdf

Comment:

(a) and (b) present 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 unit; (c) and (d) present revenue data for special accounts; while (e) presents information on revenues by individual organization, account and items with narratives.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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:

(a) Settlement of the FY 2021 General Account Revenues and Expenditures, p. 2-4 [4-8], 53-65 [57-69].
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202172001.pdf>

(b) Reference Documents of Settlement of the FY2021 General Account Revenues and Expenditures, p 3-61 [5-62].
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202177001.pdf>

(c) Settlement of the FY2021 Special Account Revenues and Expenditures (eg. Earthquake reinsurance special account, p. 5 [8])
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202175001.pdf>

(d) Reference Documents of Settlement of the FY2021 Special Account Revenues and Expenditures (eg. Earthquake reinsurance special account, p. 17)
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202178001.pdf>

(e) Settlement of the FY2021 Government Affiliated Organs (eg. Okinawa Development Finance Corporation, p. 3-6 [4-7], 7-8 [8-9])
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202176001.pdf>

(f) Explanation of FY2021 Settlement: General Account (p. 217-223 [225-231], Special Account (p. 226- [234-]), and Government Affiliated Organs (p. 421- 429-])
https://www.mof.go.jp/policy/budget/budger_workflow/account/fy2021/kessan_03_zenntaibann.pdf

Comment:

(a) and (b) present 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 unit; (c) and (d) present revenue data for special accounts; while (e) presents information on revenues by individual organization, account and items with narratives.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Settlement of the FY 2021 General Account Revenues and Expenditures, p.3 [5], 61 [62]

<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202172001.pdf>

(b) Reference Documents of Settlement of the FY2021 General Account Revenues and Expenditures, p 15[17], p. 813-923 [784-894]

<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202177001.pdf>

(c) Settlement of the FY2021 Special Account Revenues and Expenditures, p. 3-[6]-

<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202175001.pdf>

(d) Reference Documents of Settlement of the FY2021 Special Account Revenues and Expenditures, p. 26 [24], 29-30 [27-28]

<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202178001.pdf>

(e) Settlement of the FY2021 Government Affiliated Organs (eg Okinawa Development Finance Corporation, p. 4 [5], 6-10 [7-11])

<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202176001.pdf>

(f) Explanation of FY2021 Settlement, p. 473-475 [481-483], 517 [525]

https://www.mof.go.jp/policy/budget/budger_workflow/account/fy2021/kessan_03_zenntaibann.pdf

Comment:

YER documents provide data for the comparison of the 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, and
3. Interest payments on the outstanding debt for the budget year.

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. Information on interest rates on the debt, whether debt is domestic or external and the maturity profile of the debt is lacking. There also aren't any extensive narrative discussions accompanying the data.

(a) Settlement of the FY 2021 General Account Revenues and Expenditures presents information on net new borrowing p. 3 [5], 61 [62].

(b) Reference Documents of Settlement of the FY2021 General Account Revenues and Expenditures present information on net new borrowing p.15 [17] and total debt p. 813-923 [784-894].

(c) Settlement of the FY2021 Special Account Revenues and Expenditures presents information on total debt p. 3- [6]-.

(d) Reference Documents of Settlement of the FY2021 Special Account Revenues and Expenditures present information on interest payments p. 26 [24], 29-30 [27-28].

(e) Settlement of the FY2021 Government Affiliated Organs presents information on interest payments and total debt (eg. Okinawa Development Finance Corporation, p. 4 [5], 6-10 [7-11]).

(f) Explanation of FY2021 Settlement presents information on debt and credit p. 473-475 [481-483], 517 [525].

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion:

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:

(a) Settlement of the FY 2021 General Account Revenues and Expenditures, p.3 [5], 61 [62]
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202172001.pdf>

(b) Reference Documents of Settlement of the FY2021 General Account Revenues and Expenditures, p 15[17], p. 813-923 [784-894]
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202177001.pdf>

(c) Settlement of the FY2021 Special Account Revenues and Expenditures, p. 3-[6]-
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202175001.pdf>

(d) Reference Documents of Settlement of the FY2021 Special Account Revenues and Expenditures, p. 26 [24], 29-30 [27-28]
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202178001.pdf>

(e) Settlement of the FY2021 Government Affiliated Organs (eg Okinawa Development Finance Corporation, p. 4 [5], 6-10 [7-11]
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202176001.pdf>

(f) Explanation of FY2021 Settlement, p. 473-475 [481-483], 517 [525]
https://www.mof.go.jp/policy/budget/budger_workflow/account/fy2021/kessan_03_zenntaibann.pdf

Comment:

YER documents provide data for the comparison of the 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, and
3. Interest payments on the outstanding debt for the budget year.

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. There is only domestic government debt. Information on interest rates on the debt and the maturity profile of the debt is lacking. There also aren't any extensive narrative discussions accompanying the data.

(a) Settlement of the FY 2021 General Account Revenues and Expenditures presents information on net new borrowing p. 3 [5], 61[62].

(b) Reference Documents of Settlement of the FY2021 General Account Revenues and Expenditures present information on net new borrowing p.15 [17] and total debt p. 813-923 [784-894].

(c) Settlement of the FY2021 Special Account Revenues and Expenditures presents information on total debt p. 3- [6]-.

(d) Reference Documents of Settlement of the FY2021 Special Account Revenues and Expenditures present information on interest payments p. 26 [24], 29-30 [27-28].

(e) Settlement of the FY2021 Government Affiliated Organs presents information on interest payments and total debt (eg. Okinawa Development Finance Corporation, p. 4 [5], 6-10 [7-11].

(f) Explanation of FY2021 Settlement presents information on debt and credit p. 473-475 [481-483], 517 [525].

Peer Reviewer

Opinion: Agree

Comments: Information on maturity profile of the debt is not found in the Year-End Report, but it is as of the end of the fiscal year in "Annual Report of Government Bonds" that are published later. "Annual Report of Government Bonds in FY 2019" (p.42-60 [52-70])
https://www.mof.go.jp/jgbs/publication/annual_report/2019/nenpou00.pdf

Government Reviewer

Opinion:

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 "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. 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:

(a) Explanation of FY2021 Settlement, p.1-2 [9-10], p. 527 [535]
https://www.mof.go.jp/policy/budget/budger_workflow/account/fy2021/kessan_03_zenntaibann.pdf

Comment:

YER documents include both data and narrative discussions providing a comparison of the original macroeconomic assumptions for the fiscal year and the actual outcomes. The Explanation of FY2021 Settlement includes narrative discussions with references to data for nominal and real GDP growth for FY2021 p.1-2 [9-10]. The appendix tables provide data for FY2020 and FY2021 for the nominal GDP level, inflation rate, and real GDP growth, p. 527 [535]. Interest rate information is not presented.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Explanation of FY2021 Settlement, p.1-2 [9-10], p. 527 [535]
https://www.mof.go.jp/policy/budget/budger_workflow/account/fy2021/kessan_03_zenntaibann.pdf

Comment:

YER documents include both data and narrative discussions providing a comparison of the original macroeconomic assumptions for the fiscal year and the actual outcomes. The Explanation of FY2021 Settlement includes narrative discussions with references to data for nominal and real GDP growth for FY2021 p.1-2 [9-10]. The appendix tables provide data for FY2020 and FY2021 for the nominal GDP level, inflation rate, and real GDP growth, p. 527 [535]. Interest rate information is not presented.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Increase or decrease of commodities and amount of the end of FY2021
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL20217A0010.pdf>

(b) Increase or decrease of commodities and total amount at the end of FY2021 by administrative unit
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL20217A0012.pdf>

(c) Explanation of FY2021 Settlement: General Account's nonfinancial data on inputs and the actual outcome (eg. p. 30-36 [38-44])
https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_ippann.pdf

Comment:

YER documents provide extensive information with an inventory of goods owned by Government ministries and agencies as at the end of the FY2021, including the change since the end of the preceding year (FY2020). The Explanation of FY2021 Settlement of Account presents nonfinancial data on inputs and actual outcomes with narratives by program. However, a comparison to the budget amount for non-financial inputs planned to be purchased/acquired during the fiscal year, is not presented.

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion:

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:

(a) Increase or decrease of commodities and amount of the end of FY2021
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL20217A0010.pdf>

(b) Increase or decrease of commodities and total amount at the end of FY2021 by administrative unit
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL20217A0012.pdf>

(c) Explanation of FY2021 Settlement: General Account's nonfinancial data on inputs and the actual outcome (eg. p. 30-36 [38-44])
https://www.mof.go.jp/budget/budger_workflow/account/fy2019/kessan_01_ippann.pdf

Comment:

YER documents provide extensive information with an inventory of goods owned by Government ministries and agencies as at the end of the FY2021, including the change since the end of the preceding year (FY2020). The Explanation of FY2021 Settlement of Account presents nonfinancial data on inputs and actual outcomes with narratives by program. However, a comparison to the budget amount for non-financial results planned is not presented.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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:

(a) Settlement of the FY 2021 General Account Revenues and Expenditures, p. 86-87 [90-91]
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202172001.pdf>

(b) Reference Documents of Settlement of the FY2021 General Account Revenues and Expenditures, p. 417-418 [399-400]
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202177001.pdf>

(c) Explanation of FY2021 Settlement, p. 32-36 [40-44]
https://www.mof.go.jp/policy/budget/budger_workflow/account/fy2021/kessan_03_zenntaibann.pdf

Comment:

YER documents provide 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. This includes the enacted level and actual expenditure for livelihood protection programs, accompanied by some explanation. Data on other social protection programs is also provided along with narrative descriptions highlighting the main elements of their policies and outcomes.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Settlement of the FY2021 Special Account Revenues and Expenditures
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202175001.pdf>

(b) Reference Documents of Settlement of the FY2021 Special Account Revenues and Expenditures
<https://www.bb.mof.go.jp/server/2021/dlpdf/DL202178001.pdf>

Comment:

Estimates of the differences between the original estimates of extra-budgetary funds and actual outcomes are presented in YER documents, along with a very limited or no narrative discussion.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Financial statements FY2020

https://www.mof.go.jp/policy/budget/report/public_finance_fact_sheet/fy2020/kuninozaimurenketu2020.html

Comment:

The Financial Statement of FY2020 was published as a separate report on 25 January 2022. The Consolidated financial statements of FY2020 was then issued on 29 March 2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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 (<https://www.issai.org/pronouncements/issai-100-fundamental-principles-of-public-sector-auditing/>) for more detail.
- Compliance audits look at the extent to which the relevant regulations and procedures have been followed. See ISSAI 400

[\(https://www.issai.org/pronouncements/issai-400-compliance-audit-principles/\)](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 [\(https://www.issai.org/pronouncements/issai-300-performance-audit-principles/\)](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:

(a) FY2021 Audit report

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

(b) Audit Activity (EN)

<https://www.jbaudit.go.jp/english/effort/index.html>

Comment:

The Audit Board conducts all 3 types of audits as part of its annual audit process. The scope of audit activities include:

i) Financial audit: whether the final accounts accurately reflect the financial status such as the execution of the budgets (Accuracy); ii) Compliance audit: whether financial management is properly conducted in conformity with the approved budgets, laws and regulations (Regularity); iii) Performance audit: 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); and v) whether the projects and programs achieve the intended results and produce the expected effects (Effectiveness).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) FY2021 Audit report
<https://www.jbaudit.go.jp/report/new/index.html>

(b) Audit Activity (EN)
<https://www.jbaudit.go.jp/english/effort/index.html>

Comment:

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 the financial statements of special accounts. The audit report includes the audit result of the Imperial household, the Diet, the court, all administrative units, all incorporated administrative agencies, some special corporations, government affiliated organs, and other entities.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Act on Special Accounts, 2007, Article 19(1), (2)
https://elaws.e-gov.go.jp/document?lawid=419AC0000000023_20210401_503AC0000000008

(b) FY2021 Audit report
<https://www.jbaudit.go.jp/report/new/index.html>

Comment:

The Audit Report includes the audit results for all extra-budgetary funds. Article19(1) of the Act on Special Accounts regulates that any minister with authority (jurisdiction) for a special account has an obligation to produce a financial statement and send it to Minister of Finance. Article19(2) regulates that Cabinet has an obligation to submit audited financial statements to the Diet after inspection by the Audit Board. The audit report includes an examination of all special account financial statements.

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion:

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:

(a) Outline of FY2019 Audit report
<https://www.jbaudit.go.jp/report/new/summary03/index.html>

(b) Characteristic case of FY2019 Audit report
<https://www.jbaudit.go.jp/report/new/tokutyu03.html>

Comment:

The annual audit report prepared by the Audit Board includes an executive summary.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion:

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:

a. Yes, the executive reports publicly on what steps it has taken to address audit findings.

Source:

(a) Status of inspection results for corrective actions to address improper facts recorded in audit report

https://www.jbaudit.go.jp/report/new/all/ch3_p3.html

(b) Follow up

<https://www.jbaudit.go.jp/effort/followup.html>

(c) Example: Ministry of Defense

https://www.mod.go.jp/j/budget/kouhyoushiryou_01.pdf

Comment:

The executive and other organizations subjected to audit are mandated to report to the SAI on corrective actions taken to address improper facts recorded in audit reports. The Diet receives reports submitted by the executive and others from the SAI. In practice, the executive and others make available to the public a document presenting what kind of corrective actions have been taken. The SAI has a mandate to include corrective actions taken by the executive and others in response to past audits in the Audit report.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) FY2021 Audit report

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

(b) Status of inspection results for corrective actions to address improper facts recorded in audit report

https://www.jbaudit.go.jp/report/new/all/ch3_p3.html

(c) Inspection results for corrective actions to address improper facts recorded in audit report

<https://www.jbaudit.go.jp/report/new/summary03/kaizen.html>

Comment:

The executive and other organizations subjected to audit are mandated to report to the SAI on corrective actions taken to address improper facts recorded in audit reports. The Diet receives reports submitted by the executive and others from the SAI. In practice, the executive and others make available to the public a document presenting what kind of corrective actions they have taken. The SAI has a mandate to include corrective actions taken by the executive and others in response to past audits in the Audit report.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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.qob.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.hcfp.fr/>).

For more information, see von Trapp et al. 'Principles for Independent Fiscal Institutions and Case Studies', *OECD Journal on Budgeting* 15:2 (special issue, 2016), <https://doi.org/10.1787/budget-15-5jm2795tv625>.

To answer "a," there must be an IFI, and its independence must be set in law. In addition, it must have sufficient staffing and resources, including funding, to carry out its tasks. Answer "b" applies if an IFI exists, but either its independence is not set in law or its staffing and resources are insufficient to carry out its tasks. Answer "c" applies if an IFI exists, but its independence is not set in law and it lacks sufficient staffing and resources. Answer "d" applies if no IFI exists.

If the answer is "a," "b," or "c," please specify in the comments the name and type of IFI that exists (e.g., parliamentary budget office or fiscal council). If the answer is "a" or "b," identify the law that guarantees its independence, and provide evidence in support of the assessment of the adequacy of its staffing and resources. This can include the IFI's total budget allocation over recent years, any press reports that discuss perceived funding shortfalls, assessments by international organizations, and/or information from interviews with staff of the IFI.

Answer:

d. No, there is no IFI.

Source:

Comment:

There are two bodies: Council on Economic and Fiscal Policy chaired by the Prime Minister; and the Finance Ministry's Fiscal System Council. However these bodies don't constitute IFIs in that they lack independence and have a limited advisory and analytical role.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

Comment:

There are two bodies: Council on Economic and Fiscal Policy chaired by the Prime Minister; and the Finance Ministry's Fiscal System Council. However these bodies don't constitute IFIs in that they lack independence and have a limited advisory and analytical role.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

Comment:

There are two bodies: Council on Economic and Fiscal Policy chaired by the Prime Minister; and the Finance Ministry's Fiscal System Council.

However these bodies don't constitute IFIs in that they lack independence and have a limited advisory and analytical role.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

Comment:

There are two bodies: Council on Economic and Fiscal Policy chaired by the Prime Minister; and the Finance Ministry's Fiscal System Council. However these bodies don't constitute IFIs in that they lack independence and have a limited advisory and analytical role.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Committee on the budget in the Lower House 2022 sessions

- The 209st extraordinary session, October-December 2020

https://www.shugiin.go.jp/internet/itdb_rchome.nsf/html/rchome/News/yosan209.htm

- The 208st ordinary session, January-June 2022

https://www.shugiin.go.jp/internet/itdb_rchome.nsf/html/rchome/News/yosan208.htm

- The 207st extraordinary session, December 2021

https://www.shugiin.go.jp/internet/itdb_rchome.nsf/html/rchome/News/yosan207.htm

Comment:

The Committee on the Budget in the Diet doesn't hold a session to debate budget policy before the tabling of the EBP. While the Government usually submits the supplemental budget proposal to the Diet every year, the committee holds a session to debate the supplemental budget proposal in an extraordinary session and sometimes at the beginning of the ordinary session, but it is not a specific budget policy session.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Deliberation Process of FY2022 EBP in the Diet
https://www.shugiin.go.jp/internet/itdb_gian.nsf/html/gian/keika/1DD504E.htm

Comment:

The Diet received the FY2022 EBP on 17 January 2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Deliberation Process of FY2022 EBP in the Diet
https://www.shugiin.go.jp/internet/itdb_gian.nsf/html/gian/keika/1DD504E.htm

Comment:

The Upper House approved the EBP on 22 March 2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) The Constitution of Japan

<https://www.japaneselawtranslation.go.jp/en/laws/view/174/en>

(b) Public Finance Law, 1947

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

Comment:

Constitution: 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: 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.

Thus there is no legal provision limiting EBP amendments by the Diet, however governmental opinion stated in the Committee on Budget in the lower house in 1952 is that the Diet has an authority to amend EBP as far as not to damage the right of Cabinet to submit the EBP.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Deliberation Process of FY2022 EBP in the Diet
https://www.shugiin.go.jp/internet/itdb_gian.nsf/html/gian/keika/1DD504E.htm

Comment:

The EBP was approved without amendment by the Diet, with a majority vote in both houses.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Deliberation Process of FY2022 EBP in the Diet
https://www.shugiin.go.jp/internet/itdb_gian.nsf/html/gian/keika/1DD504E.htm

(b) Progress of the committee on Budget of the House of the Councillors in the 208 ordinary session
<https://www.sangiin.go.jp/japanese/joho1/kousei/gian/211/meisai/m211150211001.htm>

Comment:

Both house committees did not publish a report with findings and recommendations either before or after the budget was adopted. The deliberation minutes and voting results were published.

Peer Reviewer

Opinion: Agree

Comments: When passing budget-related bills (especially tax laws and laws related to social security), a supplementary resolution of a committee to the bills may be passed to express recommendations related to that budget. List of supplementary resolutions of the House of the Councillors in the 208 ordinary session https://www.sangiin.go.jp/japanese/gianjoho/ketsugi/208/futai_ind.html Ex. Supplementary resolution to the bill for revision of the income tax act, etc. https://www.sangiin.go.jp/japanese/gianjoho/ketsugi/208/f067_032201.pdf Summary of passed propositions of the House of the Representatives in the 208 ordinary session https://www.shugiin.go.jp/internet/itdb_rchome.nsf/html/rchome/Shiryo/208yoshi.htm

Government Reviewer

Opinion:

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:

(a) Deliberation Process of FY2022 EBP in the Diet
https://www.shugiin.go.jp/internet/itdb_gian.nsf/html/gian/keika/1DD504E.htm

(b) Progress of the committee on Budget of the House of the Councillors in the 208 ordinary session
<https://www.sangiin.go.jp/japanese/joho1/kousei/gian/211/meisai/m211150211001.htm>

Comment:

The EBP is examined only by the Committee on Budget according to both House rules. Other sectoral standing committees do not examine the EBP.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Committees in the House of the Representatives jurisdiction
http://www.shugiin.go.jp/internet/itdb_iinkai.nsf/html/iinkai/iinkai_jounin.htm

(b) Committees in the House of the Councillors jurisdiction
http://www.sangiin.go.jp/japanese/kon_kokkaijyoho/iinkai/tiinkai.html

Comment:

There isn't a committee assigned to examine in-year implementation under the jurisdiction of both Houses.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Public Finance Law, 1947

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

(b) Article 15 of General Provision of Budget, p. 17-19 [28-30]

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202211001.pdf>

Comment:

Public Finance Law: Article 33: - Transfer and diversion of budget - (1) With regard to the expenses allocated for each department and division or the expenses for each division/paragraph within each department, 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/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.

The EB includes the "general provisions of budget", that were approved by the Diet. Article 15 regulates a condition to be able to transfer a budget appropriation from one department or one division to another in an individual executive body based on article 33(1) of the public finance law. The legislature comprehensively approves the EB including the shifting of funds. However, there is no provision regarding shifting funds between administrative units in the law and general provision of EB. That means that the executive needs to seek approval from the legislature prior to shifting funds.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Public Finance Law, 1947

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

Comment:

Public Finance Law:

- 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 are 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.

The Public Finance Law thus requires that the entire FY revenue and expenditure is incorporated in the budget. Therefore, if Cabinet plans to execute a budget larger than the enacted budget due to excess revenue, a supplemental budget must be approved by the Diet. When surplus funds arise at the end of the FY, these funds must be used for the redemption of public bonds and repayment of borrowing (Article 6, 41). Article 6 and 41 do not require legislative approval.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Public Finance Law, 1947, Article 29

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

(b) First Supplemental Budget of General Account of FY2022

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202221001.pdf>

(c) First Supplemental Budget of Special Account of FY2022

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202222001.pdf>

(d) Second Supplemental Budget of General Account of FY2022

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202221002.pdf>

(e) Second Supplemental Budget of Special Account of FY2022

<https://www.bb.mof.go.jp/server/2022/dlpdf/DL202222002.pdf>

Comment:

Public Finance Law: Article 29: 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.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) The Constitution of Japan
<https://www.japaneselawtranslation.go.jp/laws/view/174/en>

Comment:

The Constitution of Japan: 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 Board of Audit thus has an obligation to submit audit reports to the Diet, but there is not a requirement for the reports to be approved by the Diet.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) The Board of Audit Act
<https://www.japaneselawtranslation.go.jp/laws/view/4423/en>

Comment:

The Board of Audit Act:

- 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 the 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 their 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 their office if the Commissioner 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 their office against his/her will.

Thus it is mandatory that the Diet provides final consent for the appointment of commissioners, to be attested by the Emperor. Regarding the president of the board of audit, article 3 of the Board of Audit Act states 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:

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:

(a) The Board of Audit Act
<https://www.japaneselawtranslation.go.jp/ja/laws/view/4423/en>

Comment:

The Board of Audit Act:

- Article 4(4): The Emperor attests the appointment and dismissal of Commissioners.
- Article 5(3): Commissioners retire from office upon reaching the age of 65.
- Article 6: A Commissioner retires from office if a resolution is adopted by both Houses of the Diet following a decision by mutual consent of the other Commissioners that the Commissioner is unable to perform their duties due to a mental or physical disorder or that the other Commissioners made a decision by mutual consent that the Commissioner has in fact breached their obligation in the course of duty.
- Article 7: A Commissioner forfeits their office if the Commissioner 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 their office against their own will.

The president of the Board of Audit is elected by commissioners. There is no regulation pertaining to the removal of the president of the board by the executive body. Article 6 regulates the case of removing a commissioner by the consensus of other commissioners in specific cases. When this happens, it must be approved by the Diet.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Public Finance Law, 1947

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

Comment:

Public Finance Law, 1947

- 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.

Thus the SAI's budget is part of the EBP. The budget requested by the SAI is examined and coordinated by the Ministry of Finance. Article 19 of the Public Finance Act requires that the detail of the estimated budget is added when the SAI's budget is reduced. Article 18(2) requires Cabinet to ask the SAI's opinion or comment prior to determining the EBP.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) The Board of Audit Act

<https://www.japaneselawtranslation.go.jp/ja/laws/view/4423/en>

Comment:

The Board of Audit Act:

- Article 20: (1) The Board of Audit audits the final accounts of the revenues and expenditures of the State, pursuant to the provisions of Article 90 of the Constitution of Japan, and also audits the accounts 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 established by the Board of Audit, regularly submit statements of accounts (including electromagnetic records (meaning a record used in computerized information processing which is created in electronic form, magnetic form, or any other form that cannot be perceived by the human senses, and which are established by the Regulations of the Board of Audit as those for use in computer data-processing; the same applies in the following paragraph) on which the matters that must 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 must 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 must be stated in the relevant documents have been recorded) may be submitted to the Board of Audit regarding the receipts and payments of cash, and receipts and transfers 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 26: When the Board of Audit finds it necessary for them to conduct an audit, the Board may request the entity subject to the audit to submit its books, documents, other materials, or reports, or may question any relevant entity or request the discovery of relevant entity to appear. In this case, the entity that has been requested to submit its books, documents, other materials, or reports, or the relevant entity 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 ministry or agency or the supervisory government agency, or other responsible person equivalent thereto must report this immediately to the Board of Audit: (i) revelation of a crime in relation to the accounting; (ii) discovery of loss of cash, securities, or other properties.

- Article 28: The Board of Audit, if it is necessary for an audit, may request government agencies, public entities, and any other party to submit materials, give expert opinions, etc.

- Article 34: If the Board of Audit finds that, in the course of its audit, there are items that violate laws and regulations on financial management or that are improper, it may immediately present its opinions on the financial management to the head of the relevant ministry or agency or a relevant person, or demand them to take appropriate measures for the financial management, 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 handling of financial management conducted by an official who handles the accounting for the State, the Board of Audit must examine that official's handling and as a result of that, if the Board of Audit concludes that the handling needs to be corrected, it must notify its judgement to the competent authorities or other responsible parties.

(2) Upon receipt of a notification referred to in the preceding paragraph, the competent authorities or responsible parties must take appropriate measures pursuant to the notification of the judgement.

- Article 36: If, as a result of its audit, the Board of Audit finds that there are any matters concerning laws and regulations, systems or administration that need to be improved, it may present its opinions to the competent authorities or other responsible parties, or demand them to take measures for the improvement.

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 receipts and payments of cash, receipts and transfers of goods and securities, and bookkeeping of the State. (2) If an official who handles the accounting for the State seeks the opinion of the Board of Audit regarding the matters on which the official has questions in performing their official duties, the Board of Audit must give its feedback on these matters.

Thus the SAI basically has full discretion. There is a small limitation in that the SAI cannot examine actual evidence of expenditure such as receipts in the case of specific expenditures, for example the secret service fund. However, in such a case, the executive body must submit and create documentation regarding expenditures instead of actual evidence.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Organization of the Board

<http://www.jbaudit.go.jp/english/jbaudit/organization.html>

(b) The Board of Audit Act

<https://www.japaneselawtranslation.go.jp/ja/laws/view/4423/en>

Comment:

The Board of Audit Act does not contain an article pertaining to reviewing the activities of the Board of Audit. There also isn't a division or section allocated this work within the office of the Board of Audit.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) The Committee on Audit, The House of the Councillors, 2022/6/13

<https://kokkai.ndl.go.jp/#/detail?minId=120814103X00920220613>

(b) The Committee on Audit and Oversight of Administration, The House of Representatives, 2022/4/11

<https://kokkai.ndl.go.jp/#/detail?minId=120804127X00220220411>

(c) The Committee on Audit, The House of the Councillors, 2022/4/6

<https://kokkai.ndl.go.jp/#/detail?minId=120814103X00320220406>

(d) The Committee on Budget, The House of the Councillors, 2022/3/18
<https://kokkai.ndl.go.jp/#/detail?minId=120815261X01520220318>

(e) The Committee on Financial Affairs, The House of the Councillors, 2022/3/17
<https://kokkai.ndl.go.jp/#/detail?minId=120814370X00520220317>

(f) The Committee on Cabinet, The House of the Councillors, 2022/3/16
<https://kokkai.ndl.go.jp/#/detail?minId=120814889X00320220316>

(g) The Committee on Budget, The House of the Councillors, 2022/3/1
<https://kokkai.ndl.go.jp/#/detail?minId=120815261X00520220301>

(h) The Committee on Budget, The House of Representatives, 2022/2/14
<https://kokkai.ndl.go.jp/#/detail?minId=120805261X01520220214>

(i) The Committee on Budget, The House of Representatives, 2022/2/8
<https://kokkai.ndl.go.jp/#/detail?minId=120805261X01220220208>

(j) The Committee on Internal Affairs and Communications, The House of Representatives, 2022/2/8
<https://kokkai.ndl.go.jp/#/detail?minId=120804601X00320220208>

Comment:

The president or other senior staff members from the Board of Audit appeared at several standing committees or special committees of both Houses. The Board of Audit Act contains provisions regarding submitting reports to the Diet and presenting at the Diet. As at the 208th Session of the Diet, a Board of Audit representative presented at committees of the Diet, usually to explain very briefly about report the Board submitted or to answer a member of parliament's question, at least ten times.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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 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:

(a) Fiscal System Council

https://www.mof.go.jp/about_mof/councils/fiscal_system_council/index.html

(b) Ministry of Finance Establishment Act, Articles 6 and 7

<https://elaws.e-gov.go.jp/document?lawid=411AC0000000095>

Comment:

The Fiscal System Council was established by Article 6 of the Ministry of Finance Establishment Act. Article 7 of the Act provides the range of authority including deliberating and providing recommendation on important budget matters, the settlement, and fiscal system. The Council consists of scholars, people from the private sector and other experts. Due to its legal basis, the Council deliberates and makes recommendations on budget policies prior to Cabinet taking a decision on the EBP.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Fiscal System Council

https://www.mof.go.jp/about_mof/councils/fiscal_system_council/index.html

(b) Ministry of Finance Establishment Act, Articles 6 and 7

<https://elaws.e-gov.go.jp/document?lawid=411AC000000095>

Comment:

The Fiscal System Council includes a member from the social welfare sector. However, this member represents a specific social welfare issue, and doesn't sufficiently represent the vulnerable and underrepresented parts of the population. There aren't any further concrete steps to include individuals or CSOs representing vulnerable and underrepresented parts of the population.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Fiscal System Council

https://www.mof.go.jp/about_mof/councils/fiscal_system_council/index.html

(b) Fiscal System Subcommittee

- Proposal on FY2023 Fiscal Formulation, 29 November 2022

https://www.mof.go.jp/about_mof/councils/fiscal_system_council/sub-of_fiscal_system/report/zaiseia20221129/index.html

- Proposal

https://www.mof.go.jp/about_mof/councils/fiscal_system_council/sub-of_fiscal_system/report/zaiseia20221129/01.pdf

- Reference 1

https://www.mof.go.jp/about_mof/councils/fiscal_system_council/sub-of_fiscal_system/report/zaiseia20221129/03.pdf

- Reference 2

https://www.mof.go.jp/about_mof/councils/fiscal_system_council/sub-of_fiscal_system/report/zaiseia20221129/06.pdf

Comment:

Proposal for FY2023 Fiscal Formulation includes:

1. Macroeconomic issues, p. 1-11 [12-22]

3. Social spending policies, p. 16-115 [27-126]

Reference 1 documents of proposal include:

4. Deficit and debt levels, p. 5-7

Reference 2 documents of proposal include:

5. Public investment projects

6. Public services

Peer Reviewer

Opinion: Agree

Comments: On revenue forecasts, policies, and administration (especially tax policy), Tax Commission, which is established under Article 31 of the Cabinet Office Organization Order, had submitted proposals during the budget formulation stage every year until the FY2009 budget proposal.

<https://www.cao.go.jp/zei-cho/history/1996-2009/etc/index.html> After FY2010, the Tax Commission no longer issues annual proposals on tax reform.

Government Reviewer

Opinion:

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:

(a) Administrative Project Review

<https://www.gyokaku.go.jp/review/review.html>

(b) Open Review Process by the Ministries and Agencies in 2022

https://www.gyokaku.go.jp/review/kokai/R4/process_r4.html

(c) Open Review process by the Administrative Reform Promotion Council, November 2022

<https://www.gyokaku.go.jp/review/aki/index.html>

(d) Suggestion box

<https://www.gyokaku.go.jp/review/ikenbosyu/index.html>

(e) Suggestion box for budget execution

https://www2.mof.go.jp/enquete/yosan_opinion.html

Comment:

The Administrative Project Review is conducted annually by the Administrative Reform Promotion Council. As part of the process, more than 5,000 government project sheets are made available to the public for comment. Selected projects were reviewed in an open process by expert panels established by ministries and agencies. The results and expert comments put forward were made available to public but this does not include information on what kind of comments are considered, and how many comments the executive receives.

The Ministry of Finance makes available a suggestion box for budget execution but there isn't any feedback on the suggestions received.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Administrative Project Review

<https://www.gyokaku.go.jp/review/review.html>

(b) Open Review Process by the Ministries and Agencies in 2022

https://www.gyokaku.go.jp/review/kokai/R4/process_r4.html

(c) Open Review process by the Administrative Reform Promotion Council, November 2022

<https://www.gyokaku.go.jp/review/aki/index.html>

(d) Suggestion box

<https://www.gyokaku.go.jp/review/ikenbosyu/index.html>

(e) Suggestion box for budget execution

https://www2.mof.go.jp/enquete/yosan_opinion.html

Comment:

While anyone can submit a comment in the Administrative Project Review process, concrete steps are not taken to receive input from vulnerable and underrepresented parts of the population. Further, the expert panels within the Administrative Project Review do not include representation from the vulnerable and underrepresented parts of the population.

Peer Reviewer

Opinion: Agree

Comments: In the Social Security Council, which is an advisory body to the Minister of Health, Labor and Welfare, members representing the vulnerable and underrepresented parts of the population are included in some subcommittees. <https://www.mhlw.go.jp/stf/shingi/indexshingi.html> Ex. Subcommittee on Public Assistance of the Social Security Council https://www.mhlw.go.jp/stf/shingi/shingi-hosho_126702.html Subcommittee on Disabled Persons of the Social Security Council https://www.mhlw.go.jp/stf/shingi/shingi-hosho_126730.html The results of the discussions in these subcommittees are reflected in the revision of laws and policy enforcement for the vulnerable and underrepresented parts of the population.

Government Reviewer

Opinion:

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:

(a) Administrative Project Review

<https://www.gyokaku.go.jp/review/review.html>

(b) Open Review Process by the Ministries and Agencies in 2022

https://www.gyokaku.go.jp/review/kokai/R4/process_r4.html

(c) Open Review process by the Administrative Reform Promotion Council, November 2022

<https://www.gyokaku.go.jp/review/aki/index.html>

(d) Suggestion box

<https://www.gyokaku.go.jp/review/ikenbosyu/index.html>

(e) Suggestion box for budget execution

https://www2.mof.go.jp/enquete/yosan_opinion.html

Comment:

In the Administrative Project Review process, about 5,000 government project sheets were made available to public for comment. These project sheets include those pertaining to the: delivery of public services, implementation of social spending, and the implementation of public investment projects.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

131. When the executive engages with the public, does it provide comprehensive prior information on the process of the engagement, so that the public can participate in an informed manner?

Comprehensive information must include at least three of the following elements:

1. Purpose
2. Scope
3. Constraints
4. Intended outcomes
5. Process and timeline

GUIDELINES:

This question relates to the GIFT principle of "Openness," and addresses whether the executive provides relevant information on the process of the engagement before public participation takes place, in order to help citizens engage effectively. The question addresses whether the "rules of the public engagement" are clearly spelled out, in advance and in detail, so that those members of the public who want to engage know how to do so, in terms of when they can do so, what they are expected to provide input on, by when, to whom, etc. This question does not cover the substance of the engagement, which is covered by questions 127 and 130.

Non-comprehensive information means that the government provides information that includes at least one but less than three of the elements listed above.

Purpose refers to a brief explanation of why the public engagement is being undertaken, including the executive's objectives for its engagement with the public.

Scope refers to what is within the subject matter of the engagement as well as what is outside the subject matter of the engagement. For example, the scope may include how a current policy is administered but exclude the specifics of the policies themselves.

Constraints refers to whether there are any explicit limitations on the engagement. An example of a constraint could be that any policy changes must not cost (or forgo revenue) more than a specific amount or have no net fiscal cost.

Intended outcomes refers to what the executive hopes to achieve as a result of the engagement. Examples of intended outcomes could be revising a policy to better reflect citizen or service-user views or to improve the way in which a particular program is administered.

Process refers to the methods by which the public engagement will take place and the discrete steps in the process. For example, the process may simply be a one-off Internet-based consultation, with a summary published of public inputs and the official response. The process may involve simultaneous or overlapping steps, and may be conducted in one round or in two or more rounds of engagement.

Timeline refers to the specific dates on which the discrete steps in the process will take place, or during which they will be completed, and clear start and end dates for the overall engagement.

Answer "d" applies if the executive does not use public participation mechanisms during the budget implementation or formulation stage.

Answer:

c. Information is provided in a timely manner in both or one of the two phases, but it is not comprehensive.

Source:

(a) Administrative Project Review

<https://www.gyokaku.go.jp/review/review.html>

(b) Open Review Process by the Ministries and Agencies in 2022

https://www.gyokaku.go.jp/review/kokai/R4/process_r4.html

(c) Open Review process by the Administrative Reform Promotion Council, November 2022

<https://www.gyokaku.go.jp/review/aki/index.html>

(d) Suggestion box

<https://www.gyokaku.go.jp/review/ikenbosyu/index.html>

(e) Suggestion box for budget execution

https://www2.mof.go.jp/enquete/yosan_opinion.html

Comment:

Information on the Administrative Project Review's website includes an annual timeline of the review process. Information is also included on the review process and its purpose but this does not include information on the public engagement process and purpose, baring that pertaining to the open process. Project sheets are prepared and made available to the public for comment. This provides the scope of the subject matter for which anyone can submit a comment during the Administrative Project Review. An explanation on constraints is not provided although the public can only provide comments in the available project sheets. There is also no explanation on the intended outcomes of public engagement, only on the intended outcomes of the entire process.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

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:

(a) Fiscal System Subcommittee, Fiscal System Council

https://www.mof.go.jp/about_mof/councils/fiscal_system_council/sub-of_fiscal_system/proceedings/material/zaiseia20220216.html

https://www.mof.go.jp/about_mof/councils/fiscal_system_council/sub-of_fiscal_system/proceedings/material/zaiseia20220216/02.pdf

Comment:

The Fiscal System Subcommittee of the Fiscal System Council received a status report on how proposals are reflected in the EBP.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Efforts to review administrative projects by each ministry and agency
<https://www.gyokaku.go.jp/review/fusyo/index.html>

(b) Cabinet Secretariate
https://www.cao.go.jp/yosan/excel/r4/4_naikaku_reflection.xlsx
https://www.cao.go.jp/yosan/excel/r4/4_naikaku_new_project.xlsx
https://www.cao.go.jp/yosan/excel/r4/5_naikaku_new_project.xlsx
https://www.cao.go.jp/yosan/excel/r4/4_naikaku_totalization.xlsx

(c) Cabinet Office
https://www.cao.go.jp/yosan/excel/r4/4_naikakufu_reflection.xlsx
https://www.cao.go.jp/yosan/excel/r4/4_naikakufu_new_project.xlsx
https://www.cao.go.jp/yosan/excel/r4/5_naikakufu_new_project.xlsx
https://www.cao.go.jp/yosan/excel/r4/4_process_reflection.xlsx
https://www.cao.go.jp/yosan/excel/r4/4_naikakufu_totalization.xlsx

Comment:

Each ministry and agency provides a written record of the conclusion and recommendations put forward by the expert panel that participates in the Administrative Project Review Process of the Administrative Reform Promotion Council. The report includes some information about how ministries and agencies have reflected on the recommendation in respect of the next fiscal year's budget demands. There is an opportunity to submit comments by the public, but the report does not include how citizen's inputs have been used to assist in monitoring the implementation of the budget.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) Administrative Project Review

<https://www.gyokaku.go.jp/review/review.html>

(b) Fiscal System Council

https://www.mof.go.jp/about_mof/councils/fiscal_system_council/index.html

(c) FY2022 Budget Formulating Process

https://www.mof.go.jp/policy/budget/budger_workflow/budget/fy2022/fy2022.html

Comment:

There are two participation processes: the Administrative Project Review by the Administrative Reform Promotion Council; and the Fiscal System Council. Each of these processes is incorporated into the timetable for formulating the EBP but these are separate processes led by different executive bodies. As such, the Executive does not publish a comprehensive timetable.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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 official. Examples include public meetings and online deliberative exchanges.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input in the formulation or implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which a line ministry seeks out inputs from citizens. Examples include surveys, focus groups, report cards, published policy consultation exercises, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if a line ministry has established a mechanism or mechanisms to allow citizens to participate in the budget formulation phase, but:

1) The mechanisms are not structured and happen only on ad-hoc basis, or not regularly.

and/or

2) A line ministry consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the line ministry determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", there should be some sort of public record (held in public, minutes of meetings released to public) so that 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:

(a) Administrative Project Review
<https://www.gyokaku.go.jp/review/review.html>

(b) 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 the submission of public opinions directly into the EBP formulation process, with the exception of the Administrative Project Review and Fiscal System Council. There are many individual councils and committees that discuss government projects and policy in line ministries but these discussions do not focus on budget formulation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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 legislature are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.

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:

(a) The Diet Law, Article 51
<http://www.sangiin.go.jp/eng/law/diet/>

Comment:

The Diet Law: 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.

Thus Article 51 requires that a public hearing is held before a vote of the Budget Committee for both Houses. However, only invited experts or specific individuals can participate. Generally, a public hearing is held right before the EBP vote in the Budget Committee.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) The Diet Law, Article 51

<http://www.sangiin.go.jp/eng/law/diet/>

Comment:

The Diet Law: 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.

Thus Article 51 requires that a public hearing is held before a vote of the Budget Committee for both Houses. However, only invited experts or specific individuals can participate. Members of Parliament that are members of the Committee may ask Cabinet about the six key topics if they have interest in those. But the Committee itself does not hold any thematic session to discuss the six key topics.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

(a) The Diet Law, Article 51

<http://www.sangiin.go.jp/eng/law/diet/>

Comment:

The Diet Law: 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.

Thus Article 51 requires that a public hearing is held before a vote of the Budget Committee for both Houses. However, only invited experts or specific individuals can participate. Generally, a public hearing is held right before the EBP vote in the Budget Committee, however there isn't time to provide feedback to the public.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

139. Does the legislature hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the Audit Report?

GUIDELINES:

This question reflects the GIFT principle on "Sustainability," "Transparency," and "Complementarity" and assesses the extent to which the participation mechanism(s) used by the legislature are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.

A key constitutional role of the legislature in almost all countries is to oversee the government's management of public resources. While the Supreme Audit Institution is responsible for checking the government's accounts and publishing the outcome of their audits, for accountability purposes it is essential that the legislature reviews and scrutinizes those reports, and checks on whether the executive is taking the appropriate corrective actions based on the Supreme Audit Institution's recommendations.

Holding public hearings to review audit findings allows the public to learn more about how the government has managed its resources for the budget years that have ended, and demand accountability in case of mismanagement and irregularities. Reviewing and discussing those reports in public is therefore a key responsibility of a legislature.

Please note that by "Audit Report" we refer to the same audit report assessed in the transparency section of this Survey, i.e., one of the eight key budget documents that all governments (in this case, the Supreme Audit Institution) must produce, according to best practice.

Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) have put in place and using to allow the public to participate in their deliberations on the Audit Report.

Mechanisms through which members of the public reach out to individual members of parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.

To answer "a," the national legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).

Answer "b" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *No testimony is allowed from the public; BUT*
- *There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.*

Answer "c" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *No testimony is allowed from the public;*
- *No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, BUT*
- *The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)*

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the Audit Report.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

(a) The Diet Law, Article 106
<http://www.sangiin.go.jp/eng/law/diet/>

Comment:

The Diet Law: 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.

While there isn't an official participation mechanism, including public hearings on the Audit Report, it is possible to invite a voluntary testifier to a Committee session on the Audit Report.

Peer Reviewer

Opinion: Agree

Comments: In recent years, the Committee has not held a meeting to invite a witness or voluntary testifier on the Audit Report.

Government Reviewer

Opinion:

IBP Comment

During cross country consistency checks, IBP revised the response to D (from C) given that there is no evidence of the practice of public hearings taking place during FY 2022.

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:

(a) Reception of information provision on inappropriate budget execution
<https://www.jbaudit.go.jp/form/information/index.html>

Comment:

The Board of Audit provides information on how the public can submit information regarding inappropriate budget execution.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

IBP Comment

Many thanks to the researcher for providing evidence. However, it appears that the link provides information on how citizens can participate in ongoing audit investigations. This qualifies for indicator 142. IBP revised this indicator to B, and assessed the mechanism for 142.

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:

(a) Reception of information provision on inappropriate budget execution
<https://www.jbaudit.go.jp/form/information/index.html>

Comment:

The Board of Audit website notes that the information received will be referred for audit but that the Board of Audit won't necessarily respond regarding how that information is used.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

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:

a. Yes, SAI maintains formal mechanisms through which the public can contribute to audit investigations.

Source:

(a) Reception of information provision on inappropriate budget execution
<https://www.jbaudit.go.jp/form/information/index.html>

Comment:

The Board of Audit website notes that the information received will be referred for audit but that the Board of Audit won't necessarily respond regarding how that information is used.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

IBP Comment

Please see indicator 140 for further information, IBP revised the score from a b to an a. Researchers' citation (<https://www.jbaudit.go.jp/form/information/index.html>) point to citizens being able to provide information as a reference to accounting audit for ongoing investigations if they relate to corporations in which the government has invested capital, or prefectures, municipalities, or other organizations that receive subsidies from the government.