

Open Budget Survey 2023

Questionnaire

Montenegro

May 2024

Country Questionnaire: Montenegro

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

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

Answer:

FY 2023

Source:

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: FY 2023

Comments: The question is about fiscal year, not period.

Government Reviewer

Opinion: Agree

IBP Comment

The observation of the peer reviewer is correct. The answer was changed from FY 2023-25 to FY 2023.

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:

<https://www.gov.me/dokumenta/4a53f44a-1bf3-44c2-8cfd-b7650984a88c>

Comment:

The 2022-2025 PBS was published in July 2022.

The system Budget Law stipulates that it (Fiscal policy guidelines) needs to be published or adopted by the Government by the end of April for the next fiscal year (Article 29).

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

28/7/2022

Source:

<https://www.gov.me/dokumenta/4a53f44a-1bf3-44c2-8cfd-b7650984a88c>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

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

Answer:

Timestamp on the Government's document library was used to determine the date.

Additionally, the Government's session when the PBS was adopted coincides with the aforementioned date. (see the news post on Government's website: <https://www.gov.me/clanak/saopstenje-sa-14-sjednice-vlade-crne-gore-2>)

Finally, the "Wayback machine" internet archived saved a copy of the URL on August 3, which shows how the document was definitely available on that date, only a few days after July 28 (<http://web.archive.org/web/20220803152832/https://www.gov.me/dokumenta/4a53f44a-1bf3-44c2-8cfd-b7650984a88c>)

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

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

Answer:

<https://www.gov.me/dokumenta/4a53f44a-1bf3-44c2-8cfd-b7650984a88c>

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, 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:

<https://www.gov.me/dokumenta/4a53f44a-1bf3-44c2-8cfd-b7650984a88c>

Comment:

The document is only available in pdf format.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

produce the document.

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

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

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

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

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

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

Answer:

e. Not applicable (the document is publicly available)

Source:

<https://www.gov.me/dokumenta/4a53f44a-1bf3-44c2-8cfd-b7650984a88c>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

n/a

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Predlog smjernica makroekonomske i fiskalne politike za period od 2022-2025. godine

Source:

<https://www.gov.me/dokumenta/4a53f44a-1bf3-44c2-8cfd-b7650984a88c>

Comment:

English translation: "Proposal of macroeconomic and fiscal policy guidelines for the period from years 2022-2025"

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The document being review by the government has been submitter in the form of proposal, but the name of the document is not Proposal, but "Macroeconomic and fiscal policy guidelines for the period from years 2022-2025", and the link provided confirms this.

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:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

FY 2023

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EBP-1b. When is the EBP submitted to the legislature for consideration?

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

15/11/2022

Source:

<https://zakoni.skupstina.me/zakoni/web/app.php/akt/2977>

Comment:

The most reliable source is the website of the Parliament which contains the bills library and timestamps of submission.

According to the system Budget Law, the Governments needs to submit the EBP to the Parliament by 15th of November of the current year for the next fiscal year (Article 33).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

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

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

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

Answer:

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

Source:

<https://zakoni.skupstina.me/zakoni/web/app.php/akt/2977>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 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:

15/11/2022

Source:

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

Comment:

Peer Reviewer

Opinion: Agree

Comments: The source should be "<https://zakoni.skupstina.me/zakoni/web/app.php/akt/2977>" since the document on the Parliament pages was published on 15/11/2022 (javascript:alert(document.lastModified) -> 11/15/2022 20:53:41) The date of publication of the EBP on the government pages (source provided by researcher) gives as publishing date "16/11/2022 at 14:20"

Government Reviewer

Opinion: Agree

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

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

Answer:

This has been explained in the answers to the previous questions. The date was determined by consulting both the Government and Parliament websites.

In addition, the javascript code that can be applied to the PDF of the executive's budget proposal, shows that the document was indeed posted on November 15, 2022.

Source:

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Javascript code: javascript:alert(document.lastModified)

Comment:

Peer Reviewer

Opinion: Agree

Comments: The Government sites 16/11/2023 The Parliament sites 15/11/2023

Government Reviewer

Opinion: Agree

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

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

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

Answer:

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

Source:

Comment:

URL for the pdf-ed document: <https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Peer Reviewer

Opinion: Agree

Comments: The Government sites 16/11/2023 (<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>) The Parliament sites 15/11/2023 (<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>)

Government Reviewer

Opinion: Agree

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

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

Option "d" applies if the EBP is not publicly available, therefore its machine readability cannot be assessed.

Answer:

c. No

Source:

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

The document is in .pdf format.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

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

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

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

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

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

Answer:

e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

n/a

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Predlog zakona o budžetu Crne Gore za 2023. godinu

Source:

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

Comment:

English translation: "Proposal of the law on the budget of Montenegro for 2023"

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is

happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

b. No

Source:

Comment:

No such document was produced.

However, in the days before the Parliamentary debate, Government did publish a series of posts on the social media about its contents:

<https://www.instagram.com/stories/highlights/17964391259043649/>

These posts were published about almost all of the key budget programs and its contents.

Peer Reviewer

Opinion: Agree

Comments: The content of the media pages provided in the researcher's comment was not available.

Government Reviewer

Opinion: Agree

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

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

Answer:

FY 2023

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-1b. When was the EB approved (enacted) by the legislature?

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

27/12/2022

Source:

2023 budget landing page on the Parliament website: <https://zakoni.skupstina.me/zakoni/web/app.php/akt/2977>

Voting listing: <https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17633-.pdf>

Comment:

The first link is directing to the 2023 EB's link at the Parliament's website. One of the last available documents is the voting listing, which shows the date that the vote took place (see: <https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17633-.pdf>)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

Answer:

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

Source:

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17725-33-22-5-125.pdf>

Comment:

The EB was published three days upon adoption in the Parliament, after it was ratified by the President.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

30/12/2022

Source:

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17725-33-22-5-125.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

This is the date that the president has declared the law on Budget, and it is stamped on the front page of the document. The official timestamp on the parliament's website is even earlier, it states it was published on 27th of December, which is likely a mistake as this was the date of voting in the Parliament.

In addition, the javascript code (`javascript:alert(document.lastModified)`), applied to the PDF-ed document, confirms that the document was indeed available on December 30, 2022.

Source:

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17725-33-22-5-125.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17725-33-22-5-125.pdf>

Source:

Website of the Parliament

Comment:

EB is published by the Parliament and the Official Gazette. Due to cyber attacks from August last year, Official Gazettes website is frequently offline. The Government did not publish the enacted budget on its own website.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the EB is not publicly available, therefore its machine readability cannot be assessed.

Answer:

c. No

Source:

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17725-33-22-5-125.pdf>

Comment:

The document is published in .pdf format.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

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

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

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

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

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

Answer:

e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

n/a

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

ZAKON O BUDZETU CRNE GORE ZA 2023. GODINU

Source:

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17725-33-22-5-125.pdf>

Comment:

English translation: "Law on the budget of Montenegro for the year 2023."

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

a. Yes

Source:

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: a. Yes

Comments: There is a citizens budget available on the web pages of the Parliament (<https://pbk.skupstina.me/en/educational-publications/>) for years 2021, 2022, 2023.

Government Reviewer

Opinion: Agree

IBP Comment

The comment provided by the peer reviewer is noted. There is a citizens version of the Enacted Budget produced by the Parliamentary Budget Office of the Parliament of Montenegro. Although it was published after the acceptable time frame for publication - according to the OBS methodology (CB 2022 and 2023) - it will be considered for answering this question. The answer was changed from "b" to "a".

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

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

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

Answer:

FY 2022

Source:

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: FY 2021 (<https://pbk.skupstina.me/wp-content/uploads/2022/03/Vodic-kroz-budzet-Crne-Gore-za-2021.-godinu-budzet-za-gradane.pdf>) FY 2022 (<https://pbk.skupstina.me/wp-content/uploads/2023/04/Vodic-kroz-budzet-Crne-Gore-za-2022.-godinu-Budzet-za-gradane-2022.pdf>) FY 2023 (<https://pbk.skupstina.me/wp-content/uploads/2023/04/Vodic-kroz-kroz-budzet-Crne-Gore-za-2023.-godinu-%E2%80%93-Budzet->

za-gradane-2023.pdf)

Government Reviewer

Opinion: Agree

IBP Comment

The suggestion of the peer reviewer is noted. According to the OBS methodology, researchers should assess the most recently released version of each of the eight key budget documents, as long as the document meets its publication deadline and is published before the cut-off date of the survey. The research cut-off date for the Open Budget Survey 2023 was 31 December 2022. In Montenegro, there is a citizens version of the Enacted Budget produced by the Parliamentary Budget Office of the Parliament of Montenegro. Thus, considering the cut-off date of the survey, the fiscal year to be considered should be 2022, since the eventual publication of the 2023 citizens budget would occur beyond the cut-off date of the survey. The answer was changed from "2023" to "2022".

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:

c. Produced for internal purposes/use only

Source:

Comment:

Peer Reviewer

Opinion: Disagree

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

Comments: FY 2021 There is no timestamp but according to the "Javascript code: javascript:alert(document.lastModified) methodology" the last change to the web page occurred on March 1, 2022.

Government Reviewer

Opinion: Agree

IBP Comment

The suggestion of the peer reviewer is noted, although the fiscal year to be considered should be 2022 (see IBP comment on question CB-1). Considering the OBS methodology, Citizens Budget of the Enacted Budget must be released to the public no later than three months after the legislature approves the budget. According to the "Javascript code: javascript:alert(document.lastModified) methodology" the date of publication of the 2022 Citizens Budget was 19/April/2023, beyond the acceptable time frame for publication. The publication of the Citizens Budget occurred after the research cutoff date of 31/12/2022, so the document is considered to be produced for internal purposes/use only within the research period. Therefore, the answer provided by the researcher was changed from "d" to "c".

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:

The document was published late after the research cutoff date, so is considered as being produced for internal purposes/use during the research period.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 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:

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Disagree

Suggested Answer: Source: for FY 2021: <https://pbk.skupstina.me/wp-content/uploads/2022/03/Vodic-kroz-budzet-Crne-Gore-za-2021.-godinu-budzet-za-gradane.pdf> Comment: There is no timestamp but according to the "Javascript code: javascript:alert(document.lastModified) methodology" the last change to the web page occurred on March 1, 2022.

Government Reviewer

Opinion: Agree

IBP Comment

The Fiscal Year to be considered is 2022 (see IBP comment on question CB-1). <https://pbk.skupstina.me/wp-content/uploads/2023/04/Vodic-kroz-budzet-Crne-Gore-za-2022.-godinu-Budzet-za-gradane-2022.pdf> Considering the IBP comment on question CB-2a, the date of publication was 19/April/2023. This is after the research cutoff date of 31/12/2022, so the document is considered to be not published during the research period.

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:

According to the "Javascript code: javascript:alert(document.lastModified) methodology" the date of publication of the 2022 Citizens Budget was 19/April/2023.

Source:

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: Source: for FY 2021: <https://pbk.skupstina.me/wp-content/uploads/2022/03/Vodic-kroz-budzet-Crne-Gore-za-2021.-godinu-budzet-za-gradane.pdf> Comment: There is no timestamp but according to the "Javascript code: javascript:alert(document.lastModified) methodology" the last change to the web page occurred on March 1, 2022.nge to the web page occurred on March 1, 2022.

Government Reviewer

Opinion: Agree

IBP Comment

The comment of the peer reviewer is noted, although the correct fiscal year is 2022 (see IBP comment on question CB-1). The original answer provided by the researcher was modified. <https://pbk.skupstina.me/wp-content/uploads/2023/04/Vodic-kroz-budzet-Crne-Gore-za-2022.-godinu-Budzet-za-gradane-2022.pdf>

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://pbk.skupstina.me/wp-content/uploads/2023/04/Vodic-kroz-budzet-Crne-Gore-za-2022.-godinu-Budzet-za-gradane-2022.pdf>

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Disagree

Suggested Answer: Source: for FY 2021: <https://pbk.skupstina.me/wp-content/uploads/2022/03/Vodic-kroz-budzet-Crne-Gore-za-2021.-godinu-budzet-za-gradane.pdf>

Government Reviewer

Opinion: Agree

IBP Comment

The comment provided by the peer reviewer is noted, although the correct fiscal year is 2022 (see IBP comment on question CB-1). The original answer provided by the researcher was modified.

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:

Vodic kroz budžet Crne Gore za 2022. godinu – budžet za građane (Guide to the 2022 Budget of Montenegro – 2022 Budget for citizens)

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Disagree

Suggested Answer: Vodič kroz budžet Crne Gore za 2021. godinu – budžet za građane (Guide to the 2021 Budget of Montenegro – 2021 Budget for citizens)

Government Reviewer

Opinion: Agree

IBP Comment

The comment provided by the the peer reviewer is noted, although the correct fiscal year is 2022 (see IBP comment on question CB-1). The original answer provided by the researcher was modified to include the peer reviewer suggestion.

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:

Enacted Budget

Source:**Comment:****Peer Reviewer**

Opinion: Disagree

Suggested Answer: FY 2021: Enacted Budget 2021

Government Reviewer

Opinion: Agree

IBP Comment

The comment provided by the the peer reviewer is noted, although the correct fiscal year is 2022 (see IBP comment on question CB-1). The original answer provided by the researcher was modified to include the peer reviewer suggestion. <https://pbk.skupstina.me/wp-content/uploads/2023/04/Vodic-kroz-budzet-Crne-Gore-za-2022.-godinu-Budzet-za-gradane-2022.pdf>

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

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

Answer:

FY 2022

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

https://www.gov.me/vijesti?sort=published_at&ou=13&tags=1283

Comment:

Although there is no legal obligation in the system Budget Law, the Government publishes monthly IYRs.

The report related to January-August 2022 wasn't found. Thus, considering the cut-off date of the OBS 2023 (December 31 2022), 11 monthly reports were published in 2022, but only 05 of them within one month of the period covered. The methodology requires 7 out of 12 monthly reports should be published within the required timeframe.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: In-Year-Reports are produced and made publicly available on a monthly basis, as well as quarterly. On the following link to the Ministry of finance of Montenegro, monthly reports can be found. https://www.gov.me/vijesti?sort=published_at&ou=13&tags=1283 Monthly reports are prepared and published by the end of the month for the previous month, so under the OBS methodology, option a. should be proper choice. But, due to the fact that in 2022, which is the period in subject, few reports have been published with slight delay, for 2022 chosen option, under the OBS Methodology, is proper.

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:

Report on the execution of the budget of Montenegro for January - November 2022: 30 December 2022
Report on the execution of the budget of Montenegro for January - October 2022: 01 December 2022
Report on the execution of the budget of Montenegro for January - September 2022: 01 November 2022
Report on the execution of the budget of Montenegro for January - July 2022: 24 August 2022
Report on the execution of the budget of Montenegro for January - June 2022: 25 July 2022
Report on the execution of the budget of Montenegro for January - May 2022: 28 June 2022
Report on the execution of the budget of Montenegro for January - April 2022: 25 May 2022

Report on the execution of the budget of Montenegro for January-March 2022: 20 May 2022
Report on the execution of the budget of Montenegro for January and February 2022: 01 April 2022
Report on the implementation of the budget of Montenegro for January 2022: 04 March 2022
Report on the implementation of the budget of Montenegro for 2021 - 02 February 2022

Source:

Website of the Ministry of Finance: https://www.gov.me/vijesti?sort=published_at&ou=13&tags=1283&page=1

Comment:

In 2022, there was a cyber attack on the Governmental websites that took place in August and which disrupted the normal mode of publishing data. Websites were first down for a more than 3 weeks and then intermittently put into operation, with limited functionalities until the end of year. This also caused that the Ministry had a backlog of quarterly IYRs that were published retroactively from quarter two onwards.

Quarterly reports are also published and available for all of 2022 (although published late):

https://www.gov.me/vijesti?sort=published_at&ou=13&tags=1284

The In-Year Reports considered for responding the questions 68-75 of the questionnaire will be the monthly reports indicated above.

Peer Reviewer

Opinion: Agree

Comments: The date of publication for the last 4 reports: Report on the execution of the budget of Montenegro for January-March 2022: 20 May 2022 Report on the execution of the budget of Montenegro for January and February 2022: 01 April 2022 Report on the implementation of the budget of Montenegro for January 2022: 04 March 2022 Report on the implementation of the budget of Montenegro for 2021 - 02 February 2022 could not be verified (probably due to the reasons connected with cyber attack on the Governmental websites)

Government Reviewer

Opinion: Agree

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:

Timestamp on the Government's document library was used to determine the date.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

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

Answer:

https://www.gov.me/vijesti?sort=published_at&ou=13&tags=1283

Source:

Comment:

The link in the response refers to the monthly reports.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine->

[readable/](#)

Option "d" applies if the IYRs are not publicly available, therefore their machine readability cannot be assessed.

Answer:

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

Source:

Example for November 2022:

<https://www.gov.me/clanak/izvjestaj-o-izvršenju-budžeta-crne-gore-za-januar-novembar-2022>

Comment:

The file available for download is in xlsx format. The data published is the same that the MoF sends to the IMF within the General Data Dissemination System, with added narrative explanation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

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

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

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

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

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

Answer:

e. Not applicable (the document is publicly available)

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

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

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

Izveštaj o izvršenju budžeta Crne Gore za januar - novembar 2022

Source:

Comment:

In English:

"Report on the execution of the budget of Montenegro for January - November 2022"

Peer Reviewer

Opinion: Agree

Comments: Source: <https://www.gov.me/clanak/izvestaj-o-izvršenju-budzeta-crne-gore-za-januar-novembar-2022>

Government Reviewer

Opinion: Agree

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

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to

expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

b. No

Source:

Comment:

The textual explanation of the monthly data is not written in a citizen friendly way.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

FY 2022

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

The OBS methodology requires that for an MYR to be considered publicly available, it must be made available to the public no later than three months after the reporting period ends (i.e., three months after the midpoint of the fiscal year). If the MYR is not released to the public at least three months after the reporting period ends, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the MYR.

Answer:

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

Source:

<https://www.gov.me/clanak/analiza-konsolidovane-javne-potrosnje-za-ii-kvartal-2022-godine>

Comment:

The document published as the "Analysis of the consolidated public consumption for 2nd quarter of 2022" is considered to be the official MYR by the Ministry of Finance.

However, it was published only in December 2022, there more later than three months after the reporting period it covers, and cannot be considered as qualifying for points in this indicator.

Additionally, even if it was published on time, it would not be counted as MYR in line with the methodology (in line with OBS methodology and OECD's Best Practices for Budget Transparency). It consists of a short narrative explanation (two pages, out of which one page pertains to the central budget, the rest pertain to local level and public sector in general) as well as an excel chart that presents the budget review through a modified (shortened) economic classification.

It does not provide detail on policy decisions taken since the presentation of the budget that have affected revenues, operating expenditures, capital budget estimates, nor estimates on the magnitude of the impact.

It does not present budget implementation through any of the classifications except from a severely modified economic classification of revenues and expenditures.

It does not assess whether the aggregate fiscal strategy continues to be appropriate in the context of the current economic environment. That is, it doesn't bring forward looking information on revised macro and fiscal estimates for the remainder of the year.

Additionally, there is no legal obligation in the organic Budget Law for the Government to produce an MYR or submit it to the Parliament.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Six weeks or less after the midpoint

Comments: Aside quarterly reports produced for Consolidated general government, and considering that this kind of report for the second quarter represents the Mid-Year-Report, Ministry of finance produces also monthly reports on budget execution for the central budget (under the OBS methodology, if not mistaken, Central budget data are subject of analysis), that includes not only data for that particular month in question, but also data for the whole period elapsed since the beginning of the fiscal year up until that month. Hence, monthly report for Jun can also be considered MYR, and this MDY is published within six weeks after the midpoint. Therefore option a. is more suitable as a response to this question.

IBP Comment

According to the methodology, in order to ensure that programs are being implemented effectively and to identify any emerging problems, the government should conduct a comprehensive mid-year review of the budget's implementation about six months into the budget year. This review should assess the state of the economy relative to the initial macroeconomic forecast and update the economic projections for the remainder of the year. The MYR should also provide updated estimates of expenditure, revenue, and debt, reflecting the impact of actual experience to date and revised projections for the full fiscal year. The answer provided by the researcher is correct. Revised estimates in the MYR should reflect both economic and technical changes as well as new policy proposals, including the reallocation of funds between administrative units, with a comprehensive explanation of any estimate adjustments. It is important to distinguish a Mid-Year Review from the In-Year Report that is issued six months into the budget year (as mentioned by the government reviewer). An In-Year Report (in the case of Montenegro, the monthly budget execution reports) issued at six months cannot substitute for a Mid-Year Review. An In-Year Report typically records actual expenditure and revenue to date but does not include a discussion of how these trends will affect the estimates of full-year expenditure or some of the other detailed budget execution analysis that is typically found in a Mid-Year Review.

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:

n/a

Source:

<https://www.gov.me/clanak/analiza-konsolidovane-javne-potrosnje-za-ii-kvartal-2022-godine>

Comment:

See the comment on the question MYR-2

Peer Reviewer

Opinion: Disagree

Suggested Answer: 01/12/2022

Comments: It seems that all quarterly reports from the period around cyber attack have timestamp of 01/12/2022. In this case it should be considered to take FY 2021 for evaluation. The information for FY 2021 could provide more realistic picture.

Government Reviewer

Opinion: Disagree

Suggested Answer: <https://www.gov.me/clanak/izvjestaj-o-izvršenju-budžeta-crne-gore-za-januar-jun-2022>, published on 25th July 2022.

IBP Comment

See the researcher and IBP's comments on question MY-2. The document mentioned by the government reviewer "Execution Report of the Budget of Montenegro for the period January - Jun 2022" and the document mentioned by the peer reviewer "Analysis of consolidated public spending for the second quarter of 2022" can not be considered a Mid-Year Review according to the OBS methodology.

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:

<https://www.gov.me/clanak/analiza-konsolidovane-javne-potrosnje-za-ii-kvartal-2022-godine>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: 01/12/2022

Comments: Timestamp on the Government's document.

Government Reviewer

Opinion: Agree

IBP Comment

See IBP comment on questions MYR-2 and MYR-3a. The MYR is considered as not produced in Montenegro. Neither the document "Report on the execution of the budget of Montenegro for January - June 2022" or the document "Analysis of consolidated public spending for the second quarter of 2022" can be considered a Mid-Year Review Report according to the OBS methodology.

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:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: <https://www.gov.me/clanak/izvjestaj-o-izvršenju-budžeta-crne-gore-za-januar-jun-2022>

IBP Comment

See IBP comment on questions MYR-2 and MYR-3a. The MYR is considered as not produced in Montenegro. Thus, the URL inserted originally by the researcher was removed by IBP during the review of the questionnaire. Neither the document "Report on the execution of the budget of Montenegro for January - June 2022" or the document "Analysis of consolidated public spending for the second quarter of 2022" can be considered a Mid-Year Review Report according to the OBS methodology.

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:

<https://www.gov.me/clanak/analiza-konsolidovane-javne-potrosnje-za-ii-kvartal-2022-godine>

Comment:

The document published as the "Analysis of the consolidated public consumption for 2nd quarter of 2022" is considered to be the official MYR by the Ministry of Finance, but fails to satisfy the criteria to be regarded as MYR.

As a note, the aforementioned document does contain an excel chart that presents the budget review through a modified (shortened) economic classification. As the second file available for download is an excel document, there is a dilemma on how to score this question.

Peer Reviewer

Opinion: Disagree

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

Comments: Once decided that the document published as the "Analysis of the consolidated public consumption for 2nd quarter of 2022" is considered to be the official MYR by the Ministry of Finance then the numerical data contained in the MYR is available in a machine readable format. The content and the quality of data included in the MYR is then elaborated with questions 76-83.

Government Reviewer

Opinion: Disagree

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

Comments: <https://www.gov.me/clanak/izvjestaj-o-izvršenju-budžeta-crne-gore-za-januar-jun-2022> Within this report, data are available in excel sheets.

IBP Comment

See IBP comment on questions MYR-2 and MYR-3a. The MYR is considered as not produced in Montenegro. Neither the document "Report on the execution of the budget of Montenegro for January - June 2022" or the document "Analysis of consolidated public spending for the second quarter of 2022" can be considered a Mid-Year Review Report according to the OBS methodology.

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:

Comment:

See the comment on question MYR-2

Peer Reviewer

Opinion: Disagree

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

Comments: See the comment on question MYR-5.

Government Reviewer

Opinion: Disagree

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

IBP Comment

See IBP comment on questions MYR-2 and MYR-3a. The MYR is considered as not produced in Montenegro. The researcher answer is correct.

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:

Not produced at all.

Source:**Comment:**

See comment on question MYR-2

Peer Reviewer

Opinion: Disagree

Suggested Answer: n/a

Comments: See the comment on question MYR-5

Government Reviewer

Opinion: Disagree

Suggested Answer: n/a

IBP Comment

See IBP comment on questions MYR-2 and MYR-3a. The MYR is considered as not produced in Montenegro. The researcher answer is correct.

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:**Comment:****Peer Reviewer**

Opinion: Disagree

Suggested Answer: Analiza konsolidovane javne potrošnje za drugi kvartal 2022. godine

Comments: Analysis of consolidated public spending for the second quarter of 2022 See the comment on question MYR-5

Government Reviewer

Opinion: Disagree

Suggested Answer: Execution Report of the Budget of Montenegro for the period January - Jun 2022

IBP Comment

See IBP comment on questions MYR-2. The MYR is considered as not produced in Montenegro. The document mentioned by the government reviewer "Execution Report of the Budget of Montenegro for the period January - Jun 2022" and the document mentioned by the peer reviewer "Analysis of consolidated public spending for the second quarter of 2022" can not be considered a Mid-Year Review according to the OBS methodology. The researcher answer is correct.

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:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

FY 2021

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

The OBS methodology requires that for an YER to be considered publicly available, it must be made available to the public no later than one year after the fiscal year to which it corresponds. If the YER is not released to the public within one year after the end of the fiscal year to which it corresponds, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the YER.

Answer:

a. Six months or less after the end of the budget year

Source:

<https://www.gov.me/clanak/7-sjednica-vlade-crne-gore-09062022>

Comment:

The YER was adopted as a bill at a Government's session held on 09-06-2022. Link to the press release from the session:

<https://www.gov.me/clanak/7-sjednica-vlade-crne-gore-09062022>

(YER is under point 2 in the list of documents at the end of the page)

According to the system Budget Law, YER needs to be submitted to the Parliament for adoption until the end of September (Article 67).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

9/6/2022

Source:

<https://www.gov.me/clanak/7-sjednica-vlade-crne-gore-09062022>

Comment:

The above link is for the Government Session when the YER was adopted and made public, in the "List of documents" section.

Direct link to YER in Government's document library that has the same time stamp: <https://www.gov.me/dokumenta/2f5521df-5faf-4b14-ba76-ab59b17d2a78>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

According to the date of the Government's session and the time stamp of the file in the online document library of the Government. In addition, the "Wayback machine" internet archive took a snapshot of the webpage where the YER was posted, on June 19, 2022. That confirms that by the end of that month (which is the 6 month-deadline that allowed for an "a" response in Q.YER-3a), the document had definitely been published. See: <http://web.archive.org/web/20220619015613/https://www.gov.me/>

Source:

<https://www.gov.me/dokumenta/2f5521df-5faf-4b14-ba76-ab59b17d2a78>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

<https://www.gov.me/dokumenta/2f5521df-5faf-4b14-ba76-ab59b17d2a78>

Source:

Website of the Government.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the YER is not publicly available, therefore its machine readability cannot be assessed.

Answer:

c. No

Source:

<https://www.gov.me/dokumenta/2f5521df-5faf-4b14-ba76-ab59b17d2a78>

Comment:

Only the PDF version is published by the Government (380 pages of a 10MB document).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

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

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

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

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

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

Answer:

e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

n/a

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Predlog zakona o završnom računu budžeta Crne Gore za 2021. godinu

Source:

<https://www.gov.me/dokumenta/2f5521df-5faf-4b14-ba76-ab59b17d2a78>

Comment:

YER is published in the form of a bill adopted by the Government and then sent to the Parliament for adoption.
English translation: "Proposal for a law on the final account of the budget of Montenegro for the year 2021"

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

b. No

Source:

n/a

Comment:

No such document exists, or is produced by the Government. YER in itself is usually not talked about very much, it is only the audit report on it that gets more attention, though this is the competence of the SAI.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

FY 2021

Source:

<http://www.dri.co.me/revizija-zavrsnog-racuna-budzeta>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response. Supreme Audit Institution (SAI) review: Agree
Comment: The State audit institution agrees with the Researcher's response.

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:

<https://dri.co.me/revizija-zavrsnog-racuna-budzeta>

Comment:

The 2021 AR was adopted by the SAI Senate on 13th October 2022 and published four days later, on 17th October 2022.

According to the system Budget Law (Law on budget and fiscal accountability), the AR needs to be submitted to the Parliament by 15th October of the current year for the previous fiscal year (Article 67).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response. Supreme Audit Institution (SAI) review: Agree
Comment: The State audit institution of Montenegro agrees with the Researcher's response under B, but it does not agree with the comment of the Researcher. The 2021 AR was adopted by the competent Auditing Board on 11th October 2022. After its adoption, it was registered in the SAI's archive on 13th October. After its submission to the audited entity, it was published at the web site of the SAI on 17th October 2022. The SAI timely submitted the 2021 AR (Audit report of the Proposal Law on the Final state budget account of Montenegro 2021) to the Parliament in line with the Article 67 of the Law on budget and fiscal accountability. Due to the fact that 15th October 2022 was Saturday, the report was published on the first working day, on 17th October 2022 (Article 89 of Law on administrative procedure). According to Article 61 of the Rules of procedure, the Institution informs the general public by publishing the Annual Report of the Institution and final reports of conducted individual audits on the web site of the Institution within the seven days from the date of adoption of the audit reports by the Auditing board that is the Senate.

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:

17/10/2022

Source:

SAI web page on the audits of the final budget accounts: <http://www.dri.co.me/revizija-zavrsnog-racuna-budzeta>

Comment:**Peer Reviewer**

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response, and the final IBP decision after the additional input." Supreme Audit Institution (SAI) review: Agree
Comment: The State audit institution of Montenegro agrees with the Researcher's response.

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:

By the timestamp on the SAI's website. Also, the document itself bears the date of adoption on the front page (which is a couple of days prior to the official publication).

Source:

SAI's section on the website for AR: <http://www.dri.co.me/revizija-završnog-racuna-budzeta>

2021 AR:

<http://www.dri.co.me/doc/lzvještaj%20o%20reviziji%20Predloga%20zakona%20o%20završnom%20računu%20budžeta%20Crne%20Gore%20za%202021.%20godinu.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response. Supreme Audit Institution (SAI) review: Disagree
Comment: The State audit institution of Montenegro partially agrees with the Researcher's response. The date of publication of the AR can be determined by the timestamp on the SAI's website. The document itself bears the date when it was registered in the SAI's archive with the reference number stamp on the front page (13th October 2022). The State audit institution of Montenegro agrees with the Source.

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

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

Answer:

<http://www.dri.co.me/doc/lzvještaj%20o%20reviziji%20Predloga%20zakona%20o%20završnom%20računu%20budžeta%20Crne%20Gore%20za%202021.%20godinu.pdf>

Source:

Comment:

Peer Reviewer

Opinion: Agree

Comments:

<https://dri.co.me/doc/lzvje%C5%A1taj%20o%20reviziji%20Predloga%20zakona%20o%20zavr%C5%A1nom%20ra%C4%8Dunu%20bud%C5%BEta%20Crne%20Gore%20za%202021.%20godinu.pdf>

Government Reviewer

Opinion: Agree

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response. Supreme Audit Institution (SAI) review: Agree
Comment: The State audit institution of Montenegro agrees with the Researcher's response.

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:

<http://www.dri.co.me/doc/Izvještaj%20o%20reviziji%20Predloga%20zakona%20o%20završnom%20računu%20budžeta%20Crne%20Gore%20za%202021.%20godinu.pdf>

Comment:

The document is only published in PDF format.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response. Supreme Audit Institution (SAI) review: Agree
Comment: The State audit institution of Montenegro agrees with the Researcher's response.

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:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response. Supreme Audit Institution (SAI) review: Agree
Comment: The State audit institution of Montenegro agrees with the Researcher's response.

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: Agree

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response. Supreme Audit Institution (SAI) review: Agree
Comment: The State audit institution of Montenegro agrees with the Researcher's response.

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:

Izveštaj o reviziji Predloga zakona o završnom racuna budžeta Crne Gore za 2021. godinu
Audit report of the Proposal Law on the Final State Budget Account of Montenegro for 2021 (english translation)

Source:

Specific link to the PDF-ed document:

<http://www.dri.co.me/doc/Izvje%C5%A1taj%20o%20reviziji%20Predloga%20zakona%20o%20zavr%C5%A1nom%20ra%C4%8Dunu%20bud%C5%BEta%20Crne%20Gore%20za%202021.%20godinu.pdf>

SAI audit reports landing page: <http://www.dri.co.me/revizija-završnog-racuna-budžeta>

Comment:

English translation: "Report on the revision of the Bill on the final account of the budget of Montenegro for the year 2021."

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response, and the final IBP decision after the additional input. Supreme Audit Institution (SAI) review: Agree Comment: The State audit institution of Montenegro agrees with the Researcher's Response, but we would make changes to the English translation of the Title of the AR: Audit report of the Proposal Law on the Final State Budget Account of Montenegro for 2021. The title corresponds with the title published at the website of the SAI. IBP comment: The English translation provided by the SAI was incorporated in the answer.

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:

b. No

Source:

Comment:

Although the SAI has recently started with the practice of producing infographics to accompany the publication of certain audit reports, no such infographic was produced for the 2021 AR.

The SAI did publish a summary of the report as a separate document (available here:

<http://www.dri.co.me/doc/Rezime%20Izvještaja%20o%20reviziji%20Predloga%20zakona%20o%20završnom%20računa%20budžeta%20Crne%20Gore%20za%202021.%20godinu.pdf>)

It however cannot be assessed as citizen-friendly: it contains bureaucratic and audit jargon without the clear intention of simplification, it does not prominently use graphic elements to illustrate key points, it is too long - 24 pages)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Researcher Response

SAI's answer confirms the initial assesment that the document labeled as "resume of 2021 AR"

(<https://dri.co.me/doc/Rezime%20Izvještaja%20o%20reviziji%20Predloga%20zakona%20o%20završnom%20računa%20budžeta%20Crne%20Gore%20za%202021.%20godinu.pdf>) is not a citizen-friendly document, citing legal requirements and audit standards. These do pertain to the audit report itself, but the puporse of the resume should be to simplify the report in a concise and clear manner. The SAI's resume does not shorten the report too much (resume is almost 30 pages long), the key graphic elements are the text boxes with recommendations, graphs are used sparingly, parts of the AR have been copied verbatim to the resume, without rewording for the purpose of simplification and the design and layout of the paper is not advanced - it is a simple word document turned to PDF rather than a professionally illustrated and prepared publication. Also, the Parliamentary Budget Office did not prepare a citizen version of the AR, but of the YER 2021: <https://pbk.skupstina.me/predloga-zakona-o-završnom-racunu-budzeta-crne-gore-za-2021-godinu/>

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response, and the final IBP decision after the additional input. Supreme Audit Institution (SAI) review: Disagree Comment: The State audit institution does not agree with the Researcher's response. The SAI uses technically precise language in the audit report of the Proposal Law on the final state budget account, because the Report is prepared in accordance with the law, supported by documents and it cannot be professionally disputed. It should be prepared in professional, technical and correct manner. The findings cannot be interpreted in laic manner because it can lead to misinterpretation of the audit findings. The Parliamentary Budget Office prepares the publication for the need of the MPs and general public. IBP final comment: The additional information provided by the researcher confirms the initial assessment. The answer provided by the researcher is confirmed.

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:

b. No

Source:**Comment:**

There is a portal for open data for the whole of Government, <https://data.gov.me>, but it is not functional since the cyber attack that occurred in August 2022. However, even when it was functional, the only dataset published by the Ministry of Finance was one about the registry of certified auditors.

Specialised portal for public finance does not exists, at least not a governmental one. There is database maintained by the Parliametnary Budget Office (<https://pbk.skupstina.me/ekonomski-indikator/>) but only has 12 mostly macroeconomic indicators that are published. There are also initiatives by the civil society.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Yes

Comments: Official website of the Ministry of finance of Montenegro provide, in one place, all in year report on budget execution, including monthly and quarterly data on Central budget and General government execution, as well as quarterly data on public debt. These data can be found on the following link: <https://www.gov.me/mif/drzavni-budzet-i-javni-dug>

Researcher Response

The website that the MF quotes does contain EB, PBS, CB, YER at all. EB for 2023 is uploaded only. It is a website where reports on budget execution are indeed uploaded. There is no other governmental portal that would contain official budget documents or fiscal documentation. One website that was perhaps omitted from the list is the dri.co.me, SAI's website where their reports (including AR 2021) are published. There is no Government portal that could be counted as a budget transparency portal.

IBP Comment

The additional information provided by the researcher confirms the initial assessment. The answer provided by the researcher is confirmed.

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:

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

Source:**Comment:****Peer Reviewer**

Opinion: Agree

Government Reviewer

Opinion: Disagree

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

Researcher Response

Disagree with the Government. No such data set is published by the Government.

IBP Comment

The government reviewer didn't present any evidence to support the suggested new answer. The answer provided by the researcher is confirmed.

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:

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

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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:

b. No

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GQ-2 asks about the existence of any national laws governing public financial management and auditing. These may include a public finance act, a section of the constitution, or an organic budget law. In some countries, fiscal responsibility legislation may also be relevant. For example, the Kenya researcher may include the link to its Public Finance Management Act, 2012 (<http://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:

Organic budget law (original title: Zakon o budžetu i fiskalnoj odgovornosti):
<https://www.gov.me/dokumenta/0684b95d-45b7-4a5a-9e85-83392a67cd05>

Law on management and internal controls (PIFC law):
<https://www.gov.me/dokumenta/c8bff564-fddc-4275-bbf1-35851160adb1>

Law on accounting in public sector:
<https://www.gov.me/dokumenta/7dc441ab-66b6-4e7d-956f-ad4475620fc3>

Comment:

The links refer to the versions of the laws in Montenegrin language, as there are no official translations.

Peer Reviewer

Opinion: Agree

Comments: The Law on the State Audit Institution (original title: Zakon o Državnoj revizorskoj instituciji) could be added <https://dri.co.me/zakon-o-dravnoj-revizorskoj-instituciji> <https://dri.co.me/law-on-the-state-audit-institution>

Government Reviewer

Opinion: Agree

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:

Law on free access to information:
<https://www.gov.me/dokumenta/f9dcdea6-e2b9-4b1a-a80c-e243a073d7b4>

Comment:**Peer Reviewer**

Opinion: Agree

Government Reviewer

Opinion: Agree

1. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year that are classified by

administrative unit (that is, by ministry, department, or agency)?

GUIDELINES:

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

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

Answer:

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

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

According to article 34 of the Law on budget and fiscal responsibility (Hereinafter Organic budget law), annual budget law is consisted of general and specific part. Specific part of the annual budget is consisted of organizational, functional, economic, program and project classification (hereinafter budget classifications).

In addition, annual budget is supplemented with explanatory part of the budget, that provides macroeconomic and fiscal forecasts and detailed elaboration of budgetary revenue and expenditures.

According to the above, all budget spending is presented across previously mentioned budget classifications, of which organizational classification represent administrative units classifications. See pages 14 onwards of the pdf.

The consolidated information can be found on pages 426-445 of the pdf (<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

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

Answer:

a. Yes, expenditures are presented by functional classification.

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

According to article 34 of the Law on budget and fiscal responsibility, annual budget law is consisted of general and specific part. Specific part of the annual budget is consisted of organizational, functional, economic, program and project classification.

In addition, annual budget is supplemented with explanatory part of the budget, that provides macroeconomic and fiscal forecasts and detailed elaboration of budgetary revenue and expenditures.

According to the above, all budget spending is presented across previously mentioned budget classifications, of which one is functional classification (by functional classification code). See pages 14 onwards of the pdf (left column)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

3. If the Executive's Budget Proposal or any supporting budget documentation presents expenditures for the budget year by functional classification, is the functional classification compatible with international standards?*GUIDELINES:*

Question 3 asks whether a country's functional classification meets international standards. To answer "a," a country's functional classification must be aligned with the OECD and the UN's Classification of the Functions of Government (COFOG), or provide a cross-walk between the national functional presentation and COFOG.

The OECD Best Practices for Budget Transparency can be viewed at <http://www.oecd.org/gov/budgeting/Best%20Practices%20Budget%20Transparency%20-%20complete%20with%20cover%20page.pdf>

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

Answer:

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

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Rulebook on the unified classification of accounts for the budget of Montenegro and municipalities (available only in Montenegrin): <https://metrologija.me/wp-content/uploads/zakonodavstvo/ostalo/Pravilnik-o-jedinstvenoj-klasifikaciji-racuna-za-budzet-Crne-Gore-i-budzete-opstina.pdf>

Comment:

UN Functional classification (COFOG) have been transposed into national classification. This classification have been presented within the Rulebook on the unified classification of accounts for the budget of Montenegro and municipalities.

Therefore, Montenegrin functional classification is fully inline with UN's classification of Functions of Government

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 4 asks whether the Executive's Budget Proposal or its supporting documentation presents expenditures for the budget year organized by economic classification. Economic classification provides information on the nature of the expenditure, such as whether funds are being used to pay for wages and salaries, capital projects, or social assistance benefits. Please note that a presentation of expenditures by current and capital expenditures without additional disaggregation or detail will not qualify as an economic classification.

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

Answer:

a. Yes, expenditures are presented by economic classification.

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

According to article 34 of the Law on budget and fiscal responsibility, annual budget law is consisted of general and specific part. Specific part of the annual budget is consisted of organizational, functional, economic, program and project classification.

In addition, annual budget is supplemented with explanatory part of the budget, that provides macroeconomic and fiscal forecasts and detailed elaboration of budgetary revenue and expenditures.

According to the above, all budget spending is presented across previously mentioned budget classifications, of which one is economic classification.

A consolidated table of revenues and expenditures by economic classification can be found on pages 2-5 (article 3).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 5 asks whether a country's economic classification meets international standards. To answer "a," a country's economic classification must be

consistent with the International Monetary Fund's (IMF) 2001 Government Finance Statistics (GFS). The GFS economic classification is presented here: <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf>. To learn more about Government Finance Statistics also refer to the entire IMF 2001 GFS manual (<http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf>).

Answer:

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

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Rulebook on the unified classification of accounts for the budget of Montenegro and municipalities

Comment:

Economic classification is compatible with international standards (GFSM2001)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

6. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for the budget year?

GUIDELINES:

Question 6 asks whether expenditures are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should treat the term "program" as meaning any level of detail below an administrative unit – that is, any programmatic grouping that is below the ministry, department, or agency level. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

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

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

Budget decisions for the upcoming year can also affect the parameters of future budgets. It is therefore useful to estimate revenues and expenditures for multi-year periods, understanding that these estimates might be revised as circumstances change. Sometimes referred to as a Medium Term Expenditure Framework (MTEF), a three-year period – that is, the budget year plus two more years – is generally considered an appropriate horizon for budgeting and planning.

Answer:

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

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

According to article 34 of the Law on budget and fiscal responsibility, annual budget law is consisted of general and specific part. Specific part of

the annual budget is consisted of organizational, functional, economic, program and project classification.

In addition, annual budget is supplemented with explanatory part of the budget, that provides macroeconomic and fiscal forecasts and detailed elaboration of budgetary revenue and expenditures.

According to the above, all budget spending is presented across previously mentioned budget classifications, of which one is program classification. See pages 14 onwards of the pdf.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

7. Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two-years beyond the budget year) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 7 asks if multi-year expenditure estimates are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on.

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

Answer:

b. Yes, multi-year expenditure estimates are presented by two of the three expenditure classifications.

Source:

Executive's Budget Proposal for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Specific part of the budget presents expenditure allocation for budget year and two additional years of estimates, across organizational and program classification.

In addition, annual budget is supplemented with explanatory part of the budget, that provides expenditure forecasts presented in economic classification.

Therefore, budget expenditure for BY, BY+1 and BY+2 are presented in the budget documentation across the two classifications indicated:

- economic classification (see pages 482-484 of the pdf corresponding to pages 34-36 of the numbered document)
- administrative classification (organizations and programs) - see pages 428 - 447 of the pdf.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: All expenditure are presented also by program classification for multi year period. The program classification answers the question "for what purpose is the money spent" (as functional classification) and is as such proxy for functional classification.

Government Reviewer

Opinion: Agree

IBP Comment

The comment provided by the peer reviewer is noted, however expenditure estimates for a multi-year period are not presented by functional classification as indicated by the researcher. Thus, the answer indicated by the researcher and confirmed by the government reviewer is correct.

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

Answer:

Administrative classification

Economic classification

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: Administrative classification Economic classification Program (functional) classification

Comments: See the comment to the question 7.

Government Reviewer

Opinion: Agree

IBP Comment

See the IBP comment to the question 7.

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:

a. Yes, multi-year estimates for programs accounting for all expenditures are presented.

Source:

Executive's Budget Proposal for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Specific part of the budget presents expenditure allocation for budget year and two additional years of estimates, across organizational and program classification. See pages 428 - 447 of the pdf.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

9. Does the Executive's Budget Proposal or any supporting budget documentation present the individual sources of tax revenue (such as income tax or VAT) for the budget year?

GUIDELINES:

Question 9 assesses the degree to which the individual sources of "tax" revenue are disaggregated in the budget. The largest sources of tax revenue in some countries are taxes on personal and business income and taxes on goods and services, such as sales or value-added taxes.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present all individual sources of tax revenue for the budget year, and "other" or "miscellaneous" revenue must account for three percent or less of all tax revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present individual sources of tax revenue that when combined account for at least two-thirds of all tax revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents individual sources of tax revenue that account for less than two-thirds of tax revenues. Answer "d" applies if individual sources of tax revenue are not presented.

Answer:

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

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

According to article 34 of the Law on budget and fiscal responsibility, annual budget law is consisted of general and specific part. Specific part of the annual budget is consisted of organizational, functional, economic, program and project classification.

In addition, annual budget is supplemented with explanatory part of the budget, that provides macroeconomic and fiscal forecasts and detailed elaboration of budgetary revenue and expenditures.

According to the above, all budget revenue are presented in line with economic classification. Economic classifications included detailed overview of different revenue categories, including tax revenue.

The information can be found in the table below article 3 on pages 2-5 of the document.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

10. Does the Executive's Budget Proposal or any supporting budget documentation present the individual sources of non-tax revenue (such as grants, property income, and sales of government-produced goods and services) for the budget year?

GUIDELINES:

Question 10 assesses the degree to which the individual sources of "non-tax" revenue are disaggregated in the budget. The category of non-tax revenues is diverse, and can include revenue ranging from grants from international institutions and foreign governments to funds raised through the sale of government-provided goods and services.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present all individual sources of non-tax revenue for the budget year, and "other" or "miscellaneous" revenue must account for three percent or less of all non-tax revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present individual sources of non-tax revenue that when combined account for at least two-thirds of all non-tax revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents individual sources of non-tax revenue that account for less than two-thirds of non-tax revenues. Answer "d" applies if individual sources of non-tax revenue are not presented.

Answer:

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

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Rulebook on the unified classification of accounts for the budget of Montenegro and municipalities

Comment:

All budget revenue are presented in line with economic classification. Economic classifications included detailed overview different revenue categories, including non-tax revenue.

The information can be found in the table below article 3 on pages 2-5 of the document.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of revenues classified by category for at

least two years following the budget year in question.

Answer:

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

Source:

Executive's Budget Proposal for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Rulebook on the unified classification of accounts for the budget of Montenegro and municipalities

Comment:

All budget revenue are presented in line with economic classification. Economic classifications included detailed overview different revenue categories.

Forecasts of the budget revenue, according to economic classification, for the BY, BY+1 and BY+2 are presented in the explanatory part of the budget, which is part of the budget documentation (see pages 482-484 of the pdf corresponding to pages 34-36 of the document).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

12. Does the Executive's Budget Proposal or any supporting budget documentation present estimates for individual sources of revenue presented for a multi-year period (at least two-years beyond the budget year)?

GUIDELINES:

Question 12 evaluates whether revenue estimates for individual sources of revenue are presented for a multi-year period (at least two years beyond the budget year). The question applies to both tax and non-tax revenue.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of all sources of revenue individually, accounting for all revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents multi-year estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" applies if individual sources of revenue are not presented for a multi-year period.

Answer:

a. Yes, multi-year estimates for individual sources of revenue accounting for all revenue are presented.

Source:

Executive's Budget Proposal for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

All budget revenue are presented in line with economic classification. Economic classifications included detailed overview of different revenue categories.

Forecasts for individual sources of revenues, according to economic classification, for the BY, BY+1 and BY+2 are presented in the explanatory part of the budget, which is part of the budget documentation. (see pages 482-484 of the pdf corresponding to pages 34-36 of the document)

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

13. Does the Executive's Budget Proposal or any supporting budget documentation present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

GUIDELINES:

Question 13 asks about three key estimates related to borrowing and debt that the budget should include:

- the amount of net new borrowing required during the 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:

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

Source:

Executive's Budget Proposal for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Borrowing and debt data are presented in the budget documentation.

Namely, within the explanatory part of the annual budget, separate chapter is devoted to debt stock and medium-term debt forecasts, as well as state-issued guaranties, as part of the Chapter "Medium-term fiscal framework" (particularly 3.2 and 3.3 on pages 29-36 of the document or pages 477-484 of the pdf).

In addition, there is a separate chapter on Financial transactions that provides detailed overview of debt repayment per individual loans with accompanying expenses for bank transactions and interests.

Note: while the usual explanatory part of the annual budget provides required information, explanatory part of the annual budget for 2023 provides only information for new borrowing, but information on NET new borrowing is missing. Since, new net borrowing is one of the three key estimates, given that methodology may accept deficit as acceptable proxy for new net borrowing, it should be added that "deficit" as an indicator is defined and presented in general part of the annual budget, as well as in the explanatory part of the annual budget.

On the page 477 of the pdf, there is a paragraph containing information of the deficit for 2023: "The deficit of public finances will be realized in all years of the projection, namely: 364.9 million. € or 5.9% of GDP in 2023; 409.4 million € or 6.3% of GDP in 2024 and 430.4 mil. € or 6.2% of GDP"

Estimates of the central government's total debt burden at the end of the budget year (2023) are not presented.

Peer Reviewer

Opinion: I choose not to review this question

Comments: If the "deficit as acceptable proxy for new net borrowing" is taken at least two additional items have to be taken into account, namely receipts from sale of property and changes in the deposits.

Government Reviewer

Opinion: Agree

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

Answer:

The amount of net new borrowing required during the budget year
The interest payments on outstanding debt for the budget year

Source:

Executive's Budget Proposal for 2023
<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

GUIDELINES:

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

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

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

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

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

Answer:

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

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Debt data presented in the annual budget documentation includes some information on total outstanding debt at the end of the BY, including overview per domestic and external debt, while information on interest rates and maturity are not available.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: In the researcher's comment there is not enough data/reference to find any information on total outstanding debt at the end of the BY.

Government Reviewer

Opinion: Agree

Researcher Response

Disagree with the reviewer. The data on total debt outstanding is present in the EBP rationale, p. 32 in the rationale (p. 480 in the pdf document):

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

IBP Comment

This indicator doesn't ask information on the "the central government's total debt burden at the end of the budget year". This information is covered in the question 13. This indicator is related to the composition of the total debt outstanding at the end of the budget year. The information indicated by the researcher (page 32) brings information on the total debt and whether the debt is domestic or external for 2022 and not for the fiscal year 2023. Thus, the correct answer should be "d". The original answer was changed from "c" to "d".

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:

None of the above

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Peer Reviewer

Opinion: I choose not to review this question

Comments: I could not find the information on the total debt outstanding.

Government Reviewer

Opinion: Agree

Researcher Response

The info is provided under the previous question

IBP Comment

See IBP comment on question 14.

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:

Executive's Budget Proposal for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Within explanatory part of the annual budget, separate chapter "Macroeconomic framework" (chapter 2) provides extensive information on breakdown for the previous year with macroeconomic trends, macroeconomic assumptions for the following medium-term, along with macroeconomic indicators. Even though extensive, data do not provide information on interest rates.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: From researcher's comment: "...Even though extensive, data do not provide information on interest rates" The interest rates are

considered as one of the "core" information and this information is not presented.

Government Reviewer

Opinion: Agree

IBP Comment

The guideline of the question also indicates that: "answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented". This is the case here. The answer provided by the researcher is correct.

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:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Information beyond the core elements:

private consumption;

domestic demand;

gross investments;

net exports/imports;

employment and unemployment rate;

Net FDI etc.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

GUIDELINES:

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

- *inflation rate;*
- *real GDP growth; and*

interest rates.

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

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

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:

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

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Information on macroeconomic assumptions do not provide impact estimation to the budget.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18) and a narrative discussion of the impact of these new policies. To answer "b" for either question, the Executive's Budget Proposal or supporting

documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion 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:

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

Source:

Executive's Budget Proposal for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Explanatory part on the annual budget (pages 449 - 561 of the pdf) provides various information on fiscal impact on different policies to the budget expenditure, among those new policies as well. But, information provided does not provide clear distinction between current and new policies.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18) and a narrative discussion of the impact of these new policies. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion 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:

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

Source:

Executive's Budget Proposal for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Explanatory part on the annual budget (pages 449 - 561 of the pdf) provides various information on fiscal impact on different policies to revenues, among those new policies as well. But, information provided does not provide clear distinction between current and new policies.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

19. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 19 asks if expenditure estimates for the year prior to the budget year (BY-1) are presented by one of the three expenditure classifications – by administrative, economic, and functional classifications. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. (See Questions 1-5 above.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates for BY-1 by all three of the expenditure classifications. To answer "b," expenditure estimates for BY-1 must be presented by two of these three classifications. A "c" answer applies if expenditure estimates for BY-1 are presented by one of the three classifications. Answer "d" applies if expenditure estimates for BY-1 are not presented by any of the three classifications.

Answer:

c. Yes, expenditure estimates for BY-1 are presented by only one of the three expenditure classifications.

Source:

Executive's Budget Proposal for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Explanatory part on the annual budget presents expenditures allocated for the BY-1 year in accordance with economic classification only (pages 482-484 of the pdf).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

Question 20 asks if expenditure estimates for the year before the budget year (BY-1) are presented by program. There is no standard definition for the term

"program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

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

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

Answer:

d. No, expenditures are not presented by program for BY-1.

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Budget documentation does not present information by programs for year BY -1, it provides overview only for BY, BY +1 and +2

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

21. In the Executive's Budget Proposal or any supporting budget documentation, have expenditure estimates of the year prior to the budget year (BY-1) been updated from the original enacted levels to reflect actual expenditures?

GUIDELINES:

Question 21 asks whether the expenditure estimates for the year before the budget year (BY-1) have been updated from the original enacted levels. Updates can reflect actual experience to date; revised estimates due to shifting of funds by the executive, as permitted under the law; enactment of supplemental budgets; and revised assumptions regarding macroeconomic conditions, caseload, and other relevant factors for the remainder of the year.

Answer "a" applies if the estimates have been updated; answer "b" applies if the original estimates are still being used.

Answer:

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

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

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

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

22. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure for more than one year prior to the budget year (that is, BY-2 and prior years) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 22 asks if expenditure estimates for more than one year prior to the budget year (BY-2 and prior years) are presented by any of the three expenditure classifications – by administrative, economic, and functional classifications. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. (See Questions 1-5 above.)

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

Answer:

d. No, expenditure estimates for BY-2 and prior years are not presented by any expenditure classification.

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Expenditure estimates for BY-2 and prior years are not presented by any expenditure classification.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

Answer:

None of the above

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Expenditures and expenditure estimates for years prior to the BY-2 are not presented in the annual budget and budgetary documentations according to any budgetary classification.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

23. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for more than one year preceding the budget year (that is, BY-2 and prior years)?

GUIDELINES:

Question 23 asks if expenditure estimates for more than one year before the budget year (BY-2 and prior years) are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

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

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-2 and prior years. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures for BY-2 and prior years. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for only less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Answer:

d. No, expenditures are not presented by program for BY-2 and prior years.

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Expenditures and expenditure estimates for years prior to the BY-2 are not presented in the annual budget and budgetary documentations according to any budgetary classification.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

24. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which all expenditures reflect actual outcomes?

GUIDELINES:

Question 24 asks for which year the actual outcomes for expenditures are shown. In most cases, the most recent year for which budget data on actual outcomes are available will be BY-2, as BY-1 is generally not yet finished when the budget proposal is drafted. So a government that has updated all its expenditure data for BY-2 to reflect what actually occurred, as opposed to estimating the outcome for that year, shows good public financial management practice.

For an "a" answer, a country must meet the good practice of having the figures for BY-2 reflect actual outcomes.

Answer:

d. No actual data for all expenditures are presented in the budget or supporting budget documentation.

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Actual expenditure data are not presented in the budget proposal and budgetary documentations according to any budgetary classification.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

25. Does the Executive's Budget Proposal or any supporting budget documentation present revenue by category (such as tax and non-tax) for the year preceding the budget year (BY-1)?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Yes, revenue estimates for BY-1 are presented by category.

Source:

Executive's Budget Proposal for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

In the explanatory part of the annual budget are presented revenue estimates for period BY-1, BY, BY+1 and BY+2, by category, in accordance with economic classification (pages 482-484 of the pdf).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

26. Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for the year preceding the budget year (BY-1)?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

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

Source:

Executive's Budget Proposal for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

In the explanatory part of the budget proposal are presented individual sources of revenues estimates for period BY-1, BY, BY+1 and BY+2, by category, in accordance with economic classification (pages 482-484 of the pdf).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

27. In the Executive's Budget Proposal or any supporting budget documentation, have the original estimates of revenue for the year prior to the budget year (BY-1) been updated to reflect actual revenue collections?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

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

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

In the explanatory part of the budget proposal are presented revenue estimates for period BY-1, BY, BY+1 and BY+2, by category, in accordance with economic classification (pages 482-484 of the pdf). Not prior to BY-1, that is, 2021 (BY-2).

Original estimates have been occasionally updated in some annual budget laws in the previous period, but not regularly.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

28. Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for more than one year prior to the budget year (that is, BY-2 and prior years)?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

b. No, revenue estimates for BY-2 and prior years are not presented by category.

Source:

Executive's Budget Proposal for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

In the explanatory part of the budget proposal are presented only revenue estimates for period BY-1, BY, BY+1 and BY+2, by category, in accordance with economic classification (pages 482-484 of the pdf).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

29. Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for more than one year prior to the budget year (that is, BY-2 and prior years)?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

d. No, individual sources of revenue are not presented for BY-2 and prior years.

Source:

Executive's Budget Proposal for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

In the explanatory part of the budget proposal are only presented individual sources of revenue estimates for period BY-1, BY, BY+1 and BY+2, by category, in accordance with economic classification (pages 482-484 of the pdf).

For BY-2 and prior years, individual sources of revenue estimates are not presented in budget documentation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

30. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

d. No actual data for all revenues are presented in the budget or supporting budget documentation.

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

No actual data on revenues execution are presented in the budget or supporting budget documentation. In budget documentation, focus has been put to BY data (2023), with comparative overview with BY-1 original estimates.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

31. "Does the Executive's Budget Proposal or any supporting budget documentation present information on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1)?"

(The core information must include the total debt outstanding at the end of BY-1; the amount of net new borrowing required during BY-1; interest payments on the debt; interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)"

GUIDELINES:

Question 31 focuses on prior-year debt information, rather than on prior-year expenditures or revenues, asking whether "core" information is provided on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1).

The "core" information includes:

- *total debt outstanding at the end of BY-1;*
- *amount of net new borrowing required during BY-1;*
- *interest payments on the debt;*
- *interest rates on the debt instruments;*
- *maturity profile of the debt; and*
- *whether it is domestic or external debt.*

This core information for BY-1 is consistent with the budget year information for borrowing and debt, which is examined in Questions 13 and 14. Please note that for the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

In addition, some governments provide information beyond the core elements, such as gross new borrowing required during BY-1; currency of the debt; whether the debt carries a fixed or variable interest rate; whether it is callable; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); where appropriate, what the debt is being used to finance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to government borrowing and debt, including its composition, for BY-1 as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to government borrowing and debt, including its composition, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on government borrowing and debt for BY-1.

Answer:

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

Source:

Executive's Budget Proposal for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Borrowing and debt data are presented in the budget documentation.

Namely, within the explanatory part of the annual budget, separate chapter is devoted to debt stock and medium-term debt forecasts, as well as information on state-issued guaranties, as part of the Chapter "Medium-term fiscal framework". This chapter also includes information of interest payments on debt, information on repayment of debt, as well as deficit.

As for the availability of core information for for BY-1 and prior years, only information on total outstanding debt at the end of BY-1 (table on page 480 of the pdf), on deficit (as proxy for new borrowing), and on interest payments are presented in budget documentation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

32. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which the debt figures reflect actual outcomes?

GUIDELINES:

Question 32 asks for which year the actual outcome for total debt outstanding is shown. In most cases, the most recent year for which budget data on actual outcomes are available will be BY-2, as BY-1 is generally not yet finished when the budget proposal is drafted. So a government that has updated its debt data for BY-2 to reflect what actually occurred, as opposed to estimating the outcome for that year, shows good public financial management practice.

For an "a" answer, a country must meet the good practice of having the figures for BY-2 reflect actual outcomes.

It is essential that all government activities that may have an impact on the budget – in the current budget year or in future budget years – be fully disclosed to the legislature and the public in budget documents. In some countries, for instance, entities outside central government (such as public corporations) undertake fiscal activities that could affect current and future budgets. Similarly, activities that can have a significant impact on the budget, such as payment arrears and contingent liabilities, sometimes are not properly captured by the regular presentations of expenditure, revenue, and debt.

Answer:

d. No actual data for government debt are presented in the budget or supporting budget documentation.

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

No actual outcome data for government debt for BY-2 and prior years are presented in the budget or supporting budget documentation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

33. "Does the Executive's Budget Proposal or any supporting budget documentation present information on extra-budgetary funds for at least the budget year?"

(The core information must include a statement of purpose or policy rationale for the extra-budgetary fund; and complete income, expenditure, and financing

data on a gross basis.)"

GUIDELINES:

Question 33 focuses on extra-budgetary funds, asking whether "core" information related to these funds, which exist outside the budget, are presented. These core components include:

- a statement of purpose or policy rationale for the extra-budgetary fund (i.e., why was a particular fund set up? what is it used for?); and
- estimates of its income, expenditure, and financing. (These estimates should be presented on a gross basis so that it is possible to tell how much money flows through each extra-budgetary fund.)

In most countries, governments engage in certain budgetary activities that are not included in the central government's budget. Known as extra-budgetary funds, they can range in size and scope. For example, countries frequently set up pension and social security programs as extra-budgetary funds, where the revenues collected and the benefits paid are recorded in a separate fund outside the budget. Another example of an extra-budgetary fund can be found in countries dependent on hydrocarbon/mineral resources, where revenues from producing and selling those resources are channeled through systems outside the annual budget.

In some cases, the separation engendered by an extra-budgetary fund serves a legitimate political purpose, and the finances and activities of these funds are well documented. In other cases, however, this structure is used for obfuscation, and little or nothing is known about a fund's finances and activities.

The availability of information related to extra-budgetary funds is essential for a comprehensive understanding of the government's true fiscal position. In addition to the core information, other information about extra-budgetary funds is also desirable. Such information includes a discussion of the risks associated with the extra-budgetary fund; expenditures classified by economic, functional, or administrative unit; and the rules and procedures that govern the operations and management of the extra-budgetary fund.

For more information about extra-budgetary funds, see the *Guide to Transparency in Public Finances: Looking Beyond the Core Budget* (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and Principle 2.1.1 of the IMF's *Fiscal Transparency Handbook* (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

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

Please provide in the comments a list of all known extra-budgetary funds.

Answer:

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

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Extra budgetary funds (pension fund, employment fund, health fund etc.) are integrated in the central government budget, and centralized treasury system, therefore information on financial flows of extra budgetary funds are presented in the budget proposal.

Some information can be found in article 3 (pages 2-5 of the document).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

34. Does the Executive's Budget Proposal or any supporting budget documentation present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year?

GUIDELINES:

Question 34 asks whether the Executive's Budget Proposal or supporting documents present the finances of the central government on a consolidated basis, showing both its budgetary and extra-budgetary activities. Virtually all of the questions in the OBS questionnaire focus on budgetary central government – the activities of the ministries, departments, or agencies of central government. In addition, Question 33 asks about extra-budgetary funds, such as social security funds that are not included in the budget.

Coverage is an important aspect of fiscal reporting. Budget documents should cover the full scope of government's financial activity. In many countries, extra-budgetary activities are substantial, and can represent a sizable share of the central government's activities. To get a full picture of the central government's finances, therefore, it is necessary to examine both activities that are included in the budget and those that are extra-budgetary. This question asks whether such a consolidated presentation of central government finances, 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:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Yes, budget documentation includes all spending units of the state budget (including both budgetary and extra budgetary users) on a consolidated basis. See article 3 (pages 2-5 of the document).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

35. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of intergovernmental transfers for at least the budget year?

GUIDELINES:

Question 35 asks about intergovernmental transfers. In many cases, the central government supports the provision of a good or service by a lower level of government through an intergovernmental transfer of funds. This is necessary because, independent from the level of administrative decentralization that exists in a given country, the capacity for revenue collection of a local government is unlikely to be sufficient to pay for all its expenses. However, because the activity is not being undertaken by an administrative unit of the central government, it is unlikely to receive the same level of review in the budget. Thus it is important to include in the budget proposal a statement that explicitly indicates the amount and purposes of these transfers.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all intergovernmental transfers and a narrative discussing these transfers. If a narrative discussion is not included, but estimates for all intergovernmental transfers are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, intergovernmental transfers (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of intergovernmental transfers are presented.

Answer:

c. Yes, estimates of some but not all intergovernmental transfers are presented.

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Some information on intergovernmental transfers is available and presented in the budgetary documentation. Namely, economic classification foresees budgetary item "Transfers to municipalities", under which certain funds are planned within annual budget, with appropriate narrative provided. But, this budgetary item does not cover all intergovernmental transfers.

Namely, according to the Law on financing local self-governments, Equalization fund is established for the purpose of financial equalization of municipalities. Equalization fund is financed by various revenue categories, and users of such funds are municipalities with lower level of development (distribution across municipalities is done according to prescribed criteria). This fund is managed by the Ministry of finance, through this Fund in done majority of transfers towards municipalities, and this Fund is not presented in the budgetary documentation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

36. Does the Executive's Budget Proposal or any supporting budget documentation present alternative displays of expenditures (such as by gender, by age, by income, or by region) to illustrate the financial impact of 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:

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

Source:

Executive's Budget Proposal for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

In the explanatory part of the annual budget proposal (chapter 5), separate chapter is devoted to gender budgeting. Within this chapter is presented information of estimates of funds allocated for gender sensitive activities, with accompanying description.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Answer:

Impacts of budget policies by gender

Source:

Executive's Budget Proposal for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

There is a special chapter in the rationale of the budget about those budget programmes that have been declared by the spending units to have an impact on gender equality. However, these are only several and pertain to a small amount of funds for some institutions only, and cannot be taken as an alternative display of the entire EBP.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

In general, economic classification foresees a budget heading of transfers to public corporations, under which any transfers to SOE would be presented. Amounts planned for such transfers along with narrative discussion are presented in the budgetary documentation (rationale). However, this pertains only to directly funded SOEs such as the Public Broadcasting Service (Radio and Television of Montenegro), transfers to which are listed under the "transfers to SOEs" budget heading.

However, transfers to SOEs do occur during the year for different purposes and they are usually paid from the "reserve" heading, as for of ad hoc support for their work. As such, these transfers are not planned ahead and are the subject of state aid control.

Therefore, some transfers are presented in the EBP, but not all of them.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: Economic classification prescribes budgetary item to public corporations, under which any transfers to SOE becomes visible. Indeed, during the year it may occur that additional funding is allocated from the item "budgetary reserve", but such transfers are extraordinary and unforeseeable, which is exactly the purpose of the Budgetary Reserve, this allocations are subject to state aid rules and are transparently allocated.

Researcher Response

Disagree with the reviewer. The transfers from the budget reserve to SOEs are frequent for various purposes, and not all of them are unplanned and unforeseen - the reason they are paid out of the reserve is creating a shortcut to circumvent the competition policy rules that require such financial assistance to undergo ex-ante examination by the Agency for Competition Protection.

IBP Comment

IBP appreciates the comment provided by the government reviewer. Considering the evidence and information available and the additional arguments presented by the researcher in the second review, the answer "c" is adequate.

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

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

GUIDELINES:

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

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

- *The identification of intended beneficiaries of the quasi-fiscal activity.*

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

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

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

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

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

Answer:

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

Source:

Executive’s Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Within budgetary documentation are not presented quasi-fiscal activities.

According to the definition of quasi-fiscal operation, such operations are present in the Montenegrin economy, such as the Investment Development Fund (a state-owned bank) that provides favourable loans to the market, but such activities are not elaborated in the budget documentation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

39. Does the Executive’s Budget Proposal or any supporting budget documentation present information on financial assets held by the government for at least the budget year?

(The core information must include a listing of the assets, and an estimate of their value.)

GUIDELINES:

Question 39 focuses on financial assets held by the government, asking whether “core” information related to these assets is presented. These core components include:

- *A listing of the financial assets; and*

- An estimate of their value.

Governments own financial assets such as cash, bonds, or equities. Unlike private sector businesses, however, few governments maintain balance sheets that show the value of their assets and liabilities.

Beyond the core information, some governments may also provide other information about financial assets, including for example: a discussion of their purpose; historical information on defaults; differences between reported values and market values; and a summary of financial assets as part of the government's balance sheet.

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

Answer:

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

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Information on financial assets held by the government is not presented in the budget documentation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

40. Does the Executive's Budget Proposal or any supporting budget documentation present information on nonfinancial assets held by the government for at least the budget year?

(The core information must include a listing of the assets by category.)

GUIDELINES:

Question 40 focuses on nonfinancial assets held by the government, asking whether "core" information related to these assets is presented. The core information is a listing of nonfinancial assets, grouped by the type (or category) of asset.

Nonfinancial assets are things of value that the government owns or controls (excluding financial assets) such as land, buildings, and machinery. The valuation of public nonfinancial assets can be problematic, particularly in cases where the asset is not typically available on the open market (such as a government monument). In these cases, it is considered acceptable to provide summary information in budget documents from a country's register of assets. But, in some cases, governments are able to value their nonfinancial assets; some present a summary of nonfinancial assets as part of their balance sheets. For an example of how nonfinancial assets are presented in one of the many supporting documents to the New Zealand Executive's Budget Proposal, see the Forecast Financial Statement 2011, Notes to the Financial Statements (Continued), Note 14, accessible here: <https://treasury.govt.nz/sites/default/files/2011-05/befu11-pt6of8.pdf>.

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

Answer:

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

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Information on nonfinancial assets held by the government is not presented in the budget documentation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

41. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure arrears for at least the budget year?**GUIDELINES:**

Question 41 asks about estimates of expenditure arrears, which arise when government has entered into a commitment to spend funds but has not made the payment when it is due. (For more information see sections 3.49-3.50 of the IMF's GFS Manual 2001, <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf> (page 29)). Though equivalent to borrowing, this liability is often not recorded in the budget, making it difficult to assess fully a government's financial position. Moreover, the obligation to repay this debt affects the government's ability to pay for other activities.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all expenditure arrears and a narrative discussing the arrears. If a narrative discussion is not included, but estimates for all expenditure arrears are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, expenditure arrears (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of expenditure arrears are presented. Answer "d" also applies if information is only available for the changes in arrears, and not the stock or balance of arrears.

If expenditure arrears do not represent a significant problem in your country, please mark "e." However, please exercise caution in answering this question. Public expenditure management laws and regulations often will allow for reasonable delays, perhaps 30 or 60 days, in the routine payment of invoices due. Expenditure arrears impacting a small percentage of expenditure that are due to contractual disputes should not be considered a significant problem for the purpose of answering this question.

Answer:

c. Yes, estimates of some but not all expenditure arrears are presented.

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Part of the arrears is presented in the budgetary documentation.

Namely, repayment of obligations from the previous year (BY-1) is elaborated in the explanatory part of the budget (pages 449-561 of the pdf) with amounts planned for such purpose, and these funds, as explained in budgetary documentation, are planned for enforced collections due to unfavorable outcome of judicial proceedings for the state.

Despite that these funds are planned, during preparation of final account of the budget (year-end report), arrears are still present. This indicates that, most probably, some part of arrears have not been presented in the executive budget proposal and accompanying budgetary documentation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

GUIDELINES:

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

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

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

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

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

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

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

Answer:

a. Yes, information beyond the core elements is presented for all contingent liabilities.

Source:

Executive's Budget Proposal for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Information on issuance of state guaranties is presented in the budget documentation.

Namely, in the general part of the annual budget (particularly in the second part of article 14), it is presented a list of guaranties that will be subject of consideration and possible issuance during the BY, with accompanying elaboration for the purpose of it use. In addition, within the explanatory part of the annual budget, separate chapter is devoted to debt stock and medium-term debt forecasts, that includes information on amount of outstanding state-issued guaranties for BY-1, as part of the Chapter "Medium-term fiscal framework".

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

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

GUIDELINES:

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

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

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

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

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

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

Answer:

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

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

No information related to future liabilities and sustainability of finances over the longer term is presented.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

44. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of the sources of donor assistance, both financial and in-kind, for at least the budget year?

GUIDELINES:

Question 44 asks about estimates of donor assistance, both financial and in-kind assistance. Such assistance is considered non-tax revenue, and the sources of this assistance should be explicitly identified. In terms of in-kind assistance, the concern is primarily with the provision of goods (particularly those for which there is a market that would allow goods received as in-kind aid to be sold, thereby converting them into cash) rather than with in-kind aid like advisors from a donor country providing technical assistance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all donor assistance and a narrative discussing the assistance. If a narrative discussion is not included, but estimates for all donor assistance are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, donor assistance (regardless of whether it also includes a narrative discussion). Answer "c" also applies if the sources of donor assistance are not presented, but the total amount of donor assistance is presented as a single line item. Answer "d" applies if no estimates of donor assistance are presented. Select answer "e" if your country does not receive donor assistance.

Answer:

a. Yes, estimates of all sources of donor assistance are presented, along with a narrative discussion.

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

All available information of donor activities are presented in the budget documentation.

Amounts of forecasted revenue from grants and donations are presented under separate revenue category (according to economic classification) for BY-1, BY, BY+1 and BY+2 in the EBP. The rationale also contains a list of grants with an explanation of their purpose or intended outcomes.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

45. Does the Executive's Budget Proposal or any supporting budget documentation present information on tax expenditures for at least the budget year?

(The core information must include a statement of purpose or policy rationale for each tax expenditure, the intended beneficiaries, and an estimate of the revenue foregone.)

GUIDELINES:

Question 45 focuses on tax expenditures, asking whether "core" information related to these tax preferences is presented. These core components must include for both new and existing tax expenditures:

- a statement of purpose or policy rationale;
- a listing of the intended beneficiaries; and
- an estimate of the revenue foregone.

Tax expenditures arise as a result of exceptions or other preferences in the tax code provided for specified entities, individuals, or activities. Tax expenditures

often have the same impact on public policy and budgets as providing direct subsidies, benefits, or goods and services. For example, encouraging a company to engage in more research through a special tax break can have the same effect as subsidizing it directly through the expenditure side of the budget, as it still constitutes a cost in terms of foregone revenues. However, expenditure items that require annual authorization are likely to receive more scrutiny than tax breaks that are a permanent feature of the tax code.

Beyond the core information, some governments may also provide other information about tax expenditures, including for example: the intended beneficiaries by sector and income class (distributional impact); a statement of the estimating assumptions, including the definition of the benchmark against which the foregone revenue is measured; and a discussion of tax expenditures as part of a general discussion of expenditures for those program areas that receive both types of government support (in order to better inform policy choices). For more details on tax expenditures, see *Guide to Transparency in Public Finances: Looking Beyond the Core Budget* (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and Principle 1.1.4 of the IMF's *Fiscal Transparency Handbook* (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

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

Answer:

d. No, information related to tax expenditures is not presented.

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

No information related to tax expenditures is presented in budget documentation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

46. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of earmarked revenues for at least the budget year?

GUIDELINES:

Question 46 asks about estimates of earmarked revenues, which are revenues that may only be used for a specific purpose (for example, revenues from a tax on fuel that can only be used for building roads). This information is important in determining which revenues are available to fund the government's general expenses, and which revenues are reserved for particular purposes.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all 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:

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

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

No information related to earmarked revenues are presented in budget documentation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

47. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for the budget year?

GUIDELINES:

Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget – that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-18 of New Zealand's 2011 Statement of Intent (<http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16>), one of the many documents supporting its budget.

In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.

Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.

Answer:

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

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

No information related to clear linkages between annual budget and government policies goals is presented in budget documentation for BY.

The Government's mid-term agenda 2022-2024 and the annual budget proposal do not contain the same indicators, goals or sources of verification, and are prepared by different groups of officials without any cooperation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

48. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and

existing policies) is linked to government's policy goals for a multi-year period (for at least two years beyond the budget year)?

GUIDELINES:

Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget – that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-18 of New Zealand's 2011 Statement of Intent (<http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16>), one of the many documents supporting its budget.

In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.

Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.

Answer:

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:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

No information related to clear linkages between annual budget and government policies goals is presented in budget documentation for a multi-year period.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

49. Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on inputs to be acquired for at least the budget year?

GUIDELINES:

Question 49 asks about the availability of nonfinancial data on inputs for the budget year. (Nonfinancial data on outputs and outcomes are addressed in Question 50.)

The budget should disclose not only the amount of money that is being allocated on a program but also any information needed to analyze that expenditure. Nonfinancial data and performance targets associated with budget proposals are used to assess the success of a given policy. For example, even when allocated funds are spent according to plan, there remains the question of whether the policy delivered the results that it aimed to achieve.

Nonfinancial data can include information on:

Inputs - These are the resources assigned to achieve results. For example, in regards to education, nonfinancial data on inputs could include the number of books to be provided to each school or the materials to be used to build or refurbish a school.

Outputs - These are products and services delivered as a result of inputs. For example, the number of pupils taught every year; the number of children that received vaccines; or the number of beneficiaries of a social security program.

Outcomes - These are the intended impact or policy goals achieved. For example, an increase in literacy rates among children under 10, or a reduction in rates

of maternal mortality.

In addition, governments that set performance targets must use nonfinancial data for outputs and outcomes to determine if these targets have been met.

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on inputs for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on inputs for each individual program is organized by functions. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on inputs for all administrative units or all functions, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on inputs are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on inputs is presented.

Answer:

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

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: Nonfinancial data on inputs is presented within the narrative part of budget documentation organized by program classification (pages 561 - 3208).

Government Reviewer

Opinion: Agree

Researcher Response

Disagree. Non-financial inputs referred to by the reviewer pertain to indicators of output, outcome and impact created in the performance budget, not non-financial inputs as defined by the methodology.

IBP Comment

The researcher's argument in the second review is correct.

50. Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on results (in terms of outputs or outcomes) for at least the budget year?

GUIDELINES:

Question 50 asks about the availability of nonfinancial data on results for the budget year. Nonfinancial data on results can include data on both outputs and outcomes, but not on inputs (which are addressed in Question 49).

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on results for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on results for each individual program is organized by functional classification. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on results for all administrative units or all functional classifications, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on results are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on results is presented.

Answer:

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

Source:

Executive's Budget Proposal for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Although some non-financial information is included in the the explanatory part of the EBP (pages 562 to 3208 of the pdf), however information on results is too scarce to merit maximum points and is not given in a systematic way for all of the programs or institutions.

According to our analysis, in the EBP for 2023, 35% of budget programs and subprograms do not have defined goals. Additionally, 45% of budget programs and subprograms do not have defined indicators or units of measurement. Also, 56% of budget programmes and subprograms do not have sources of verification determined. Data set available for review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

51. Are performance targets assigned to nonfinancial data on results in the Executive's Budget Proposal or any supporting budget documentation?

GUIDELINES:

Question 51 asks about performance targets assigned to nonfinancial data on results for the budget year. The question applies to those nonfinancial results shown in the budget, and that were identified for purposes of Question 50.

To answer "a," the Executive's Budget Proposal or supporting documentation must assign performance targets to all nonfinancial data on results shown in the budget for at least the budget year. To answer "b," the Executive's Budget Proposal or supporting documentation must assign performance targets to a majority (but not all) of the nonfinancial data on results shown in the budget. A "c" response applies performance targets are assigned only to less than half of the nonfinancial data on results. Answer "d" applies if no performance targets are assigned to nonfinancial data on results shown in the budget, or the budget does not present nonfinancial results.

Answer:

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

Source:

Executive's Budget Proposal for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

Although performance targets are nominally assigned to most budget programs/subprograms (pages 562 to 3208 of the pdf), they lack quality and are often completed in a formalistic way. (data given in the Q50)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

52. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations in at least the budget year?

GUIDELINES:

Question 52 asks whether the budget highlight policies, both new and existing, that benefit the poorest segments of society. This question is intended to assess only those programs that directly address the immediate needs of the poor, such as through cash assistance programs or the provision of housing,

rather than indirectly, such as through a stronger national defense. This information is of particular interest to those seeking to bolster government's commitment to anti-poverty efforts. For purposes of answering this question, a departmental budget (such for the Department of Social Welfare) would not be considered acceptable. In general, this question is asking whether the EBP includes a special presentation that pulls together estimates of all the relevant policies in one place. However, if the country uses "program budgeting," where programs are presented as expenditure categories with specific and identified objectives, and it identifies anti-poverty programs within each administrative unit, then that is also acceptable for this question.

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

(<https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf>) includes a discussion of countries that have provided information on how its policies affect the poor.

For instance, Pakistan provides a detailed breakdown of pro-poor expenditure as part of its 2017-18 budget proposal. In one document, the government sets out policy priorities, expected outputs, and estimates of past and future spending for several programs aimed at poverty alleviation. Another supporting document provides a comprehensive overview of ongoing policies, including a chapter on social safety nets, covering both financial and performance information of poverty alleviation schemes over a period of eight years. (http://www.finance.gov.pk/budget/mtbf_2018_21.pdf and http://www.finance.gov.pk/survey_1718.html).

To answer "a," the Executive's Budget Proposal or supporting documentation must for at least the budget year both present estimates covering all policies that are intended to benefit the most impoverished populations and include a narrative discussion that specifically addresses these policies. (For countries using program budgeting that breaks out individual anti-poverty programs, there should be a separate narrative associated with each such program.) Answer "b" if a narrative discussion is not included, but estimates for all policies that are intended to benefit the most impoverished populations are presented. Answer "c" if the presentation includes estimates covering only some, but not all, policies that are intended to benefit the most impoverished populations (regardless of whether it also includes a narrative discussion). Answer "d" if no estimates of policies that are intended to benefit the most impoverished populations are presented.

Answer:

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

Source:

Executive's Budget Proposal for 2023

<https://www.gov.me/dokumenta/58409c3f-8b07-4b32-b354-db073b2e0e3f>

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

The EBP does not specifically highlight policies, new or existing, that benefit the poorest segments of society.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

53. Does the executive release to the public its timetable for formulating the Executive's Budget Proposal (that is, a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation)?

GUIDELINES:

Question 53 asks about the budget timetable. An internal timetable is particularly important for the executive's management of the budget preparation process, in order to ensure that the executive accounts for the views of the different departments and agencies in the proposed budget. The timetable would, for instance, set deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. So that civil society is aware of the various steps in the budget formulation process, and when opportunities may exist to engage the executive, it is essential that this timetable be made available to the public.

To answer "a," the executive must prepare a detailed budget timetable and release it to the public. A "b" answer applies if the timetable is made public, but some details are not included. A "c" response applies if the timetable is made public, but many important details are excluded, reducing its value for those outside government. Answer "d" applies if no timetable is made available to the public. As long as a timetable for formulating the Executive's Budget Proposal is released, answer "a," "b," or "c" may be selected, even if the Executive's Budget Proposal is not made publicly available.

Answer:

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

Source:

Law on Budget and Fiscal Responsibility, articles 29 to 33

Macroeconomic and Fiscal Policy guidelines 2022-2025

<https://www.gov.me/dokumenta/4a53f44a-1bf3-44c2-8cfd-b7650984a88c>

Comment:

Timetable for different phases of budget preparation are prescribed in the Law on budget and fiscal responsibility and no other timetable is prepared. Deadlines are envisaged for preparation of guidelines for annual budget preparation, submission of budget requests by spending unit, draft annual budget by the Ministry of finance and Government, and adoption of the annual budget by the parliament. Hence, this timeline is available to the public within the law, although not as a separate document.

On the other hand, according to the law, line ministries and other spending units are coordinating process of preparation of budget requests with the field this line ministry is in charge of. More detailed division of tasks between the coordinating line ministries and units under their jurisdiction, and related deadlines, is subject of internal organisation of specific line ministry and in general is not publicly available.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: Timetable for different phases of budget preparation are prescribed in the Law on budget and fiscal responsibility. The law is public. No separate timetable is prepared annually.

Government Reviewer

Opinion: Agree

Researcher Response

Disagree with the reviewer. As explained, a more detailed and precise timetable is internally disseminated in the budget circular which is not made public (as the government confirms)

IBP Comment

IBP appreciates the comment provided by the peer reviewer. As indicated by the researcher, beyond the standard timeline prescribed in the Law on Budget, annually, a more detailed timeline is produced (within budget circular) which is not made public. Therefore, the answer "d" is correct.

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:

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

Source:

Law on Budget and Fiscal Accountability, article 18

Macroeconomic and Fiscal Policy guidelines 2022-2025

<https://www.gov.me/dokumenta/4a53f44a-1bf3-44c2-8cfd-b7650984a88c>

Comment:

According to the Law on budget and fiscal responsibility, Ministry of Finance prepares, and Government adopts Macroeconomic and Fiscal Policy Guidelines (MFPG). MFPG includes medium-term strategic goals of the economic and fiscal policy, macroeconomic and fiscal indicators and forecasts etc.

Even though MFPG provides information on previous and current year's macro-fiscal trends, and based on trends and expectation revised macro data for the current year and forthcoming medium-term. Even though extensive, data do not provide information on interest rates.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

GUIDELINES:

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

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

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

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

Answer:

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

Source:

Macroeconomic and Fiscal Policy guidelines 2022-2025

<https://www.gov.me/dokumenta/4a53f44a-1bf3-44c2-8cfd-b7650984a88c>

Comment:

According to the Law on budget and fiscal responsibility, Ministry of finance prepares, and Government adopts Macroeconomic and Fiscal Policy Guidelines (MFPG). MFPG includes medium-term strategic goals of the economic and fiscal policy, macroeconomic and fiscal indicators and forecasts etc., expenditure limits per first level spending units, total spending forecasts per economic and program classification, as well as forecasts of fiscal rules implementation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

GUIDELINES:

Question 56 focuses on the government's revenue policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these policies is presented. These core components include:

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

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

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

Answer:

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

Source:

Macroeconomic and Fiscal Policy guidelines 2022-2025
<https://www.gov.me/dokumenta/4a53f44a-1bf3-44c2-8cfd-b7650984a88c>

Comment:

MFPG, among other information, includes information and discussion of revenue forecast and impact of fiscal policies on revenues. Revenue forecast presented in MFPG represent bases for revenue forecast for annual budget preparation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

57. Does Pre-Budget Statement present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

GUIDELINES:

Question 57 asks whether the Pre-Budget Statement includes three key estimates related to borrowing and debt:

- the amount of net new borrowing needed in the upcoming budget year;*
- the central government's total debt burden at the end of the upcoming budget year; and*
- the interest payments on the outstanding debt for the upcoming budget year.*

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. 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:

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

Source:

Macroeconomic and Fiscal Policy guidelines 2022-2025
<https://www.gov.me/dokumenta/4a53f44a-1bf3-44c2-8cfd-b7650984a88c>

Comment:

Within MFPG, under chapter titled "State of play and forecasts of public debt and state issued guaranties" in the medium-term, information about borrowing, debt and interest rates are presented.

Net new borrowing is presented for the current year, while its missing for the medium term overview, for which deficit data could be used, which is available and presented in MFPG, and which is in accordance with the methodology.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

58. Does the Pre-Budget Statement present estimates of total expenditures for a multi-year period (at least two-years beyond the budget year)?

GUIDELINES:

Question 58 asks about multi-year expenditure estimates in the Pre-Budget Statement.

To answer "a," expenditure estimates for at least two years beyond the upcoming budget year must be presented. The estimates must be for at least total expenditures, but could include more detail than just the aggregate total.

Answer:

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

Source:

Macroeconomic and Fiscal Policy guidelines 2022-2025
<https://www.gov.me/dokumenta/4a53f44a-1bf3-44c2-8cfd-b7650984a88c>

Comment:

MFPG includes medium-term strategic goals of the economic and fiscal policy, macroeconomic and fiscal indicators and forecasts etc., expenditure limits per first level spending units, total spending forecasts per economic and program classification, as well as forecasts of fiscal rules implementation.

Macroeconomic and fiscal policies, revenues and expenditure included, are forecasted for the medium-term, BY and two additional years (BY+1 and BY+2).

See table on page 24 and information displayed onwards.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

59. Does the Enacted Budget present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 59 asks if expenditure estimates in the Enacted Budget are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

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

Answer:

a. Yes, the Enacted Budget presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

Annual budget law for 2023
<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17725-33-22-5-125.pdf>

Comment:

According to article 34 of the Law on budget and fiscal accountability, annual budget law is consisted of general and specific part. Specific part of the annual budget is presented by organizational, functional, economic, program and project classification.

In addition, annual budget is supplemented with explanatory part of the budget, that provides macroeconomic and fiscal forecasts and detailed elaboration of budgetary revenue and expenditures.

According to the above, total budget spending is presented across previously mentioned budget classifications, including economic (article 3), administrative and functional (article 20, pages 15 onwards of the pdf).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Answer:

Administrative classification

Economic classification

Functional classification

Source:

Annual budget law for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17725-33-22-5-125.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

60. Does the Enacted Budget present expenditure estimates for individual programs?

GUIDELINES:

Question 60 asks if expenditure estimates in the Enacted Budget are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

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

To answer "a," the Enacted Budget must present all programs, which account for all expenditures, in the budget year. To answer "b," the Enacted Budget must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if the Enacted Budget presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Enacted Budget.

Answer:

a. Yes, the Enacted Budget presents estimates for programs accounting for all expenditures.

Source:

Annual budget law for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17725-33-22-5-125.pdf>

Comment:

The EB presents all the expenses through budget programmes, that have their specific codes, are also divided in to sub-programmes and activities. The budget of each individual spending unit is primarily presented as divided into budget programmes, e.g. the budget of the Ministry of Interior is presented through four budget programmes which are further presented through economic classification. See on pages 15 onwards.

Such classification has existed in various forms since 2010, however only in 2021 the non-financial data (indicators, goals, etc) for the budget programmes was developed.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

61. Does the Enacted Budget present revenue estimates by category (such as tax and non-tax)?

GUIDELINES:

Question 61 asks whether revenue estimates in the Enacted Budget are presented by "category" – that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Enacted Budget must present revenue estimates classified by category.

Answer:

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

Source:

Annual budget law for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17725-33-22-5-125.pdf>

Comment:

Total budget revenues are presented in line with economic classification (article 3).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

62. Does the Enacted Budget present individual sources of revenue?

GUIDELINES:

Question 62 asks whether revenue estimates for individual sources of revenue are presented in the Enacted Budget. The question applies to both tax and non-tax revenue.

To answer "a," the Enacted Budget must present all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Enacted Budget must present individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Enacted Budget presents individual sources of revenue that account for less than two-thirds of revenues. Answer "d" applies if individual sources of revenue are not presented.

Answer:

a. Yes, the Enacted Budget presents individual sources of revenue accounting for all revenue.

Source:

Annual budget law for 2023

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17725-33-22-5-125.pdf>

Comment:

All budget revenue are presented in line with economic classification. Economic classifications included detailed overview of different revenue categories (article 3).

In the Executive's Budget Proposal, forecasts of the budget revenue, according to economic classification, for the BY, BY+1 and BY+2 are presented in the explanatory part of the budget, which is part of the budget documentation of the EBP.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

63. Does the Enacted Budget present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

GUIDELINES:

Question 63 asks about three key estimates related to borrowing and debt:

- the amount of net new borrowing required during the budget year;*
- the total debt outstanding at the end of the budget year;*
- the interest payments on the outstanding debt for the budget year.*

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

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

To answer "a," the Enacted Budget must present all three estimates of borrowing and debt. For a "b" answer, the Enacted Budget must present two of those three estimates. For a "c" answer, the Enacted Budget must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the Enacted Budget.

Answer:

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

Source:

Annual budget law for 2023, Article 14 and 15:

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17725-33-22-5-125.pdf>

Decision on borrowing of Montenegro for 2023: <https://www.gov.me/dokumenta/5a22b534-8dbe-4b48-8473-401a51a4b568>

Comment:

Borrowing and debt data are presented in the budget documentation, the rationale accompanying the Enacted budget, the enacted budget itself (article 14 and 15 that list the allowed level of borrowing and sources, where the loans will be taken) as well as the accompanying Decision on borrowing of Montenegro for 2023 which outlines the same in more detail.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: The information on the total debt outstanding at the end of the budget year is not presented.

Government Reviewer

Opinion: Agree

Researcher Response

Agree with the reviewers comment that the answer should be downgraded - but even further down, to "C", as the EB does not have data on, the total debt outstanding at the end of the budget year or the interest payments on the outstanding debt for the budget year.

IBP Comment

IBP appreciates the comment provided by the peer reviewer. It is accurate. However, as stated by the researcher in the second review, not only the information on the total debt outstanding at the end of the budget year is not presented. The information on the interest payments on the outstanding debt for the budget year is also missed in the Enacted Budget. Therefore, the answer was changed from "a" to "c".

64. What information is provided in the Citizens Budget?

(The core information must include expenditure and revenue totals, the main policy initiatives in the budget, the macroeconomic forecast upon which the budget is based, and contact information for follow-up by citizens.)

GUIDELINES:

Question 64 focuses on the content of the Citizens Budget, asking whether "core" information is presented. These core components include:

- *expenditure and revenue totals;*
- *the main policy initiatives in the budget;*
- *the macroeconomic forecast upon which the budget is based; and*
- *contact information for follow-up by citizens.*

To answer "a," the Citizens Budget or supporting documentation must present all of the above core information as well as some additional information beyond the core elements. To answer "b," the Citizens Budget must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if the Citizens Budget includes some of the core components above, but other core pieces of information are not included. Answer "d" applies if a Citizens Budget is not published.

Answer:

d. The Citizens Budget is not published.

Source:

Comment:

Citizens budget as such is not prepared and published.

Peer Reviewer

Opinion: I choose not to review this question

Comments: The citizens budget for FY 2021 was published by Mar 1, 2022, it is not clear if the citizens budget for FY 2022 was available to the researcher. The answer on this question depends on the decision if citizens budget for FY 2021 is taken into account or not.

Government Reviewer

Opinion: Agree

IBP Comment

After having considered the peer reviewer suggestions on questions CB-1 to CB-6, IBP decided to accept the evidence that there is a citizens version of the Enacted Budget produced by the Parliamentary Budget Office of the Parliament of Montenegro. Nonetheless, the fiscal year of the CB that suppose to be evaluated in this Open Budget Survey questionnaire is 2022 (see IBP comment on question CB-1). However, the document was published after the OBS acceptable time frame for publication (see IBP comment on question CB-2). Considering the OBS methodology, Citizens Budget of the Enacted Budget must be released to the public no later than three months after the legislature approves the budget. If the government fails to publish the document by its deadline, researchers should not use a previously released document that concerns an earlier fiscal year. In this case, all the questions regarding that document (questions 64-67) should be marked "d."

65. How is the Citizens Budget disseminated to the public?

GUIDELINES:

Question 65 asks how the Citizens Budget is disseminated to the public. Citizens Budgets should be made available to a variety of audiences. Therefore paper versions and an Internet posting of a document might not be sufficient.

To answer "a," the executive must use three or more different types of creative media tools to reach the largest possible share of the population, including those who otherwise would not normally have access to budget documents or information. Dissemination would also be pursued at the very local level, so that the coverage is targeted both by geographic area and population group (e.g., women, elderly, low income, urban, rural, etc.). Option "b" applies if significant dissemination efforts are made through a combination of two means of communications, for instance, both posting the Citizens Budget on the executive's official website and distributing printed copies of it. Option "c" applies if the Citizens Budget is disseminated through only posting on the executive's official website. Option "d" applies when the executive does not publish a Citizens Budget.

Answer:

d. A Citizens Budget is not published.

Source:

Comment:

Citizens budget as such is not prepared and published.

Peer Reviewer

Opinion: I choose not to review this question

Comments: Please see the comment to the question 64.

Government Reviewer

Opinion: Agree

IBP Comment

See the IBP comment to the question 64.

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:

Comment:

Citizens budget as such is not prepared and published.

Peer Reviewer

Opinion: I choose not to review this question

Comments: Please see the comment to the question 64.

Government Reviewer

Opinion: Agree

IBP Comment

See the IBP comment to the question 64.

67. Are "citizens" versions of budget documents published throughout the budget process?

GUIDELINES:

Question 67 asks if "citizens" versions of budget documents are published throughout the budget process. While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle.

To answer "a," a citizens version of at least one budget document is published for each of the four stages of the budget process (budget formulation, enactment, execution, and audit) – for a total of at least four citizens budget documents throughout the process. Option "b" applies if a citizens version of a budget document is published for at least two of the four stages of the budget process. Option "c" applies if a citizens version of a budget document is published for at least one of the four stages of the budget process. Select option "d" if no "citizens" version of budget documents is published.

Answer:

d. No citizens version of budget documents is published.

Source:

Comment:

Citizens budget as such is not prepared and published.

Peer Reviewer

Opinion: I choose not to review this question

Comments: Please see the comment to the question 64.

Government Reviewer

Opinion: Agree

IBP Comment

See the IBP comment to the question 64.

68. Do the In-Year Reports present actual expenditures by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 68 asks if expenditure estimates in In-Year Reports are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above.

Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

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

Answer:

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

Source:

The example of a report on budget execution (for November 2022):

<https://www.gov.me/clanak/izvjestaj-o-izvršenju-budžeta-crne-gore-za-januar-novembar-2022>

Comment:

In year reports present actual expenses by economic classification, on a monthly basis with actual execution of expenditures and revenues. The administrative and functional classifications are not used in these reports.

Note:

In 2023, situation has started changing, with Ministry of finance publishing monthly reports on budget execution that also entail detailed information on expenditures by programmes and administrative classification of expenditures. See the example of a report for January 2023:

<https://www.gov.me/clanak/izvjestaj-o-izvršenju-budžeta-crne-gore-za-period-januar-februar-2023-godine>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: As of January 2023, IYR are published for economic and administrative, on a monthly basis with actual budgetary execution. Reports are published on the following webpage of the Ministry of finance: https://www.gov.me/vijesti?sort=published_at&ou=13&tags=1283

IBP Comment

The cut-off date of the Open Budget Survey 2023 was 31 December 2022. Changes in the content of the report on budget execution implemented from 2023 onwards will no be captured by the current assessment. The answer provided by the researcher is correct.

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

Answer:

Economic classification

Source:

The example of a report on budget execution (for November 2022):

<https://www.gov.me/clanak/izvjestaj-o-izvršenju-budžeta-crne-gore-za-januar-novembar-2022>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: Administrative classification Economic classification

IBP Comment

See IBP comment on question 68.

69. Do the In-Year Reports present actual expenditures for individual programs?

GUIDELINES:

Question 69 asks if expenditure estimates in In-Year Reports are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

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

To answer "a," In-Year Reports must present actual expenditures for all individual programs, accounting for all expenditures. To answer "b," In-Year Reports must present actual expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if In-Year Reports present actual expenditures for programs that account for less than two-thirds of expenditures. Answer "d" applies if actual expenditures are not presented by program in In-Year Reports.

Answer:

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

Source:

The example of a report on budget execution (for November 2022):

<https://www.gov.me/clanak/izvjestaj-o-izvršenju-budžeta-crne-gore-za-januar-novembar-2022>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: As of 1st January 2023, monthly reports on budget execution include presentation according to program classification.

IBP Comment

The cut-off date of the Open Budget Survey 2023 was 31 December 2022. Changes in the content of the report on budget execution implemented from 2023 onwards will no be captured by the current assessment. The answer provided by the researcher is correct.

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:

The example of a report on budget execution (for November 2022):

<https://www.gov.me/clanak/izvjestaj-o-izvršenju-budžeta-crne-gore-za-januar-novembar-2022>

Comment:

In year reports include comparison to the initial budget expenditure numbers. In addition, report according to the economic classification provide also comparison with BY-1 data.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

71. Do In-Year Reports present actual revenue by category (such as tax and non-tax)?

GUIDELINES:

Questions 71 asks whether In-Year Reports present actual revenues by "category"— that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," In-Year Reports must present revenue estimates classified by category.

Answer:

a. Yes, In-Year Reports present actual revenue by category.

Source:

The example of a report on budget execution (for November 2022):

<https://www.gov.me/clanak/izvjestaj-o-izvršenju-budžeta-crne-gore-za-januar-novembar-2022>

Comment:

The reports, which are published using the GDDS methodology, present all categories of revenues.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

72. Do In-Year Reports present the individual sources of revenue for actual revenues collected?

GUIDELINES:

Question 72 asks whether In-Year Reports present actual collections of individual sources of revenue (such as income taxes, VAT, etc.). The question applies to both tax and non-tax revenue.

To answer "a," In-Year Reports must present actual collections for all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," In-Year Reports must present actual collections for individual sources of revenue that when combined account for at least two-thirds of all revenue collected, but not all revenue. A "c" answer applies if In-Year Reports present individual sources of actual revenue that account for less than two-thirds of all revenue collected. Answer "d" applies if individual sources of actual revenue are not presented.

Answer:

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

Source:

The example of a report on budget execution (for November 2022):

<https://www.gov.me/clanak/izvjestaj-o-izvršenju-budžeta-crne-gore-za-januar-novembar-2022>

Comment:

In the Jan-November report, the "other" or "miscellaneous" revenue account for 1,5% of all revenue (26,8 out of 1.790 million euro).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

73. Do the In-Year Reports compare actual year-to-date revenues with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

GUIDELINES:

Question 73 asks whether In-Year Reports compare actual revenues to-date with either the enacted levels or actual revenues for the same period in the previous year.

The OECD recommends that the reports contain the total year-to-date revenues in a format that allows for a comparison with the budget's forecast revenues (based on enacted levels) for the same period.

To answer "a," comparisons must be made for revenues presented in the In-Year Reports.

Answer:

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

Source:

The example of a report on budget execution (for November 2022):

<https://www.gov.me/clanak/izvjestaj-o-izvršenju-budžeta-crne-gore-za-januar-novembar-2022>

Comment:

Yes, the comparisons are made for both the original estimate and the last year's data.
(the report at the end of the webpage given in the source section has the functionality of displaying both the version in Montenegrin and English).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

74. Do In-Year Reports present three estimates related to actual government borrowing and debt: the amount of net new borrowing; the total debt outstanding; and interest payments?

GUIDELINES:

Question 74 asks about three key estimates related to borrowing and debt:

- *the amount of net new borrowing so far during the year;*
- *the central government's total debt burden at that point in the year; and*
- *the interest payments to-date on the outstanding debt.*

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens and banks and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

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

To answer "a," In-Year Reports must present all three estimates of borrowing and debt. For a "b" answer, In-Year Reports must present two of those three estimates. For a "c" answer, IYRs must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in In-Year Reports.

Answer:

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

Source:

The example of a report on budget execution (for November 2022):

<https://www.gov.me/clanak/izvjestaj-o-izvršenju-budžeta-crne-gore-za-januar-novembar-2022>

State debt report as of September 30, 2022 (third quarter report), published on 30 December 2022:

<https://www.gov.me/clanak/izvjestaj-o-drzavnim-dugu-na-dan-30092022-godine>

Comment:

There are quarterly state debt reports that are published during the year, i.e. a different document compared to the one used in previous questions related to in-year reporting (which do not contain part of the information requested by the question). This information is published regularly but in a different dynamic (quarterly instead of monthly) and in a different format.

The quarterly state debt reports are not considered as an In-Year Report for responding this question.

The monthly reports on the execution of the budget of Montenegro include information on new borrowing and the interest payments to-date on the outstanding debt.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: IYR on debt are published on a quarterly basis, and include information on information on new borrowing, outstanding debt and interest payments.

Researcher Response

Disagree with the Government and would confirm the original answer, as the IYRs do not contain data on the interest payments to-date on the outstanding debt.

IBP Comment

IBP appreciates the comment provided by the government reviewer. Considering the evidence and information available presented by the researcher, the original answer "b" is adequate.

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:

The example of a report on budget execution (for November 2022):

<https://www.gov.me/clanak/izvjestaj-o-izvršenju-budžeta-crne-gore-za-januar-novembar-2022>

State debt report as of September 30, 2022 (third quarter report), published on 30 December 2022:

<https://www.gov.me/clanak/izvjestaj-o-drzavnomo-dugu-na-dan-30092022-godine>

Comment:

There are quarterly state debt reports that are published during the year, i.e. a different document compared to the one used in previous questions related to in-year reporting (which do not contain part of the information requested by the question). This information is published regularly but in a different dynamic (quarterly instead of monthly) and in a different format.

The quarterly state debt reports are not considered as an In-Year Report for responding this question.

The monthly reports on the execution of the budget of Montenegro, out of three core required information, include only information on division to domestic and external debt: domestic x foreign loan and borrowings and repayment of domestic and foreign debt.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

76. Does the Mid-Year Review of the budget include an updated macroeconomic forecast for the budget year underway?

GUIDELINES:

Question 76 asks whether the Mid-Year Review includes an updated macroeconomic forecast for the budget year underway, and provides an explanation of the update.

Refer to Question 15 for the components of the macroeconomic forecast presented in the Executive's Budget Proposal.

To answer "a," the Mid-Year Review must include an updated macroeconomic forecast and explain all of the differences between the initial forecast presented in the Executive's Budget Proposal and the updated forecast. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the macroeconomic forecast must be updated, but only some of the differences between the initial and updated forecasts are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes an updated macroeconomic forecast, but does not provide an explanation for the revisions. A "d" response applies if the macroeconomic forecast has not been updated.

Answer:

d. No, the estimates for macroeconomic forecast have not been updated.

Source:

Comment:

Mid-Year Review is not considered produced.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Comment:

Mid-Year Review is not considered produced.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Comment:

Mid-Year Review is not considered produced.

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Comment:

Mid-Year Review is not considered produced.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

Comment:

Mid-Year Review is not considered produced.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

80. Does the Mid-Year Review of the budget include updated revenue estimates for the budget year underway?

GUIDELINES:

Question 80 asks whether the Mid-Year Review includes updated estimates of revenue for the budget year 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:

Comment:

Mid-Year Review is not considered produced.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Comment:

Mid-Year Review is not considered produced.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Comment:

Mid-Year Review is not considered produced.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

83. Does the Mid-Year Review of the budget include updated estimates of government borrowing and debt, including its composition, for the budget year underway?

GUIDELINES:

Question 83 asks whether the Mid-Year Review includes updated estimates of borrowing and debt, including its composition, for the budget year 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:

Comment:

Mid-Year Review is not considered produced.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, estimates of government borrowing and debt have been updated, but information on the differences between the original and updated estimates is not presented.

Comments: MYR on state debt presents information on new borrowing of the government, outstanding debt and interest payments.

IBP Comment

MYR is considered not produced in Montenegro. See IBP and researcher's comments on questions MYR-2 and MYR-3a.

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:

Law on Final Account for 2021 (Year-end report)

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/586/2949-16920-33-22-4.pdf>

Comment:

Government proposes and Parliament adopts Law on Final Account of the Budget (YER) that presents the information on budget execution. It provides both a numerical presentation (data) as well as analysis of fiscal developments for the previous year, including comparative overview of differences between the enacted levels and actual outcome of expenditures.

The numerical estimates of differences between the enacted levels and the actual outcomes for all expenditures are presented on pages 9 to 380 of the pdf under article 4.

A narrative discussion is presented in the "Report on the implementation of program budget" on pages 838 to 2474.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

85. Does the Year-End Report present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 85 asks if expenditure estimates in the Year-End Report are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," the Year-End Report must present expenditure estimates by all three of the expenditure classifications. Answer "b" if expenditure estimates are presented by two of these three classifications. Answer "c" if expenditure estimates are presented by one of the three classifications. Answer "d" if expenditure estimates are not presented by any of the three classifications in the Year-End Report.

Answer:

b. Yes, the Year-End Report presents expenditure estimates by two of the three expenditure classifications.

Source:

Law on Final Account for 2021 (Year-end report)

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/586/2949-16920-33-22-4.pdf>

Comment:

Montenegrin YER does present expenditure estimates according to economic (pages 6 to 8 of the pdf) and administrative (organisational) classification (pages 9 to 380 of the pdf). Functional classification is missing.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: Article 4 of the Law on Final Account for 2021 (Year-end report) <https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/586/2949-16920-33-22-4.pdf> (page 9 to 380) Presentation by administrative, economic, functional and program classification.

Government Reviewer

Opinion: Agree

Researcher Response

Disagree with the reviewer. While functional classification codes are present in the budget tables, as an addition to the economic classification, there is no aggregated data on expenditures by functional classification or an explanation of the codes' meaning.

IBP Comment

IBP appreciates the comment provided by the peer reviewer. However, the researcher's argument is correct: "While functional classification codes are present in the budget tables, as an addition to the economic classification, there is no aggregated data on expenditures by functional classification or an explanation of the codes' meaning". This is a recommendation for the way the government displays expenditure estimates in the Year-End Report going forward. The answer "b" is adequate.

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

Source:

Law on Final Account for 2021 (Year-end report)
<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/586/2949-16920-33-22-4.pdf>

Comment:

As explained under 85.

Peer Reviewer

Opinion: Disagree

Suggested Answer: Administrative classification Economic classification Functional classification

Comments: See also the comment to question 85.

Government Reviewer

Opinion: Agree

Researcher Response

Disagree with the reviewer. While functional classification codes are present in the budget tables, as an addition to the economic classification, there is no aggregated data on expenditures by functional classification or an explanation of the codes' meaning.

IBP Comment

See the comment to the question 85.

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:

Law on Final Account for 2021 (Year-end report)
<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/586/2949-16920-33-22-4.pdf>

Comment:

In the file linked in the Source section, pages 838-2474 are devoted to detailed explanation of the entire budget through programme classification.

Although the level of quality of data varies from institution to institution, it is estimated that this presentations satisfies criteria for "a".

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

87. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?

GUIDELINES:

Question 87 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual revenues for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all revenues, along with a narrative discussion. Answer "b" if estimates of the differences for all revenues are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all revenues, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report.

Answer:

a. Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, along with a narrative discussion.

Source:

Law on Final Account for 2021 (Year-end report)

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/586/2949-16920-33-22-4.pdf>

Comment:

The differences are presented in both the part of the YER that is the law itself (page 5 of the pdf), while narrative discussion is provided in the accompanying rationale (pages 382-838 in the linked document)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

88. Does the Year-End Report present revenue estimates by category (such as tax and non-tax)?

GUIDELINES:

Question 88 asks whether revenue estimates in the Year-End Report are presented by "category" – that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Year-End Report must present revenue estimates classified by category.

Answer:

a. Yes, the Year-End Report presents revenue estimates by category.

Source:

Law on Final Account for 2021 (Year-end report)
<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/586/2949-16920-33-22-4.pdf>

Comment:

Revenue estimates are presented by all the existing categories including tax and non-tax (page 5 of the linked document).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

89. Does the Year-End Report present individual sources of revenue?*GUIDELINES:*

Question 89 asks whether revenue estimates for individual sources of revenue are presented in the Year-End Report. The question applies to both tax and non-tax revenue.

To answer "a," the Year-End Report must present all sources of revenue individually, accounting for all revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. Answer "b" if the Year-End Report presents individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. Answer "c" if the Year-End Report presents estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" if individual sources of revenue are not presented in the Year-End Report.

Answer:

a. Yes, the Year-End Report presents individual sources of revenue accounting for all revenue.

Source:

Law on Final Account for 2021 (Year-end report)
<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/586/2949-16920-33-22-4.pdf>

Comment:

Both the legal part of YER (page 5) and the rationale present individual sources of all revenues.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

90. Does the Year-End Report present the differences between the original estimates of government borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year?*GUIDELINES:*

Question 90 asks whether the Year-End Report includes estimates of the differences between the original estimates and the actual outcome for the fiscal year for borrowing and debt, including its composition, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:

- *the amount of net new borrowing required during the budget year;*

- the central government's total debt burden at the end of the budget year; and
- the interest payments on the outstanding debt for the budget year.

Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:

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

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

c. Yes, estimates of the differences between some but not all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented.

Source:

Law on Final Account for 2021 (Year-end report)

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/586/2949-16920-33-22-4.pdf>

Report on preliminary levels of Deficit. Public debt and New borrowing

<https://www.gov.me/clanak/izvjestaj-o-preliminarnim-nivoima-budzetskog-gotovinskog-deficita-javnog-duga-i-neto-zaduzenja-za-2022-godinu>

Report on budget execution for the period January - December 2022

<https://www.gov.me/clanak/izvjestaj-o-izvršenju-budzeta-crne-gore-za-januar-decembar-2022-godine>

Report on public debt on 31. December 2022.

<https://www.gov.me/clanak/izvjestaj-o-javnom-dugu-na-dan-31122022-godine>

Comment:

YER summarises all information of budget execution for the previous year, including the one on estimates of government borrowing and debt, both numerically and narratively (on p. 572 Transakcije finansiranja and on pages 781-795 in the so called "Report on the public debt of Montenegro and issued guarantees on December 31, 2022").

Note: Additionally, several reports concerning end year result are prepared, that are issued in the Q1 for the previous year:

- i) Preliminary deficit and debt data and the end of the year
- ii) Report on budget execution of the period January-December
- iii) Report on public debt at the end of the year

These reports provide comprehensive analysis and data on Fiscal developments for the previous year, including information on debt new borrowing, total outstanding debt, interest payments, interest rates, maturity profile, and external/domestic debt overview.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, estimates of the differences between some but not all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented.

Comments: The information on maturity profile of the debt is missing.

Government Reviewer

Opinion: Agree

Researcher Response

Agree with the reviewer that the maturity profile is missing and that the answer should be downgraded.

IBP Comment

The comment provided by the peer reviewer is accurate. The information on maturity profile of the debt is missing. The original answer was changed from "a" to "c".

90b. Based on the response to Question 90, check the box(es) to identify which estimates of government borrowing and debt, including its composition, have the differences between the original forecast and the actual outcome for the year presented in the Year-End Report:

Answer:

The amount of net new borrowing required during the budget year
The central government's total debt burden at the end of the budget year
The interest payments on outstanding debt for the budget year
Interest rates on the debt
Whether the debt is domestic or external

Source:

Law on Final Account for 2021 (Year-end report)
<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/586/2949-16920-33-22-4.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

91. Does the Year-End Report present the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?

GUIDELINES:

Question 91 asks whether the Year-End Report includes estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 15 for the components of the macroeconomic forecast in the Executive's Budget Proposal. Core components include estimates of the nominal GDP level, inflation rate, real GDP growth, and interest rates, although the importance of other macroeconomic assumptions, such as the price of oil, can vary from country to country.

To answer "a," the Year-End Report must include estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "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:

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

Source:

Law on Final Account for 2021 (Year-end report)
<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/586/2949-16920-33-22-4.pdf>

Macroeconomic and Fiscal Policy Guidelines

<https://www.gov.me/dokumenta/4a53f44a-1bf3-44c2-8cfd-b7650984a88c>

Economic Reform Program

<https://www.gov.me/en/documents/943a4aaf-b4a5-42dc-ab3f-298eea539b91>

Comment:

YER does not contain estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome.

Revised macroeconomic and fiscal forecasts are subject of Macroeconomic and Fiscal Policy Guidelines (MFPG) that are published around mid-year, and provide updates on macroeconomic trends and indicators for the previous year.

Comparison on macroeconomic assumptions between forecasted and actual data are not presented in such a comprehensive manner.

In addition, to some extent are presented comparative data on Macroeconomic assumptions within the Economic Reform Program.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

91b. Based on the response to Question 91, check the box(es) to identify which elements of the macroeconomic forecast have the differences between the original forecast and the outcome for the year presented in the Year-End Report:

Answer:

None of the above

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

92. Does the Year-End Report present the differences between the original estimates of nonfinancial data on inputs and the actual outcome?

GUIDELINES:

Question 92 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 49 for the nonfinancial data on inputs included in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on inputs and the actual outcome are presented, regardless of whether a narrative discussion is

included. A "d" response applies if estimates of the differences are not presented.

Answer:

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

Source:

Law on Final Account for 2021 (Year-End Report for 2021):
<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/586/2949-16920-33-22-4.pdf>

Comment:

No such data is present in the YER.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: The narrative part of the YER discusses the original estimates of nonfinancial data on inputs and the actual outcome are presented (pages 840 - 2474). Specific example: page 2065 of the pdf document (<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/586/2949-16920-33-22-4.pdf>).

Government Reviewer

Opinion: Agree

Researcher Response

Agree with the reviewer. While we would argue that the percentage of institutions that have provided any information about reaching the non financial targets and narrative explanation of the indicator values is negligible (and the quality very poor), answer "d" is in retrospect too strong or too harsh.

IBP Comment

IBP appreciates the comment provided by the peer reviewer. Considering the evidence and information available and the additional arguments presented by the researcher in the second review, the original answer "d" was changed to "c".

93. Does the Year-End Report present the differences between the original estimates of nonfinancial data on results and the actual outcome?

GUIDELINES:

Question 93 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion. Nonfinancial data on results can include data on both outputs and outcomes, but not on inputs (which are addressed in Question 92).

Refer to Question 50 for the nonfinancial data on results included in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on results and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

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

Source:

Law on Final Account for 2021 (Year-End Report for 2021):
<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/586/2949-16920-33-22-4.pdf>

Comment:

No such data is present in the YER.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: Please see the comment to the question 92.

Government Reviewer

Opinion: Agree

Researcher Response

Agree with the reviewer, the same situation as under Question 92.

IBP Comment

IBP appreciates the comment provided by the peer reviewer. Considering the evidence and information available and the additional arguments presented by the researcher in the second review, the original answer "d" was changed to "c".

94. Does the Year-End Report present the differences between the enacted level of funds for policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations and the actual outcome?

GUIDELINES:

Question 94 asks whether the Year-End Report includes estimates of the differences between the enacted level of funds for policies that are intended to benefit directly the country's most impoverished populations and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 52 for assistance to the most impoverished populations in the Executive's Budget Proposal.

To answer "a," the Year-End Report must present estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between the enacted level for some but not all of the policies that are intended to benefit the country's most impoverished populations and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

d. No, estimates of the differences between the enacted level for policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are not presented.

Source:

Law on Final Account for 2021 (Year-End Report for 2021):

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/586/2949-16920-33-22-4.pdf>

Comment:

YER does not address the costs of policies as such nor does it specially distinguish policies intended to benefit directly the country's most impoverished populations.

Budget data is not presented on policy level - programme classification does not offer insights into policy level spending. It is rather an upgrade to the administrative classification, where non-financial elements are added to presentation of costs of individual departments of state institutions.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

95. Does the Year-End Report present the differences between the original estimates of extra-budgetary funds and the actual outcome?

GUIDELINES:

Question 95 asks whether the Year-End Report presents estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 33 for estimates of extra-budgetary funds in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of extra-budgetary funds and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented

Answer:

b. Yes, estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome are presented, but a narrative discussion is not included.

Source:

Law on Final Account for 2021 (Year-End Report for 2021):

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/586/2949-16920-33-22-4.pdf>

Comment:

Extra budgetary funds (pension fund, employment fund, health fund etc.) are integrated in the central government budget, and centralised treasury system, as any other administrative unit, therefore information on funds allocated for extra-budgetary funds, are presented in the annual budget, while differences between enacted data and actual outcome are presented in the final account.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

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

Comments: Extra budgetary funds are presented in the Final account of the Budget as any other administrative unit, including differences between enacted data and actual outcome with narrative.

Researcher Response

Disagree with the Government reviewer. Answer "B" was given because there is no narrative discussion included.

IBP Comment

IBP appreciates the comment provided by the government reviewer. However, in the absence of a comprehensive narrative discussion, the answer "b" applies.

96. Is a financial statement included as part of the Year-End Report or released as a separate report?

GUIDELINES:

Question 96 asks whether a financial statement is included as part of the Year-End Report, or whether it is released as a separate report. The financial statement can include some or all of the following elements: a cash flow statement, an operating statement, a balance sheet, and notes on accounting. For purposes of responding to this question, the financial statement in question does not need to be audited. For an example of a financial statement, see the document "Financial Statements of the Government of New Zealand 2013" (<https://treasury.govt.nz/sites/default/files/2013-10/fsgnz-year-jun13.pdf>)

To answer "a," a financial statement must either be included in the Year-End Report or must be released as a separate report. Answer "a" applies if a financial

statement is released as a separate report, even if the Year-End Report is not publicly available. Answer "b" applies if no financial statement is released either as part of the Year-End Report or as a separate report.

Answer:

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

Source:

Law on Final Account for 2021 (Year-End Report for 2021):

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/586/2949-16920-33-22-4.pdf>

Comment:

Financial statement is neither part of the Year-End Report nor released as a separate report.

Montenegro is currently in the process of transition to the accrual accounting in the public sector (from the modified cash basis), which should result in the preparation of the first overall financial statement by 2026.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

97. What type of audits (compliance, financial, or performance) has the Supreme Audit Institution (SAI) conducted and made available to the public?

GUIDELINES:

Question 97 asks about the types of audits conducted by the Supreme Audit Institution (SAI). There are three basic types of audits:

- Financial audits are intended to determine if an entity's financial information is accurate (free from errors or fraud) and presented in accordance with the applicable financial reporting and regulatory framework. See ISSAI 200 (<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/>) for more details.
- Performance audits assess whether activities are adhering to the principles of economy, efficiency, and effectiveness. See ISSAI 300 (<https://www.issai.org/pronouncements/issai-300-performance-audit-principles/>) for more details.

Financial and compliance audits are more common than performance audits, which usually occur only once a performance framework has been agreed upon. In some countries, the SAI's mandate limits the type of audit it can conduct.

To answer "a," the SAI must have conducted all three types of audit – financial, compliance, and performance – and made all of them available to the public. A "b" response applies if the SAI has conducted two of the three audit types, and a "c" applies if it has conducted only one type of audit. Answers "b" and "c" may be selected even if the Audit Report is not publicly available, as long as the SAI has conducted compliance or performance audits and made them available to the public. A "d" response applies if the SAI has not conducted any of the three types of audits, or has not made them available to the public.

Answer:

a. The SAI has conducted all three types of audits (compliance, financial, or performance) and made them available to the public.

Source:

Example of an compliance and financial audit published in 2022:

"Audit of the National Security Agency's financial report for 2021"

<https://dri.co.me/doc/lzvještaj%20o%20reviziji%20Godišnjeg%20finansijskog%20izvještaja%20Agencije%20za%20nacionalnu%20bezbjednost%20za%202021.%20godinu..pdf>

Example of a performance audit:

"Implementation of the National Program for Early Detection of Breast Cancer", September 2022

<https://dri.co.me/doc/lzvještaj%20o%20reviziji%20uspjeha%20Uspješnost%20provođenja%20Nacionalnog%20programa%20za%20rano%20otkrivanje>

e%20raka%20dojke.pdf

Comment:

SAI regularly conducts all three types of audits and publishes the reports on its website.

Compliance and financial audits are usually published within a single report (as in the given example). Opinions on both of the audits are given separately within the report (e.g. an auditee can have an unqualified financial audit opinion and adverse compliance).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response. Supreme Audit Institution (SAI) review: Agree
Comment: The State audit institution of Montenegro partially agrees with the Researcher's response. In the relation to the posed question, the State audit institution conducts all three types of audits and publishes all audit reports on its website. According to Article 3 of the Instruction on methodology for performing financial and regularity audit, the SAI performs financial audit, compliance audit and performance audit in line with Article 5 of the Law on SAI. The Institution may also conduct other types of the audits incorporating aspects of financial audit, compliance audit and/or performance audit respecting auditing standards. The SAI usually carries out financial audit and compliance audit within a single report by giving two audit opinions on financial audit and compliance audit. The SAI also performs the stand-alone compliance audits. Opinions within the report depend on the established facts and findings identified in the audit.

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:

<https://dri.co.me/doc/lzvje%20o%20reviziji%20Predloga%20zakona%20o%20zavr%20nom%20ra%20C4%8Dunu%20bud%20C5%BEeta%20Crm%20Gore%20za%202021.%20godinu.pdf>

Comment:

According to the page 2 of the Audit Report, the State Audit Institution, based on the performed audit, has expressed an opinion on the Draft Law on the final account of the budget of Montenegro for the year 2021 (YER) and an opinion on whether the activities, financial transactions and information given in the financial reports, in all materially significant aspects, is in accordance with the applicable regulations.

The Audit Report has audited all expenditures related to the fiscal year 2021, based on the Year-End Report presented by the government.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response. Supreme Audit Institution (SAI) review: Agree
Comment: The State audit institution agrees with the Researcher's response. The Financial audit includes the Statement on consolidated public spending for 2021, Statement on cash flow for 2021 by economic classification, Statement on cash flow for 2021 by functional classification, Statement on outstanding liabilities as of 31st December 2021 and recording system. The compliance (regularity audit) refers to compliance of the business activities and financial transaction of the audited entity with the legal and sub-legal acts.

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:

c. Extra-budgetary funds accounting for less than two-thirds of expenditures associated with extra-budgetary funds within the SAI's mandate have been audited.

Source:

SAI Audit Reports:

<http://www.dri.co.me/revizorski-izvjestaji>

<http://www.dri.co.me/revizija-zavrsnog-racuna-budzeta>

Audit report of the Regulatory Agency for Energy and communal activities for 2021 (published in September 2022):

<https://dri.co.me/doc/izvjestaj%20o%20reviziji%20godisnjeg%20finansijskog%20izvjestaja%20Regulatorne%20agencije%20za%20energetiku%20i%20regulisanje%20komunalne%20djelatnosti%20za%202021.%20godinu.pdf>

Comment:

Extra budgetary "funds" as such do not exist in Montenegro – pension fund, employment fund, health fund etc. are integrated in the central government budget and centralized treasury system, as any other administrative unit, and total expenditure of extra budgetary funds are presented in the final account and audited by SAI.

Extra-budgetary "units" do exist. They are the Investment and Development Fund and four regulatory agencies Regulatory Agency for Telecommunications, the Broadcasting Regulatory Agency, the Agency for Drugs and Medical Supplies, and the Regulatory Agency for Energy and communal activities. Out of these, only the Energy agency was audited in 2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. All extra-budgetary funds within the SAI's mandate have been audited.

Comments: All extra budgetary funds are integrated in the central government budget, therefore are subject of audit by SAI as any other administrative unit, as part of Final account of the state budget. In addition, in accordance with SAI methodology, periodically are performed specific and performance audits per each of the extra budgetary funds. Finally, within the organizational structure of SAI are recognized specific organizational units entrusted specifically to audit state owned funds.

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response, and the final IBP decision after the additional input. Supreme Audit Institution (SAI) review: Agree Comment: The State audit institution of Montenegro agrees with the Researcher's response. The Law on budget and fiscal accountability does not use the term "extra budgetary funds", but according to the Law, the state funds are defined – Pension and Disability Insurance Fund of Montenegro, the Health Insurance Fund of Montenegro, the Employment Agency of Montenegro, the Compensation Fund and other funds established in accordance with the law. The budget contains the current budget, financing transactions, capital budget, state fund budgets and reserves (current and permanent). According to the Law on budget and fiscal responsibility, the independent regulatory agencies are Agency for Electronic Communications and Postal Activity, Agency for Electronic Media, Regulatory Agency for Energy, Securities Commission of Montenegro, Agency for Insurance Supervision, Agency for Medicines and Medical Devices and other independent regulatory bodies established in accordance with the law. The expenditures of the state funds are audited by the SAI in the Audit report of the Proposal Law on the final state budget account of Montenegro for 2021. The SAI carries out audit of the regulatory agencies. In 2022, the SAI conducted audit of the Annual financial statement of the Regulatory agency for energy and communal activities for 2021. IBP final comments and decision: Considering the Montenegro State Audit Institution further explanation and agreement, the answer provided by the researcher is confirmed.

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:

<https://dri.co.me/doc/izvje%C5%A1taj%20o%20reviziji%20Predloga%20zakona%20o%20zavr%C5%A1nom%20ra%C4%8Dunu%20bud%20C5%BEeta%20Crne%20Gore%20za%202021.%20godinu.pdf>

Comment:

A summary of all opinions and recommendations of the Audit Report 2021 is displayed in the beginning of the document (pages 02 to 13).

<https://dri.co.me//storage/images/gallery/izvje%C5%A1taji/Godi%C5%A1nji%20izvje%C5%A1taj%20o%20izvr%C5%A1nim%20revizijama%20i%20aktivnostima%20Dr%C5%BEavne%20revizorske%20institucije%20Crne%20gore%20za%20period%20oktobar%202021.%20-%20oktobar%202022.%20godine.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response, and the final IBP decision after the additional input." Supreme Audit Institution (SAI) review: Disagree Comment: The State audit institution does not agree with the response of the Researcher under A. The SAI does not agree with the Source submitted by the Researcher because the question refers to the Audit report of the Proposal Law on the final state budget account of Montenegro for 2021, and not the Annual report of the SAI. Therefore, please find below the link of the Report: <https://dri.co.me/doc/lzvje%C5%A1taj%20o%20reviziji%20Predloga%20zakona%20o%20zavr%C5%A1nom%20ra%C4%8Dunu%20bud%C5%BEta%20Crne%20Gore%20za%202021.%20godinu.pdf> The Audit report of the Proposal Law on the Final state budget account of Montenegro for 2021 contains the executive summary which is obliged to include the elements defined in the Instruction on methodology for financial and regularity audit – expressed opinion on financial audit and regularity audit; basis for expression of the opinion on financial audit and regularity audit with an overview of all findings and recommendations. IBP's final comment and decision: The SAI is correct. The original link indicated by the researcher was replaced by the one provided by the SAI above. The original comment provided by the researcher was kept as a record of the discussion.

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:

c. Yes, the executive reports publicly on some audit findings.

Source:

Information on the implementation of the Action Plan for the implementation of the recommendations of the State Audit Institution, published by the Government (November 2022):

<https://www.gov.me/dokumenta/0b160c0e-520e-4d31-8588-a537fe269ec2>

Action Plan for the implementation of the recommendations of the State Audit Institution (February 2022):

<https://www.gov.me/dokumenta/2ad2088a-4895-4cc9-8de7-510cf8e119e0>

Comment:

When deliberating the audit of the Year-end state budget report, the Parliament each year adopts a conclusion, binding the Government to adopt an action plan to implement the SAI's recommendations and report on it quarterly to the public. The Government has done so and reports quarterly.

The action plan only pertains to the the audit of the year end budget report, not to the other individual audit reports related to ministries and other institutions that have been published during that year.

Furthermore, the Government simply copies SAI's recommendations without clear specification of responsible institutions or precise deadlines for implementation, as well as without operationalisation of (sometimes very broad) recommendations of the SAI into measurable and concrete actions.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response. Supreme Audit Institution (SAI) review: Agree
Comment: The State audit institution agrees with the response of the Researcher. The Action plan of the Government of Montenegro only contains the recommendations given in the Audit of the Proposal Law on the final state budget account of Montenegro. The recommendations given in the individual audit reports of other audited entities are followed up through regular monitoring process according to the Guidelines on developing, control and monitoring the SAI's recommendations, i.e. through submission of the reports on implementation of recommendations and control of the accuracy of the information contained in the reports of the audited entities on implementation of audit recommendations.

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:

b. Yes, the SAI or legislature reports publicly on most audit recommendations.

Source:

Latest YER audit report (for 2021, published in 2022):
<https://dri.co.me/revizija-zavrsnog-racuna-budzeta> (first link)
(Status overview of the recommendations is given from page 142.)

Reports on implementation of recommendations (individual audit reports):
<https://dri.co.me/izvjestaj-o-realizaciji-preporuka>

Comment:

In each audit report on the YER, SAI gives an overview of what has been done to address the recommendations from the last year's report, divided by areas (e.g. public procurement, state property, internal audit) with a status assigned to each individual recommendation (implemented, not implemented, ongoing, partially implemented), though without further elaboration.

Additionally, SAI publishes several follow-up audit reports on a sample of most problematic individual audits, but the percentage of such reports was low in 2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response. Supreme Audit Institution (SAI) review: Agree

Comment: The State audit institution agrees with the Response of the Researcher. The State Audit Institution, based on the findings determined in the audit of the Proposal Law on the Final state budget account of Montenegro for 2021 and the Information on the implementation of the Action plan for the implementation of the SAI's recommendations at the end of the first quarter of 2022, evaluated the implementation of the recommendations given in the Audit Report of the Proposal Law on the Final state budget account of Montenegro for 2020. Information on the status of implementation of the recommendations from the audit of the Proposal Law on the Final state budget account of Montenegro is published on the official website of the SAI (pages 142 to 152). When it comes to following-up the implementation of recommendations from individual audit reports, the SAI conducts a regular procedure of evaluation of the implementation of audit recommendations in accordance with the established methodology prescribed in the Guidelines on the developing, control and monitoring of the implementation of SAI recommendations. According to the Law, the audited entity is obliged to submit a report on the implementation of recommendations, while the SAI is obliged to verify the accuracy of the information contained in the submitted report of the audited entity on the implementation of recommendations through the regular controls and publication of reports on the implementation of recommendations on the SAI website. The State audit institution does not agree with the Researcher's comment that SAI published several follow-up audit reports and that the percentage of such reports was low in 2022. In 2022, the SAI published 3 follow-up audits and 28 reports on the implementation of recommendations, so the statement that the percentage of such reports was low in 2022 does not stand.

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 is no IFI at the moment. A Fiscal Council has been established through the changes of the Law on Budget and Fiscal Accountability in February 2023 establishing the Fiscal Council, but its formation (appointment of three members and formation of the institution) has just started.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

105. Does the Independent Fiscal Institution (IFI) publish its own costings of new policy proposals, to assess their impact on the budget?

GUIDELINES:

Question 105 assesses whether an Independent Fiscal Institution (IFI) has a costing function that involves assessing the budgetary implications of new policy proposals for both revenues and expenditures, and if so, what kind of role it has. Many IFIs have a costing role, but with substantial diversity in the nature and extent of this work (von Trapp et al 2016, pp. 17-18 and Table 2). Some assess virtually all new policy proposals, while others cost only a selection of new policy proposals. Others only publish opinions on, or scrutinize the costings of, budget measures produced by the executive.

To answer "a," the IFI must publish its own costings of all (or virtually all) new policy proposals. Answer "b" applies if the IFI publishes its own costings, but only for major new policy proposals – for instance, only those proposals that cost or save above a certain amount. Answer "c" applies if the IFI publishes its own costings, but only on a limited number of proposals. This could occur, for instance, if the IFI lacked the capacity to assess proposals dealing with certain sectors. Instead of producing a cost estimate, it can also publish an assessment of the estimates produced by the executive. Answer "d" applies if there is no IFI; or if the IFI does not publish its own costings of new policy proposals or provide an assessment of the official costings of new policy proposals.

Answer:

d. No, there is no IFI; or the IFI does not publish its own costings of new policy proposals.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

106. In the past 12 months, how frequently did the head or a senior staff member of the Independent Fiscal Institution (IFI) take part and testify in hearings of a committee of the legislature?

GUIDELINES:

Question 106 concerns the interaction between two important oversight actors and assesses how frequently the Independent Fiscal Institution (IFI) made high-level inputs to the work of legislative committees. Almost all IFIs interact with the legislature in some form (von Trapp et al 2016, p. 18), but the intensity of the interaction varies. This question assesses this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the IFI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the IFI staff member in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). As evidence to support your answer, you can refer to official records of legislative committees, websites and annual reports of the IFI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; and "c" for once or twice. Answer "d" should be selected if the head or a senior staff member of the IFI never took part and testified in hearings of a committee of the legislature, or if there is no IFI.

Answer:

d. Never, or there is no IFI.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

108. How far in advance of the start of the budget year does the legislature receive the Executive's Budget Proposal?

GUIDELINES:

Question 108 examines how far in advance of the start of the 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:

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

Source:

The time stamp on the official archive of the Parliament says it was received on the 15th of November:
<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17092-33-22-5.pdf>

Comment:

The Law on Budget and Fiscal Accountability regulates that the EBP is sent to the Parliament by the 15th of November (Article 33, Official Gazette 027/23-08.03.2023 - latest changes)

This law was adopted in 2014 - before, the deadline was "end of November". Fifteen days was the most the Government would concede to both us as CSOs and the MPs (who in truth were not too keen to fight for more much more time for budget analysis at that point).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

109. When does the legislature approve the Executive's Budget Proposal?**GUIDELINES:**

Question 109 examines when the legislature approves the Executive's Budget Proposal. International good practice recommends that the Executive's Budget Proposal should be approved by the legislature before the start of the fiscal year the budget proposal refers to. This gives the executive time to implement the budget in its entirety, particularly new programs and policies.

In some countries, the expenditure and revenue estimates of the Executive's Budget Proposal are approved separately; for purposes of this question, at least the expenditure estimates must be approved. Further, approval of the budget implies approval of the full-year budget, not just a short-term continuation of spending and revenue authority.

To answer "a," the legislature must approve the Executive's Budget Proposal at least one month before the start of the budget year. Answer "b" applies if the legislature approves the Executive's Budget Proposal less than one month in advance of the start of the budget year, but at least by the start of the budget year. Answer "c" applies if the legislature approves the Executive's Budget Proposal less than one month after the start of the budget year. Answer "d" applies if the legislature approves the Executive's Budget Proposal more than one month after the start of the budget year, or does not approve the budget.

Answer:

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:

Website of the Parliament: <https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17633-.pdf>

(report on voting on the EBP, conducted 27-12-2023)

Comment:

The Parliament has no legal deadline in which it has to vote on the budget, but the established practice is to do this by the end of December, and before the start of fiscal year (01st January).

The only case in modern history of budget not being adopted on time was in 2021, when due to government change, we entered into a period interim financing which lasted for six months of 2021.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

110. Does the legislature have the authority in law to amend the Executive's Budget Proposal?

GUIDELINES:

Question 110 examines the legislature's power to amend—as opposed to simply accept or reject—the budget proposal presented by the executive. This question is about legal authority rather than actions the legislature takes in practice. The legislature's powers to amend the budget can vary substantially across countries.

The "a" response is appropriate only if there are no restrictions on the right of the legislature to modify the Executive's Budget Proposal, including its right to change the size of the proposed deficit or surplus. The "b" response would be appropriate if, for instance, the legislature is restricted from changing the deficit or surplus, but it still has the power to increase or decrease funding and revenue levels. The more limited "c" response would apply if, for instance, the legislature can only re-allocate spending within the totals set in the Executive's Budget Proposal or can only decrease funding levels or increase revenues. Finally, response "d" would apply if the legislature may not make any changes (or only small technical changes), or if amendments must first be approved by the executive. In these cases, the legislature is essentially only able to approve or reject the budget as a whole. If the answer is "b" or "c", please indicate the nature of the amendment powers available to the Parliament and how they are limited.

Answer:

a. Yes, the legislature has unlimited authority in law to amend the Executive's Budget Proposal.

Source:

All the amendments to the 2023 EBP can be seen here:

<https://zakoni.skupstina.me/zakoni/web/app.php/akt/2977>

This page shows the date of the amendments as well as who proposed them.

Comment:

The EBP is treated as any other legal proposal and the Parliament has the authority to change it in whichever way they see fit, with a simple majority required for adoption of amendments.

E.g., there were over 120 amendments on the 2023 EBP and most of them were adopted.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

111. During the most recent budget approval process, did the legislature use its authority in law to amend the Executive's Budget Proposal?

GUIDELINES:

Question 111 assesses whether any formal authority of the legislature to amend the Executive's Budget Proposal is used in practice. The responses to this question should be determined based on action by the legislature related to the Enacted Budget used in the OBS. Choose answer "a" if the legislature used its authority in law to amend the Executive's Budget Proposal during the most recent budget approval process, and amendments were adopted (all, or at least some of them). Answer "a" also applies if the legislature used its authority in law to amend the Executive's Budget Proposal, but the amendments were rejected by executive veto. Answer "b" applies if the legislature used its authority in law to propose amendments to the Executive's Budget Proposal, but none of these amendments were adopted. Answer "c" applies if the legislature has the authority in law to amend the budget, but no amendments were proposed during its consideration. Answer "d" applies when the legislature does not have any authority to amend the budget (that is, Question 110 is answered "d").

If the answer is "a" or "b", please specify in the comments the number of amendments introduced by the legislature (and in the case of an "a" response, the number adopted, or if applicable, information about an executive veto) and describe their nature. For example, did the amendments result in an increase or decrease of the deficit? What were the most significant amendments to revenues and to expenditures in terms of the sums involved? How did amendments affect the composition of expenditures? If the answer is "a," please specify which amendments were adopted, and provide evidence for it.

Answer:

a. Yes, the legislature used its authority in law to amend the Executive's Budget Proposal, and (at least some of) its amendments were adopted.

Source:

The list of all amendments is available here:
<https://zakoni.skupstina.me/zakoni/web/app.php/akt/2977>

A news article saying that over 100 amendments to the EBP were adopted:
<https://www.dan.co.me/vijesti/ekonomija/amandmanima-opteretili-budzet-sa-jos-106-miliona-eura-5153404>

Our own (Institut Alternativa's) list of amendments made for monitoring purposes:
https://docs.google.com/spreadsheets/d/1QciQ9Imm7YdzJlvcQ8_POlnT0jBZdjsNqtKsovJ_9Hs/edit?usp=sharing

Comment:

As explained in the previous question, due to a specific political situation (where no party has a firm majority and the ruling coalition is unstable) many of the amendments were adopted (or endorsed by the Ministry of Finance as the sponsor of the bill) as a form of political compromise.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

112. During the last budget approval process, did a specialized budget or finance committee in the legislature examine the Executive's Budget Proposal?**GUIDELINES:**

Question 112 assesses the role of a specialized budget or finance committee during the budget approval stage. Effective committee involvement is an essential condition for legislative influence in the budget process. Specialized committees provide opportunities for individual legislators to gain relevant expertise, and to examine budgets and policy in depth. Yet, the involvement of committees differs across legislatures. Some legislatures have separate committees to examine spending and tax proposals, while others have a single finance committee. Not all legislatures have a specialized budget or finance committee to examine the budget. In addition, there can be differences in the time available for the committee's analysis of the budget.

A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, therefore it must be published before the legislature has adopted the budget.

Response "a" requires that, in the last budget approval process, a specialized budget or finance committee had one month or more to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted. Response "b" applies where such a committee examined the draft budget and published a report, but within a shorter timeframe of less than one month. Response "c" applies if a committee examined the budget (without regard to the time period), but did not publish a report prior to the adoption of the budget. Response "d" applies where a specialized budget or finance committee did not examine the Executive's Budget Proposal.

Please specify in your comment the name of the committee and the number of days it had available to examine the budget. 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:

a. Yes, a specialized budget or finance committee had at least one month to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted.

Source:

Main page of the EBP's approval process in the parliamentary procedure (it was submitted on 15-11-2022), containing all the documents related to its deliberation:
<https://zakoni.skupstina.me/zakoni/web/app.php/akt/2977>

The report of the Parliamentary Committee for Economy, Budget and Finance regarding the EBP 2023: Published on 22-12-2022, available at:
<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17482-33-22-5-76.pdf>

The report of the Parliamentary Committee for Economy, Budget and Finance regarding the EBP (Amendments): Published on 27-12-2022, available

at:

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17628-33-22-5-124.pdf>

Official listing of the voting records on EBP, showing it was adopted by the Parliament on 27-12-2022:

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17633-.pdf>

Comment:

The EBP was submitted to the Parliament within the legal deadline (on 15 November 2022). The annual budget was adopted on 27-12-2022 by the Parliament. The specialised budget committee (Committee For Economy, Budget and Finance) had more than a month to examine it. It published its report with key findings and conclusions on 22-12-2022, in the week ahead of the plenary discussion about the EBP. The Committee also discussed the amendments to the EBP that were submitted by the MPs and published a separate report.

In the course of examining the EBP, the Committee received opinions regarding the EBP from eight other working bodies of the Parliament as well as held a two part discussion on EBP: 1) first part related to hearing the opinions of nongovernmental stakeholders, CSOs, trade unions, academia, business associations as well as Central Bank and the SAI, whose representatives participated in the discussion (press report:

<https://www.skupstina.me/en/articles/45th-meeting-of-the-committee-on-economy-finance-and-budget-commences>), 2) second part related to the discussion between the MPs and the Ministry of Finance (press report: <https://www.skupstina.me/me/clanci/zavrseana-45-sjednica-odbora-za-ekonomiju-finansije-i-budzet>), along with the analytical materials prepared by the Parliamentary Budget Office on EBP

(<https://pbk.skupstina.me/en/overview-of-the-proposal-for-the-2023-budget-law-of-montenegro/>). With another day spent discussing the amendments to the EBP, in total, the Committee spent 3 days discussing the EBP.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

113. During the last approval process, did legislative committees, responsible for particular sectors (e.g., health, education, defense, etc.), examine spending in the Executive's Budget Proposal related to the sector for which they are responsible?

GUIDELINES:

Question 113 assesses the role of committees of the legislature that are responsible for particular sectors (e.g., health, education, defense, etc.) during the budget approval stage. The role of sectoral committees differs across legislatures. Some legislatures do not involve them in the budget approval process, while others do. In addition, the time available for committee analysis differs.

A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, so therefore must be published before the legislature has adopted the budget. Response "a" requires that sector committees had one month or more to examine the Executive's Budget Proposal, and published a report with findings and recommendations prior the budget being adopted. Response "b" applies where such committees examined the draft budget and published a report, but within a shorter timeframe of less than one month. Response "c" applies if sectoral committees examined the budget (without regard to the time period), but did not publish a report prior to the adoption of the budget. Response "d" applies where sectoral committees did not examine the Executive's Budget Proposal.

Please 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:

a. Yes, sector committees had at least one month to examine the Executive's Budget Proposal, and they published reports with findings and recommendations prior to the budget being adopted.

Source:

Main page of the EBP's approval process in the parliamentary procedure (it was submitted on 15-11-2022), containing all the documents related to its deliberation:

<https://zakoni.skupstina.me/zakoni/web/app.php/akt/2977>

Official listing of the voting records on EBP, showing it was adopted by the Parliament on 27-12-2022:

<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17633-.pdf>

Reports ("opinions" in original) of the sectoral committees examining the EBP:

1. Committee for Tourism, Agriculture, Ecology and Spatial Planning, 01-12-2022: <https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17357-33-22-5-2.pdf>
2. Committee for Gender Equality, 12-12-2022: <https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17270-33-22-5-4.pdf>
3. Committee for Health, Labor and Social Welfare, 14-12-2022: <https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17307-33-22-5-12.pdf>
4. Committee for International Relations and Emigrants, 15-12-2022: <https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17314-33-22-5-16.pdf>
5. Committee for Political System, Judiciary and Administration, 16-12-2022: <https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17325-33-22-5-20.pdf>
6. Committee for Human Rights and Freedoms, 16-12-2022: <https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17328-33-22-5-23.pdf>
7. Committee for Education, Science, Culture and Sports, 12-20-2022: <https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17382-33-22-5-35.pdf>
8. Committee for Security and Defense, 23-12-2022: <https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/614/2977-17536-33-22-5-114.pdf>

Comment:

The EBP was submitted to the Parliament within the legal deadline (on 15 November 2022). The annual budget was adopted on 27-12-2022 by the Parliament. The sectoral committees had more than one month to examine the EBP.

There are 14 committees in total in the Parliament of Montenegro, out of which 8 committees examined the EBP and delivered their opinion to the Committee for Economy, Finance and Budget as the key committee for this bill.

Some committees, such as the Committee for Tourism, Agriculture, Ecology and Spatial Planning had early discussions and produced the opinion on EBP already two weeks since the EBP was submitted, while others, such as the Security and Defence Committee, held their sessions and published opinions after more than a month of EBP's submission. The schedule of the sessions depends on the availability of the representatives of the Ministry of Finance, representatives of other institutions and the MPs themselves, as well as spatial conditions and availability of the committee meeting halls.

In each of the eight cases, the committee have examined the EBP with the representatives of the Ministry of Finance (Minister or General Director for Budget and staff), representatives of institutions that they oversee (e.g. Defence and Security Committee examined the EBP with the representatives of Ministry of Defence, Ministry of Interior and National Security Agency), as well as, in some cases, representatives of CSOs active on the Committee's area of work, along with representatives of SAI in cases where there are recent audits of institutions in the sector.

Opinions of the committees contain general conclusions about the EBP, key findings from the discussion as well as, in some cases, recommendations for the Committee for Economy, Finance and Budget to consider submitting amendments or conclusions that would make changes in the allocation of funds for certain institutions.

The purpose of the sectoral committees opinions (among else) is to help the key committee, the budget committee, to examine the EBP and therefore the opinions are sent to this committee which schedules its examination after it receives all opinions (of those committees that expressed an interest to examine the EBP).

Note: Parliamentary staff of all of the committees prepares an "informative overview" of the EBP ahead of the session, as a guide for the MPs. This analytical material varies in quality, in some committees being just an extract from the EBP, while in others containing historical data, data on the work of the institutions themselves, performance budget elements and proposed conclusions. These materials are not proactively published but can be accessed via FOI (see the example of a high quality "informative overview" of EBP from the Gender Equality Committee that IA has obtained: <https://www.dropbox.com/scl/fi/74pn6qemwaiel49jtw0wg/SPI-Odbor-za-rodnu-ravnopravnost.pdf?rlkey=w34pxon3gfpyqh22zx1t6scyc&dl=0>)

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

114. In the past 12 months, did a committee of the legislature examine in-year implementation of the Enacted Budget during the relevant budget execution period?

GUIDELINES:

Question 114 is about legislative oversight of budget execution. It assesses whether and how often a committee examined the implementation of the budget during the budget execution period (i.e., financial year) for which it was approved, and whether this resulted in an official report with findings and recommendations. This question does not apply to the ex post review of implementation following the end of the budget year as part of the audit stage, which is assessed separately. Nor does it apply to the legislature's review of the budget that it may undertake as part of the process of considering a supplemental budget during the year. In-year monitoring by the legislature will be affected by the frequency that the executive publishes In-Year Reports.

To answer "a," a committee must have examined in-year implementation of the Enacted Budget at least three times during the course of the relevant budget year and published reports with findings and recommendations. Answer "b" applies where this occurred only once or twice during the year.

Exception: If a legislature is in session only twice during the year, and it examines the implementation of the budget during both sessions, then it would be eligible for an "a" response.

Choose "c" if a committee examined in-year implementation (without regard to frequency), but did not publish any report with findings and recommendations. Answer "d" applies where no committee examined in-year implementation.

If the answer is "a" or "b," please specify the name of the committee and when it reviewed budget implementation, and provide a copy of its report(s). If the answer is "c," please specify the name of the committee and when it reviewed budget implementation.

For purposes of responding to this question, if more than one committee holds in-year reviews of the budget, use the committee that is best performing – that is, the one that examines in-year implementation the most times and that publishes a report.

Answer:

d. No, a committee did not examine in-year implementation.

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

115. Does the executive seek approval from the legislature prior to shifting funds between administrative units that receive explicit funding in the Enacted Budget, and is it legally required to do so?

GUIDELINES:

Question 115 examines whether the executive seeks approval from the legislature prior to shifting funds between administrative units, and whether it is legally required to do so.

In some countries, the executive has the power in law to adjust funding levels for specific appropriations during the execution of the budget. This question examines rules around shifting funds between administrative units (ministries, departments, or agencies) or whatever funding unit (or "vote") is specified in the Enacted Budget.

The conditions under which the executive may exercise its discretion to shift funds should be clearly defined in publicly available regulations or law. In addition, the amount of funds that the executive is allowed to transfer between administrative units should not be so excessive as to undermine the accountability of the executive to the legislature.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before shifting funds between administrative units, and it does so in practice. Answer "b" applies if the executive obtains legislative approval before shifting funds between administrative units, but is not legally required to do so. Answer "c" applies if the executive is legally required to receive legislative approval before shifting funds, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to shift funds between administrative units and the executive does not obtain legislative approval in practice. Answer "d" also applies if the executive is authorized to shift an amount considered so excessive as to undermine accountability (roughly equal to 3 percent of total budgeted expenditures). A "d" response applies if the legislature only approves the shifting of funds after it has already occurred.

In the comments, please indicate any law or regulation that provides the executive with standing authority to shift funds between administrative units and, if so, describe that authority. Similarly, legislative approval for shifting funds between administrative units typically occurs with the adoption of legislation such as a supplemental budget. But if other formal procedures for gaining approval from the legislature exist, then please provide information about that approval process.

Answer:

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:

Article 45, Law on Budget and Fiscal Accountability, Official Gazette of Montenegro, no. 020/14, published on 25.04.2014, 056/14, published on 24.12.2014, 070/17, published on 27.10.2017, 004/18, 26.01.2018, 055/18, published on 01.08.2018, 066/19, published on 06.12.2019, 070/21, published on 25.06.2021, 145/21, published on 31.12.2021, 027/23, published on 08.03.2023):
<https://www.dropbox.com/scl/fi/mx0m00rxfw2263iheswe/Zakon-o-budzetu-i-fiskalnoj-odgovornosti.pdf?rlkey=8eadjefjflnie8pq4ym9lcrf&dl=0>
[A's dropbox link to the latest version]

Example of a reallocation decision adopted by the Government:

<https://www.gov.me/dokumenta/23235dd5-8d35-416e-a655-8ac07444c2cf>

Example of amendments to the annual budget law, where the Government requests approval from the Parliament (rebalans budžeta):

<https://zakoni.skupstina.me/zakoni/web/app.php/akt/3137>

Comment:

Parliament's approval, the amendments of the annual law on budget are prepared and sent to the Parliament for approval. Other, minor reallocations (as prescribed by the article 45 of the Law) are done either with the approval of the Government (if between spending units) or approval of the Ministry of Finance (if the reallocation is between headings of a single budget user)

Article 45 of the Law states:

"Redirection of funds
Article 45

The government can transfer between spending units the funds determined by the law on the state budget in the amount of up to 10% of the total planned funds of the spending unit.

The amount from paragraph 1 of this article is applied to the total planned expenditures of the spending unit whose approved amount of funds is reduced. Redirected funds for individual expenditures, programs, subprograms, activities and projects are allocated by decision of the Minister of Finance.

Spending units, with the approval of the Ministry of Finance, can redirect approved funds by programs, subprograms, activities, projects and individual expenditures, in the amount of up to 10% of the funds determined by the law on the state budget for programs, subprograms, activities, projects and expenditures, the amount of which is reduced.

In the case of programs, subprograms, activities and projects that are financed by donations from the European Union funds and other donations, it is not allowed to redirect funds by expenditure.

Funds provided for co-financing donations from European Union funds and other donations are not allowed to be used for other purposes."

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

116. Does the executive seek approval from the legislature prior to spending excess revenue (that is, amounts higher than originally anticipated) that may become available during the budget execution period, and is it legally required to do so?

GUIDELINES:

Question 116 examines whether the executive receives approval from the legislature prior to spending excess revenue, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if additional revenue is collected unexpectedly during the year, which often happens in oil/mineral-dependent countries, and it was not accounted for in the Enacted Budget, there should be a procedure in place to ensure that the legislature approves any proposed use of these "new" funds. If such requirements are not in place, the executive might deliberately underestimate revenue in the budget proposal it submits to the legislature, in order to have additional resources to spend at the executive's discretion, with no legislative control.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before spending any funds resulting from higher-than-expected revenues, and it does so in practice. Answer "b" applies if the executive obtains legislative approval before spending excess revenue, but is not legally required to do so. Answer "c" applies if the executive is legally required to receive legislative approval before spending excess revenue, but does not do so in practice. Answer "d" applies if prior legislative approval is not legally required for the executive to spend excess revenue and the executive does not obtain legislative approval in practice. A "d" response applies if the legislature only approves the additional spending after it has already occurred.

Typically, legislative approval of additional spending beyond what was reflected in the Enacted Budget would occur with the adoption of a supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.

Answer:

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

Source:

Law on Budget and Fiscal Accountability, article 8, "Balance of the Budget"

Comment:

The law treats excess revenues as a matter on which Parliament needs to be consulted on spending - In the case of such situation, the Government needs to prepare amendments to the budget and send it to Parliament for approval.
Such a situation happened in 2019: <https://www.vijesti.me/vijesti/ekonomija/393081/radunovic-predlazemo-rebalans-zbog-dobrih-rezultata-ali-i-odgovornog-odnosa-prema-predstojecim-obavezama>

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

117. Does the executive seek approval from the legislature prior to reducing spending below the levels in the Enacted Budget in response to revenue shortfalls (that is, revenues lower than originally anticipated) or other reasons during the budget execution period, and is it legally required to do so?

GUIDELINES:

Question 117 examines whether the executive receives approval from the legislature prior to cutting spending below the levels in the Enacted Budget in response to revenue shortfalls or for any other reason, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if less revenue is collected unexpectedly during the year, the legislature should approve or reject any proposed reductions in expenditures that are implemented as a result. If such requirements are not in place, the executive might substantially change the composition of the budget at the executive's discretion, with no legislative control.

Typically, legislative approval of proposals to reduce spending below the levels reflected in the Enacted Budget would occur as part of the supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before implementing spending cuts in response to revenue shortfalls or for other reasons, and it does so in practice. Answer "b" applies if the executive received legislative approval before implementing such cuts, but is not legally required to do so. Answer "c" applies if the executive is legally required to obtain legislative approval before implementing such cuts, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to implement such cuts and the executive does not obtain such approval in practice. A "d" response applies if the legislature only approves the spending cuts after they have already occurred.

Answer:

d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to reducing spending below enacted levels, and in practice the executive implements these spending cuts before seeking prior approval from the legislature.

Source:

Law on Budget and Fiscal Accountability, article 8.

Comment:

The Law stipulates that in the case of decreased revenues, the Government can (but does not have to) prepare amendments to the budget. In practice, the Government has regularly underspent significantly on various headings (especially capital spending - public infrastructure spending), without amending the budget or asking the Parliament for approval to do so.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

118. Did a committee of the legislature examine the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI)?

GUIDELINES:

Question 118 is about ex post oversight following the implementation of the budget. It probes whether a committee examined the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI), and whether this resulted in an official report with findings and recommendations. A key issue is how soon after the SAI releases the report does 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:

a. Yes, a committee examined the Audit Report on the annual budget within three months of its availability, and it published a report with findings and recommendations.

Source:

SAI's audit report on 2021 YER, published on its website on 13-10-2022:

<https://dri.co.me/doc/Izvještaj%20o%20reviziji%20Predloga%20zakona%20o%20završnom%20računu%20budžeta%20Crne%20Gore%20za%202021.%2>

Ogodinu.pdf

[Parliament's website] SAI's audit report on 2021 YER, submitted to the Parliament on 17-10-2022:
<https://zakoni.skupstina.me/zakoni/web/app.php/akt/2949>

Conclusion of the Parliament, endorsing the recommendations of the SAI from the 2021 YER AR, adopted on 27-12-2022:
<https://zakoni.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/586/2949-17721-33-22-4-8.pdf>

Press release from the Parliament about the 43rd session of the Committee for Economy, Finance and Budget, when the SAI's audit report on 2021 YER was discussed (held on 20-12-2022):
<https://www.skupstina.me/en/articles/committee-on-economy-finance-and-budget-holds-its-43rd-meeting>

Press release from the SAI on the parliamentary discussion of the Audit report on the 2021 YER at the Committee for Economy, Finance and Budget, 20-12-2022:
<https://dri.co.me/aktuelnost/odbor-za-ekonomiju-finansije-i-budzet-podrzao-preporuke-dri-iz-izvjestaja-o-reviziji-predloga-zakona-o-o-završnom-racunu-budzeta-crne-gore-za-2021-godinu-i-godisnjeg-izvjestaja-dri-za-period-oktobar-2021-oktobar-2022-godine>

Press release from the SAI on the parliamentary discussion of the Audit report on the 2021 YER at the plenary, 21-12-2022:
<https://dri.co.me/aktuelnost/skupstina-razmotrila-izvjestaj-o-reviziji-predloga-zakona-o-završnom-racunu-budzeta-crne-gore-za-2021-godinu-i-godisnji-izvjestaj-o-izvršenim-revizijama-i-aktivnostima-dri-za-period-oktobar-2021-oktobar-2022godine-1>

Comment:

SAI has published its Audit report on 2021 YER on 13 October 2022 and it was formally submitted to the Parliament on 17 October 2021. The Committee for Economy, Finance and Budget has examined the Audit report at its 43rd session held at 20 December 2022 (or almost two and a half months after it was submitted to the Parliament). It is an unwritten practice to examine the Audit report along with the YER itself at the same plenary session as the EBP, usually in the same week of December.

The audit report is discussed at the same session as YER itself, along with the annual report on the work of SAI.

A day after the discussion in the Committee, the AR was discussed at the plenary session of the Parliament.

In relation to the findings and recommendations of the SAI, Committee decided to propose to the plenary to adopt a conclusion supporting the SAI's recommendations. The proposed conclusion implies that "the Parliament of Montenegro calls upon on the Government to respect and fulfill all the recommendations of the State Audit Institution given in the Report on the audit of the Draft Law on the Final Account of the Budget of Montenegro for 2021". Also, the Government is obliged (bound) by the Parliament's conclusion to monitor the implementation of all recommendations of the State Audit Institution related to individual audits carried out in the period October 2021 - October 2022 and recommendations that are repeated from the previous period, and reports on this to the Parliament of Montenegro quarterly.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

119. Was the process of appointing (or re-appointing) the current head of the SAI carried out in a way that ensures his or her independence?

GUIDELINES:

Question 119 concerns the appointment process of the current head of the Supreme Audit Institution (SAI). Appointment procedures vary greatly across countries, as well as across different types of SAIs. Moreover, conventions and informal practices can greatly affect the de facto independence of the head of the SAI. While these factors make it difficult to devise a single metric against which all SAIs can be assessed with regard to this particular aspect, this question focuses on whether the legislature or judiciary must appoint or approve the appointment of the head of the SAI as a way to ensure the SAI's independence from the executive. However, if the appointment is carried out in another way that nonetheless ensures the independence of the SAI head, then that approach could be also considered.

To answer "a," the legislature or judiciary must appoint (or re-appoint) the head of the SAI, or approve the recommendation of the executive, as a way that ensure his or her independence from the executive. (As noted above, alternative approaches may also be acceptable.) Choose "b" if the appointment process does not ensure the independence of the head of the SAI, e.g. the executive may appoint the head of the SAI without the final consent of the legislature or judiciary.

Irrespective of which answer you selected, provide a description of how the head of the SAI is appointed.

Answer:

a. Yes, the head of the SAI may only be appointed by the legislature or judiciary, or the legislature or judiciary must give final consent before the appointment takes effect.

Source:

Law on State Audit Institution, article 33

<https://www.gov.me/en/documents/714b4598-3f01-4f5c-a892-6787df7f690c>

<https://dri.co.me/zakon-o-dravnoj-revizorskoj-instituciji> (provided by the SAI)

Comment:

The SAI in Montenegro has two bodies: Senate and collegia. The Senate has five members and one of them is appointed as the President of the Senate.

According to article 33 of Law on State Audit Institution: "The Parliament shall appoint and revoke members of the [SAI] Senate pursuant to the proposal of the competent working body of the Parliament."

Members of the Senate are appointed and dismissed by Parliament, on the proposal of the parliamentary working body tasked with financial affairs. The Parliament appoints the president of the Senate from among the members of the Senate for a period of nine years, and the same person cannot be reappointed as the president of the Senate.

On July 31 2022, the president of SAI ended his mandate. His successor has not yet been appointed by Parliament, and a caretaker president was appointed automatically (the eldest of the remaining members of the Senate).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response, and the final IBP decision after the additional input. Supreme Audit Institution (SAI) review: Agree Comment: The State audit institution of Montenegro agrees with the response of the Researcher. The link of the Law on the SAI is not correct. The link should be changed with the one - <https://dri.co.me/zakon-o-dravnoj-revizorskoj-instituciji> IBP comment: the new link provided by the SAI was added.

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:

Law on SAI; article 33 and 34

<https://www.gov.me/en/documents/714b4598-3f01-4f5c-a892-6787df7f690c>

<https://dri.co.me/zakon-o-dravnoj-revizorskoj-instituciji> (provided by the SAI)

Comment:

It is the sole responsibility of Parliament to dismiss a member of the [SAI] Senate, including the President of the Senate.

There are conditions which, if fulfilled, a Senate member is automatically dismissed and the Parliament notified -- such as reaching the pension age, if convicted to jail time, or if a member asks to be dismissed.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response, and the final IBP decision after the additional input. Supreme Audit Institution (SAI) review: Agree Comment: The State audit institution of Montenegro agrees with the response of the Researcher. The link of the Law on the SAI is not correct. The link should be changed - <https://dri.co.me/zakon-o-dravnoj-revizorskoj-instituciji> The office of Member of the Senate is terminated upon his/her request or when he/she meets the legal requirements for retirement or if he/she is sentenced to imprisonment. The Member of the Senate is relieved from office if he/she is sentenced for an offence which makes him/her unworthy of holding office, or if he/she exercises the office in an unprofessional or unscrupulous manner or if he/she permanently loses the ability to exercise office. The Senate informs the Parliament of circumstances described the Law. IBP comment: the new link provided by the SAI was added.

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:

The Law on SAI, article 51, <https://www.gov.me/en/documents/714b4598-3f01-4f5c-a892-6787df7f690c>
IA's monitoring of the actual practice and budget adoption process.

<https://dri.co.me/zakon-o-dravnoj-revizorskoj-instituciji> (provided by the SAI)

Comment:

According to article 51 of Law on State Audit Institution. the request for allocation of budget funds to the Institution shall be submitted by the working body of the Parliament in charge of financial activities, upon request of the Institution. Government adopts this requests without changes in practice, but if it makes any changes it needs to notify the Parliament about the reasoning for such changes. The Parliament can then choose to amend the budget and return the allocation to the level request by the SAI.

In practice in the last five years, the SAI's budget was never decreased by the executive compared to their own proposal, with several times being actually increased due to other systemic changes in the budget.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response, and the final IBP decision after the additional input." Supreme Audit Institution (SAI) review: Agree Comment: The State audit institution agrees with the Response of the Researcher under A. The link of the Law on the SAI is not correct. The link should be changed <https://dri.co.me/zakon-o-dravnoj-revizorskoj-instituciji> The SAI of Montenegro does not agree with the last point in the Comment of the Researcher. The SAI budget was reduced in the previous three years by the Ministry of Finance after it was determined by the Parliamentary Committee on economy, finance and budget. The SAI budget is approved by the Parliamentary Committee for economy, finance and budget, and it is submitted to the Government of Montenegro in the form of a draft. If the Government, in the Proposal of Annual Law on budget, makes any changes in the draft budget of the Institution, it should give written explanation to the Parliament, which was not done in the last three years when the SAI budget was reduced. IBP comment: The further explanation provided by the SAI is noted and the new link provided was added.

122. Does the Supreme Audit Institution (SAI) have the discretion in law to undertake those audits it may wish to?**GUIDELINES:**

Question 122 explores the scope of the investigative powers of the Supreme Audit Institution (SAI) as prescribed in law.

Question 97 asks which of the three types of audits – financial, compliance, and performance – the SAI conducts. This question asks if the SAI is constrained by law (rather than by a lack of capacity or an inadequate budget) from undertaking any form of audit or investigating irregularities in any program or activity.

There are numerous examples of limitations. For instance, some SAIs are not permitted by their legal mandate to audit joint ventures or other public-private arrangements. Others are only allowed to undertake financial audits, precluded from conducting performance or value-for-money audits. The SAIs in some countries do not have the legal mandate to review arrangements involving oil or stabilization funds, or other types of special or extra-budgetary funds. The SAI may also not have the ability to audit commercial projects involving the public and private sector.

To answer "a," the SAI must have full discretion in law to decide which audits to undertake. Answer "b" applies if some limitations exist, but the SAI enjoys significant discretion to undertake those audits it wishes to. Answer "c" applies if the SAI has some discretion, but significant legal limitations exist. Answer "d" applies if the SAI has no power at all to choose which audits to undertake

Consulting the Lima Declaration of Guidelines on Auditing Precepts (<http://internationalbudget.org/wp-content/uploads/LimaDeclaration.pdf>) may be useful in answering this question as its provisions serve to define the appropriate scope of a SAI's legal mandate and jurisdiction.

Answer:

a. The SAI has full discretion to decide which audits it wishes to undertake.

Source:

Law on State Audit Institution, article 9
<https://www.gov.me/en/documents/714b4598-3f01-4f5c-a892-6787df7f690c>

<https://dri.co.me/zakon-o-dravnoj-revizorskoj-instituciji> (provided by the SAI)

Comment:

The Institution, according to the law, decides independently regarding the entities to audit, subject matter, scope and type of audit, time and method of auditing and no-one can interfere in this process.

The only audits that the SAI must perform the audit the Annual Financial Statements of the Budget of the State once a year (Year-end budget report) and the political parties' financial statements (Law on election of national and local MPs). These are constant and regulated by laws, and the SAI does not have an obligation to ask or receive proposals for annual audit plan from other institutions.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response, and the final IBP decision after the additional input." Supreme Audit Institution (SAI) review: Agree Comment: The SAI of Montenegro agrees with the response of the Researcher under A. The link of the Law on the SAI is not correct. The link should be changed - <https://dri.co.me/zakon-o-dravnoj-revizorskoj-instituciji> When it comes to the comment of the Researcher, there is an error in the second paragraph and the response needs to be corrected. In accordance with the Law on SAI, the Institution is obliged to audit the final account of the budget of Montenegro once a year. Pursuant to the Law on financing of political entities and election campaigns, the SAI is obliged to audit the annual consolidated financial statements of political entities based on the assessed risk and criteria from the Instruction on the Methodology of financial audit and regularity audit. It is also obliged to audit the annual consolidated financial statements of all political entities that have parliamentary status at the state and local level in a four-year period. IBP comment: The further explanation provided by the SAI is noted and the new link provided was added.

123. Are the audit processes of the Supreme Audit Institution (SAI) reviewed by an independent agency?**GUIDELINES:**

Question 123 assesses whether and to what extent the audit processes of the Supreme Audit Institution (SAI) are subject to review by an independent agency. The latter could be a peer SAI, an international organization, an academic institution with relevant expertise, or an independent domestic agency with quality assurance functions in the area of financial reporting.

To answer "a," an independent agency must conduct and publish a review of the audit processes of the SAI on an annual basis. Answer "b" applies if a review was carried out within the past five years, and published, but it is not conducted annually, but. Choose answer "c" if the SAI has an internal unit that reviews the audit processes of the SAI on a regular basis, but an independent agency does not conduct such a review. Answer "d" applies if the audit processes of the SAI are reviewed neither by an independent agency nor by a unit within the SAI.

If the answer is either "a" or "b," please specify the name of the independent agency and when last it conducted such a review, and provide a copy of the published report. If the answer is "c," please specify the name of the unit within the SAI that is tasked with conducting such reviews.

Answer:

c. No, but a unit within the SAI conducts a review of the audit processes of the SAI on a regular basis.

Source:**Comment:****Peer Reviewer**

Opinion: Agree

Government Reviewer

Opinion: Agree

Researcher Response

Disagree with SAI that the answer should be B. The review by INTOSAI was never made public by SAI – not to be confused with the INTOSAI SIRAM review done in 2023, which is not a review of SAI audit process, but an inquiry into allegations of independence threats experienced by the SAI.

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response, and the final IBP decision after the additional input." Supreme Audit Institution (SAI) review: Disagree (suggested answer "B") Comment: The State Audit Institution of Montenegro does not agree with the Researcher's response and it needs to be corrected under B. In 2022, the International organization, i.e. the INTOSAI Initiative for Development, conducted an assessment of the performance of the State audit institution of Montenegro in accordance with the internationally recognized methodology of the SAI Performance Measurement Framework (SAI PMF), which was adopted as an official tool of the International Organization of Supreme Audit Institutions at the INTOSAI Congress in Abu Dhabi in December 2016. The same assessment included an overview of audit processes by audit type - financial audit, regularity audit and performance audit. In addition, the State Audit Institution regularly carries out review and control of the quality of audit activities in accordance with the Guidelines for audit quality control in the SAI and non-audit activities. The Guidelines for audit quality control define the rules, procedures and responsibilities for the audit quality in the Institution. The Auditing Board, which manages and monitors an audit, is responsible for ensuring the audit quality system. The quality control system is established at all stages of the audit and is documented with checklists. In accordance with the Guidelines for audit quality control, the SAI conducted external reviews of 8 audits by two teams consisting of two Senate members. IBP final comment: The assessment conducted by INTOSAI of the performance of the State audit institution of Montenegro hasn't been published by the time of the research (cut-off date was 31 December 2022). Therefore, answer "b" doesn't apply. It the assessment is published; IBP may consider it in the next round of the Open Budget Survey. However, as indicated by the review of the Montenegro State Audit Institution, there is an Auditing Board, which manages and monitors an audit. It is responsible for ensuring the audit quality system. Considering this new information, the original answer was changed from "d" to "c".

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:

Comment:

Participation of SAI representatives at parliamentary sessions: (the first one is just a reference. It wasn't considered, as the cut-off date of the Open Budget Survey (OBS 2023) is 31 December 2022.

18-04-2023

The Committee for Gender Equality of the Parliament of Montenegro considered the Final Report of the SAI audit of the success of the "Successful Implementation of the Gender Equality Policy in Montenegro" with representatives from SAI.

See: <http://www.dri.co.me/aktuelnost/odbor-za-rodnu-ravnopravnost-skupstine-crne-gore-razmotrio-konacan-izvjestaj-dri-revizije-uspjeha-uspjesnost-sprovođenja-politike-rodne-ravnopravnosti-u-crnoj-gori>

21-12-2022

Participation of SAI representatives at the plenary debate of the Parliament on the Report on the audit of the proposal of the Law on the final account of the Budget of Montenegro for the year 2021 and the Annual Report on the performed audits and activities of the SAI for the period October 2021 - October 2022.

see: <http://www.dri.co.me/aktuelnost/skupstina-razmotrila-izvjestaj-o-reviziji-predloga-zakona-o-završnom-racunu-budžeta-crne-gore-za-2021-godinu-i-godisnji-izvjestaj-o-izvršenim-revizijama-i-aktivnostima-dri-za-period-oktobar-2021-oktobar-2022godine-1>

20-12-2022

Participation at the Committee for Economy, Finance and Budget discussion of the Report on the audit of the Draft Law on the final account of the Budget of Montenegro for 2021 and the Annual Report of the SAI for the period October 2021 - October 2022

see: <http://www.dri.co.me/aktuelnost/odbor-za-ekonomiju-finansije-i-budzet-podrzao-preporuke-dri-iz-izvjestaja-o-reviziji-predloga-zakona-o-završnom-racunu-budžeta-crne-gore-za-2021-godinu-i-godisnjeg-izvjestaja-dri-za-period-oktobar-2021-oktobar-2022-godine>

20-12-2022

Participation at the session of the Committee for Economy, Finance and Budget on the occasion of the discussion on the Bill on the Budget of Montenegro for 2023

see: <http://www.dri.co.me/aktuelnost/senator-dr-milan-dabovic-na-sjednici-odbora-za-ekonomiju-finansije-i-budzet-povodom-rasprave-o-predlogu-zakona-o-budžetu-crne-gore-za-2023-godinu>

26-10-2022

Representatives of the SAI at the 48th session of the Committee for Health, Labor and Social Welfare presented the results of the final report on the audit of success "The success of the implementation of the National Program for the early detection of breast cancer" and explained the recommendations given to the competent institutions - audit subjects.

see: <http://www.dri.co.me//storage/images/gallery/aktuelnosti/26.10.2022..pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Researcher Response

Agree with the SAI that the answer should be corrected to "A". The main source for the original answer was the website of the SAI, where they have not posted about all of the parliamentary events they took part in, since the Parliament was dismissed after the elections and the session info archived at the moment. I have checked the references for the timeframe of last 12 months at the time of the review of the answers (discarding the events from 2021 or the start of 2022) and still there are at least 5 times the SAI representatives took active part in committee sessions (hearings or deliberations of reports).

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response, and the final IBP decision after the additional input." Supreme Audit Institution (SAI) review: Disagree (suggested answer "A") Comment: The State Audit Institution does not agree with the Researcher's response and it should be changed into A. In 2022, the representatives of the SAI participated in consultative/control hearings, namely: u maju 2022. godine održano je konsultativno saslušanje Odbora za zdravstvo, rad i socijalno staranje povodom Izvještaja DRI o reviziji uspjeha „Efikasnost upravljanja sredstvima donacija za suzbijanje koronavirusa“; in May 2022, a consultative hearing of the Committee on Health, Labor and Social welfare was held about the Audit Report of the SAI on the performance audit "Efficiency of the management of donation funds for combating the coronavirus"; in June 2022, a consultative hearing of the Committee for Tourism, Agriculture, Ecology and Spatial Planning was held about the Report on the Follow up audit – Efficiency of the implementation of the recommendations given in the performance audit "Effective implementation of the environmental protection policy in Montenegro - protection from forest fires"; in June 2022, a consultative session of the Committee for Human Rights and Freedom was held about the final report of the SAI on the financial audit and regularity audit of operations of the Fund for the Protection and Realization of Minority Rights for 2020; in October 2022, a consultative session of the Committee for Gender Equality was held about the final report of the SAI on the performance audit "Effective implementation of the National program for Early Detection of Breast Cancer"; in October 2022, the control hearing of the Committee on Health, Labor and Social welfare was held about the final report of the SAI on the performance audit "Effective implementation of the National Program for Early Detection of Breast Cancer"; In December 2021, the Committee for economy, finance and budget of Montenegro considered the Audit report of the Proposal Law on the Final state budget account of Montenegro for 2020 with the Annual Report on the performed audits and activities of the State Audit Institution of Montenegro for the period October 2020 - October 2021. In December 2021, the Parliament of Montenegro considered the Audit report of the Proposal Law on the Final state budget account of Montenegro for 2020 with the Annual Report on the performed audits and activities of the SAI of Montenegro for the period October 2020 - October 2021. The President of the Senate participated in the 24th session of the Committee for Economy, Finance and Budget of the Parliament of Montenegro, where the Annual Law on the Budget of Montenegro for 2022 was discussed. At the 23rd Session of the Committee for Security and Defense of the Parliament of Montenegro, held in December 2021, on the occasion of the consideration of the Proposal Law on the Final state budget account of Montenegro for 2020 in the part related to spending units in the field of security and defense, the SAI presented its findings and recommendations from the Audit report of the Proposal Law on the Final state budget account of Montenegro for 2020, which refer to spending units in the field of security and defense, as well as from the Audit report on financial and regularity audit of the Ministry of Defense for 2020. In April 2023, the Committee for Gender Equality of the Parliament of Montenegro considered the report of the SAI on the performance audit "Effective

implementation of the Gender Equality Policy in Montenegro". At the session held in May 2023, the Committee for Human Rights and Freedom of the Parliament of Montenegro considered, inter alia, the Report on the implementation of recommendations from the Report on the financial audit and audit of the regularity of operations of the Fund for the Protection and realization of Minority Rights for 2020, which was submitted to the Committee by the State audit institution in December 2022. IBP final comment: Considering additional information provided by the Montenegro State Audit Institution, the original answer was changed from "b" to "a".

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:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

There are no mechanisms for any sort of public participation in the budget formulation phase. These mechanisms do not exist either on paper or in practice.

The Law on Public Administration prescribes that the government does not organise a public consultation process for any laws related to the annual budget (as well as security and defence) - article 52.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

126. With regard to the mechanism identified in question 125, does the executive take concrete steps to include vulnerable and under-represented parts of the population in the formulation of the annual budget?

GUIDELINES:

This question reflects the GIFT principle of "Inclusiveness", and examines the executive's effort to actively reach out to citizens who are from socially vulnerable groups and/or underrepresented in national processes. The emphasis here is on the executive's efforts to seek out the views of members of the public from socially vulnerable groups and/or who are underrepresented in the process.

To answer "a," the executive must actively seek out individuals from at least one vulnerable and underrepresented community and/or civil society organization representing vulnerable and underrepresented individuals and communities. The researcher must provide evidence to show the government's efforts and actions. The researcher must speak with the relevant government official(s), and subsequently double check with an alternative source, such as representatives of vulnerable/underrepresented groups.

Answer "b" applies if the executive does not take concrete steps to incorporate vulnerable/underrepresented individuals, or organizations representing them, into participation mechanisms or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

b. The requirements for an "a" response are not met.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

127. During the budget formulation stage, which of the following key topics does the executive's engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

- 1. Macroeconomic issues**
- 2. Revenue forecasts, policies, and administration**

- 3. Social spending policies
- 4. Deficit and debt levels
- 5. Public investment projects
- 6. Public services

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider all of the mechanisms currently used by the executive to promote public participation during the formulation of the annual budget.

Please note that while the public engagement can/may cover other topics -- and for this reason the other questions assessing the executive's engagement with the public during budget formulation can be answered on the basis of engagement on topics other than the six listed above -- for the purpose of answering this question, "key topics" are considered to be only the ones listed above. If the executive's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.

Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

Answer "d" applies if requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

128. Does the executive use participation mechanisms through which the public can provide input in monitoring the implementation of the annual budget?

GUIDELINES:

This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:

https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf

Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in monitoring the implementation of the annual budget. If the executive has designated a central coordinating agency to implement participation mechanisms throughout the national budget process, researchers may consider these mechanisms. Participation mechanisms used only by line ministries should not be used to answer this question. If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the implementation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenue administration, public service delivery, public investment project implementation, including procurement, and the administration of social transfer schemes.

To answer "a," the executive must use open participation mechanisms that involve the public in the implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism

should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government official. Examples include public meetings, online, deliberative exchanges, procurement complaint mechanisms, and social monitoring and dialogue.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input on the implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include public hearings, surveys, focus groups, report cards, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to provide input on budget implementation, but:

1) The mechanisms are not structured, happen only on ad-hoc basis, or not regularly.

and/or

2) The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", the researcher must have evidence that the government is holding participation mechanisms that have some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and members of the public can have knowledge of the meeting, who participated, and what was discussed.

Examples include hotlines, Facebook announcements, one-off meetings with NGOs in which there is a public record.

The researcher must present evidence to support selection of a "c" response.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

129. With regard to the mechanism identified in question 128, does the executive take concrete steps to receive input from vulnerable and underrepresented parts of the population on the implementation of the annual budget?

GUIDELINES:

This question reflects the GIFT principle of "Inclusiveness", and examines the executive's effort to actively reach out to citizens who are from socially vulnerable groups and/or underrepresented in national processes. The emphasis here is on national government's efforts to obtain input from members of the public who are from socially vulnerable groups and/or underrepresented in national processes during the implementation of the annual budget.

To answer "a," the executive must actively seek out individuals from at least one vulnerable and underrepresented community and/or civil society organization representing vulnerable and underrepresented individuals and communities. The researcher must provide evidence to show the government's efforts and actions. The researcher must speak with the relevant government official(s), and subsequently double check with an alternative source, such as representatives from vulnerable/underrepresented groups.

Answer "b" applies if the national executive does not take concrete steps to incorporate vulnerable/underrepresented individuals, or organizations representing them, into participation mechanisms or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

b. The requirements for an "a" response are not met.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

131. When the executive engages with the public, does it provide comprehensive prior information on the process of the engagement, so that the public can participate in an informed manner?

Comprehensive information must include at least three of the following elements:

1. Purpose
2. Scope
3. Constraints
4. Intended outcomes
5. Process and timeline

GUIDELINES:

This question relates to the GIFT principle of "Openness," and addresses whether the executive provides relevant information on the process of the engagement before public participation takes place, in order to help citizens engage effectively. The question addresses whether the "rules of the public engagement" are clearly spelled out, in advance and in detail, so that those members of the public who want to engage know how to do so, in terms of when they can do so, what they are expected to provide input on, by when, to whom, etc. This question does not cover the substance of the engagement, which is covered by questions 127 and 130.

Non-comprehensive information means that the government provides information that includes at least one but less than three of the elements listed above.

Purpose refers to a brief explanation of why the public engagement is being undertaken, including the executive's objectives for its engagement with the public.

Scope refers to what is within the subject matter of the engagement as well as what is outside the subject matter of the engagement. For example, the scope may include how a current policy is administered but exclude the specifics of the policies themselves.

Constraints refers to whether there are there any explicit limitations on the engagement. An example of a constraint could be that any policy changes must not cost (or forgo revenue) more than a specific amount or have no net fiscal cost.

Intended outcomes refers to what the executive hopes to achieve as a result of the engagement. Examples of intended outcomes could be revising a policy to better reflect citizen or service-user views or to improve the way in which a particular program is administered.

Process refers to the methods by which the public engagement will take place and the discrete steps in the process. For example, the process may simply be a one-off Internet-based consultation, with a summary published of public inputs and the official response. The process may involve simultaneous or overlapping steps, and may be conducted in one round or in two or more rounds of engagement.

Timeline refers to the specific dates on which the discrete steps in the process will take place, or during which they will be completed, and clear start and end dates for the overall engagement.

Answer "d" applies if the executive does not use public participation mechanisms during the budget implementation or formulation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

132. With regard to the mechanism identified in question 125, does the executive provide the public with feedback on how citizens' inputs have been used in the formulation of the annual budget?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the executive provides information to citizens on which public inputs were received, which ones are used in the formulation of the annual budget, and how/why.

By "written record", we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.

Answer "a" applies when the executive provides a written document with:

- *The inputs (e.g., a written transcript) received from the public and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)*

Answer "b" applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public and*
- *A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used.*

Answer "c" applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public or*
- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

133. With regard to the mechanism identified in question 128, does the executive provide the public with information on how citizens' inputs have been used to assist in monitoring the implementation of the annual budget?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the executive provides information to citizens on which public inputs were received during the implementation of the annual budget, which ones are take into account to improve budget monitoring,

and how/why.

By "written record", we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.

Answer "a" applies when the executive provides a written document with:

- The inputs (e.g., a written transcript) received from the public and
- A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)

Answer "b" applies when the executive provides a written document that includes:

- The inputs received (e.g., a written transcript) from the public and
- A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were or were not taken into account by the executive during budget monitoring.

Answer "c" applies when the executive provides a written document that includes:

- The inputs (e.g., a written transcript) received from the public or
- A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

134. Are participation mechanisms incorporated into the timetable for formulating the Executive's Budget Proposal?

GUIDELINES:

This question reflects the GIFT principles on "Sustainability," "Timeliness" and "Complementarity" and addresses whether the executive is able to link participation mechanisms to the administrative processes that are used to create the annual budget.

Please note that "timetable" refers to a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. This document is sometimes referred to as the budget calendar and is the same document referenced in Question 53.

Answer "a" applies if the national executive establishes a clear set of guidelines that enable citizens and civil servants to understand when participation mechanisms should be used to enable citizen inputs to be incorporated into the annual budget. For answer choice "a", the timetable must be available to the public prior to the budget preparation process beginning.

Answer "b" applies if the executive does not establish a clear set of guidelines that enable citizens and civil servants to understand when participation mechanisms should be used to enable citizen inputs to be incorporated into the annual budget or if the executive does not use public participation mechanisms during the budget formulation or implementation stage.

Answer:

b. The requirements for an "a" response are not met.

Source:

Comment:

The budget calendar does not foresee any participation of the public.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

135. Do one or more line ministries use participation mechanisms through which the public can provide input during the formulation or implementation of the annual budget?

GUIDELINES

While questions 125 – 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:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, public hearings on the budget are held, and members of the public/CSOs testify.

Source:

Report from the public hearing on the EBP held in the Committee for Economy, Budget and Finance on 15-12-2022:

<https://zakoni.skupstina.me/zakoni/web/dokumenta/sjednice-radnih-tijela/3291/8789-33-22-5-.pdf>

Comment:

The Committee for Economy, Budget and Finance has the practice of organising the EBP deliberation in two stages - the first one is intended for the MPs to hear opinions of the State Audit Institution, Central bank of Montenegro as well as representatives of trade unions, academia and CSOs. Theoretically, any CSO can apply to participate and there are no requirements to fulfil or documents to submit beforehand. The Committee forwards the call by default to a group of CSOs that are usually active in budget work, but other CSOs can address the Committee and request to participate. All the participants have the right to state their views on the EBP and the Ministry of Finance representatives can offer answers if they want. MPs usually are just the audience during that first day and do not get involved in debates as a rule. None of these rules are prescribed by the Rules of Procedure of the Parliament (except the general provision that allows representatives of civil society to take part in sessions upon invitation).

The report indicates the name of the organizations which participated in the public hearing offering their contributions:

- Chamber of Commerce of Montenegro, Union of Trade Unions of Montenegro, Union of Free Trade Unions of Montenegro, Union of Administration and Justice of Montenegro, Union of Education of Montenegro, Association of Managers of Montenegro, Community of Municipalities of Montenegro, United Union of State Institutions of Montenegro and NGO "Institute of Alternatives".

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

137. During the legislative deliberations on the annual budget (pre-budget or approval stages), which of the following key topics does the legislature's (or relevant legislative budget committee) engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider the range of mechanisms currently used by the legislature to promote public participation during legislative deliberations on the annual budget.

Please note that while the public engagement can/may cover other topics, for the purpose of answering this question, "key topics" are considered to be only the ones listed above. If the legislature's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.

Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the

depth of engagement or selectivity of engaged are not dealt with by this question.

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:

a. The legislature seeks input on all six topics.

Source:

Report from the public hearing on the EBP held in the Committee for Economy, Budget and Finance on 15-12-2022:

<https://zakoni.skupstina.me/zakoni/web/dokumenta/sjednice-radnih-tijela/3291/8789-33-22-5-.pdf>

Comment:

The committee invites the expert and CSO participants to give their views on all matters outlined, with a broadly defined guidelines for the discussion.

As can be seen in the report, the civil society organizations (Unions, NGOs and academia) pointed out suggestions for different areas as:

- significant deviations from the Macroeconomic and Fiscal Policy Guidelines for the period 2022-2025
- monitoring fiscal risks of state owned companies
- improve program budgeting because about 35% of projects do not have defined goals
- timely refund of VAT; improve tax collection
- social contributions
- agriculture, education
- capital expenditures and public investment planning system

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

138. Does the legislature provide feedback to the public on how citizens' inputs have been used during legislative deliberations on the annual budget?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the legislature provides information to citizens on which public inputs were received and how inputs were used during legislative deliberations (please note that these deliberations can refer to the pre-budget and approval phases). By "written record" in this question, we mean a document that is produced and released by the legislature.

Answer "a" applies when the legislature provides a written document with:

- The inputs received from the public (e.g., a written transcript) and
- A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how).

Answer "b" applies when the legislature provides a written document that includes:

- The inputs received from the public (e.g., a written transcript) and
- A not-so-detailed report on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used in legislative deliberations on the annual budget (please note that these deliberations refer to the pre-budget and approval phases).

Answer "c" applies when the legislature 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:

c. Yes, the legislature provides a written record which includes either the list of the inputs received or a report or summary on how they were used.

Source:

Report from the public hearing on the EBP held in the Committee for Economy, Budget and Finance on 15-12-2022:

<https://zakoni.skupstina.me/zakoni/web/dokumenta/sjednice-radnih-tijela/3291/8789-33-22-5-.pdf>

Comment:

No feedback except the general report from the discussion is published (the report simply summarises the statements without any conclusions).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Although there is no disagreement related to the answer provided by the researcher "d", for consistency across countries, IBP has allowed a summary report of the public hearing to count as a "c". Therefore, the original answer was changed from "d" to "c".

139. Does the legislature hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the Audit Report?

GUIDELINES:

This question reflects the GIFT principle on "Sustainability," "Transparency," and "Complementarity" and assesses the extent to which the participation mechanism(s) used by the legislative are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.

A key constitutional role of the legislature in almost all countries is to oversee the government's management of public resources. While the Supreme Audit Institution is responsible for checking the government's accounts and publishing the outcome of their audits, for accountability purposes it is essential that the legislature reviews and scrutinizes those reports, and checks on whether the executive is taking the appropriate corrective actions based on the Supreme Audit Institution's recommendations.

Holding public hearings to review audit findings allows the public to learn more about how the government has managed its resources for the budget years that have ended, and demand accountability in case of mismanagement and irregularities. Reviewing and discussing those reports in public is therefore a key responsibility of a legislature.

Please note that by "Audit Report" we refer to the same audit report assessed in the transparency section of this Survey, i.e., one of the eight key budget documents that all governments (in this case, the Supreme Audit Institution) must produce, according to best practice.

Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) have put in place and using to allow the public to participate in their deliberations on the Audit Report.

Mechanisms through which members of the public reach out to individual members of parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.

To answer "a," the national legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).

Answer "b" should be selected if the following applies:

- The legislature holds public hearings on the budget;
- No testimony is allowed from the public; BUT
- There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.

Answer "c" should be selected if the following applies:

- The legislature holds public hearings on the budget;
- No testimony is allowed from the public;
- No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, BUT
- The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the Audit Report.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

140. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can suggest issues/topics to include in the SAI's audit program (for example, by bringing ideas on agencies, programs, or projects that could be audited)?

GUIDELINES:

This question assesses whether the Supreme Audit Institution (SAI) has established mechanisms through which the public can provide suggestions on issues/topics to be included in its audit program. When deciding its audit agenda, the SAI may undertake audits for a sample of agencies, projects, and programs in the country; and such a selection could be based on complaints and suggestions made by members of the public. To receive such suggestions, the SAI may create formal mechanisms, like setting up a website, hotline, or office (or assigning staff to liaise with the public).

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:

Comment:

No such mechanism exist.

SAI has recently - after the cut-off date of the OBS 2023 - introduced a hotline for the public to report irregularities or fraud.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response. Supreme Audit Institution (SAI) review: Agree
Comment: The State audit institution agrees with the Response of the Researcher. There is no formal mechanism, but it has been introduced in the SAI in 2023. There are informal mechanisms in the sense that each representative of the stakeholders can propose audit topics and submit via official e-mail or in the form of a letter.

141. Does the Supreme Audit Institution (SAI) provide the public with feedback on how citizens' inputs have been used to determine its audit program?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the Supreme Audit Institution provides information to citizens on which public inputs were received, which ones are used to determine the Supreme Audit Institution's audit program. By "written record" in this question, we mean a document that is produced and released by the Supreme Audit Institution.

Answer "a" applies when the Supreme Audit Institution provides a written document with:

- *The inputs received from the public and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how).*

Answer "b" applies when the SAI provides a written document that includes:

- *The inputs received from the public and*
- *A not-so-detailed report on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used to determine the SAI's annual audit program.*

Answer "c" applies when the SAI provides a written document that includes:

- *The received from the public or*
- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

Answer "d" applies if requirements for a "c" response or above are not met or if maintain formal mechanisms through which the public can suggests issues/topics to include in the SAI's audit program.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

As the previously described mechanisms has just been introduced in March 2023, there has been no reporting on its use. As the mechanism is not regulated by any SAI bylaw, we are not aware that such reporting or provision of feedback is even planned.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response. Supreme Audit Institution (SAI) review: Agree
Comment: The State audit institution agrees with the Response of the Researcher, taking into account that there was no formal mechanism in 2022.

142. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can contribute to audit investigations (as respondents, witnesses, etc.)?

GUIDELINES:

This question mirrors question 140, but instead of covering public assistance in formulating the SAI's audit program, it focuses on whether the Supreme Audit Institution has established mechanisms through which the public can participate in audit investigations. In addition to seeking public input to determine its audit agenda, the SAI may wish to provide formal opportunities for the public and civil society organizations to participate in the actual audit investigations, as witnesses or respondents.

Answer:

b. The requirements for an "a" response are not met.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Within the framework of the Open Budget Survey 2023, a new pilot review has been developed to incorporate the inputs of a subset of Supreme Audit Institutions. In addition to the feedback provided by the government reviewer from the Ministry of Finance, IBP has sought input on a subset of indicators of the survey questionnaire from the Montenegro State Audit Institution, during the research process. We are including the comment below, along with the SAI's agreement or disagreement with the researcher's suggested response. Supreme Audit Institution (SAI) review: Agree
Comment: The State audit institution agrees with the Response of the Researcher.