

Open Budget Survey 2023

Questionnaire

Nepal

May 2024

Country Questionnaire: Nepal

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

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

Answer:

2022-23

Source:

Not Applicable

Comment:

Like of previous budget cycle, Government of Nepal has not adopted/started the practice of publishing Pre-Budget Statement in this round of budget as well. The discussions are held like that of previous years with limited private sector representatives, former finance ministers & secretaries, other groups that are individually called and selected by the ministry. It is up to the ministry whom they called in for the sake of budget discussion but all these are done without any formal Pre-Budget Statement.

Peer Reviewer

Opinion: Agree

Comments: There is no formal pre-budget statement in Nepal. Nepal government has institutionalized practice of making Medium term expenditure framework and the process is led by national planning commission and is done in collaboration of ministry of finance. This document which contains macro economic analysis, result framework and budget and revenue estimates and projection for coming 3 fiscal years. It is not pre-budget statement but can largely serve the objective of the same. This is rolling and updated every year and published just after releasing executive budget for coming fiscal year. For example MTEF published in 2021 included estimate for 2021/22 and projections for fiscal year 2022-23 and 2023-24. I thus advice researcher and IBP whether this document can be considered as pre-budget statement.

Government Reviewer

Opinion: Agree

Researcher Response

Though all points are valid in case of MTEF but the basic criteria as adopted by OBS Methodology and its international standard are not met. Thus , we conclude the PBS Status. The good news is that the government is about to introduce the changes in Budget Cycle via ordinance which will have the space of PBS. <https://ekantipur.com/business/2024/01/18/an-ordinance-is-being-introduced-to-incorporate-the-suggestions-of-the-pre-budget-discussion-09-09.html>

IBP Comment

Although there is no disagreement on this question, it is important to restate IBP's decision from the OBS 2021. IBP understands that the National Planning Commission develops the Medium Term Expenditure Framework (MTEF) with medium term estimates up to three years. MTEF's main purpose is to ensure fiscal discipline in expenditures related to Capital or Development projects. There are detailed disaggregated expenditure estimates for each Development project for all sectors. However, there is not much discussion on priorities of revenue collections or macroeconomic goals for the medium term. In the budget process, the linkage and alignment between the MTEF and annual Budget Proposal is weak. While there is some discussion on MTEF in the legislature, it is not clear how the discussions feed into the annual budget formulation process. Lastly, as the peer reviewer mentioned, the MTEF is rolling and updated every year and published only after the release of the executive's budget proposal. Thus, as indicated by the researcher, the current MTEF is not considered a Pre-Budget Statement for the Open Budget Survey. According to the OBS methodology: "The PBS presents the executive's economic and fiscal policy plans for the forthcoming budget year and encourages debate on the budget in advance of the presentation of the more detailed Executive's Budget Proposal. The Pre-Budget Statement reflects the culmination of the strategic planning phase of the budget process, in which the executive broadly aligns its policy goals with the resources available under the budget's fiscal framework – the total amount of expenditure, revenue, and debt for the upcoming budget year. This process establishes the parameters of the budget proposal before detailed program funding decisions are made. By laying out the budget's broad parameters, the statement can help create appropriate expectations for the Executive's Budget Proposal. The Pre-Budget Statement can also be associated with a medium-term expenditure framework, which seeks to link policy, planning, and budgeting over a multi-year period. Best practice recommends that the Pre-Budget Statement include: macroeconomic forecasts upon which the budget will be based; major revenue and expenditure policies and priorities that will guide the development of detailed estimates for the upcoming budget; and multi-year revenue and expenditure projections.

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

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

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

Answer:

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

Source:

Besides, Pre-budget discussion, the Ministry of Finance produces and publishes the Principles and Priorities of the Appropriation Bill 2022 as part of the budget formulation. The government officials claim it to be the PBS but it does not meet the generic requirements of the PBS as per the Open Budget Survey Methodology. It lacks key information for the PBS including total estimates of revenues and expenditures, macroeconomic forecasts, clearly stated revenue and expenditure priorities and policies. It was specifically addressed to the Parliament, but the PBS should be published to kick off the open public debates.

Principles and Priorities of Appropriation Bill, 2020 - <https://www.mof.gov.np/site/publication-detail/3168>

Comment:

The Medium Term Expenditure Framework produced and published by the National Planning Commission presents framework for medium-term economic estimates, budgets and results. This has all the parameters to be considered as pre budget statement.

<https://npc.gov.np/images/category/211123112437MTEF-2078-08-06-1.pdf>.

Peer Reviewer

Opinion: Agree

Comments: Both the statements above are correct. The document claimed to be pre-budget estimate has no feature of PBS but MTEF is the one that can be considered as an alternative to PBS.

Government Reviewer

Opinion: Agree

IBP Comment

See IBP comment on question PBS-1.

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:

Source:

NA

Comment:
NA

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:
NA

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:

Source:
NA

Comment:
NA

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:

d. Not applicable

Source:

Comment:

Peer Reviewer

Opinion: Agree

Comments: If MTEF is considered, data contained there is still not in machine readable format.

Government Reviewer

Opinion: Agree

IBP Comment

See IBP comment on question PBS-1.

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

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

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

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

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

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

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

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

Answer:

d. Not produced at all

Source:

NA

Comment:

NA

Peer Reviewer

Opinion: Agree

Comments: I can not disagree with this still I urge researcher to review the response further analyzing the documents available. MTEF is publicly

available and budget ceiling prepared based on MTEF and meeting of revenue estimation and budget ceiling determination committee is always made public at least 2 months before the budget as a public notice. Please, note that budget ceiling determination committee is headed by NPC vice chairperson and MoF Secretary is also the member. Thus this document is the document by central budgetary agency. Please, see the link below: <https://npc.gov.np/images/category/220310062358%E0%A4%AA%E0%A5%8D%E0%A4%B0%E0%A5%87%E0%A4%B8%20%E0%A4%B5%E0%A4%BF%E0%A4%9C%E0%A5%8D%E0%A4%9E%E0%A4%AA%E0%A5%8D%E0%A4%A4%E0%A4%BF.pdf>

Government Reviewer

Opinion: Agree

Researcher Response

Since in Q1 we established that MTEF is not PBS, the answer remains same for this as well. No PBS

IBP Comment

See comment in the question PBS-1.

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:

NA

Source:

NA

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:

NA

Source:

NA

Comment:

NA

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

NA

Comment:

There is no PBS document or any citizen version of any Pre budget statement produced by the Govt. of Nepal.

If the Medium Term Expenditure Framework is accepted as the PBS, then answer of previous as well as this question changes wholly.

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:

2022-23

Source:

Budget Speech of Fiscal Year 2022-23
<https://www.mof.gov.np/site/publication-detail/3176>

Estimates of Expenditure (Heading-wise Expenditure and Sources): Red Book
<https://www.mof.gov.np/site/publication-detail/3180>

Economic Survey
<https://www.mof.gov.np/site/publication-detail/3170>

Statement of Technical and Other Assistance
<https://www.mof.gov.np/site/publication-detail/3039>

Principles and Priorities of Appropriation Bill
<https://www.mof.gov.np/site/publication-detail/3168>

Inter-Governmental Fiscal Transfer (Province and Local Level)
<https://www.mof.gov.np/site/publication-detail/3181>

Comment:

Fiscal Year Details

1st Shrawan 2079 (4th month) to 31st Asad 2080 (3rd Month) - Nepali Calendar

16th July 2022 - 15th July 2023. - English Calendar

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:

29/5/2022

Source:

Budget Speech of Fiscal Year 2022-23

<https://www.mof.gov.np/site/publication-detail/3176>

Estimates of Expenditure (Heading-wise Expenditure and Sources): Red Book

<https://www.mof.gov.np/site/publication-detail/3180>

Economic Survey

<https://www.mof.gov.np/site/publication-detail/3170>

Statement of Technical and Other Assistance

<https://www.mof.gov.np/site/publication-detail/3039>

Principles and Priorities of Appropriation Bill

<https://www.mof.gov.np/site/publication-detail/3168>

Inter-Governmental Fiscal Transfer (Province and Local Level)

<https://www.mof.gov.np/site/publication-detail/3181>

Comment:

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:

Budget Speech of Fiscal Year 2022-23
<https://www.mof.gov.np/site/publication-detail/3176>

Estimates of Expenditure (Heading-wise Expenditure and Sources): Red Book
<https://www.mof.gov.np/site/publication-detail/3180>

Economic Survey
<https://www.mof.gov.np/site/publication-detail/3170>

Statement of Technical and Other Assistance
<https://www.mof.gov.np/site/publication-detail/3039>

Principles and Priorities of Appropriation Bill
<https://www.mof.gov.np/site/publication-detail/3168>

Inter-Governmental Fiscal Transfer (Province and Local Level)
<https://www.mof.gov.np/site/publication-detail/3181>

Comment:

EBP is presented to public on the budget day on the Ministry's Website on the Budget Speech Day.

Peer Reviewer

Opinion: Agree

Comments: I advise to include finance bill (<https://mof.gov.np/site/publication-detail/31750>), and national debt bill (<https://hr.parliament.gov.np/uploads/attachments/mpk9qkgdc5mtobbl.pdf>) that are tabled together with budget speech.

Government Reviewer

Opinion: Agree

Researcher Response

Agreed. 1. Finance bill Link - <https://mof.gov.np/site/publication-detail/31750> 2. National debt bill Link - <https://hr.parliament.gov.np/uploads/attachments/mpk9qkgdc5mtobbl.pdf> Please note that they are all included in every questions of EBP as

indication in this answer and the answer remains the same.

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:

29/5/2022

Source:

Budget Speech of Fiscal Year 2022-23

<https://www.mof.gov.np/site/publication-detail/3176>

Estimates of Expenditure (Heading-wise Expenditure and Sources): Red Book

<https://www.mof.gov.np/site/publication-detail/3180>

Economic Survey

<https://www.mof.gov.np/site/publication-detail/3170>

Statement of Technical and Other Assistance

<https://www.mof.gov.np/site/publication-detail/3039>

Principles and Priorities of Appropriation Bill

<https://www.mof.gov.np/site/publication-detail/3168>

Inter-Governmental Fiscal Transfer (Province and Local Level)

<https://www.mof.gov.np/site/publication-detail/3181>

Comment:

Economic Survey 2019/20 published on 2022.05.08

Principles and Priorities of Appropriation Bill Published on 2022.05.17

All other published on 2022.05.29

Peer Reviewer

Opinion: Agree

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:

The date of the publication of EBP was determined through the official website of the Ministry of Finance as well as through media coverage of the executive budget presentation to the federal parliament.

Source:

Budget Speech of Fiscal Year 2022-23

<https://www.mof.gov.np/site/publication-detail/3176>

Estimates of Expenditure (Heading-wise Expenditure and Sources): Red Book

<https://www.mof.gov.np/site/publication-detail/3180>

Economic Survey

<https://www.mof.gov.np/site/publication-detail/3170>

Statement of Technical and Other Assistance

<https://www.mof.gov.np/site/publication-detail/3039>

Principles and Priorities of Appropriation Bill

<https://www.mof.gov.np/site/publication-detail/3168>

Inter-Governmental Fiscal Transfer (Province and Local Level)

<https://www.mof.gov.np/site/publication-detail/3181>

Budget Speech Media Link - <https://kathmandupost.com/money/2022/05/30/a-rs1-79-trillion-budget-with-programmes-aimed-at-polls-and-no-clarity-on-resources>

Comment:

NA

Peer Reviewer

Opinion: Agree

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.mof.gov.np/site/publication-detail/3176>

Source:

Ministry of Finance Website

Comment:

Budget Speech of Fiscal Year 2022-23

<https://www.mof.gov.np/site/publication-detail/3176>

Estimates of Expenditure (Heading-wise Expenditure and Sources): Red Book

<https://www.mof.gov.np/site/publication-detail/3180>

Economic Survey

<https://www.mof.gov.np/site/publication-detail/3170>

Statement of Technical and Other Assistance

<https://www.mof.gov.np/site/publication-detail/3039>

Principles and Priorities of Appropriation Bill

<https://www.mof.gov.np/site/publication-detail/3168>

Inter-Governmental Fiscal Transfer (Province and Local Level)

<https://www.mof.gov.np/site/publication-detail/3181>

Peer Reviewer

Opinion: Agree

Comments: I urge to include the two important documents (Finance bill and National Debt Bill)

Government Reviewer

Opinion: Agree

Researcher Response

They are included in EBP2 and considered here included as well

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:

Though information provided are available in pdf format and docx format & since none of them meets the OBS parameters, the answer is C.

Comment:

NA

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:

Budget Speech of Fiscal Year 2022-23

<https://www.mof.gov.np/site/publication-detail/3176>

Estimates of Expenditure (Heading-wise Expenditure and Sources): Red Book

<https://www.mof.gov.np/site/publication-detail/3180>

Economic Survey

<https://www.mof.gov.np/site/publication-detail/3170>

Statement of Technical and Other Assistance

<https://www.mof.gov.np/site/publication-detail/3039>

Principles and Priorities of Appropriation Bill

<https://www.mof.gov.np/site/publication-detail/3168>

Inter-Governmental Fiscal Transfer (Province and Local Level)

<https://www.mof.gov.np/site/publication-detail/3181>

Comment:

Economic Survey 2019/20 published on 2022.05.08

Principles and Priorities of Appropriation Bill Published on 2022.05.17

All other published on 2022.05.29

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:

NA

Source:

NA

Comment:

NA

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:

Budget Speech of Fiscal Year 2022/23

Source:

Budget Speech of Fiscal Year 2022-23

<https://www.mof.gov.np/site/publication-detail/3176>

Estimates of Expenditure (Heading-wise Expenditure and Sources): Red Book

<https://www.mof.gov.np/site/publication-detail/3180>

Economic Survey

<https://www.mof.gov.np/site/publication-detail/3170>

Statement of Technical and Other Assistance

<https://www.mof.gov.np/site/publication-detail/3039>

Principles and Priorities of Appropriation Bill

<https://www.mof.gov.np/site/publication-detail/3168>

Inter-Governmental Fiscal Transfer (Province and Local Level)

<https://www.mof.gov.np/site/publication-detail/3181>

Comment:

NA

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:

There is yet to be any form of citizen budget to published by the Government of Nepal.
Civil Society Organizations are continuously advocating for the same but still date no such development is there in the field of citizen budget.

Comment:

NA

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

2022-23

Source:

Economic Bill 2022-23
<https://www.mof.gov.np/site/publication-detail/3175>

Appropriation Bill 2022-23
<https://www.mof.gov.np/site/publication-detail/3182>

National Debt Recover Bill
<http://www.moljpa.gov.np/wp-content/uploads/2022/07/%E0%A4%B0%E0%A4%BE%E0%A4%B7%E0%A5%8D%E0%A4%9F%E0%A5%8D%E0%A4%B0-%E0%A4%8B%E0%A4%A3-%E0%A4%89%E0%A4%A0%E0%A4%BE%E0%A4%89%E0%A4%A8%E0%A5%87-%E0%A4%B5%E0%A4%BF%E0%A4%A7%E0%A5%87%E0%A4%AF%E0%A4%95-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF-.pdf>

Debt and Securities Bill 2022-23
<https://hr.parliament.gov.np/uploads/attachments/i509mn4huinfiamn.pdf>

Comment:

Economic Bill and Appropriation Bill are available in Finance Ministry website whereas National Debt Recover Bill is available in Law Ministry Website and Debt and Securities Bill is Published in Federal House of Representative Website.

Peer Reviewer

Opinion: Agree

Comments: I suggest to correct that the exact term of economic bill mentioned above is finance bill which governs the revenue and taxes aspect of budget.

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:

27/06/2022 27/06/2022

Source:

Economic Bill 2022-23

<https://www.mof.gov.np/site/publication-detail/3175>

Appropriation Bill 2022-23

<https://www.mof.gov.np/site/publication-detail/3182>

National Debt Recover Bill

<http://www.moljpa.gov.np/wp-content/uploads/2022/07/%E0%A4%B0%E0%A4%BE%E0%A4%B7%E0%A5%8D%E0%A4%9F%E0%A5%8D%E0%A4%B0-%E0%A4%8B%E0%A4%A3-%E0%A4%89%E0%A4%A0%E0%A4%BE%E0%A4%89%E0%A4%A8%E0%A5%87-%E0%A4%B5%E0%A4%BF%E0%A4%A7%E0%A5%87%E0%A4%AF%E0%A4%95-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF-.pdf>

Debt and Securities Bill 2022-23

<https://hr.parliament.gov.np/uploads/attachments/i509mn4huinfiamn.pdf>

House Of Representative passing Budget News Link

<https://nepallive.com/story/258930>

Comment:

House of Representative passed Budget on 16.06.2022 and National Assembly Passed the same on 27.06.2022.

Link: <https://ekantipur.com/news/2022/06/27/165633482512864660.html?author=1>

<https://ekantipur.com/news/2022/06/16/165537675148621808.html>

Peer Reviewer

Opinion: Agree

Comments: I but urge researcher to use date based on Acts rather than bills. For example Finance Act 2022 (not economic Bill):

<https://www.mof.gov.np/site/publication-detail/3213> . There are approved version of all documents.

Government Reviewer

Opinion: Agree

IBP Comment

The peer reviewer comment is noted.

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:

Economic Bill 2022-23

<https://www.mof.gov.np/site/publication-detail/3175>

Appropriation Bill 2022-23

<https://www.mof.gov.np/site/publication-detail/3182>

Appropriation Act

<https://lawcommission.gov.np/np/wp-content/uploads/2022/09/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf>

Comment:

The Nepali version of enacted budget was made available to the public through the Ministry of Finance website within some days the budget was endorsed. The enacted budget bills were also published in the national gazette.

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:

02/07/2022 02/07/2022

Source:

Economic Bill 2022-23

<https://www.mof.gov.np/site/publication-detail/3175>

Appropriation Bill 2022-23

<https://www.mof.gov.np/site/publication-detail/3182>

Appropriation Act

<https://lawcommission.gov.np/np/wp-content/uploads/2022/09/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf>

Comment:

They both are published on Ministry of Finance Website on the same day as mentioned above.

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:

Ministry of Finance Website, Website of the Federal Parliament of Nepal, and Media Coverage

Source:

Economic Bill 2022-23

<https://www.mof.gov.np/site/publication-detail/3175>

Appropriation Bill 2022-23

<https://www.mof.gov.np/site/publication-detail/3182>

HOR Links

<https://hr.parliament.gov.np/np/bills/KqyH07oX>

<https://hr.parliament.gov.np/np/bills/D8dzN8Ew>

News Coverage

<https://ekantipur.com/news/2022/06/27/165633482512864660.html?author=1>

<https://ekantipur.com/news/2022/06/16/165537675148621808.html>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

<https://mof.gov.np/site/publication-detail/3182>

Source:

Appropriation Bill Link

Comment:

Economic Bill Link
<https://mof.gov.np/site/publication-detail/3175>

Appropriation Act
<https://lawcommission.gov.np/np/wp-content/uploads/2022/09/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf>

Peer Reviewer

Opinion: Agree

Comments: Please use link of Finance Act (<https://mof.gov.np/site/publication-category/93>) not Economic bill though provisions are same.

Government Reviewer

Opinion: Agree

IBP Comment

The peer reviewer suggestion is noted.

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:

Economic Bill 2022-23
<https://www.mof.gov.np/site/publication-detail/3175>

Appropriation Bill 2022-23
<https://www.mof.gov.np/site/publication-detail/3182>

Appropriation Act
<https://lawcommission.gov.np/np/wp-content/uploads/2022/09/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf>

Comment:

Since both are in standard PDF format, they are not in a machine readable format as per OBS norms.

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:

Economic Bill 2022-23

<https://www.mof.gov.np/site/publication-detail/3175>

Appropriation Bill 2022-23

<https://www.mof.gov.np/site/publication-detail/3182>

Appropriation Act

<https://lawcommission.gov.np/np/wp-content/uploads/2022/09/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf>

National Debt Recover Bill

<http://www.moljpa.gov.np/wp-content/uploads/2022/07/%E0%A4%B0%E0%A4%BE%E0%A4%B7%E0%A5%8D%E0%A4%9F%E0%A5%8D%E0%A4%B0-%E0%A4%8B%E0%A4%A3-%E0%A4%89%E0%A4%A0%E0%A4%BE%E0%A4%89%E0%A4%A8%E0%A5%87-%E0%A4%B5%E0%A4%BF%E0%A4%A7%E0%A5%87%E0%A4%AF%E0%A4%95-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF-.pdf>

Debt and Securities Bill 2022-23

<https://hr.parliament.gov.np/uploads/attachments/i509mn4huinfiamn.pdf>

Comment:

Economic Bill and Appropriation Bill are available in Finance Ministry website whereas National Debt Recover Bill is available in Law Ministry Website and Debt and Securities Bill is Published in Federal House of Representative Website.

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:

NA

Source:

NA

Comment:

NA

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:

Appropriation Act, 2079

Source:

Economic Act 2022-23

<https://www.mof.gov.np/site/publication-detail/3175>

Appropriation Bill 2022-23

<https://www.mof.gov.np/site/publication-detail/3182>

Appropriation Act

<https://lawcommission.gov.np/np/wp-content/uploads/2022/09/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf>

Comment:

The name is taken as per the section 1 definition on the same bill.

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:

b. No

Source:

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

CSO are advocating for the same continuously but Government is yet to act on it.

Comment:

NA

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

Answer:

FY 2022-23

Source:

No practice of producing Citizen Budget in Nepal.

Comment:

NA

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology
Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.
Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.
Option "d" applies if the document is not produced at all.
Option "e" applies if the document is publicly available.

Answer:

d. Not produced at all

Source:

Ministry Website and Verbal confirmation from Ministry Department Heads

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

There is no practice of producing Citizen Budget version of the Executive's Budget Proposal or Enacted Budget in Nepal. There is no practice of producing Citizen Budget version of the Executive's Budget Proposal or Enacted Budget in Nepal.

Source:

NA

Comment:

NA

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: Option "d" was selected in question CB-2a. So further analysis is needed.

IBP Comment

The government reviewer is right. IBP has inserted above the research comment related to the question EB-8 that is also relevant for this question.

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:

Citizen Budget is not produced in Nepal and with no production the document wont be publicly available.

Comment:

NA

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

NA

Source:

NA

Comment:

NA

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

If more than one Citizens Budget is published, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and its URL or weblink.

Answer:

Source:
NA

Comment:
NA

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

CB-5. If the CB is produced, please write the full title of the CB.

For example, a title for the Citizens Budget could be "Budget 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:

NA

Source:
NA

Comment:
NA

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

CB-6. If the CB is produced, please indicate which budget document it corresponds to.

If more than one Citizens Budget is produced, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and which budget document it simplifies.

Answer:

NA

Source:
NA

Comment:

NA

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

2022-23

Source:

Nepal Rastra Bank Produced Quarterly Economic Bulletins
<https://www.nrb.org.np/category/economic-bulletin/?department=red>

Ministry of Finance Produces Monthly Economic Bulletins
<https://www.mof.gov.np/site/publication-category/84>

Comment:

These two economic bulletins are considered in In-Year Reports for the OBS 2023.

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:

Nepal Rastra Bank Produced Quarterly Economic Bulletins

<https://www.nrb.org.np/category/economic-bulletin/?department=red>

Economic Bulletin–2022-04 (Mid April) July 21, 2022
Economic Bulletin–2022-07 (Mid July) October 16, 2022
Economic Bulletin-2022-10(Mid October) January 10, 2023

Ministry of Finance Produces Monthly Economic Bulletins
<https://www.mof.gov.np/site/publication-category/84>

Kartik Issue (Oct-Nov 2022) 2022-12-29
Ashoj Issue (Sep Oct 2022) 2022-12-06
Bhadra Issue (Aug Sep 2022) 2022-11-15
Shrawan Issue (July Aug 2022) 2022-10-16
Asar Issue (June July 2022) 2022-09-28
Jestha Issue (May June 2022) 2022-08-05
Baisakh Issue (April May 2022) 2022-07-07

Comment:

Though monthly bulletins are produced every month but all are not produced within the next month of period covered.
All Quarterly Bulletins are presented within three months of the period covered.
Therefore, Answer C is selected.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

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

Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2022 should be entered as 05 September 2022. If the document is not published or not produced, please mark this question "n/a."

Answer:

Nepal Rastra Bank Produced Quarterly Economic Bulletins
Economic Bulletin–2022-01 (Mid January) 25 May 2022
Economic Bulletin–2022-04 (Mid April) 21 July 2022
Economic Bulletin–2022-07 (Mid July) 16 October 2022
Economic Bulletin-2022-10(Mid October) 10 January 2023

Ministry of Finance Produces Monthly Economic Bulletins

Kartik Issue (Oct-Nov 2022) 29 December 2022
Ashoj Issue (Sep Oct 2022) 06 December 2022
Bhadra Issue (Aug Sep 2022) 15 November 2022
Shrawan Issue (July Aug 2022) 16 October 2022
Asar Issue (June July 2022) 28 September 2022
Jestha Issue (May June 2022) 05 August 2022
Baisakh Issue (April May 2022) 07 July 2022
Nepal Rastra Bank Produced Quarterly Economic Bulletins
Economic Bulletin–2022-01 (Mid January) 25 May 2022
Economic Bulletin–2022-04 (Mid April) 21 July 2022
Economic Bulletin–2022-07 (Mid July) 16 October 2022
Economic Bulletin-2022-10(Mid October) 10 January 2023

Ministry of Finance Produces Monthly Economic Bulletins
Kartik Issue (Oct-Nov 2022) 29 December 2022
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Jestha Issue (May June 2022) 05 August 2022
Baisakh Issue (April May 2022) 07 July 2022
Nepal Rastra Bank Produced Quarterly Economic Bulletins
Economic Bulletin-2022-01 (Mid January) 25 May 2022
Economic Bulletin-2022-04 (Mid April) 21 July 2022
Economic Bulletin-2022-07 (Mid July) 16 October 2022
Economic Bulletin-2022-10 (Mid October) 10 January 2023

Ministry of Finance Produces Monthly Economic Bulletins
Kartik Issue (Oct-Nov 2022) 29 December 2022
Ashoj Issue (Sep Oct 2022) 06 December 2022
Bhadra Issue (Aug Sep 2022) 15 November 2022
Shrawan Issue (July Aug 2022) 16 October 2022
Asar Issue (June July 2022) 28 September 2022
Jestha Issue (May June 2022) 05 August 2022
Baisakh Issue (April May 2022) 07 July 2022

Source:

Nepal Rastra Bank Produced Quarterly Economic Bulletins
<https://www.nrb.org.np/category/economic-bulletin/?department=red>

Ministry of Finance Produces Monthly Economic Bulletins
<https://www.mof.gov.np/site/publication-category/84>

Comment:

Though monthly bulletins are produced every month but all are not produced within the next month of period covered.
All Quarterly Bulletins are presented within three months of the period covered.

Peer Reviewer

Opinion: Agree

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:

For Monthly Bulletins - Ministry Of Finance Website
The published document has a date stamp.

For Quarterly Bulletins - Nepal Rastra Bank Website
The official website of the Nepal Rastra Bank, the central bank of Nepal too has a date stamp of the published bulletins. The Ministry of Finance has all date stamps for all monthly economic bulletins on its official website.
The Nepal Rastra Bank, the central bank of Nepal, the official website has all date stamps for all quarterly economic bulletins.

Source:

Nepal Rastra Bank Produced Quarterly Economic Bulletins
<https://www.nrb.org.np/category/economic-bulletin/?department=red>

Ministry of Finance Produces Monthly Economic Bulletins
<https://www.mof.gov.np/site/publication-category/84>

Comment:
NA

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.nrb.org.np/category/economic-bulletin/?department=red>

Source:
Nepal Rastra Bank Produced Quarterly Economic Bulletins the link of which is mentioned above in the box.

Along with this, Ministry of Finance Produces Monthly Economic Bulletins the link of which is mentioned below.
<https://www.mof.gov.np/site/publication-category/84>

Comment:
NA

Peer Reviewer
Opinion: Agree
Comments: I agree and urge researcher to include links of monthly bulletins by Ministry of Finance also (<https://www.mof.gov.np/site/publication-category/84>)

Government Reviewer
Opinion: Agree

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

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

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

Answer:

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

Source:

Nepal Rastra Bank Produced Quarterly Economic Bulletins
<https://www.nrb.org.np/category/economic-bulletin/?department=red>
Economic Bulletin-2022-04 (Mid April) 21 July 2022
Economic Bulletin-2022-07 (Mid July) 16 October 2022
Economic Bulletin-2022-10(Mid October) 10 January 2023

Ministry of Finance Produces Monthly Economic Bulletins

<https://www.mof.gov.np/site/publication-category/84>
Kartik Issue (Oct-Nov 2022) 29 December 2022
Ashoj Issue (Sep Oct 2022) 06 December 2022
Bhadra Issue (Aug Sep 2022) 15 November 2022
Shrawan Issue (July Aug 2022) 16 October 2022
Asar Issue (June July 2022) 28 September 2022
Jestha Issue (May June 2022) 05 August 2022
Baisakh Issue (April May 2022) 07 July 2022

Comment:

All Quarterly reports are in xls format which is machine readable format whereas all monthly reports are in PDF format.
Thus Answer B is selected.

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:

Nepal Rastra Bank Produced Quarterly Economic Bulletins
Economic Bulletin-2022-04 (Mid April) 21 July 2022
Economic Bulletin-2022-07 (Mid July) 16 October 2022
Economic Bulletin-2022-10(Mid October) 10 January 2023

Ministry of Finance Produces Monthly Economic Bulletins

Kartik Issue (Oct-Nov 2022) 29 December 2022
Ashoj Issue (Sep Oct 2022) 06 December 2022
Bhadra Issue (Aug Sep 2022) 15 November 2022

Shrawan Issue (July Aug 2022) 16 October 2022
Asar Issue (June July 2022) 28 September 2022
Jestha Issue (May June 2022) 05 August 2022
Baisakh Issue (April May 2022) 07 July 2022

Nepal Rastra Bank Produced Quarterly Economic Bulletins
<https://www.nrb.org.np/category/economic-bulletin/?department=red>

Ministry of Finance Produces Monthly Economic Bulletins
<https://www.mof.gov.np/site/publication-category/84>

Comment:

The documents are produced and made available online to the public through the official website of the Ministry of Finance & Nepal Rastra Bank, the Central Bank of Nepal.

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:

Quarterly Economic Bulletins
Quarterly Economic Bulletin–2022-04 (Mid April) 21 July 2022

Quarterly Economic Bulletin–2022-07 (Mid July) 16 October 2022
Quarterly Economic Bulletin-2022-10(Mid October) 10 January 2023

Monthly Economic Bulletins

Economic Bulletin Kartik Issue (Oct-Nov 2022) 29 December 2022
Economic Bulletin Ashoj Issue (Sep Oct 2022) 06 December 2022
Economic Bulletin Bhadra Issue (Aug Sep 2022) 15 November 2022
Economic Bulletin Shrawan Issue (July Aug 2022) 16 October 2022
Economic Bulletin Asar Issue (June July 2022) 28 September 2022
Economic Bulletin Jestha Issue (May June 2022) 05 August 2022
Economic Bulletin Baisakh Issue (April May 2022) 07 July 2022

Source:

Nepal Rastra Bank Produced Quarterly Economic Bulletins
<https://www.nrb.org.np/category/economic-bulletin/?department=red>

Ministry of Finance Produces Monthly Economic Bulletins

<https://www.mof.gov.np/site/publication-category/84>

Comment:

NA

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

Answer:

b. No

Source:

There is not any such version as called citizens version of IYRs from Ministry of Finance or Nepal Rastra Bank (NRB), the central bank of Nepal. The same is confirmed by MOF and NRB officials.

Comment:

NA

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:

2021-22

Source:

Half Yearly Report - Ministry of Finance
<https://mof.gov.np/site/news-detail/2480>

Comment:

The MYR for the fiscal year 2021-22 was published on 2022 February 10.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

Comments: Need to be confirmed first.

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:

a. Six weeks or less after the midpoint

Source:

Official website of Ministry of Finance
<https://mof.gov.np/site/news-detail/2480>

Comment:

The Ministry of Finance produced the Half Yearly Evaluation of the Budget for the Fiscal Year 2021-22 and made it publicly available through website. The report was made available to the public on 10 February 2022 while the mid-point of the budget was 14 January 2022. So, MYR was made publicly available within six weeks after the reporting period ends.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

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

Answer:

10/02/2022 10/02/2022

Source:

Official website of Ministry of Finance
<https://mof.gov.np/site/news-detail/2480>

Comment:

NA

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

The date of publication of the mid-term evaluation report is mentioned at the bottom of the report posted on the MoF website and the date is based on the same. The date can also be found using the tool "javascript:alert(document.lastModified)"

Source:

Official website of Ministry of Finance
<https://mof.gov.np/site/news-detail/2480>

Comment:

NA

Peer Reviewer

Opinion: Agree

Comments: In the list of documents date can be seen just before the name of document. This applies in case of MYR.

Government Reviewer

Opinion: Agree

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

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

Answer:

<https://mof.gov.np/site/news-detail/2480>

Source:

Official website of Ministry of Finance
Half Yearly Evaluation Report FY 2021-22

Comment:

NA

Peer Reviewer

Opinion: Agree

Comments: The next link :

https://mof.gov.np/uploads/document/file/1644487946_%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A7%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%AE%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%BE%202078%20complete.pdf also give same document without cover page.(Same date, Same document)

Government Reviewer

Opinion: Agree

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

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

c. No

Source:

Official website of Ministry of Finance
<https://mof.gov.np/site/news-detail/2480>

Comment:

Since the report is in PDF format and the same is not considered to be machine readable format by OBS norms.
Therefore, answer is C.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

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

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

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

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

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

Answer:

e. Not applicable (the document is publicly available)

Source:

Official website of Ministry of Finance
<https://mof.gov.np/site/news-detail/2480>

Comment:

The MYR for the FY 2021-22 having eight chapters provides the information about overall economic and fiscal situation and national economy; analysis of budgetary expenses and resource mobilization (status of spending, revenue, international financial cooperation mobilization, domestic borrowing management, status of budget balance); progress of national pride projects; analysis of sector-wide and ministry-wide progress (economic and financial sector, physical infrastructure, public service delivery and good governance; budget system and public finance management reform initiatives; amended estimates of expenditure and re-prioritization (capital and recurrent); fiscal transfer and status of expenditure at province and local levels and budget implementation and tasks to be done for resource management.

Peer Reviewer

Opinion: Agree

Comments: It is publicly available.

Government Reviewer

Opinion: Agree

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

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

Answer:

NA

Source:

NA

Comment:

NA

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Mid-Term Evaluation Report of the Budget for the FY 2021-22

Source:

Mid-Term Evaluation Report of the Budget for the FY 2021-22
<https://mof.gov.np/site/news-detail/2480>

Comment:

NA

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

Answer:

b. No

Source:

Official Website of Ministry of Finance And Confirmation from Finance Ministry Personals

Comment:

No such practice of developing any Citizens version of Half Yearly Evaluation Report.

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:

2020-2021

Source:

Ministry of Finance and Financial Comptroller General Office (FCGO) Website

FCGO – Consolidated Financial Statement 2020-21

https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

MOF – Annual Progress Evaluation Report of the Budget for the FY 2020-21

<https://mof.gov.np/site/publication-detail/3153>

Comment:

NA

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

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

Answer:

c. More than nine months, but within 12 months, after the end of the budget year

Source:

FCGO – Consolidated Financial Statement 2020-21

https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

MOF – Annual Progress Evaluation Report of the Budget for the FY 2020-21

<https://mof.gov.np/site/publication-detail/3153>

Comment:

Year end for 2020-21 is July 15th, 2021

Published date for Consolidated report is 05 July 2022, using the javascript tool, so that is within 12months.

Likewise Ministry of Finance Annual Progress Report is also published on 28th February, 2022 as per website which is also within a year.

Therefore answer C is selected.

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:

05/07/2022

Source:

FCGO Website

Consolidated Financial Statement 2020-21

https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

<https://fcgo.gov.np/publications>

Date – 05 July, 2022

Comment:

Ministry of Finance Website

Annual Progress Evaluation Report of the Budget for the FY 2020-21

<https://mof.gov.np/site/publication-detail/3153>

Date – 28 Feb, 2022

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:

Based on the properties of the pdf on the website of FCGO Nepal, using the tool `javascript:alert(document.lastModified)`.

Source:

FCGO Nepal Official Website
Consolidated Financial Statement 2020-21
https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

Comment:

Date – 2022-06-13
The same is mentioned clearly with published document on the website.

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://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

Source:

Financial Comptroller General Office (FCGO) Website

Comment:

Consolidated Financial Statement 2020-21
https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf
Published Date - 2022-July 05

Peer Reviewer

Opinion: Agree

Comments: I should not disagree with the name of document mentioned because this is consolidated financial statement published by a department of MoF but urge to consider MoF published document in Nepali. Link :
https://mof.gov.np/uploads/document/file/1646035573_%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%AA%E0%A5%8D%E0%A4%B0%E0%A4%A4%E0%A4%BF%E0%A4%B5%E0%A5%87%E0%A4%A6%E0%A4%A8%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AD%E0%A5%AE.pdf

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:

FCGO – Consolidated Financial Statement 2020-21

https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

MOF – Annual Progress Evaluation Report of the Budget for the FY 2020-21

<https://mof.gov.np/site/publication-detail/3153>

Comment:

Both reports are publicly available but are on pdf format which is not a machine readable format as per OBS norms. Therefor Answer C is selected.

Peer Reviewer

Opinion: Disagree

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

Comments: FCGO had also published excel version of same report with all the annexes as in the PDF version. All the numbers are there in the report and only the texts are missing.) Please find the link of the document published one month later. Link :

[https://fcgo.gov.np/storage/uploads/publications/20220708131151_20220708131026_20220706140441_20220704110442_20220701101828_CFS_Annexes_202021%20\(1\)%20\(1\).xlsx](https://fcgo.gov.np/storage/uploads/publications/20220708131151_20220708131026_20220706140441_20220704110442_20220701101828_CFS_Annexes_202021%20(1)%20(1).xlsx)

Government Reviewer

Opinion: Agree

Researcher Response

These are the annexes of the reports & didn't consist of full report. So, the answer remains the same.

IBP Comment

The answer provided by the researcher is accurate.

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:

FCGO and MOF Official Website

FCGO – Consolidated Financial Statement 2020-21

https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

MOF – Annual Progress Evaluation Report of the Budget for the FY 2020-21
<https://mof.gov.np/site/publication-detail/3153>

Comment:

Year end for 2020-21 is July 15th, 2021

Published date for Consolidated report is 05th July, 2022. So that is within 12months .

Likewise Ministry of Finance Annual Progress Report is also published on 28th February, 2022 as per website which is also within a year.

Therefore answer e is selected.

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:

NA

Source:

NA

Comment:

NA

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:

Consolidated Financial Statement 2020-2021 and Annual Progress Evaluation Report of the Budget for the FY 2020-21

Source:

FCGO and Ministry of Finance Official Website

FCGO – Consolidated Financial Statement 2020-21

https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

MOF – Annual Progress Evaluation Report of the Budget for the FY 2020-21
<https://mof.gov.np/site/publication-detail/3153>

Comment:

Both documents are publicly available on its respective official website.

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:

FCGO and Ministry of Finance Official Website and Confirmation by respective office personals

Comment:

There is no such practice of producing any citizen version of Year-End Report in Nepal.

The Consolidated Financial Statement produced by FCGO and Annual Progress Evaluation Report by Ministry of Finance are only the reports produced by the government that are considered as Year-End in Report.

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:

2020-21

Source:

Official Website of Office of the Auditor General Nepal
<https://oag.gov.np>

Comment:

59th Annual Report of the Auditor General, 2079

<https://oag.gov.np/uploads/files/yhl-%E0%A4%AE%E0%A4%B9%E0%A4%BE%E0%A4%B2%E0%A5%87%E0%A4%96%E0%A4%BE%E0%A4%AA%E0%A4%B0%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%95%E0%A4%95%E0%A5%8B%20%E0%A4%89%E0%A4%A8%E0%A4%A8%E0%A5%8D%E2%80%8D%E0%A4%B8%E0%A4%BE%E0%A4%A0%E0%A5%80%E0%A4%94%E0%A4%81%20%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%AA%E0%A5%8D%E0%A4%B0%E0%A4%A4%E0%A4%BF%E0%A4%B5%E0%A5%87%E0%A4%A6%E0%A4%A8,%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: None

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:

Official Website of Office of the Auditor General Nepal

<https://oag.gov.np>

Comment:

59th Annual Report of the Auditor General, 2079

<https://oag.gov.np/uploads/files/yhl-%E0%A4%AE%E0%A4%B9%E0%A4%BE%E0%A4%B2%E0%A5%87%E0%A4%96%E0%A4%BE%E0%A4%AA%E0%A4%B0%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%95%E0%A4%95%E0%A5%8B%20%E0%A4%89%E0%A4%A8%E0%A4%A8%E0%A5%8D%E2%80%8D%E0%A4%B8%E0%A4%BE%E0%A4%A0%E0%A5%80%E0%A4%94%E0%A4%81%20%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%AA%E0%A5%8D%E0%A4%B0%E0%A4%A4%E0%A4%BF%E0%A4%B5%E0%A5%87%E0%A4%A6%E0%A4%A8,%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: None

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:

13/7/2022

Source:

Official Website of Office of the Auditor General Nepal

<https://oag.gov.np>

Submission to President – 13/07/2022

[https://oag.gov.np/press-release/106/Press%20Release%20\(2079-03-29\)/en](https://oag.gov.np/press-release/106/Press%20Release%20(2079-03-29)/en)

Media Report

<https://ekantipur.com/business/2022/07/13/165770965069795983.html>

Comment:

59th Annual Report of the Auditor General, 2079

<https://oag.gov.np/uploads/files/yhl-%E0%A4%AE%E0%A4%B9%E0%A4%BE%E0%A4%B2%E0%A5%87%E0%A4%96%E0%A4%BE%E0%A4%AA%E0%A4%B0%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%95%E0%A4%95%E0%A5%8B%20%E0%A4%89%E0%A4%A8%E0%A4%A8%E0%A5%8D%E2%80%8D%E0%A4%B8%E0%A4%BE%E0%A4%A0%E0%A5%80%E0%A4%94%E0%A4%81%20%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%AA%E0%A5%8D%E0%A4%B0%E0%A4%A4%E0%A4%BF%E0%A4%B5%E0%A5%87%E0%A4%A6%E0%A4%A8,%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: None

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:

Official Website of Office of the Auditor General Nepal & Media Report
<https://oag.gov.np>

Source:

Submission to President – 13/07/2022
[https://oag.gov.np/press-release/106/Press%20Release%20\(2079-03-29\)/en](https://oag.gov.np/press-release/106/Press%20Release%20(2079-03-29)/en)

Media Report

<https://ekantipur.com/business/2022/07/13/165770965069795983.html>

59th Annual Report of the Auditor General, 2079

<https://oag.gov.np/uploads/files/yhl-%E0%A4%AE%E0%A4%B9%E0%A4%BE%E0%A4%B2%E0%A5%87%E0%A4%96%E0%A4%BE%E0%A4%AA%E0%A4%B0%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%95%E0%A4%95%E0%A5%8B%20%E0%A4%89%E0%A4%A8%E0%A4%A8%E0%A5%8D%E2%80%8D%E0%A4%B8%E0%A4%BE%E0%A4%A0%E0%A5%80%E0%A4%94%E0%A4%81%20%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%AA%E0%A5%8D%E0%A4%B0%E0%A4%A4%E0%A4%BF%E0%A4%B5%E0%A5%87%E0%A4%A6%E0%A4%A8,%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf>

Comment:

The press release by OAG of submission to the president and time stamp on the published report clearly states the time. Along with that the same is verified with the media reports for the day of OAG annual Report.

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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: None

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

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

Answer:

<https://oag.gov.np/uploads/files/yhl-%E0%A4%AE%E0%A4%B9%E0%A4%BE%E0%A4%B2%E0%A5%87%E0%A4%96%E0%A4%BE%E0%A4%AA%E0%A4%B0%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%95%E0%A4%95%E0%A5%8B%20%E0%A4%89%E0%A4%A8%E0%A4%A8%E0%A5%8D%E2%80%8D%E0%A4%B8%E0%A4%BE%E0%A4%A0%E0%A5%80%E0%A4%94%E0%A4%81%20%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%AA%E0%A5%8D%E0%A4%B0%E0%A4%A4%E0%A4%BF%E0%A4%B5%E0%A5%87%E0%A4%A6%E0%A4%A8,%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf>

Source:

Office of Auditor General Official Website

Comment:

59th Annual Report of the Auditor General, 2079

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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: None

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:

Office of The Auditor General Website and Confirmation By OAG Officials

Comment:

The report is available online on pdf format & it does not meet the OBS standards of machine readability.

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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: None

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:

Office of Auditor General Website

Comment:

59th Annual Report of the Auditor General, 2079

<https://oag.gov.np/uploads/files/yhl-%E0%A4%AE%E0%A4%B9%E0%A4%BE%E0%A4%B2%E0%A5%87%E0%A4%96%E0%A4%BE%E0%A4%AA%E0%A4%B0%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%95%E0%A4%95%E0%A5%8B%20%E0%A4%89%E0%A4%A8%E0%A4%A8%E0%A5%8D%E2%80%8D%E0%A4%B8%E0%A4%BE%E0%A4%A0%E0%A5%80%E0%A4%94%E0%A4%81%20%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%AA%E0%A5%8D%E0%A4%B0%E0%A4%A4%E0%A4%BF%E0%A4%B5%E0%A5%87%E0%A4%A6%E0%A4%A8,%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: None

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:

NA

Source:

NA

Comment:

NA

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 of Nepal, IBP has sought input on a subset

of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: None

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:

59th Annual Report of the Auditor General, 2079

Source:

Office of The Auditor General Website

Comment:

59th Annual Report of the Auditor General, 2079

<https://oag.gov.np/uploads/files/yhl-%E0%A4%AE%E0%A4%B9%E0%A4%BE%E0%A4%B2%E0%A5%87%E0%A4%96%E0%A4%BE%E0%A4%AA%E0%A4%B0%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%95%E0%A4%95%E0%A5%8B%20%E0%A4%89%E0%A4%A8%E0%A4%A8%E0%A5%8D%E2%80%8D%E0%A4%B8%E0%A4%BE%E0%A4%A0%E0%A5%80%E0%A4%94%E0%A4%81%20%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%AA%E0%A5%8D%E0%A4%B0%E0%A4%A4%E0%A4%BF%E0%A4%B5%E0%A5%87%E0%A4%A6%E0%A4%A8,%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: None

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:

Office of the Auditor General Website

Comment:

Though there is no such any citizen version of the AR as such but office of Auditor General each year produces a summary report of the same. The summary report generally consist of 60-70 pages and consist of details of Audited Departments, status of arrears, major findings, recommendations execution status and recommendations for change in futures.

Peer Reviewer

Opinion: Disagree

Suggested Answer: a. Yes

Comments: OAG publishes summary report every year along with full report. My idea is not to consider the summary report as citizen version but a page r summary in the is not necessary to consider but I advice researches to consider page five of the summary report as citizen version because it is well summarized in way that all parameters and findings can be easily understood and it is highly non-technical presentation. Please, see the page number 5 of summary report of 59th Report of OAG.

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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: None IBP final comment: The comment provided by the peer reviewer is noted. However, the answer provided by the researcher is correct.

GQ-1a. Are there one or more websites or web portals for disseminating government fiscal information? If yes, please provide the necessary links in the comment/citation.

GQ-1a asks the researcher to list any government websites or portals where fiscal information can be found. For example, in New Zealand the Treasury website (<http://www.treasury.govt.nz/>) hosts important budget-related information, including the Pre-Budget Statement, the Executive's Budget Proposal, the Citizens Budget, In-Year Reports, the Mid-Year Review, and the Year-End Report. In addition, New Zealand's Parliamentary Counsel Office (<http://www.legislation.govt.nz/>) posts the Enacted Budget while the Controller and Auditor-General website (<http://www.oag.govt.nz/>) publishes the annual Audit Report. The New Zealand researcher would provide the links to each of these sites. Other countries have developed portals that include fiscal information, though not in the "documents" format. For example, these portals have been created by Mexico (<https://www.transparenciapresupuestaria.gob.mx/>) and Brazil (<http://www.portaltransparencia.gov.br/>). Some countries have both a website and a portal. The Brazilian government, for example, apart from the Transparency Portal, has a dedicated website for the federal budget, where all key documents and other information can be found (<https://www.gov.br/economia/pt-br/assuntos/planejamento-e-orcamento/orcamento>). Researchers should include details about all of the relevant websites and/or portals that can be used to access budget information.

Answer:

a. Yes

Source:

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

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

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

Financial Comptroller's General Office
www.fcgo.gov.np

Natural Resources and Fiscal Commission
<http://nnrfc.gov.np/>

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

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

National Planning Commission
<https://npc.gov.np/en>

Comment:

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

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

GQ-1b. On these websites/portals, can revenue and/or expenditure data for the current fiscal year be downloaded as a consolidated, machine readable file (or set of files)? If yes, please provide the necessary links in the comment/citation. For more information on machine readability, see:

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

GQ-1b, GQ-1c, and GQ-1d ask about whether governments publish specific types of content on their websites/portals: (a) consolidated files that contain disaggregated revenue and/or expenditure information for the current fiscal year; (b) consolidated files that contain disaggregated revenue and/or expenditure information for multiple years in consistent formats; and (c) infographics/visualizations or other similar tools used to simplify data access and analysis. Researchers should provide the links to relevant webpages and some explanations of what they contain.

Answer:

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

Source:

Information publicly available in the official website and telephonic conversation with Ministry of Finance Official.

Comment:

No Comment

Peer Reviewer

Opinion: Disagree

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

Comments: FCGO publishes budgetary data with filter by dates in aggregated form where information of today and past days of fiscal years can be seen and exported to excel, <https://fcgo.gov.np/daily-budgetary-analysis>

Government Reviewer

Opinion: I choose not to review this question

Comments: Please visit <https://data.mof.gov.np/> It will fulfill the condition of option "a"

Researcher Response

After reviewing the response of peer and government review, there are machine readable data in aggregated form for revenue and expenditure on following links. Link - <http://data.mof.gov.np/Default.aspx> This links provides information on revenue, expenditure, macroeconomic indicators in machine readable format. Link - <https://fcgo.gov.np/yearwisebudget/analysis> This shows the multiyear analysis of revenue and expenditure in aggregated format. These information are aggregated and only in form on revenue and expenditure. The answer remains same. Please review and suggest IBP.

IBP Comment

Considering the additional information provided by the government and peer reviewer the answer was changed from "d" to "a".

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

Answer:

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

Source:

Information publicly available in the official website and telephonic conversation with Ministry of Finance Official.

Comment:

There is no website where both machine readable expenditure and revenue figures can be downloaded.

Peer Reviewer

Opinion: Disagree

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

Comments: Aggregated data can be seen for which ever year you like with the link below : <https://fcgo.gov.np/daily-budgetary-analysis> Also Nepal rastra bank quarterly economic bulletin also contains aggregated data by years and quarters. (Please see the from page 56 onwards on government finance. <https://www.nrb.org.np/red/economic-bulletin-2022-07-mid-july/>)

Government Reviewer

Opinion: I choose not to review this question

Comments: Please visit the site <https://data.mof.gov.np/> and it will satisfy the condition of option "a"

Researcher Response

The answer remains the same with GQ-1b. If there is any change, the answer on this will also change. Otherwise it remains the same.

IBP Comment

Considering the additional information provided by the government and peer reviewer the answer was changed from "d" to "a".

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:

Not Any Such Source is found

Comment:

Though there are some single and some one & two graphics of holistic information but there is not any such interactive graphic display of information.

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:

Constitution of Nepal

The Nepal Constitution has paved the way for good governance in its preamble.

The following part sand articles of the Nepal Constitution has specific provisions on fiscal management and transparency/accountability arrangements.

Directive Principles

Distribution of sources of revenue: page 36

Article 110 (2,3 and 4) and 111: Part 9 and 10 : Page 59

Part 15 Provincial Legislative Procedures: Page 102

Part 16 Provincial Financial Procedures: Page 105

Part 10 Federal Financial Procedure: Page 63

Part 22 Auditor General : Page 125

<https://lawcommission.gov.np/en/wp-content/uploads/2021/01/Constitution-of-Nepal.pdf>

Audit Act 2019

<https://oag.gov.np/uploads/files/4uc-Audit-Act-2075.pdf>

Financial Procedure and Financial Accountability Liability Rules, 2077

<https://oag.gov.np/uploads/files/YLA->

<https://oag.gov.np/uploads/files/YLA-%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%95%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%AF%E0%A4%B5%E0%A4%BF%E0%A4%A7%E0%A4%BF%20%E0%A4%A4%E0%A4%A5%E0%A4%BE%20%E0%A4%B5%E0%A4%BF%E0%A4%A4%E0%A5%8D%E0%A4%A4%E0%A4%B0%E0%A4%A6%E0%A4%BE%E0%A4%AF%E0%A4%BF%E0%A4%A4%E0%A5%8D%E0%A4%B5%20%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A4%AE%E0%A4%BE%E0%A4%B5%E0%A4%B2%E0%A5%80,%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AD.pdf>

Intergovernmental Finance Management Act, 2074

<https://oag.gov.np/uploads/files/UWQ-%E0%A4%85%E0%A4%A8%E0%A5%8D%E0%A4%A4%E0%A4%B0-%E0%A4%B8%E0%A4%B0%E0%A4%95%E0%A4%BE%E0%A4%B0%E0%A5%80-%E0%A4%B5%E0%A4%BF%E0%A4%A4%E0%A5%8D%E0%A4%A4-%E0%A4%B5%E0%A5%8D%E0%A4%AF%E0%A4%B5%E0%A4%B8%E0%A5%8D%E0%A4%A5%E0%A4%BE%E0%A4%AA%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA.pdf>

Public Procurement Act, 2063

<https://oag.gov.np/uploads/files/myf-%E0%A4%B8%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B5%E0%A4%9C%E0%A4%A8%E0%A4%BF%E0%A4%95-%E0%A4%96%E0%A4%B0%E0%A4%BF%E0%A4%A6-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AC%E0%A5%A9..pdf>

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<https://oag.gov.np/uploads/files/eng-%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%95%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%AF%E0%A4%B5%E0%A4%BF%E0%A4%A7%E0%A4%BF%20%E0%A4%A4%E0%A4%A5%E0%A4%BE%20%E0%A4%B5%E0%A4%BF%E0%A4%A4%E0%A5%8D%E0%A4%A4%E0%A5>

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Local Government Operation Act, 2018

<https://oag.gov.np/uploads/files/VJU-%E0%A4%B8%E0%A5%8D%E0%A4%A5%E0%A4%BE%E0%A4%A8%E0%A5%80%E0%A4%AF-%E0%A4%B8%E0%A4%B0%E0%A4%95%E0%A4%BE%E0%A4%B0-%E0%A4%B8%E0%A4%9E%E0%A5%8D%E0%A4%9A%E0%A4%BE%E0%A4%B2%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA.pdf>

Financial Procedure and Financial Accountability Liability Rules, 2077

<https://oag.gov.np/uploads/files/YLA-%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%95%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%AF%E0%A4%B5%E0%A4%BF%E0%A4%A7%E0%A4%BF%20%E0%A4%A4%E0%A4%A5%E0%A4%BE%20%E0%A4%B5%E0%A4%BF%E0%A4%A4%E0%A5%8D%E0%A4%A4%E0%A5%80%E0%A4%AF%20%E0%A4%89%E0%A4%A4%E0%A5%8D%E0%A4%A4%E0%A4%B0%E0%A4%A6%E0%A4%BE%E0%A4%AF%E0%A4%BF%E0%A4%A4%E0%A5%8D%E0%A4%B5%20%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A4%AE%E0%A4%BE%E0%A4%B5%E0%A4%B2%E0%A5%80,%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AD.pdf>

National Natural Resources and Fiscal Commission Act, 2074 (2017)

<https://lawcommission.gov.np/en/wp-content/uploads/2021/01/National-Natural-Resources-and-Fiscal-Commission-Act-2074-2017.pdf>

Fiscal Act 2077

https://www.fcgo.gov.np/storage/uploads/uploads/2021-01-19/20210119141003_%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AD.pdf

Comment:

NA

Peer Reviewer

Opinion: Agree

Comments: I suggest to include good governance operation and management act also. <https://mofaga.gov.np/detail/1701>

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:

Right to Information Act 2064 (2007)

<https://www.lawcommission.gov.np/en/wp-content/uploads/2018/10/right-to-information-act-2064-2007.pdf>

Right to Information Rules, 2065 (2009)

<https://lawcommission.gov.np/en/?p=10092>

Comment:

Other Acts in Effect for Public Finance Management as mentioned in previous questions.

Constitution of Nepal

The Nepal Constitution has paved the way for good governance in its preamble.

The following part sand articles of the Nepal Constitution has specific provisions on fiscal management and transparency/accountability arrangements.

Directive Principles

Distribution of sources of revenue: page 36

Article 110 (2,3 and 4) and 111: Part 9 and 10 : Page 59

Part 15 Provincial Legislative Procedures: Page 102

Part 16 Provincial Financial Procedures: Page 105

Part 10 Federal Financial Procedure: Page 63

Part 22 Auditor General : Page 125

<https://lawcommission.gov.np/en/wp-content/uploads/2021/01/Constitution-of-Nepal.pdf>

Audit Act 2019

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Public Procurement Act, 2063

[https://oag.gov.np/uploads/files/myf-](https://oag.gov.np/uploads/files/myf-%E0%A4%B8%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B5%E0%A4%9C%E0%A4%A8%E0%A4%BF%E0%A4%95-%E0%A4%96%E0%A4%B0%E0%A4%BF%E0%A4%A6-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AC%E0%A5%A9..pdf)

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Financial Procedures and Fiscal Accountability Act, 2019

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Local Government Operation Act, 2018

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Financial Procedure and Financial Accountability Liability Rules, 2077

[https://oag.gov.np/uploads/files/YLA-](https://oag.gov.np/uploads/files/YLA-%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%95%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%AF%E0%A4%B5%E0%A4%BF%E0%A4%A7%E0%A4%BF%20%E0%A4%A4%E0%A4%A5%E0%A4%BE%20%E0%A4%B5%E0%A4%BF%E0%A4%A4%E0%A5%8D%E0%A4%A4%E0%A5%80%E0%A4%AF%20%E0%A4%89%E0%A4%A4%E0%A5%8D%E0%A4%A4%E0%A4%B0%E0%A4%A6%E0%A4%BE%E0%A4%AF%E0%A4%BF%E0%A4%A4%E0%A5%8D%E0%A4%B5%20%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A4%AE%E0%A4%BE%E0%A4%B5%E0%A4%B2%E0%A5%80,%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AD.pdf)

[%](https://oag.gov.np/uploads/files/YLA-%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%95%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%AF%E0%A4%B5%E0%A4%BF%E0%A4%A7%E0%A4%BF%20%E0%A4%A4%E0%A4%A5%E0%A4%BE%20%E0%A4%B5%E0%A4%BF%E0%A4%A4%E0%A5%8D%E0%A4%A4%E0%A5%80%E0%A4%AF%20%E0%A4%89%E0%A4%A4%E0%A5%8D%E0%A4%A4%E0%A4%B0%E0%A4%A6%E0%A4%BE%E0%A4%AF%E0%A4%BF%E0%A4%A4%E0%A5%8D%E0%A4%B5%20%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A4%AE%E0%A4%BE%E0%A4%B5%E0%A4%B2%E0%A5%80,%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AD.pdf)

National Natural Resources and Fiscal Commission Act, 2074 (2017)

<https://lawcommission.gov.np/en/wp-content/uploads/2021/01/National-Natural-Resources-and-Fiscal-Commission-Act-2074-2017.pdf>

Fiscal Act 2077

[https://www.fcgo.gov.np/storage/uploads/uploads/2021-01-](https://www.fcgo.gov.np/storage/uploads/uploads/2021-01-19/20210119141003_%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AD.pdf)

[19/20210119141003_](https://www.fcgo.gov.np/storage/uploads/uploads/2021-01-19/20210119141003_%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AD.pdf)

Peer Reviewer

Opinion: Agree

Comments: I agree but suggest to include good governance Act also <https://mofaga.gov.np/detail/1701>

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:

The classification of budget by administrative unit are presented in budget speech.

(Annex - 4, Page 69)

<https://www.mof.gov.np/site/publication-detail/3185>

The similar Classification can also been seen in Budget Details: Red Book published by Ministry Of Finance.

(Annex -2, Page 515)

<https://www.mof.gov.np/site/publication-detail/3180>

Comment:

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:

The budget speech do contain the expenditures for the budget year by functional classification.

(Annex - 3, Page 67)

<https://www.mof.gov.np/site/publication-detail/3185>

The similar Classification can also been seen in Budget Details: Red Book published by Ministry Of Finance.

(Annex - 1, Page 513)

<https://www.mof.gov.np/site/publication-detail/3180>

Comment:**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/qfs/manual/pdf/ch6ann.pdf>.

Answer:

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

Source:

The current functional classification as presented in executive budget proposal meets the norms and requirements of the international standards.

Functional Classification - Annex 3, Page 67 in Budget Speech

<https://www.mof.gov.np/site/publication-detail/3185>

Likewise the same can be found on red book published by the government which is a part of executive budget document.

Annex -1, Page 513

<https://www.mof.gov.np/site/publication-detail/3180>

Comment:**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:

Annex - 7 of the Executive's Budget Proposal contains expenditures for the budget year by economic classification. The classification have economic heads and also line items classification of the same.

Budget Speech - Annex 7, Page 76

<https://www.mof.gov.np/site/publication-detail/3185>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

Answer:

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

Source:

Classification of expenditure that are presented budget speech are in line with with international norms and standard.

Budget Speech - Annex - 7, Page 76

<https://www.mof.gov.np/site/publication-detail/3185>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

GUIDELINES:

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

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

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

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

Answer:

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

Source:

Red Book - PDF Page 1 to 529
<https://www.mof.gov.np/site/publication-detail/3180>

Comment:

The red book details on expenditure for each program for Fiscal Year 2022-2023.
The programs wise information are provided in respect to expenditure presented for each administrative unit.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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

GUIDELINES:

Question 7 asks if multi-year expenditure estimates are presented by any one of the three expenditure classifications – by administrative, economic, and

functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on.

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

Answer:

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

Source:

There is no such practice of multiyear estimates of expenditures beyond 2yrs from budget year in executive budget proposal.

Comment:

However, it should be noted that Nepal has practice of presenting Medium Term Expenditure Framework (MTEF) by National Planning Commission (NPC). It contains the information on multi year expenditure estimates for administrative and functional classification of expenditure for current year and coming 2 fiscal years. All the expenditure classification has multi year estimates on MTEF.

Medium Term Expenditure Framework - Annex 1.1 and 1.2 and 2.1 & 2.2 - Page 521, 523, 525, 527

<https://npc.gov.np/images/category/211123112437MTEF-2078-08-06-1.pdf>

Peer Reviewer

Opinion: Agree

Comments: MTEF includes multi year projection but this document is not presented to the parliament either as a part of budget document or separate document. It is published by national planning commission which can be considered as central budget authority headed by prime minister but as MTEF is published at least a week after budget proposal I agree with the option selected by the researcher.

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: MTEF is the essential parts of the Federal Budget Documents presenting to the Parliament. It contains the information on multi year expenditure estimates for administrative and functional classification of expenditure for current year and coming 2 fiscal years. All the expenditure classification has multi year estimates on MTEF.

Researcher Response

MTEF though part of the Budget Documents, its not presented to the Parliament as part of the Executive's Budget Proposal. The answer remains same.

IBP Comment

IBP appreciates the comment provided by the government reviewer. Although the information can be found in the MTEF, this document is not presented as part of the Executive's Budget Proposal (EBP) by the government to the Parliament. The answer "d" suggested by the researcher is accurate.

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

Answer:

None of the above

Source:

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

Comment:

However, it should be noted that Nepal has practice of presenting Medium Term Expenditure Framework (MTEF) by National Planning Commission

(NPC). It contains the information on multi year expenditure estimates for administrative and functional classification of expenditure for current year and coming 2 fiscal years. All the expenditure classification has multi year estimates on MTEF.
Medium Term Expenditure Framework - Annex 1.1 and 1.2 and 2.1 & 2.2 - Page 521, 523, 525, 527
<https://npc.gov.np/images/category/211123112437MTEF-2078-08-06-1.pdf>

Peer Reviewer

Opinion: Agree

Comments: MTEF includes projections by administrative classification and economic classification. As this is not being considered as executive budget proposal I agree with researcher's response.

Government Reviewer

Opinion: Disagree

Suggested Answer: MTEF contains the information of Economic classification for a multi year period.

Researcher Response

Like wise of 7a, the answer remains same.

IBP Comment

See the comment in the previous question (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/qfs/manual/pdf/app4.pdf>).

Answer:

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

Source:

No multi-year estimates for programs are presented in Executive's Budget Proposal.

Comment:

However, it should be noted that Nepal has practice of presenting Medium Term Expenditure Framework (MTEF) by National Planning Commission (NPC). It contains the information on multi year expenditure estimates for administrative and functional classification of expenditure for current year

and coming 2 fiscal years. All the expenditure classification has multi year estimates on MTEF.

Medium Term Expenditure Framework -

<https://npc.gov.np/images/category/211123112437MTEF-2078-08-06-1.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:

Budget Speech Nepali - Annex - 2 , Page - 92

<https://www.mof.gov.np/site/publication-detail/3176>

Comment:

Budget Speech contains all information on sources of tax revenue for the Fiscal Year. Taxes on incomes, gains and profits, Taxes on Payroll, Taxes on Property are some of the heads under which tax incomes are collected.

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:

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

Source:

Budget Speech Nepali - Annex 2 Page 92
<https://www.mof.gov.np/site/publication-detail/3176>

Comment:

Budget Speech contains all information on sources of non - tax revenue for the Fiscal Year. Property Income, Interest, Dividends, Administrative fees, rent and royalties, other administrative fess, miscellaneous etc. are some of the heads under which non tax incomes are collected.

Taking miscellaneous Non Tax Revenue against Total Non Tax Revenue which results into 11.4%.

75204 - Misc Revenue

657757 - Total Non Tax Revenue

This is less than 2/3 of the total non tax.

Thus answer B suffices.

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:

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

Source:

No such information is produced presenting multiyear estimates of revenues.

Comment:

Peer Reviewer

Opinion: Agree

Comments: MTEF which is published just after EB contains revenue estimate. This is published by MTEF as the committee of MTEF headed by NPC vice chairperson with representation of MoF. See pdf page 32 for projections. However, This is not presented to the parliament along with EB. I thus did not disagree with the researcher.

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

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

Answer:

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

Source:

Comment:

No such multi-year estimates for individual sources of revenues are presented in any budget proposal document presented by the executive in the parliament.

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:

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

Source:

The amount of net new borrowing required during the budget year & the interest payments on the outstanding debt for the budget year are the two estimates in relation to borrowing and debt are presented in the Budget Documents.

Budget Speech - Annex 1- PDF Page 65 details on both domestic net borrowings as well as foreign net borrowing.

Budget Speech - Annex 5 - PDF Page 72 details on interest on foreign loan and domestic loans.

Budget Speech - Annex 6 - PDF Page 75 - Details on Principal Repayment & Interest Payment

Budget Speech - Annex 11 PDF Page 91- Summary of Foreign Grants & Loan

The red book published by Ministry of finance also do contains information on these borrowings and interest payments.

Budget Speech 2022/23 - <https://www.mof.gov.np/site/publication-detail/3185>

Red Book - <https://www.mof.gov.np/site/publication-detail/3180>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: Economic Survey is one of the major supporting document of EB. This contains total outstanding loans (domestic and foreign) as of current fiscal year. Other two estimates i.e. new borrowing required and interest payments are in the budget speech. See PDF page 77, 304 and 305.

My opinion is that economic survey is supporting document of EBP.

file:///C:/Users/ANIRUDRA/Desktop/1653758845_%E0%A4%86%E0%A4%B0%E0%A5%8D%E0%A4%A5%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%B0%E0%A5%8D%E0%A4%B5%E0%A5%87%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%A3%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AE_%E0%A5%AD%E0%A5%AF.pdf

Government Reviewer

Opinion: Agree

Researcher Response

Agreed with Peer review. Economic Survey is one of the major supporting document of EBP. This contains total outstanding loans (domestic and foreign) as of current fiscal year. Other two estimates i.e. new borrowing required and interest payments are in the budget speech. See PDF page 60 - Public Debt PDF Page 223 - Net Domestic Loan PDF Page 305 - Net Foreign Loan Link - <https://www.mof.gov.np/site/publication-detail/3228> Peer review See PDF page 77, 304 and 305. My opinion is that economic survey is supporting document of EBP Link - <https://www.mof.gov.np/site/publication-detail/3170> The answer is A

IBP Comment

Considering the additional evidence provided by the peer reviewer and after a second review conducted by the researcher, the original answer was changed from "b" to "a".

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

The central government's total debt burden at the end of the budget year

Source:

Two estimates are present in Executive Budget Proposal Document.
Interest Payments and Net Borrowings.

Budget Speech - Annex 1- PDF Page 65 details on both domestic net borrowings as well as foreign net borrowing.

Budget Speech - Annex 5 - PDF Page 72 details on interest on foreign loan and domestic loans.

Budget Speech -Annex 6 - PDF Page 75 - Details on Principal Repayment & Interest Payment

<https://www.mof.gov.np/site/publication-detail/3185>

Comment:**Peer Reviewer**

Opinion: Disagree

Suggested 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

Comments: The second one is presented in economic survey. I suggest researchers to including this document as supporting documents of EBP as it is tabled at the parliament just before the budget.

Government Reviewer

Opinion: Agree

Researcher Response

Changes in 13 and the answer of this is changed as well 13 - Answer is changed & answer is as follows. Economic Survey is one of the major supporting document of EBP. This contains total outstanding loans (domestic and foreign) as of current fiscal year. Other two estimates i.e. new borrowing required and interest payments are in the budget speech. See PDF page 60 - Public Debt PDF Page 223 - Net Domestic Loan PDF Page 305 - Net Foreign Loan Link - <https://www.mof.gov.np/site/publication-detail/3228> Peer review See PDF page 77, 304 and 305. My opinion is that economic survey is supporting document of EBP Link - <https://www.mof.gov.np/site/publication-detail/3170> The answer is A

IBP Comment

See comment in the question 13.

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:

c. Yes, information is presented for the composition of the total debt outstanding, but it excludes some core elements.

Source:

Domestic and foreign loan are two major components of debt of Government.
No such information on total debt is shown in documents. What are maturity periods & interest rates etc are not available.

Annex 4 PDF page 70 has only information of domestic debt service as well as foreign debt service.
<https://www.mof.gov.np/site/publication-detail/3185>

Though there is annex 11 PDF Page 91 of summary of foreign loans and grants but it doesn't satisfy the requirement.

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, information is presented for the composition of the total debt outstanding, but it excludes some core elements.

Government Reviewer

Opinion: Agree

Researcher Response

As peer reviewer suggested, the information of foreign and domestic debt is only there. Therefore, if it satisfies the answer criteria then answer can be C.

IBP Comment

As indicated by the peer reviewer and the researcher the information about whether the debt is domestic or external - although not complete - is presented. The original answer was changed from "d" to "c".

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

Answer:

Whether the debt is domestic or external

Source:

Domestic and foreign loan are two major components of debt of Government. No such information on total debt is shown in documents. What are maturity periods & interest rates etc are not available.
Budget Speech & Red Book have details on summary of sources of debt borrowing along with bifurcation of the same for federal, provincial and local levels. The breakdown of external (bilateral and multilateral) and domestic borrowing are provided on budget speech documents.

Annex 4 of Budget Speech PDF Page 70 Administrative Expenditure Estimates (Including Financing) presents information in debt service on domestic and external level.

<https://www.mof.gov.np/site/publication-detail/3185>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: Whether the debt is domestic or external Information beyond the core elements (please specify) (Summary of loan and debt at annex 7 of the red book) : file:///C:/Users/ANIRUDRA/Desktop/1654143439_redbook%20(Final).pdf and details of foreign loan in source book or white book : <https://mof.gov.np/site/publication-category/45>

Government Reviewer

Opinion: Agree

Researcher Response

As peer reviewer suggested, the information of foreign and domestic debt is only available. If 14 answer is C accepted, the changes of peer is applied here.

IBP Comment

See comment in the 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:

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

Source:

Budget Speech provides some information about macroeconomic indicators like of inflation rates and Economic growth projection.

Page 4 (pdf) provides information on projected economic growth.

Page 62 (pdf) provides the information on inflation.

<https://www.mof.gov.np/site/publication-detail/3185>

Comment:

Economic Survey provides detailed in-depth information on performance of various aspects of macroeconomic components like inflation rate, GDP growth, interest rate etc.

However, the information is for BY-1 (Previous Year).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Answer:

Inflation rate
Real GDP growth

Source:

Budget Speech provides some information about macroeconomic indicators like of inflation rates and Economic growth projection.

Page 4 (pdf) provides information on projected economic growth.

Page 62 (pdf) provides the information on inflation.

<https://www.mof.gov.np/site/publication-detail/3185>

Comment:

Economic Survey provides detailed in-depth information on various aspects of macroeconomic components like inflation rate, GDP growth, interest rate etc. for BY-1.

<https://www.mof.gov.np/site/publication-detail/3170>

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/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:

<https://www.mof.gov.np/site/publication-detail/3185>

Comment:

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

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:

<https://www.mof.gov.np/site/publication-detail/3185>

Comment:

There are always some new programs and some modification on existing ones.

These changes are common in the budget proposal. But such plan effects on expenditures are not detailed on budget speech sufficiently.

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:

<https://www.mof.gov.np/site/publication-detail/3185>

The policy proposals for revenue are presented on Page 57 - 61 on budget speech document.

Annex 2 - Page 66 details on summary of revenue and grant estimates.

Comment:

The Budget Speech narrative typically discusses new tax initiatives for the budget year. However, the impact of new tax initiatives on revenue estimates is not clear. Answer C was chosen because of the lack of clarity.

The increase in projections of revenue estimates could be due to increase in number of tax payers, inflation, economic growth and other factors.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

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

Answer:

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

Source:

Administrative Classification - Annex 8 Page 82

Economic Head Classification - Annex 7 Page 76

<https://www.mof.gov.np/site/publication-detail/3185>

Comment:

The Budget Speech presents estimates for expenditure for BY - 1 for only two out of asked 3 expenditure classification.

Peer Reviewer

Opinion: Agree

Comments: Allocation for both year is presented by functional classification also but not by expenditure. Please, see the pdf page 513 of red book. file:///C:/Users/ANIRUDRA/Desktop/1654143439_redbook%20(Final)%20(1).pdf

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

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

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

Answer:

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

Source:

Red Book - <https://www.mof.gov.np/site/publication-detail/3180>

Comment:

Red Book published by Ministry of Finance contains detailed information for each and every programs for fiscal year total expenditure on each programs.

The information on each program spending amount are provided in each administrative unit expenditure sections.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

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

Answer:

a. Yes, expenditure estimates for BY-1 have been updated from the original enacted levels.

Source:

The Budget Speech Document do contain information about the BY-1 on revised expenditure estimates.

Annex 7 - PDF Page 76- Expenditure by Economic Head

Annex 8 - PDF Page 82- Administrative Classification of Expenditure

Budget Speech - <https://www.mof.gov.np/site/publication-detail/3185>

Similarly the Red book also contains the information of BY-1 on revised expenditure estimate version.

Red Book - <https://www.mof.gov.np/site/publication-detail/3180>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

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

Answer:

b. Yes, expenditure estimates for BY-2 and prior years are presented by two of the three expenditure classifications.

Source:

The Budget Speech presents estimates for expenditure for year prior to BY - 1 for only two out of asked 3 expenditure classification.

Annex 7 - PDF Page 76- Expenditure by Economic Head

Annex 8 - PDF Page 82- Administrative Classification of Expenditure

Budget Speech - <https://www.mof.gov.np/site/publication-detail/3185>

Likewise The Red book 2077 do also have ample information in expenditure for administrative units for year Prior to B-1 year.

Red Book - <https://www.mof.gov.np/site/publication-detail/3180>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Answer:

Administrative classification

Economic classification

Source:

The Budget Speech presents estimates for expenditure for year prior to BY - 1 for only two out of asked 3 expenditure classification.
Annex 7 - PDF Page 76- Expenditure by Economic Head
Annex 8 - PDF Page 82- Administrative Classification of Expenditure

Budget Speech - <https://www.mof.gov.np/site/publication-detail/3185>

Likewise The Red book 2077 do also have ample information in expenditure for administrative units for year Prior to B-1 year.
Red Book - <https://www.mof.gov.np/site/publication-detail/3180>

Comment:

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:

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

Source:

Red Book Details on Expenditure for each and every programs for BY-2 time period amounting to actual total expenditures. These are provided in information on spending data which are presented as expenditure for each administrative units.

Red Book - <https://www.mof.gov.np/site/publication-detail/3180>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

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

Answer:

a. Two years prior to the budget year (BY-2).

Source:

The Budget Speech presents actual data for expenditure of Year B-2 for only two out of asked 3 expenditure classification.

Annex 7 - PDF Page 76- Expenditure by Economic Head

Annex 8 - PDF Page 82- Administrative Classification of Expenditure

Budget Speech - <https://www.mof.gov.np/site/publication-detail/3185>

Likewise Red Book Details on Expenditure for each and every programs for BY-2 time period amounting to actual total expenditures. These are provided in information on spending data which are presented as expenditure for each administrative units.

Red Book - <https://www.mof.gov.np/site/publication-detail/3180>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

Answer:

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

Source:

Budget Speech - <https://www.mof.gov.np/site/publication-detail/3185>

Comment:

The Budget Speech document does presents the revenue by category for the year preceding to Budget Year.

Annex 2 - Receipts of Revenue and Grant Estimates -PDF page 66 has revised estimates of Receipts of Revenue and Grants of B-1 Year which classified revenues in tax and non tax category.

Likewise Annex 1(PDF Page - 65) has revised estimates with the name Budget Summary.

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:

The information is provided in details of taxes and non taxes sources of revenue for the year prior to budget year. i.e. B-1 Year. The taxes are classified further into the categories salary tax, wealth tax, corporate tax, individual and firm taxes etc. There is extensive information in detailed forms about sources of revenue for the year prior to the budget year.

Annex - 2 , Page - 92 - Revenue and Grants Estimations in Budget Speech Nepali
<https://www.mof.gov.np/site/publication-detail/3176>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

Answer:

a. Yes, revenue estimates for BY-1 have been updated from the original enacted levels.

Source:

The Annex 2 contains revised revenue estimates for B-1 Year.

Annex 2- PDF page - 66 - Receipts of Revenue and Grant Estimates
Budget Speech - <https://www.mof.gov.np/site/publication-detail/3185>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

Answer:

a. Yes, revenue estimates for BY-2 and prior years are presented by category.

Source:

The Budget Speech Document do presents revenue estimates by category (such as tax and non-tax) for more than one year prior to the budget year.

Annex 2- PDF page - 66 Receipts of Revenue and Grant Estimates

Likewise Annex1 -Budget Summary - Page 65 also presents the estimates of more than one year prior to budget year.

Budget Speech - <https://www.mof.gov.np/site/publication-detail/3185>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

Answer:

a. Yes, individual sources of revenue accounting for all revenue are presented for BY-2 and prior years.

Source:

The Budget Speech Document do presents the sources of revenue for for more than one year prior to the budget year i.e. BY-2 Year

Annex 2- PDF page - 92 Receipts of Revenue and Grant Estimates

Budget Speech Nepali - <https://www.mof.gov.np/site/publication-detail/3176>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

Answer:

a. Two years prior to the budget year (BY-2).

Source:

B-2 Year is the most recent year presented for which all revenues reflect actual outcomes

Annex 2- PDF page - 66 Receipts of Revenue and Grant Estimates

Likewise Annex 1- PDF page 65 - Budget Summary also has the most recent year presented for which all revenues reflect actual outcomes

Budget Speech - <https://www.mof.gov.np/site/publication-detail/3185>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

GUIDELINES:

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

The "core" information includes:

- *total debt outstanding at the end of BY-1;*
- *amount of net new borrowing required during BY-1;*
- *interest payments on the debt;*
- *interest rates on the debt instruments;*

- maturity profile of the debt; and
- whether it is domestic or external debt.

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

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

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

Answer:

b. Yes, the core information is presented for government debt.

Source:

1. Macroeconomic Indicators - Page 177 Onward with information on debt, interest, loans etc.
2. Amount of net new borrowing required during BY-1: Budget Speech Annex 1- PDF Page 65 - Budget Summary Provides the information on net borrowing with showing net domestic borrowing and external net borrowing with revised estimates.
3. Interest payments - Budget Speech Annex 6- PDF Page 78- Budget Summary Provides the information on net borrowing with showing net domestic borrowing and external net borrowing with revised estimates.
4. Interest Rates on Debt Instruments - Economic Survey - Page 25 Trend of Debt Servicing Expense (As percentage of GDP)
5. Interest Payment Budget Speech - Annex 5 PDF Page 71 Interest on Foreign Loan and Internal Loan
6. Economic Survey - Point 17 of page 19 of executive summary details on internal and external loans

Budget Speech - <https://www.mof.gov.np/site/publication-detail/3185>
 Economic Survey - <https://www.mof.gov.np/site/publication-detail/3228>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

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

It is essential that all government activities that may have an impact on the budget – in the current budget year or in future budget years – be fully disclosed to the legislature and the public in budget documents. In some countries, for instance, entities outside central government (such as public corporations) undertake

fiscal activities that could affect current and future budgets. Similarly, activities that can have a significant impact on the budget, such as payment arrears and contingent liabilities, sometimes are not properly captured by the regular presentations of expenditure, revenue, and debt.

Answer:

a. Two years prior to the budget year (BY-2).

Source:

Budget Speech - Annex 7 PDF Page 81 - Foreign Loan and Internal Loan
Economic Survey - Page 48 - Trend of Borrowings and Net Public Debt

Budget Speech - <https://www.mof.gov.np/site/publication-detail/3185>
Economic Survey - <https://www.mof.gov.np/site/publication-detail/3228>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

(The core information must include a statement of purpose or policy rationale for the extra-budgetary fund; and complete income, expenditure, and financing data on a gross basis.)"

GUIDELINES:

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

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

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

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

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

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

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to extra-budgetary funds as well as some additional information beyond the core elements. A "b" answer applies if the Executive's Budget Proposal or supporting documentation presents all of the core information. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to extra-budgetary funds is presented, but some of the core pieces of information are not included.

Answer "d" applies if no information is presented on extra-budgetary funds.

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

Answer:

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

Source:

No information on extra budgetary funds are provided in Executive Budget Documents.

Comment:

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:

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

Source:

Red Book is the major document with detailed version of information in budget. Nepal Government has no practice of presenting central government finances (both budgetary and extra-budgetary) in a consolidated manner. The situation is no different than on previous OBS for Nepal.

Estimates of Expenditure (Heading-wise Expenditure and Sources): Red Book FY 2022 23

<https://www.mof.gov.np/site/publication-detail/3180>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

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

Answer:

a. Yes, estimates of all intergovernmental transfers are presented, along with a narrative discussion.

Source:

Economic Survey - Page 62 - Inter-governmental Fiscal Transfer

Budget Speech -

Annex 7 Page 78 - 26300 - Grants to Other tiers of Government

Annex 6 Page 75 - 5 & 6 - Conditional Grants and Fiscal Grants

Annex 5 - Page 72- 26300 - Grants to Other tiers of Government

Annex 4 - Page 70 - 701 & 801 - Province and Local Level Transfer Details

Annex 3- Page 67 - Transfer Between Different Levels of Government

Inter-Governmental Fiscal Transfer - The govt. publishes each grants in clear number and in details with segregating grants into 4 different grants for each levels in this document.

<https://www.mof.gov.np/site/publication-detail/3181>

Budget Speech - <https://www.mof.gov.np/site/publication-detail/3185>

Economic Survey - <https://www.mof.gov.np/site/publication-detail/3228>

Comment:

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

Peer Reviewer

Opinion: Agree

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:

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

Source:

Budget Speech - <https://www.mof.gov.np/site/publication-detail/3185>

Red Book - <https://www.mof.gov.np/site/publication-detail/3180>

Comment:

The Executive Budget Speech do contain two alternative displays of expenditure.

Annex 9 - Gender Responsive Budget (PDF Page 86) and Annex 10 - Climate Budget (PDF Page 89) are alternative displays of expenditure to illustrate financial impact of policies for the budget year.

The Red book also do present the information regarding gender and climate budget

Climate Budget - Annex 6 PDF Page 525

Gender Budget - Annex 5 PDF Page 523

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
Impacts of budget policies on climate

Source:

Budget Speech - <https://www.mof.gov.np/site/publication-detail/3185>
Red Book - <https://www.mof.gov.np/site/publication-detail/3180>

Comment:

The Executive Budget Speech do contain two alternative displays of expenditure.

Annex 9 - Gender Responsive Budget (PDF Page 86) and Annex 10 - Climate Budget (PDF Page 89) are alternative displays of expenditure to illustrate financial impact of policies for the budget year.

The Red book also do present the information regarding gender and climate budget
Climate Budget - Annex 6 PDF Page 525
Gender Budget - Annex 5 PDF Page 523

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:

Budget Speech - Annex 5 - Page 72- Subsidy to public enterprise in the name of Operating Subsidy and Capital subsidy.
Budget Speech - Annex 5 Page 74 - Domestic financial assistance in the name of loan investment and share investment to public enterprise.

Budget Speech - <https://www.mof.gov.np/site/publication-detail/3185>

Comment:

Since there is no reporting of estimated individual transfers to public corporations for the budget year, this score is C. MoF does publish a Yellow Book that presents expenditures of SOEs. However, this document is not published within the OBS methodology time-frame.
Yellow Book - <https://www.mof.gov.np/site/publication-detail/3172>

Peer Reviewer

Opinion: Agree

Comments: Total amount of loan provided to public enterprises are displayed in annex 1 of budget speech. <https://mof.gov.np/site/publication-detail/3185>. However, as there is no row for grant transfer I could not suggest to go for option 2 due to lack of evidence regarding grant transfers.

Government Reviewer

Opinion: Agree

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

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

GUIDELINES:

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

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

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

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

Beyond the core information, some governments may also provide other information about quasi-fiscal activities, including for example: the anticipated duration of the quasi-fiscal activity; a quantification of the activity and the assumptions that support these estimates; and a discussion of the fiscal significance and potential risks associated with the activity, including the impact on the entity carrying out the activity. Principle 3.3.2 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/JMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.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:

No such information is there in the budget proposal documents.

Comment:

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:

Budget Speech - Annex 2 - PDF Page 66 - Receipts and Revenue Grants Estimates

Information from previous years is available in economic survey, but it is about incomes from these assets as gains, not listings, value or quantity of such assets.

<https://www.mof.gov.np/site/publication-detail/3185>

Comment:

The Budget document doesn't presents any information on financial assets and their values on the date.

Nepal government is practicing cash based accounting system not the accrual system so that the liabilities and properties are not clearly reflected in the government budget documents.

The SAI has recommended the government adopt accrual-based accounting system.

Budget Speech Provides some form of limited information on financial assets throw the data of revenue from such financial government assets in the form of interest and dividends.

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:

Budget Speech - Annex -2 PDF Page - 66 Receipts of Revenue and Grant Estimates
<https://www.mof.gov.np/site/publication-detail/3185>

Information from previous years is available in economic survey, but it is about incomes from these assets as gains (flow), not listings, value or quantity (stock) of such non financial assets.

Comment:

EBP documentation does not include a list of non-financial assets and their estimated values. It is not reflected because Government of Nepal is not preparing balance sheet anymore. Nepal government is practicing cash based accounting system not the accrual system so that the liabilities and properties are not clearly reflected in the government budget documents.

The SAI has recommended the government adopt accrual-based accounting system.

Budget Speech Provides some form of limited information on nonfinancial assets through the data of revenue from such non financial government assets in the form of rents and royalty.

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:

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

Source:

Budget documents doesn't present any information on arrears for the budget years.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

GUIDELINES:

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

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

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

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

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

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

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

Answer:

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

Source:

Budget Speech of Fiscal Year 2022-23

Budget Speech Annex 5 (Expenditure Estimates Line Item Wise Details) PDF page 74 have presented information on capital contingencies.

These are not contingent liabilities however (which are government guarantees of debt, etc).

<https://www.mof.gov.np/site/publication-detail/3185>

Comment:

The trend of the government providing loan guarantees to the hydro power developers of Nepal while signing agreement with international bidders still continues.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

GUIDELINES:

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

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

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

Beyond the core information, some governments may also provide other information about the sustainability of their finances, including for example:

projections that cover 20 or 30 years; multiple scenarios with different sets of assumptions; assumptions about other factors (such as the depletion of natural resources) that go beyond just the core macroeconomic and demographic data; and a detailed presentation of particular programs that have long time horizons, such as civil service pensions.

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

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

Answer:

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

Source:

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

Comment:

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:

Ministry of Finance produce and publish document name "Statement of Technical Assistance and Other Assistance" as a part of EBP which presents information on assistance received from bilateral and multilateral sources including assistance from INGOs. The book also presents the narratives of the assistance such as name of the project/program, starting/ending date, major activities, total project cost, estimated annual amount of assistance, donors.

Statement of Technical Assistant - <https://www.mof.gov.np/site/publication-detail/3039>

Besides that Budget Speech as well as red book has the summary annex of Foreign Grant & Loan.

Budget Speech - Annex 11, Page 91
<https://www.mof.gov.np/site/publication-detail/3185>

Red Book - Annex 7, Page 527
<https://www.mof.gov.np/site/publication-detail/3180>

Comment:

Nepal receives development assistance both from bilateral as well as multilateral development partners. In addition, the Government is also able to track the foreign aid mobilized by the INGOs. The development cooperation in Nepal is mobilized in two ways. One is through the Government budgetary system and another is outside the Government budgetary system. Those projects/programs reflected in the Annual Income and Expenditure Estimates (Red Book) of the Government are on-budget and those projects/programs which are not covered in the national budget are understood as off-budget projects/programs.

All off-budget projects/programs are presented in the form of the Statements of Technical and Other Assistance (TA Book). Aid Management Platform (AMP) of the International Economic Cooperation Coordination Division of the Ministry of Finance and the information received from both DPs and sectoral ministries have been used as the primary sources of information related to Technical Assistance. Likewise, for the programs implemented through INGOs, the information received from Social Welfare Council has been used as the primary source. It has been anticipated that this publication will be useful to Government agencies and Development Partners to implement and monitor the off-budget projects/programs, and to all other professionals, economists, researchers, teachers, students, and other individuals interested in foreign aid mobilization in Nepal.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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

GUIDELINES:

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

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

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

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

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

Answer:

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

Source:

Budget Speech Point 385 - Page 57 to Point 420 page 61 provides information on some tax policy measures where as tax rebate and incentives with intention of growth in various sectors.

The information regarding estimates for revenue forgone is not provided as such.

Budget Speech - <https://www.mof.gov.np/site/publication-detail/3185>

Comment:

Peer Reviewer

Opinion: Agree

Comments: Finance bill includes all amendments in tax rates and scope of tax revenue. Finance bill 2079 has provision of tax discounts for business affected by COVID 19 with certain capital and transaction limit. Budget how much revenue is foregone is not estimated or projected. I thus agree with the researcher.

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:

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

Source:

Budget Speech (nepali)

<https://www.mof.gov.np/site/publication-detail/3176>

Comment:

Budget document provides information (including budget year estimates of the revenues going into the Fund).

Annex 2 of Budget Speech which shows revenue and grants estimates have dedicated sources.

PDF age - 94 with Tax for Infra Development and Control of Pollution which are earmarked revenues.

The government levies taxes for different causes such as infrastructure tax, environment tax on petroleum products, pollution fee and others for specific purposes and the dedicated revenue is not deposited to the funds set up for the purpose.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

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

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

Answer:

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

Source:

The Budget Speech provides a narrative discussion of the government's budget policy priorities, (point 4 & 6 page 3 and point 11 & 12 page 4) of broad sector/policy areas (for spending).

Point 18 of page 6 details on proposed the sector-wise programmes to implement the vision.

With the motive of Stability, Productiveness and Employment Growth: Inclusive Development, Self reliance and Economic Prosperity, the objectives of the budget are as follows:

- a. To achieve high and sustainable economic growth by building a production-based economy,
- b. To generate employment and alleviate poverty through integrated mobilization of available natural resources, human resource, capital, and technology,
- c. To ensure macroeconomic stability by maintaining financial discipline and keeping inflation within the desired limit,
- d. To establish federalism as a vehicle of prosperity by transferring means and resources to the provinces and local levels,
- e. To build the basis of a balanced, inclusive, self-reliant, and socialism-oriented economy through economic and social transformation.

Likewise the budget priorities as follows:

- a. Transformation of the agriculture sector,
- b. Increment of production and productivity, generation of employment and alleviation of poverty in collaboration with government, private and cooperative sectors,
- c. Local economic development based on innovation,
- d. Human resource development,
- e. Infrastructure development and capital formation,
- f. Hydropower generation, transmission line expansion and rural electrification,
- g. Industrial development, investment promotion and recovery of the tourism sector
- h. Environmental protection, disaster management and risk reduction of climate change,
- i. Effective public service and promotion of good governance as well as periodic election,
- j. Scientific research and development.

A full set of detailed estimates including a breakdown for each administrative unit by categories that can be considered qualifying as "program-level" spending, is provided in the Red Book. However, despite the detail, it is not easy to link the policy initiatives set out and described in the Budget Speech to specific spending estimates provided in the Red Book, since the latter does not distinguish new versus existing levels of spending for either administrative units or for "program-level" level spending (noting that the latter are often identified by a more specific administrative unit - e.g. department - rather than by an output-based program label).

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

A third EBP document (in Nepali only) adds to the available information about the Government's annual policy priorities. That third document is the "Annual Development Program" produced and published by National Planning Commission of Government of Nepal.
<https://www.npc.gov.np/images/category/ADP.pdf>

Budget Speech - <https://www.mof.gov.np/site/publication-detail/3185>
Red Book - <https://www.mof.gov.np/site/publication-detail/3180>

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

National Planning Commission has prepared the document in which it has presented main outcome indicators and goals, budget appropriation and estimates of medium-term expenditure framework, budget appropriation and estimates allocation, sector-wise allocation. Its annexes presented sector-wise resource estimates for three years.
<https://www.npc.gov.np/images/category/MTEF.pdf>

The SDG goals wise allocations of budget also substantiated the linkage between the proposed budget and government policy goals. The government policies are reflected in the periodic plan produced by NPC and these provides bases for budgetary allocations. However, they are not perfectly synchronized.

The 15th Plan (2019/20 to 2023/24)
https://www.npc.gov.np/images/category/15th_plan_English_Version.pdf

Comment:

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

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:

c. Yes, information that shows how the proposed budget is linked to some but not all of the government's policy goals for a multi-year period is presented.

Source:

Budget Speech - <https://www.mof.gov.np/site/publication-detail/3185>

Term Expenditure Framework -

<https://npc.gov.np/images/category/220606043109MTEF%202079%20for%20web.pdf>

The 15th Plan (2019/20 to 2023/24)

https://www.npc.gov.np/images/category/15th_plan_English_Version.pdf

Comment:

The Budget speech (page 7 point 26 onward) with major sectoral programmes and appropriations of the budget for the coming fiscal year identifies broad categories for expenditure-related policies and identifies the specific policies and administration measures intended to support achievement of the policy goals.

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

National Planning Commission has prepared the document in which it has presented main outcome indicators and goals, budget appropriation and estimates of medium-term expenditure framework, budget appropriation and estimates allocation, sector-wise allocation. Its annexes presented sector-wise resource estimates for three years.

The SDG goals wise allocations of budget also substantiated the linkage between the proposed budget and government policy goals. The government policies are reflected in the periodic plan produced by NPC and these provides bases for budgetary allocations. However, they are not perfectly synchronized.

Peer Reviewer

Opinion: Agree

Comments: The allocations for multi-year national pride projects are also displayed in the red book and MTEF.

Government Reviewer

Opinion: Agree

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

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

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

Nonfinancial data can include information on:

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

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

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

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

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

Answer:

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

Source:

Budget Speech - <https://www.mof.gov.np/site/publication-detail/3185>

Targeted Performance Indicators, Annex 14, page 98.

These provides some nonfinancial data on inputs for each sectoral and sub sectoral programs. There is revised estimates for BY-1 and estimates for BY.

Comment:

Since some nonfinancial data as indicators are there, the requirement of answer "C" should suffice.

Peer Reviewer

Opinion: Agree

Comments: I suggest to review targeted performance indicator i.e. annex 14 of the budget speech 2022-23. <https://mof.gov.np/site/publication-detail/3185>. MTEF which is updated based on final allocations also include performance indicators for all sectors.

Government Reviewer

Opinion: Agree

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

GUIDELINES:

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

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

Answer:

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

Source:

Much of information about the expected outputs are described in the narratives of Budget Speech. Various sectors like health, education, roads, energy, agriculture all are presented with narratives for expected future outcomes and outputs. (Budget Speech - Page 6 to 62)

Along with that there Targeted Performance Indicators: Annex 14, page 98.

These provides some nonfinancial data on results for each sectoral and sub sectoral programs. There is revised estimates for BY-1 and estimates for BY.

Budget Speech - <https://www.mof.gov.np/site/publication-detail/3185>

Comment:

Peer Reviewer

Opinion: Agree

Comments: I would suggest to review annex 14 of the budget speech.

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:

There is Targeted Performance Indicators, Annex 14, page 98.

These provides performance targets assigned to nonfinancial data on results for each sectoral and sub sectoral programs. There is revised estimates for BY-1 and estimates for BY.

Budget Speech - <https://www.mof.gov.np/site/publication-detail/3185>

Comment:

Peer Reviewer

Opinion: Agree

Comments: MTEF includes elaborated performance targets and indicators but red book is less comprehensive in terms of performance target. I thus agree with the researcher.

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:

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

Source:

Economic Survey - Annex 11.2, page 317.

Details of scholarship provides information on scholarships for country's backward and marginalized populations like dalit, marginalized and so on.

Table 4(f) Page 73 - Concessional Loans for Dalit Community Business Development Loans

Table 11(y) Page 142 - Details of Social Security Allowance recipients and Target Groups

Economic Survey (english version) - <https://www.mof.gov.np/site/publication-detail/3228>

Red Book also presents information on all spending on various programs that are for the fiscal year in which some spending are intended for impoverished and marginalized population.

Red Book Page 312 - 33600101 related to Identification of poor families and identity card program.

Red Book Page 313 -Point- 33600102 - Poverty Related Plans

Red Book - <https://www.mof.gov.np/site/publication-detail/3180>

Comment:

Peer Reviewer

Opinion: Agree

Comments: The programs designed for different groups of people is presented under concerned ministries program. Moreover, under functional classification budget for unemployed people and socially excluded group is separately disclosed. Please, refer the link for functional classification in budget speech of 2022/23. <https://mof.gov.np/site/publication-detail/3185> and red book for ministry wise expenditure.

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:

b. Yes, a timetable is released, but some details are excluded.

Source:

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

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

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

National Planning commission yearly releases the Guidelines and Framework for Budget Formulation.

https://www.npc.gov.np/images/category/Budget_forumuatlon_Guidelines_2076_final.pdf

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, a detailed timetable is released to the public.

Comments: Ministry of Finance has published budget formulation guidelines, 2075 (2018). This includes detailed time line and explanation of each stage with responsibilities of different federal agencies. Please, see pdf page 208-212 of the guidelines.

https://www.mof.gov.np/uploads/news/file/%E0%A4%AC%E0%A4%9C%E0%A5%87%E0%A4%9F%20%E0%A4%A4%E0%A4%B0%E0%A5%8D%E0%A4%9C%E0%A5%81%E0%A4%AE%E0%A4%BE%20%E0%A4%A6%E0%A4%BF%E0%A4%97%E0%A5%8D%E0%A4%A6%E0%A4%B0%E0%A5%8D%E0%A4%B6%E0%A4%A8%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AB%20Final_20190426095141.pdf

Government Reviewer

Opinion: I choose not to review this question

Comments: There is a budget formulation guidelines at federal level. I need some time to express clearly what are the timelines to the all sectors.

Researcher Response

The guidelines that peer reviewer suggested do contains the information as stated. But it's the overall guideline . The timeline is based on the guideline. There is no such yearly timeline issued each year . The answer can be A, if the peer response is accepted. IBP Please review.

IBP Comment

IBP appreciates the comments provided by the government reviewer, the peer reviewer and the researcher. Indeed, there are budget formulation guidelines at federal level. However, there is no such a yearly timeline issued each year with more precise dates around the formulation of the budget. Considering the OBS methodology and the consistency with other countries, the best answer should be "b". IBP recommends the government to publish annually a more detailed timeline based on the guidelines mentioned above. Therefore, the original answer was changed from "d" to "b".

54. Does the Pre-Budget Statement present information on the macroeconomic forecast upon which the budget projections are based?

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

GUIDELINES:

Question 54 focuses on the macroeconomic forecast that underlies the Pre-Budget Statement, asking whether "core" information related to the economic

assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:

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

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

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

Answer:

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

Source:

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

Though Medium Term Expenditure Framework ((FY 2020/21- 2022/23)) presents multi-year estimates of new policy initiatives but it is not a Pre-Budget Statement.

<https://www.npc.gov.np/images/category/MTEF.pdf>

Comment:

Page 7 - Point 29, Budget Reforms, Budget Speech 2023-2024 (published in 2023)

Budget Speech 2023-24 -<https://www.mof.gov.np/site/publication-detail/3263>

As proposed in the Budget Speech of 2023-2024 , Government will present Principles & Priorities of Appropriation Bill to the parliament two and half months before tabling the executive budget on May end. Now it is presented mostly a week before the tabling of executive budget proposal in the parliament which wouldn't provide sufficient time for discussion and feed backs on budget priorities from parliamentarians and public. It used to be a mere formality in the name of pre-budget statement.

With this reform, Government aims to have ample discussion on the bill in parliament as well as collecting feedback enabling the preparation of better and factual budget proposal. It was announced as part of improving steps to meet the budget aims with improving budget process and making expenditures effective.

Peer Reviewer

Opinion: Agree

Comments: MTEF includes most of the data mentioned above but as this is not being taken as pre-budget statement. I agree with the researcher.

Government Reviewer

Opinion: Agree

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

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

GUIDELINES:

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

- a discussion of expenditure policies and priorities; and

- an estimate of total expenditures.

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

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

Answer:

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

Source:

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

The Appropriation bill published by Ministry Of Finance as part of budget formulation but it doesn't fulfill the criteria of Pre Budget Statement.
<https://www.mof.gov.np/site/publication-detail/3182>

Though Medium Term Expenditure Framework ((FY 2020/21- 2022/23)) presents multi-year estimates of new policy initiatives but it is not a Pre-Budget Statement.
<https://www.npc.gov.np/images/category/MTEF.pdf>

Comment:

Page 7 - Point 29, Budget Reforms, Budget Speech 2023-2024 (published in 2023)
 Budget Speech 2023-24 -<https://www.mof.gov.np/site/publication-detail/3263>

As proposed in the Budget Speech of 2023-2024 , Government will present Principles & Priorities of Appropriation Bill to the parliament two and half months before tabling the executive budget on May end. Now it is presented mostly a week before the tabling of executive budget proposal in the parliament which wouldn't provide sufficient time for discussion and feed backs on budget priorities from parliamentarians and public. It used to be a mere formality in the name of pre-budget statement.

With this reform, Government aims to have ample discussion on the bill in parliament as well as collecting feedback enabling the preparation of better and factual budget proposal. It was announced as part of improving steps to meet the budget aims with improving budget process and making expenditures effective.

Peer Reviewer

Opinion: Agree

Comments: Two different documents (Principles and priorities of next year budget and policies and program of the government) are presented at parliament before the budget but it is done too late. Parliament rule says that pre-budget discussion should be completed before 15 days of EB but government is not published on time.

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:

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

Source:

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

The Appropriation bill published by Ministry Of Finance as part of budget formulation but it doesn't fulfill the criteria of Pre Budget Statement.
<https://www.mof.gov.np/site/publication-detail/3182>

Though Medium Term Expenditure Framework ((FY 2020/21- 2022/23)) presents multi-year estimates of new policy initiatives but it is not a Pre-Budget Statement.
<https://www.npc.gov.np/images/category/MTEF.pdf>

Comment:

Page 7 - Point 29, Budget Reforms, Budget Speech 2023-2024 (published in 2023)
 Budget Speech 2023-24 -<https://www.mof.gov.np/site/publication-detail/3263>

As proposed in the Budget Speech of 2023-2024 , Government will present Principles & Priorities of Appropriation Bill to the parliament two and half months before tabling the executive budget on May end. Now it is presented mostly a week before the tabling of executive budget proposal in the parliament which wouldn't provide sufficient time for discussion and feed backs on budget priorities from parliamentarians and public. It used to be a mere formality in the name of pre-budget statement.

With this reform, Government aims to have ample discussion on the bill in parliament as well as collecting feedback enabling the preparation of better and factual budget proposal. It was announced as part of improving steps to meet the budget aims with improving budget process and making expenditures effective.

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:

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

Source:

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

The Appropriation bill published by Ministry Of Finance as part of budget formulation but it doesn't fulfill the criteria of Pre Budget Statement.
<https://www.mof.gov.np/site/publication-detail/3182>

Though Medium Term Expenditure Framework ((FY 2020/21- 2022/23)) presents multi-year estimates of new policy initiatives but it is not a Pre-Budget Statement.

<https://www.npc.gov.np/images/category/MTEF.pdf>

Comment:

Page 7 - Point 29, Budget Reforms, Budget Speech 2023-2024 (published in 2023)
Budget Speech 2023-24 -<https://www.mof.gov.np/site/publication-detail/3263>

As proposed in the Budget Speech of 2023-2024 , Government will present Principles & Priorities of Appropriation Bill to the parliament two and half months before tabling the executive budget on May end. Now it is presented mostly a week before the tabling of executive budget proposal in the parliament which wouldn't provide sufficient time for discussion and feed backs on budget priorities from parliamentarians and public. It used to be a mere formality in the name of pre-budget statement.

With this reform, Government aims to have ample discussion on the bill in parliament as well as collecting feedback enabling the preparation of better and factual budget proposal. It was announced as part of improving steps to meet the budget aims with improving budget process and making expenditures effective.

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:

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

Source:

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

The Appropriation bill published by Ministry Of Finance as part of budget formulation but it doesn't fulfill the criteria of Pre Budget Statement.
<https://www.mof.gov.np/site/publication-detail/3182>

Though Medium Term Expenditure Framework ((FY 2020/21- 2022/23)) presents multi-year estimates of new policy initiatives but it is not a Pre-Budget Statement.

<https://www.npc.gov.np/images/category/MTEF.pdf>

Comment:

Page 7 - Point 29, Budget Reforms, Budget Speech 2023-2024 (published in 2023)
Budget Speech 2023-24 -<https://www.mof.gov.np/site/publication-detail/3263>

As proposed in the Budget Speech of 2023-2024 , Government will present Principles & Priorities of Appropriation Bill to the parliament two and half months before tabling the executive budget on May end. Now it is presented mostly a week before the tabling of executive budget proposal in the parliament which wouldn't provide sufficient time for discussion and feed backs on budget priorities from parliamentarians and public. It used to be a mere formality in the name of pre-budget statement.

With this reform, Government aims to have ample discussion on the bill in parliament as well as collecting feedback enabling the preparation of better and factual budget proposal. It was announced as part of improving steps to meet the budget aims with improving budget process and making expenditures effective.

Peer Reviewer

Opinion: Agree

Comments: MTEF contains these information but not in pre-budget documents.

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:

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

Source:

The Appropriation Act does not include any expenditure classifications.

<https://lawcommission.gov.np/np/wp->

content/uploads/2022/09/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf

Comment:

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

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: Red book is itself an enacted budget is our case. Thus we can consider that all three classifications are presented. If appropriation Act is only consider the expenditure estimates by economic and administrative classifications are presented. Please see annex 1 and 2 of appropriation Act.

[https://www.moljpa.gov.np/wp-](https://www.moljpa.gov.np/wp-content/uploads/2022/07/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF-Revision-pdf.pdf)

[content/uploads/2022/07/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF-Revision-pdf.pdf](https://www.moljpa.gov.np/wp-content/uploads/2022/07/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF-Revision-pdf.pdf)

Government Reviewer

Opinion: Agree

Researcher Response

The annex 1 and annex 2 of the appropriation act have the expenditure classification. PDF Page 15 & 17 Link- [https://www.moljpa.gov.np/wp-](https://www.moljpa.gov.np/wp-content/uploads/2022/07/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF-Revision-pdf.pdf)

[content/uploads/2022/07/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF-Revision-pdf.pdf](https://www.moljpa.gov.np/wp-content/uploads/2022/07/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF-Revision-pdf.pdf)

The answer is B.

IBP Comment

Considering the additional information provided by the peer reviewer and the second review conducted by the researcher, the original answer was changed from "d" to "b".

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

Source:

The Appropriation Act does not include any expenditure classifications.

[https://lawcommission.gov.np/wp-](https://lawcommission.gov.np/wp-content/uploads/2022/09/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf)

[content/uploads/2022/09/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf](https://lawcommission.gov.np/wp-content/uploads/2022/09/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf)

[.pdf](https://lawcommission.gov.np/wp-content/uploads/2022/09/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf)

Comment:

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

Peer Reviewer

Opinion: Disagree

Suggested Answer: Administrative classification Economic classification

Comments: Please, see annex 1 and 2 of appropriation Act. [https://www.moljpa.gov.np/wp-](https://www.moljpa.gov.np/wp-content/uploads/2022/07/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF-Revision-pdf.pdf)

[content/uploads/2022/07/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF-Revision-pdf.pdf](https://www.moljpa.gov.np/wp-content/uploads/2022/07/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF-Revision-pdf.pdf)

[.pdf](https://www.moljpa.gov.np/wp-content/uploads/2022/07/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF-Revision-pdf.pdf)

Government Reviewer

Opinion: Agree

Researcher Response

Answer is changed with reference to previous answer of 59

IBP Comment

See comment on question 59. The answer was adjusted.

60. Does the Enacted Budget present expenditure estimates for individual programs?

GUIDELINES:

Question 60 asks if expenditure estimates in the Enacted Budget are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

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

To answer "a," the Enacted Budget must present all programs, which account for all expenditures, in the budget year. To answer "b," the Enacted Budget must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if the Enacted Budget presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Enacted Budget.

Answer:

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

Source:

EB documentation (Appropriations Act) does not provide any program-level estimates of expenditures.

<https://lawcommission.gov.np/np/wp-content/uploads/2022/09/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf>

Comment:

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

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

61. Does the Enacted Budget present revenue estimates by category (such as tax and non-tax)?

GUIDELINES:

Question 61 asks whether revenue estimates in the Enacted Budget are presented by "category"— that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Enacted Budget must present revenue estimates classified by category.

Answer:

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

Source:

EB documentation (Appropriations Act) does not provide any information on revenue estimates by category.

Appropriation Act - <https://lawcommission.gov.np/np/wp-content/uploads/2022/09/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

62. Does the Enacted Budget present individual sources of revenue?

GUIDELINES:

Question 62 asks whether revenue estimates for individual sources of revenue are presented in the Enacted Budget. The question applies to both tax and non-tax revenue.

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

Answer:

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

Source:

EB documentation (Appropriations Act) does not present individual sources of revenue

Appropriation Act

<https://lawcommission.gov.np/np/wp-content/uploads/2022/09/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: EB is fully approved by the parliament, data contained in red book and annexes of budget speech are considered to be the data of enacted budget. Thus, same information is not re-published after budget approval.

Government Reviewer

Opinion: Agree

Researcher Response

Agreed with peer response. No Further submission on this

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:

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

Source:

EB documentation (Appropriations Act) does not 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

Appropriation Act

<https://lawcommission.gov.np/np/wp-content/uploads/2022/09/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8-%E0%A4%90%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

64. What information is provided in the Citizens Budget?

(The core information must include expenditure and revenue totals, the main policy initiatives in the budget, the macroeconomic forecast upon which the budget is based, and contact information for follow-up by citizens.)

GUIDELINES:

Question 64 focuses on the content of the Citizens Budget, asking whether "core" information is presented. These core components include:

- expenditure and revenue totals;
- the main policy initiatives in the budget;
- the macroeconomic forecast upon which the budget is based; and
- contact information for follow-up by citizens.

To answer "a," the Citizens Budget or supporting documentation must present all of the above core information as well as some additional information beyond the core elements. To answer "b," the Citizens Budget must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if the Citizens Budget includes some of the core components above, but other core pieces of information are not included. Answer "d" applies if a Citizens Budget is not published.

Answer:

d. The Citizens Budget is not published.

Source:

Citizens Budget document is not produced and published in Nepal.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

65. How is the Citizens Budget disseminated to the public?

GUIDELINES:

Question 65 asks how the Citizens Budget is disseminated to the public. Citizens Budgets should be made available to a variety of audiences. Therefore paper versions and an Internet posting of a document might not be sufficient.

To answer "a," the executive must use three or more different types of creative media tools to reach the largest possible share of the population, including those who otherwise would not normally have access to budget documents or information. Dissemination would also be pursued at the very local level, so that the coverage is targeted both by geographic area and population group (e.g., women, elderly, low income, urban, rural, etc.). Option "b" applies if significant dissemination efforts are made through a combination of two means of communications, for instance, both posting the Citizens Budget on the executive's official website and distributing printed copies of it. Option "c" applies if the Citizens Budget is disseminated through only posting on the executive's official website. Option "d" applies when the executive does not publish a Citizens Budget.

Answer:

d. A Citizens Budget is not published.

Source:

Citizens Budget document is not produced and published in Nepal.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

66. Has the executive established mechanisms to identify the public's requirements for budget information prior to publishing the Citizens Budget?

GUIDELINES:

Question 66 asks whether the executive has established mechanisms to identify the public's requirements for budget information before publishing a Citizens Budget. What the public wants to know about the budget might differ from the information the executive includes in technical documents that comprise the Executive's Budget Proposal or the Enacted Budget; similarly, different perspectives might exist on how the budget should be presented, and this may vary depending on the context. For this reason the executive should consult with the public on the content and presentation of the Citizens Budget.

To answer "a," the executive must have established mechanisms to consult with the public, and these mechanisms for consultation are both accessible and widely used by the public. Such mechanisms can include focus groups, social networks, surveys, hotlines, and meetings/events in universities or other locations where people gather to discuss public issues. In countries where Citizens Budgets are consistently produced and released, it may be sufficient for the government to provide the public with contact information and feedback opportunities, and subsequently use the feedback to improve its management of public resources.

Option "b" applies if the executive has established mechanisms for consultation that are accessible to the public, but that the public nonetheless does not use frequently. That is, the public does not typically engage with the executive on the content of the Citizens Budget, even though the executive has created opportunities for such consultation. Option "c" applies if the executive has established mechanism for consultation with the public, but they are poorly designed and thus not accessible to the public. Option "d" applies if the executive has not created any mechanisms to seek feedback from the public on the content of the Citizens Budget.

Answer:

d. No, the executive has not established any mechanisms to identify the public's requirements for budget information in the Citizen's Budget.

Source:

Citizens Budget document is not produced and published in Nepal.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

67. Are "citizens" versions of budget documents published throughout the budget process?

GUIDELINES:

Question 67 asks if "citizens" versions of budget documents are published throughout the budget process. While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle.

To answer "a," a citizens version of at least one budget document is published for each of the four stages of the budget process (budget formulation, enactment, execution, and audit) – for a total of at least four citizens budget documents throughout the process. Option "b" applies if a citizens version of a budget document is published for at least two of the four stages of the budget process. Option "c" applies if a citizens version of a budget document is published for at least one of the four stages of the budget process. Select option "d" if no "citizens" version of budget documents is published.

Answer:

d. No citizens version of budget documents is published.

Source:

There is no such practice of producing citizen budget in Nepal by the Government.

Comment:**Peer Reviewer**

Opinion: Agree

Government Reviewer

Opinion: Agree

68. Do the In-Year Reports present actual expenditures by any of the three expenditure classifications (by administrative, economic, or functional classification)?**GUIDELINES:**

Question 68 asks if expenditure estimates in In-Year Reports are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above.

Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," In-Year Reports must present actual expenditures by all three of the expenditure classifications. To answer "b," actual expenditures must be presented by two of these three classifications. A "c" answer applies if actual expenditures are presented by one of the three classifications. Answer "d" applies if actual expenditures are not presented by any of the three classifications in In-Year Reports.

Answer:

c. Yes, the In-Year Reports present actual expenditures by only one of the three expenditure classifications.

Source:

Monthly Economic Bulletin - MOF

https://mof.gov.np/uploads/document/file/1672316553_79%20Kartik%20Bulletin.pdf

<https://mof.gov.np/site/publication-detail/3222>

<https://mof.gov.np/site/publication-detail/3218>

<https://mof.gov.np/site/publication-detail/3208>

<https://mof.gov.np/site/publication-detail/3207>

<https://mof.gov.np/site/publication-detail/3195>

<https://mof.gov.np/site/publication-detail/3186>

Economic Bulletins NRB -

<https://www.nrb.org.np/red/economic-bulletin-2022-10mid-october/>

<https://www.nrb.org.np/red/economic-bulletin-2022-07-mid-july/>

<https://www.nrb.org.np/red/economic-bulletin-2022-04-mid-april/>

Comment:

The Monthly Economic Bulletins of Ministry of finance do not contains such information as per expenditure classification.

The Quarterly Economic Bulletin produced by Central Bank of Nepal does not provide expenditure data by any of the 3 classifications (administrative, economic or functional).

Both reports shows expenditure as Capital, Recurrent, Financial & Others.

There are no other information in relation to expenditure classification as administrative, economic or functional.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, the In-Year Reports present actual expenditures by only one of the three expenditure classifications.

Comments: Information by economic classifications are presented. See the annex 57A of economic bulletin of NRB. Monthly progress in aggregate form is also presented in MoF monthly economic bulletin by economic classification.

Government Reviewer

Opinion: Agree

Researcher Response

Annex 57A contains the expenditure classification in form of recurrent, capital and financial of whole expenditure amount. Link - <https://www.nrb.org.np/red/economic-bulletin-2022-07-mid-july/> Therefore the peer reviewer's response is accepted and the answer is C

IBP Comment

Considering the additional information provided by the peer reviewer and the second review conducted by the researcher, the original answer was changed from "d" to "c".

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:

Monthly Economic Bulletin - MOF
https://mof.gov.np/uploads/document/file/1672316553_79%20Kartik%20Bulletin.pdf
<https://mof.gov.np/site/publication-detail/3222>
<https://mof.gov.np/site/publication-detail/3218>
<https://mof.gov.np/site/publication-detail/3208>
<https://mof.gov.np/site/publication-detail/3207>
<https://mof.gov.np/site/publication-detail/3195>
<https://mof.gov.np/site/publication-detail/3186>

Economic Bulletins NRB -

<https://www.nrb.org.np/red/economic-bulletin-2022-10mid-october/>
<https://www.nrb.org.np/red/economic-bulletin-2022-07-mid-july/>
<https://www.nrb.org.np/red/economic-bulletin-2022-04-mid-april/>

Comment:

The Monthly Economic Bulletins of Ministry of finance do not contains such information as per expenditure classification.
The Quarterly Economic Bulletin produced by Central Bank of Nepal does not provide expenditure data by any of the 3 classifications (administrative, economic or functional).
Both reports shows expenditure as Capital, Recurrent, Financial & Others.
There are no other information in relation to expenditure classification as administrative, economic or functional.

Peer Reviewer

Opinion: Disagree

Suggested Answer: Economic classification

Government Reviewer

Opinion: Agree

Researcher Response

Annex 57A of the contains the expenditure classification in form of recurrent, capital and financial of whole expenditure amount. Link - <https://www.nrb.org.np/red/economic-bulletin-2022-07-mid-july/> The answer is Economic classification.

IBP Comment

Considering the additional information provided by the peer reviewer on question 68 and the second review conducted by the researcher, the original answer was changed from "none of the above" to "economic classification".

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:

Monthly Economic Bulletin - MOF

https://mof.gov.np/uploads/document/file/1672316553_79%20Kartik%20Bulletin.pdf

<https://mof.gov.np/site/publication-detail/3222>

<https://mof.gov.np/site/publication-detail/3218>

<https://mof.gov.np/site/publication-detail/3208>

<https://mof.gov.np/site/publication-detail/3207>

<https://mof.gov.np/site/publication-detail/3195>

<https://mof.gov.np/site/publication-detail/3186>

Economic Bulletins NRB -

<https://www.nrb.org.np/red/economic-bulletin-2022-10mid-october/>

<https://www.nrb.org.np/red/economic-bulletin-2022-07-mid-july/>

<https://www.nrb.org.np/red/economic-bulletin-2022-04-mid-april/>

Comment:

Both In-Year Reports do not present actual expenditures for individual programs.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

70. Do the In-Year Reports compare actual year-to-date expenditures with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

GUIDELINES:

Question 70 asks whether In-Year Reports compare actual expenditures to-date with either the enacted levels or actual expenditures for the same period in the previous year.

The OECD recommends that the reports contain the total year-to-date expenditures in a format that allows for a comparison with the budget's forecast expenditures (based on enacted levels) for the same period.

To answer "a," comparisons must be made for expenditures presented in the In-Year Reports

Answer:

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

Source:

Economic Bulletin - Page 1 Last five years expense comparison
https://mof.gov.np/uploads/document/file/1672316553_79%20Kartik%20Bulletin.pdf

Comment:

The monthly economic bulletins produced by Ministry of finance do have expenditure comparisons last five years but it only details on capital, regular and financing.

But the comparisons are not made with In-Year Reports and actual year-to-date expenditures with either the original estimate for that period.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: Monthly economic bulletin by ministry of finance compares actual expenditure of a month of this year with same month or previous 5 years every month. See the first table of economic bulletin. Please see the first paragraph and table of the bulletin (Bhadra-2079) as an example.
<https://mof.gov.np/site/publication-detail/3218>

Government Reviewer

Opinion: Agree

Researcher Response

Yes The answer is changed to A. There is comparison of expenditure of same month of previous five years in the report in chart 1 of page 1. Link -
https://mof.gov.np/uploads/document/file/1668487858_%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A5%20%E0%A4%AC%E0%A5%81%E0%A4%B2%E0%A5%87%E0%A4%9F%E0%A4%BF%E0%A4%A8%2004.02%20%E0%A4%AD%E0%A4%A6%E0%A5%8C%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf

IBP Comment

Considering the additional information provided by the peer reviewer and the second review conducted by the researcher, the original answer was changed from "b" to "a".

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 monthly economic bulletins provides the revenue collection by category.
PDF page -2 - Table - Revenue Estimations and Actual Collection
https://mof.gov.np/uploads/document/file/1672316553_79%20Kartik%20Bulletin.pdf

The Quarterly Economic Bulletin produced by Central Bank of Nepal presents information on actual revenue by category.
Table 59(a) (Excel Sheet Name 59 (a)) titled government revenue provides detailed information on revenue category such as tax, non tax etc.
<https://www.nrb.org.np/red/economic-bulletin-2022-10mid-october/>

Comment:**Peer Reviewer**

Opinion: Agree

Government Reviewer

Opinion: Agree

72. Do In-Year Reports present the individual sources of revenue for actual revenues collected?

GUIDELINES:

Question 72 asks whether In-Year Reports present actual collections of individual sources of revenue (such as income taxes, VAT, etc.). The question applies to both tax and non-tax revenue.

To answer "a," In-Year Reports must present actual collections for all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," In-Year Reports must present actual collections for individual sources of revenue that when combined account for at least two-thirds of all revenue collected, but not all revenue. A "c" answer applies if In-Year Reports present individual sources of actual revenue that account for less than two-thirds of all revenue collected. Answer "d" applies if individual sources of actual revenue are not presented.

Answer:

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

Source:

The Quarterly Economic Bulletin produced by Central Bank of Nepal presents information present the individual sources of revenue for actual revenues collected.

Table 59(a) (Excel Sheet Name 59 (a)) titled government revenue provides detailed information on revenue category such as tax, non tax etc.
<https://www.nrb.org.np/red/economic-bulletin-2022-10mid-october/>

The monthly economic bulletins of MOF provides the revenue collection by category of tax & non tax.

PDF page -2 - Table - Revenue Estimations and Actual Collection

https://mof.gov.np/uploads/document/file/1672316553_79%20Kartik%20Bulletin.pdf

Comment:

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 monthly economic bulletins provides the revenue collection by category.
PDF page -2 - Table - Last Five Years Revenue Comparison
https://mof.gov.np/uploads/document/file/1672316553_79%20Kartik%20Bulletin.pdf

Comment:

The quarterly economic bulletin do provide information on actual comparison of revenues data to estimations for the period from bulletins of Nepal Rastra Bank.

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:

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

Source:

The Quarterly Economic Bulletin published by Central Bank of Nepal provides information for some but not all of the core elements. However, there is also substantial information "beyond the core elements", particularly in the form of highly dis-aggregated data for net borrowing, total outstanding debt and interest payments across different "lenders" or holders of the debt, despite the fact that data for some core elements is incomplete in the bulletin.

1. Net Borrowing - Sheet 57(a) - Government Budgetary Operations New Series & Table 87 Go.Fin & Table 89 Go.Fin
2. Total Debt Burden - Table sheet 60 -Ownership Pattern of Government Bonds and Treasury Bills - Internal Debt only
3. . Interest Payments - Table 87 Go.Fin - Interest for external borrowings only

Quarterly Economic Bulletins:
<https://www.nrb.org.np/red/economic-bulletin-2022-10mid-october/>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

75. Do In-Year Reports present information related to the composition of the total actual debt outstanding?

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

GUIDELINES:

Question 75 focuses on the composition of government debt, asking whether "core" information related to its composition is presented. These core components include:

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

The interest rates affect the amount of interest that must be paid to creditors. The maturity profile indicates the final payment date of the loan, at which point the principal (and all remaining interest) is due to be paid; government borrowing typically includes a mix of short-term and long-term debt. As discussed in Question 74, domestic debt is held by a country's citizens and banks and businesses, while external debt is held by foreigners. These factors related to the composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable.

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

To answer "a," In-Year Reports must present all of the core information related to the composition of government debt to-date as well as some additional information beyond the core elements. To answer "b," In-Year Reports must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the composition of government debt is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on the composition of the debt outstanding in In-Year Reports.

Answer:

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

Source:

The Quarterly Economic Bulletin published by Central Bank of Nepal provides information for some but not all of the core elements. However, there is also substantial information "beyond the core elements", particularly in the form of highly dis-aggregated data for net borrowing, total outstanding debt and interest payments across different "lenders" or holders of the debt, despite the fact that data for some core elements is incomplete in the bulletin

Table 36 - Structure of interest rates

Table 60 -Ownership Pattern of Government Bonds and Treasury Bills

Table 61 - Auction of Treasury Bills

Sheet 57(a) - Government Budgetary Operations New Series

Table 87 Go.Fin & Table 89 Go.Fin - Information of Government Foreign Debt and Interests on borrowings

Quarterly Economic Bulletins:

<https://www.nrb.org.np/red/economic-bulletin-2022-10mid-october/>

The monthly economic bulletins also provides information on debt of government.

PDF page 5 - Public Debt Details till last 5 months.

https://mof.gov.np/uploads/document/file/1672316553_79%20Kartik%20Bulletin.pdf

Comment:

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:

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

Source:

Half Yearly report provides the revised forecast of estimates in relation to actual forecast contained on the budget speech presented by executive in the parliament.

Chapter 1 - PDF Page 11-14 of Half Yearly Report By MOF

It provides presents information on revised macroeconomic forecasts and comparisons with the original exterminations on the budget speech. It also presents some information in explanation as to whats the current position in relation to budget estimates and whats the prediction for the remaining of the fiscal year. This document contains analysis of macroeconomic and financial indicators, including: economic growth, inflation, foreign exchange reserve, total internal borrowing, banks and other financial institutions, cash flow and monetary scenario, foreign trade and the balance of payments.

Half Yearly Report

<https://mof.gov.np/site/news-detail/2480>

Comment:

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:

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

Source:

Point 6.1 page 84 to 89 of Half Yearly Report.

It include updated expenditure estimates for the budget year underway and narrations as well as changes in priority as well.

Annex 1 on age 106 also provides information on updated income and expenditure as well.

Half Yearly Report

<https://mof.gov.np/site/news-detail/2480>

Comment:

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:

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

Source:

The MYR doesn't provides expenditure estimates for all expenditure classification . (Functional, Economic and Administrative)

Half Yearly Report - <https://mof.gov.np/site/news-detail/2480>

Though Annex 2, 3 and 5 (PDF Page-96, 98 and 100 respectively) provides information on functional, economical and administrative expenditure respectively, it only presents information on actual budget amount from budget speech and expenditure till mid year only and no information on updated expenditure estimates.

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, the Mid-Year Review presents expenditure estimates by two of the three expenditure classifications.

Comments: See the table in pdf page 85 and pdf page 106 (annex 1) for estimate by economic classification .

https://mof.gov.np/uploads/news/file/1644488192_%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A7%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%AE%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%BE%202078%20compile.pdf

Government Reviewer

Opinion: Agree

Researcher Response

There is one classification of expenditure - economic classification. See the table in pdf page 85 and pdf page 106 (annex 1) for estimate by economic classification Link -

https://mof.gov.np/uploads/news/file/1644488192_%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A7%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%AE%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%BE%202078%20compile.pdf
The answer is C not B.

IBP Comment

Considering the additional information provided by the peer reviewer and the second review conducted by the researcher, the original answer was changed from "d" to "c".

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:

Economic classification

Source:

The MYR doesn't provides expenditure estimates for all expenditure classification . (Functional, Economic and Administrative)

Half Yearly Report - <https://mof.gov.np/site/news-detail/2480>

Though Annex 2, 3 and 5 (PDF Page-96, 98 and 100 respectively) provides information on functional, economical and administrative expenditure respectively, it only presents information on actual budget amount from budget speech and expenditure till mid year only and no information on updated expenditure estimates.

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: Economic classification

Comments: Expenditure projection by Economic classification can be found pdf page 85 and annex 1 (pdf page 106)

https://mof.gov.np/uploads/news/file/1644488192_%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A4%A7%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%AE%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%BE%202078%20compile.pdf

Government Reviewer

Opinion: Agree

Researcher Response

Based on 78 - There is one classification of expenditure - economic classification. See the table in pdf page 85 and pdf page 106 (annex 1) for estimate by economic classification Link -

https://mof.gov.np/uploads/news/file/1644488192_%E0%A4%85%E0%A4%B0%E0%A5%8D%E0%A7%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%B8%E0%A4%AE%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%BE%202078%20compile.pdf
The answer is Economic Classification.

IBP Comment

Considering the additional information provided by the peer reviewer on question 78 and the second review conducted by the researcher, the original answer was changed from "none of the above" to "economic classification".

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

To answer "a," the Mid-Year Review must present expenditures for all individual programs, accounting for all expenditures. To answer "b," the Mid-Year Review must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if the Mid-Year Review presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Mid-Year Review.

Answer:

d. No, the Mid-Year Review does not present expenditure estimates by program.

Source:

The MYR doesn't present updated expenditure estimates for the budget year underway for individual programs

Half Yearly Report - <https://mof.gov.np/site/news-detail/2480>

Though Annex 2, 3 and 5 (PDF Page-96, 98 and 100 respectively) provides information on functional, economic and administrative expenditure respectively, it only presents information on actual budget amount from budget speech and expenditure till mid year only and no information on updated expenditure estimates.

Besides that Point 6.1 page 84 to 89 of Half Yearly Report.

It include updated expenditure estimates for the budget year underway and narrations as well as changes in priority as well.

Annex 1 on age 106 also provides information on updated income and expenditure as well.

But the program wise update is not available.

Comment:

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:

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

Source:

Point 2.2 Page 28 of Half Yearly Report
Revenue Mobilization and current status
Annex 1 Page 106 Updated Income & Expenditure Estimates.

It provides information on revised revenue estimates for the budget year.

The Table presents information on budget estimation, actual collection on first 6 months of the year, estimation for the remaining 6 months and total revised estimations.

Half Yearly Report - <https://mof.gov.np/site/news-detail/2480>

Comment:

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:

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

Source:

Annex 1 Page 106 Updated Income & Expenditure Estimates.

The Table presents information on budget estimation, actual collection on first 6 months of the year, estimation for the remaining 6 months and total revised estimations.

Annex 4 - PDF Page 110 - Comparative Revenue Collection Details

Half Yearly Report - <https://mof.gov.np/site/news-detail/2480>

Comment:

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:

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

Source:

Point 2.2 Page 28 of Half Yearly Report provides information on Revenue Mobilization and current status. Further More there are also information on budget estimation, actual collection on first 6 months of the year, estimation for the remaining 6 months and total revised estimations.

Annex 1 - PDF Page - 106, Annex 4 - PDF Page - 110 provides information on revised revenue estimations for the budget year with categories as tax and non tax.

Half Yearly Report - <https://mof.gov.np/site/news-detail/2480>

Comment:

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:

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.

Source:

Half Yearly Report provides some information on government debt and borrowings.

Annex 1 - PDF Page -106 - Revised Income & Expenditure Estimations - Point 23 & 264 - Information on Government Borrowings with net domestic and net external borrowings with actual half year data, budget projection and revised estimations for the remaining budget year.

Annex-2 Point 1.7 Page 107 - Information on Debt, Annex 3- Point 24000 Page 109- Information on Interest and Annex -6 & 7, Page 113 Information on External & Internal Loans but these information are up to report date.

Half Yearly Report - <https://mof.gov.np/site/news-detail/2480>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

84. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?

GUIDELINES:

Question 84 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual expenditures for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all expenditures, along with a narrative discussion. Answer "b" if estimates of the differences for all expenditures are presented, but a narrative discussion is not included. Answer "c"

if estimates of the differences are presented for some, but not all expenditures, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report

Answer:

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

Source:

Expenditure Details in Relation to Budget
Table 29 Page 31 (of the pdf)- Ratio of actual expenditure to budget

Cons. Financial Statement

https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

Annual Report - Section 3 PDF Page 25 to 36 Provides information on on actual expenditure of the budget along with enacted amount from budget along with allocation to expenditure ration, resource wise expenditure comparisons, along with last five years expenditures and allocation comparisons on page 32 with explanations and narratives.

Annual Report - <https://mof.gov.np/site/publication-detail/3153>

Comment:

Peer Reviewer

Opinion: Agree

Comments: I suggest researcher two recheck the response as each table for estimates vs expenditure in annual report published by MoF has been followed by narrative description.

Government Reviewer

Opinion: Agree

Researcher Response

The narratives are there but it doesn't merit answer A because of non fulfillment of criteria requirement of A. The answer remains B

85. Does the Year-End Report present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 85 asks if expenditure estimates in the Year-End Report are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," the Year-End Report must present expenditure estimates by all three of the expenditure classifications. Answer "b" if expenditure estimates are presented by two of these three classifications. Answer "c" if expenditure estimates are presented by one of the three classifications. Answer "d" if expenditure estimates are not presented by any of the three classifications in the Year-End Report.

Answer:

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

Source:

Table 8: Expenditure according to the economic classification - PDF Page 17 & also Annex 10,11 & 12
Table 9 - Classification of the Functions of Government Expenditure - PDF Page 19 & also in Annex 14
Table 10 - Classification of the Functions of Government recurrent and capital expenditure PDF page 19
Table 30 : Function-wise expenditure - PDF page 32
Annex 13 - Ministry wise Line Item expenditure PDF Page 73 & also in Annex 7, 8 & 9

FCGO – Consolidated Financial Statement
https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

85b. Based on the response to Question 85, check the box(es) to identify which expenditure classifications are included in the Year-End Report:

Answer:

Administrative classification

Economic classification

Functional classification

Source:

Table 8: Expenditure according to the economic classification - PDF Page 17 & also Annex 10,11 & 12

Table 9 - Classification of the Functions of Government Expenditure - PDF Page 19 & also in Annex 14

Table 10 - Classification of the Functions of Government recurrent and capital expenditure PDF page 19

Table 30 : Function-wise expenditure - PDF page 32

Annex 13 - Ministry wise Line Item expenditure PDF Page 73 & also in Annex 7, 8 & 9

FCGO – Consolidated Financial Statement

https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

86. Does the Year-End Report present expenditure estimates for individual programs?

GUIDELINES:

Question 86 asks if expenditure estimates in the Year-End Report are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

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

To answer "a," the Year-End Report must present expenditure estimates for all individual programs, accounting for all expenditures. Answer "b" if the Year-End Report presents expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. Answer "c" if the Year-End Report presents programs that account for only less than two-thirds of expenditures. Answer "d" if expenditures are not presented by program in

Answer:

b. Yes, the Year-End Report presents estimates for programs accounting for at least two-thirds of, but not all, expenditures.

Source:

Table 8: Expenditure according to the economic classification PDF Page 17
Annex 10 Economic code and source wise expenditure (recurrent) PDF Page 56
Annex 11 Economic code and source wise expenditure (capital) PDF Page 60
Annex 12 Economic code and source wise expenditure (financing) PDF page 61
Annex 13 Ministry wise line item expenditure PDF page 62
Annex 14 Function wise expenditure PDF Page 122

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https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

87. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?

GUIDELINES:

Question 87 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual revenues for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all revenues, along with a narrative discussion. Answer "b" if estimates of the differences for all revenues are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all revenues, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report.

Answer:

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

Source:

FCGO – Consolidated Financial Statement
https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

Comment:

The information can be found:
Figure 6 PDF Page 30 - Total revenue collection scenario with target revenue
Annex 3 - PDF Page 43 - Revenue Collection Details with Divisible

There is also complementary information:

Table 3 PDF page 15 : Statement of revenue collection
Table 4 PDF page 16 : Composition of the total revenue collection

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:

FCGO – Consolidated Financial Statement
https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

Comment:

The report provides information of revenue collection on tax and non tax sources.

Table 3 PDF page 15 : Statement of revenue collection
Table 4 PDF page 16 : Composition of the total revenue collection
Figure 6 PDF Page 30 - Total revenue collection scenario with target revenue
Annex 3 - PDF Page 43 - Revenue Collection Details with Divisible

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:

FCGO – Consolidated Financial Statement
https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

Comment:

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

Table 3 PDF page 15 : Statement of revenue collection

Table 4 PDF page 16 : Composition of the total revenue collection

Figure 6 PDF Page 30 - Total revenue collection scenario with target revenue

Annex 3 - PDF Page 43 - Revenue Collection Details with Divisible

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the Year-End Report presents individual sources of revenue accounting for all revenue.

Comments: As per guideline for the this question, if miscellaneous revenue is less than 3% we should choose option 'a' the tale 4 (pdf page 16) shows that it is less than 1 % for F/Y 2020/21. Thus I suggest researcher to review once.

https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the Year-End Report presents individual sources of revenue accounting for all revenue.

Comments: The Year-End Report presents individuals sources of revenue accounting for all types of revenues. Economic Survey is the complete document which also gives the details of the revenue collections for last fiscal year.

Researcher Response

The answer was B as per budget speech (EBP) classification of revenue. The peer observation of the table 4 (pdf page 16) shows that it is less than 1 % for F/Y 2020/21. https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf is correct. The answer is A.

IBP Comment

Considering the additional information provided by the peer reviewer and the second review conducted by the researcher, the original answer was changed from "b" to "a".

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:

b. Yes, estimates of the differences between all the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented, but a narrative discussion is not included.

Source:

YER documentation provides information about debt on following topics

- A . Actual outcomes for 2 of the 6 core elements related to Government borrowing and debt
- B . Interest payments (Table 17, page 22)
- C. Deficit amount (net new borrowing).
- D. Interest payments summary of external debt along with its maturity periods.
- E. Central government's total debt burden at the end of the budget year. Outstanding debt (table 14, page 20)
- F. Whether the debt is domestic or external

Besides this various annex provides information on debt status, maturity, repayments, outstanding etc.

Annex 24 Donor Wise Outstanding External Debt and NPR Equivalent PDF page 153

Annex 26 Debt Outstanding Position (Currency Wise Summary)PDF Page 155

Annex 28 - interest Payment Summary PDF page 157

Annex 29 - Donor wise Debt Outstanding PDF page 158

Annex 30 Summary of Domestic Borrowing PDF page 170

Annex 31 - Financial Statement of Domestic Borrowings Loan-wise with interest payment, principal payment maturity details and outstanding Debts. PDF page 171

FCGO – Consolidated Financial Statement

https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

Comment:**Peer Reviewer**

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Maturity profile of the debt

Whether the debt is domestic or external

Source:

FCGO – Consolidated Financial Statement

https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

Comment:

Table 14 : Outstanding debt PDF page 20

Table 15: Donor wise outstanding external debt PDF page 21

Table 16 : Amount of principal repayment PDF page 21

Table 17 : Amount of interest payment PDF page 22

Table 22: Status of default principal and interest PDF page 24

Annex 24 Donor Wise Outstanding External Debt and NPR Equivalent PDF page 153

Annex 26 Debt Outstanding Position (Currency Wise Summary)PDF Page 155

Annex 28 - interest Payment Summary PDF page 157
Annex 29 - Donor wise Debt Outstanding PDF page 158
Annex 30 Summary of Domestic Borrowing PDF page 170
Annex 31 - Financial Statement of Domestic Borrowings Loan-wise with interest payment, principal payment maturity details and outstanding Debts. PDF page 171

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:

FCGO – Consolidated Financial Statement
https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

Comment:

The YER provides information on highlights of macroeconomic scenario comparing with previous years.
Point 2 - PDF page 27 - Highlights of Macro Financial Scenario

There is no information on original and actual comparison.

Peer Reviewer

Opinion: Agree

Comments: MoF annual report provides narrative description of macroeconomic situation in the pdf page 9-16 but does not include comparison between forecast and actual outcome. Link :

file:///C:/Users/ANIRUDRA/Desktop/1646035573_%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%A%E0%A5%8D%E0%A4%B0%E0%A4%A4%E0%A4%BF%E0%A4%B5%E0%A5%87%E0%A4%A6%E0%A4%A8%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AD_%E0%A5%AD%E0%A5%AE.pdf

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:

FCGO – Consolidated Financial Statement

https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

Comment:

The YER provides information on highlights of macroeconomic scenario comparing with previous years.

Point 2 - PDF page 27 - Highlights of Macro Financial Scenario

There is no information on original and actual comparison.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

92. Does the Year-End Report present the differences between the original estimates of nonfinancial data on inputs and the actual outcome?

GUIDELINES:

Question 92 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 49 for the nonfinancial data on inputs included in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on inputs and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

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

Source:

MOF – Annual Progress Evaluation Report of the Budget

<https://mof.gov.np/site/publication-detail/3153>

Comment:

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

It provides information on current year progress via non financial data along with narrations and explanations.

Section 6, Reconstruction Progress After Earthquake PDF page 58

Section 7 - Ministry Wise/Department Wise Progress Status PDF page 73

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

93. Does the Year-End Report present the differences between the original estimates of nonfinancial data on results and the actual outcome?

GUIDELINES:

Question 93 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion. Nonfinancial data on results can include data on both outputs and outcomes, but not on inputs (which are addressed in Question 92).

Refer to Question 50 for the nonfinancial data on results included in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on results and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

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

Source:

MOF – Annual Progress Evaluation Report of the Budget
<https://mof.gov.np/site/publication-detail/3153>

Comment:

The YER documentation does not provide information about differences between the original estimates for nonfinancial data on results and actual outcomes.

It provides information on current year progress via non financial data along with narrations and explanations.

Section 6, Reconstruction Progress After Earthquake PDF page 58

Section 7 - Ministry Wise/Department Wise Progress Status PDF page 73

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

94. Does the Year-End Report present the differences between the enacted level of funds for policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations and the actual outcome?

GUIDELINES:

Question 94 asks whether the Year-End Report includes estimates of the differences between the enacted level of funds for policies that are intended to benefit directly the country's most impoverished populations and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 52 for assistance to the most impoverished populations in the Executive's Budget Proposal.

To answer "a," the Year-End Report must present estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, but

does not include a narrative discussion. Answer "c" if estimates of the differences between the enacted level for some but not all of the policies that are intended to benefit the country's most impoverished populations and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

d. No, estimates of the differences between the enacted level for policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are not presented.

Source:

FCGO – Consolidated Financial Statement
https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

MOF – Annual Progress Evaluation Report of the Budget for the
<https://mof.gov.np/site/publication-detail/3153>

Comment:

YER doesn't provide information on 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.

The information relating to expenditure of this nature can be found in as expenditure for Ministry of Women, Children & Social Welfare; Ministry of Cooperative and Poverty Alleviation which are intended for country's most impoverished populations.

Peer Reviewer

Opinion: Agree

Comments: Under Functional classification of expenditure there is enacted level of fund actual outcome under social security scheme (annex 45) but not the details worthy to mention. However all the activities of the budget allocated from national treasury is presented without distinctive disclosure for such programs.

Government Reviewer

Opinion: Agree

95. Does the Year-End Report present the differences between the original estimates of extra-budgetary funds and the actual outcome?

GUIDELINES:

Question 95 asks whether the Year-End Report presents estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 33 for estimates of extra-budgetary funds in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of extra-budgetary funds and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented

Answer:

d. No, estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome is not presented.

Source:

FCGO – Consolidated Financial Statement
https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

MOF – Annual Progress Evaluation Report of the Budget for the
<https://mof.gov.np/site/publication-detail/3153>

Comment:

YER documentation does not provide information about differences between the original estimates of extra-budgetary funds and the actual

outcomes.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

96. Is a financial statement included as part of the Year-End Report or released as a separate report?

GUIDELINES:

Question 96 asks whether a financial statement is included as part of the Year-End Report, or whether it is released as a separate report. The financial statement can include some or all of the following elements: a cash flow statement, an operating statement, a balance sheet, and notes on accounting. For purposes of responding to this question, the financial statement in question does not need to be audited. For an example of a financial statement, see the document "Financial Statements of the Government of New Zealand 2013" (<https://treasury.govt.nz/sites/default/files/2013-10/fsgnz-year-jun13.pdf>)

To answer "a," a financial statement must either be included in the Year-End Report or must be released as a separate report. Answer "a" applies if a financial statement is released as a separate report, even if the Year-End Report is not publicly available. Answer "b" applies if no financial statement is released either as part of the Year-End Report or as a separate report.

Answer:

b. No, a financial statement is neither part of the Year-End Report nor released as a separate report.

Source:

The YER document is itself the Consolidated Financial Statement produced by Financial Comptroller General Office, an internal audit institution under Ministry of Finance .

FCGO – Consolidated Financial Statement

https://fcgo.gov.np/storage/uploads/publications/20220705103141_For%20Website.pdf

Annex 1- Federal Treasury Position PDF Page 43

Annex 2 - Comparative Data Sheet PDF page 45

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

97. What type of audits (compliance, financial, or performance) has the Supreme Audit Institution (SAI) conducted and made available to the public?

GUIDELINES:

Question 97 asks about the types of audits conducted by the Supreme Audit Institution (SAI). There are three basic types of audits:

- *Financial audits are intended to determine if an entity's financial information is accurate (free from errors or fraud) and presented in accordance with the applicable financial reporting and regulatory framework. See ISSAI 200 (<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:

OAG Nepal conducts all 3 types of audit.

1. Financial & Compliance Audit - The main audit of OAG Nepal " OAG Annual Report" involves this both audit. The report goes through both financial auditing and compliance procedure audit as well. Financial and Compliance both side of reporting are highlighted on OAG Annual Report.

<https://oag.gov.np/uploads/files/yhl-%E0%A4%AE%E0%A4%B9%E0%A4%BE%E0%A4%B2%E0%A5%87%E0%A4%96%E0%A4%BE%E0%A4%AA%E0%A4%B0%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%95%E0%A4%95%E0%A5%8B%20%E0%A4%89%E0%A4%A8%E0%A4%A8%E0%A5%8D%E2%80%8D%E0%A4%B8%E0%A4%BE%E0%A4%A0%E0%A5%80%E0%A4%94%E0%A4%81%20%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%AA%E0%A5%8D%E0%A4%B0%E0%A4%A4%E0%A4%BF%E0%A4%B5%E0%A5%87%E0%A4%A6%E0%A4%A8,%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf>

Performance Audit - This audit is carried out by OAG on selected topics. The topics are selected on the basis of current year preference as well as decided by special audit committee which involves OAG and people from civil society as well. The attached performance audit report covers the 10 departments of government .

<https://oag.gov.np/uploads/files/O5s-%E0%A4%95%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%AF%E0%A4%AE%E0%A5%82%E0%A4%B2%E0%A4%95%20%E0%A4%B2%E0%A5%87%E0%A4%96%E0%A4%BE%E0%A4%AA%E0%A4%B0%E0%A5%80%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%A3%20%E0%A4%AA%E0%A5%8D%E0%A4%B0%E0%A4%A4%E0%A4%BF%E0%A4%B5%E0%A5%87%E0%A4%A6%E0%A4%A8,%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf>

OAG has also conducted a special audit on Management of COVID 19.

<https://oag.gov.np/uploads/files/hAu-Covid%20Audit%20Report%202078.pdf>

These all are publicly available on OAG Nepal Website.

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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: None

98. What percentage of expenditures within the mandate of the Supreme Audit Institution (SAI) has been audited?

GUIDELINES:

Question 98 focuses on the coverage of audits by the Supreme Audit Institution (SAI), asking what percentage of expenditures within the SAI's mandate has been audited.

The SAI's mandate is typically defined in statute. Only expenditures related to budgetary central government (ministries, departments, and agencies) that are within the SAI's mandate should be considered for this question. (Question 99 addresses audits of extra-budgetary funds.) Further, the question does not apply to "secret programs" (for example, security-related expenditures that are confidential). Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.

Only the Audit Report identified in Section 1 should be used to answer this question. Financial audits and compliance audits, or a hybrid of the two, can be taken into account to answer this question. Performance audits should not be considered for this question.

To answer "a," all expenditures within the SAI's mandate must be audited. A "b" response applies if at least two-thirds, but not all, expenditures within the SAI's mandate have been audited. A "c" response is appropriate when less than two-thirds of expenditures within the SAI's mandate have been audited. A "d" response applies when no expenditures have been audited.

Answer:

b. Expenditures representing at least two-thirds of, but not all, expenditures within the SAI's mandate have been audited.

Source:

Article 241 of the Constitution of Nepal mandates the Auditor General (AG) to carry out the audits of all government offices of the federation and provinces, local levels and other institutions as specified by laws in accordance with the methods as prescribed in law with due regard to, inter alia, the regularity, economy, efficiency, effectiveness and the propriety thereof; and Article 294 of the Constitution requires all Constitutional Bodies to submit their annual reports to the President.

The Audit Act, 2019 stipulates about the methodology, scope of audits and the matters to be audited by the Auditor General, and the audit matters pertaining to the corporate bodies wholly-owned by Government of Nepal, Province Government, and Local Bodies. Audits have been carried out by approving audit plan in accordance with the legal mandate as conferred by the Constitution and the Audit Act.

Nepal Constitution Provision on Office of Auditor General and functions

<http://www.lawcommission.gov.np/en/archives/859>

Audit Act-2019

<https://oag.gov.np/uploads/files/4uc-Audit-Act-2075.pdf>

Annual Audit Report Summary

<https://oag.gov.np/uploads/files/1ww-%E0%A4%B8%E0%A4%BE%E0%A4%B0%E0%A4%82%E0%A4%B6,%20%E0%A4%AE%E0%A4%B9%E0%A4%BE%E0%A4%B2%E0%A5%87%E0%A4%95%E0%A4%BE%E0%A4%AA%E0%A4%B0%E0%A5%80%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%95%E0%A4%95%E0%A5%8B%20%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%AA%E0%A5%8D%E0%A4%B0%E0%A4%A4%E0%A4%BF%E0%A4%B5%E0%A5%87%E0%A4%A6%E0%A4%A8%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf>

Comment:

All expenditures within OAG's mandate have been audited. The Nepal Constitution set the mandate of OAG to audit the expenditures of all federal and state governments and local levels. According to the Constitution, the functions, duties and power of the Auditor General are as follows.

(1) The accounts of all Federal and State Government Offices including the Office of the President, Office of the Vice-President, Supreme Court, Federal Parliament, State Assembly, State Government, Local level, Constitutional Bodies and Offices thereof, Courts, Office of the Attorney General, Nepal Army, Nepal Police and Armed Police Force, Nepal shall be audited by the Auditor-General in accordance with law, having regard to, inter alia, the regularity, economy, efficiency, effectiveness and the propriety thereof.

Projects directly funded by the donors submit the reports to the government only for information and not for audit. These projects constitute approximately one-third of the total annual expenditures and are not audited.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: None

99. What percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited?

GUIDELINES:

Question 99 focuses on audits of extra-budgetary funds, asking what percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited. These funds, although technically outside the budget, are governmental in nature and thus should be subject to the same audit requirement as other government programs.

The SAI's mandate is typically defined in statute. Only expenditures related to extra-budgetary funds within the SAI's mandate should be considered for this question. (Question 98 addresses audits of budgetary central government.) Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.

To answer "a," all extra-budgetary funds within the SAI's mandate must be audited. A "b" response applies if extra-budgetary funds accounting for at least two-thirds of, but not all, expenditures associated with extra-budgetary funds within the SAI's mandate have been audited. A "c" response applies if extra-budgetary funds accounting for less than two-thirds of expenditures associated with extra-budgetary funds within the SAI's mandate have been audited. A "d" response applies if extra-budgetary funds have not been audited.

Answer:

d. No extra-budgetary funds have been audited.

Source:

No extra-budgetary funds have been audited.

Annual Audit Report.- <https://oag.gov.np/uploads/files/yhl-%E0%A4%AE%E0%A4%B9%E0%A4%BE%E0%A4%B2%E0%A5%87%E0%A4%96%E0%A4%BE%E0%A4%AA%E0%A4%B0%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%95%E0%A4%95%E0%A5%8B%20%E0%A4%89%E0%A4%A8%E0%A4%A8%E0%A5%8D%E2%80%8D%E0%A4%B8%E0%A4%BE%E0%A4%A0%E0%A5%80%E0%A4%94%E0%A4%81%20%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%AA%E0%A5%8D%E0%A4%B0%E0%A4%A4%E0%A4%BF%E0%A4%B5%E0%A5%87%E0%A4%A6%E0%A4%A8,%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf>

Comment:

According to OAG Representative, Deputy Auditor General of OAGN noted that the institution has the scope of auditing extra-budgetary fund. It carries out audit of the extra-budgetary funds (not reflected in government treasury but spent) provided such funds are reflected in the financial statement.

Peer Reviewer

Opinion: Disagree

Suggested 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.

Comments: SAI in nepal conducts audit of public enterprises and publishes separate report also. The links provided in the guidelines includes funds of state owned enterprises as extra budgetary fund. Though SAI is still not being able to audit donor funded projects but conducts audit if state owned enterprises.

Government Reviewer

Opinion: Agree

Researcher Response

The answer remains same..

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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: None IBP's final comment: As confirmed by the Office of the Auditor General's review, the answer provided by the researcher is accurate.

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:

59th Annual Report of the Auditor General, 2079

<https://oag.gov.np/uploads/files/yhl-%E0%A4%AE%E0%A4%B9%E0%A4%BE%E0%A4%B2%E0%A5%87%E0%A4%96%E0%A4%BE%E0%A4%AA%E0%A4%B0%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%95%E0%A4%95%E0%A5%8B%20%E0%A4%89%E0%A4%A8%E0%A4%A8%E0%A5%8D%E2%80%8D%E0%A4%B8%E0%A4%BE%E0%A4%A0%E0%A5%80%E0%A4%94%E0%A4%81%20%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%AA%E0%A5%8D%E0%A4%B0%E0%A4%A4%E0%A4%BF%E0%A4%B5%E0%A5%87%E0%A4%A6%E0%A4%A8,%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf>

Comment:

The Annual Report published by OAG Nepal has the executive summary dictating information of major audit finds and reform needed.

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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: none

101. Does the executive make available to the public a report on what steps it has taken to address audit recommendations or findings that indicate a need for remedial action?

GUIDELINES:

Question 101 asks whether the executive reports to the public on the steps it has taken to address audit recommendations made by the Supreme Audit Institution (SAI). The ultimate purpose of audits is to verify that the budget was executed in a manner consistent with existing law, and to hold the government accountable for this execution and its future improvement. The extent to which audits achieve the latter depends on whether there is adequate and timely follow-up on the recommendations provided in the SAI's audit reports.

To answer "a," the executive must report publicly on the steps it has taken to address all audit findings. A "b" response applies if the executive reports publicly on the steps it has taken to address most, but not all, audit findings. A "c" response applies if the executive reports publicly on the steps it has taken to address only some audit findings. As long as the executive reports publicly on the steps it has taken to address audit finding, answer "a," "b," or "c" may be selected, even if the Audit Report is not made publicly available. A "d" response applies if the executive does not report at all on its steps to address audit findings.

Answer:

d. No, the executive does not report on steps it has taken to address audit findings.

Source:

Its similar to previous years.

Based on conversation with Ministry of Finance and Office of Auditor General officials, there is a Central Committee of Monitoring and Evaluation for Arrears Clearance within the Ministry of Finance.

There is no such report out in public though these committee reviews and maps the execution progress of such recommendations.

Comment:

Peer Reviewer

Opinion: Agree

Comments: Public notices regarding arrear settlements are published by line ministers but no practices of publishing integrated report exists.

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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: none

102. Does either the Supreme Audit Institution (SAI) or legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?

GUIDELINES:

Question 102 asks whether the Supreme Audit Institution (SAI) or the legislature track actions by the executive to address audit recommendations. After audit results and recommendations are discussed and validated by the legislature, the executive is normally asked to take certain actions to address the audit findings. For accountability purposes, the public needs to be informed about the status of those actions, and steps the executive has taken to address audit recommendations. In addition to the executive reporting on its actions (see Question 101), the SAI and legislature – as the key oversight institutions – have a responsibility to keep the public informed by tracking the executive's progress in addressing audit recommendations.

To answer "a," the SAI or legislature must report publicly on what steps the executive has taken to address all audit findings. A "b" response applies if the SAI or legislature reports publicly on what steps the executive has taken to address most, but not all, audit findings. A "c" response applies if the SAI or legislature reports publicly on what steps the executive has taken to address only some audit findings. As long as the SAI or legislature reports publicly on the steps the executive has taken, answer "a," "b," or "c" may be selected, even if the Audit Report is not made publicly available. A "d" response applies if neither the SAI nor the legislature reports on the executive's steps to address audit findings.

Answer:

a. Yes, the SAI or legislature reports publicly on what steps the executive has taken to address all audit recommendations.

Source:

59th Annual Report of the Auditor General, 2079

<https://oag.gov.np/uploads/files/yhl-%E0%A4%AE%E0%A4%B9%E0%A4%BE%E0%A4%B2%E0%A5%87%E0%A4%96%E0%A4%BE%E0%A4%AA%E0%A4%B0%E0%A4%BF%E0%A4%95%E0%A5%8D%E0%A4%B7%E0%A4%95%E0%A4%95%E0%A5%8B%20%E0%A4%89%E0%A4%A8%E0%A4%A8%E0%A5%8D%E2%80%8D%E0%A4%B8%E0%A4%BE%E0%A4%A0%E0%A5%80%E0%A4%94%E0%A4%81%20%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95%20%E0%A4%AA%E0%A5%8D%E0%A4%B0%E0%A4%A4%E0%A4%BF%E0%A4%B5%E0%A5%87%E0%A4%A6%E0%A4%A8,%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AF.pdf>

Comment:

The annual report of OAG presents information on fiscal discipline describing information on better fiscal administration by measures taken by various levels of government that were on previous audit reports.

PDF page 11- Fiscal Discipline

Section 2- Point 5 PDF page 35 - Provides information on arrears, its analysis and resolved arrears.

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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: none

103. Is there an Independent Fiscal Institution (IFI) that conducts budget analyses for the budget formulation and/or approval process?

GUIDELINES:

Question 103 examines whether an Independent Fiscal Institution (IFI) exists that contributes budget analyses to the budget formulation and/or approval process. According to the Principles for Independent Fiscal Institutions, adopted by the OECD Council in 2014, "independent fiscal institutions are publicly funded, independent bodies under the statutory authority of the executive or the legislature which provide non-partisan oversight and analysis of, and in some cases advice on, fiscal policy and performance", and with "a forward-looking ex ante diagnostic task". In practice, they come in two main forms:

- Parliamentary budget offices (also known as PBOs) such as the Congressional Budget Office in the United States (<https://www.cbo.gov/>), the Parliamentary Budget Office in South Africa (<https://www.parliament.gov.za/parliamentary-budget-office>), and the Center for Public Finance Studies in Mexico (Centro de Estudios de las Finanzas Públicas, <http://www.cefp.gob.mx/>); or
- Fiscal councils such as the Office for Budget Responsibility in the United Kingdom (<https://obr.uk/>) and the High Council for Public Finances in France (Haut Conseil des finances publiques, <https://www.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:

There is no such IFI as per international norm in Nepal that can play a critical role in budget formulation and approval process.

Comment:

Though Nepal has a constitutionally mandated National Natural Resources and Fiscal Commission and government officials have considered this as IFI, it doesn't fit the criteria, as it only engages on a portion of the budget related to the federal transfers and the distribution of resource revenues.

<http://www.lawcommission.gov.np/en/archives/851>

The commission analyses a portion of the budget during budget formulation but not the approval process. It has the authority to advise the government on revenue distribution to the local levels and provinces.

Various Not for Profit organizations like Freedom Forum, Policy Research and Development Nepal (PRAD), SAWATEE and others are advocating for better fiscal transparency with establishment of a new IFI, but these things have not been materialized till date. These organizations are doing budget analyses from their part and publishing articles and stories in national dailies for the common public.

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:

Though Nepal has a constitutionally mandated National Natural Resources and Fiscal Commission and government officials have considered this as IFI, it doesn't fit the criteria, as it only engages on a portion of the budget related to the federal transfers and the distribution of resource revenues.

Having said that, the first annual report published by the National Natural Resources and Fiscal Commission (NNRFC) doesn't present independent macroeconomic and/or fiscal forecasts, nor a commentary on the official forecasts produced by the executive.

3rd Report - https://nnrfc.gov.np/uploads/resources/2022-07-18/NNRFC_%E0%A4%A4%E0%A5%87%E0%A4%B8%E0%A5%8D%E0%A4%B0%E0%A5%8B_%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95_%E0%A4%AA%E0%A5%8D%E0%A4%B0%E0%A4%A4%E0%A4%BF%E0%A4%B5%E0%A5%87%E0%A4%A6%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AE1.pdf

Even though NNRFC site clearly mentioned on its functions -
(f) to analyze macro-economic indicators and recommend ceiling of internal loans that the Federal, State and Local Governments can borrow (see <https://www.lawcommission.gov.np/en/archives/851>)

There is no such analysis of macro economic indicators in the report.

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:

NA

Comment:

Though Nepal has a constitutionally mandated National Natural Resources and Fiscal Commission and government officials have considered this as IFI, it doesn't fit the criteria, as it only engages on a portion of the budget related to the federal transfers and the distribution of resource revenues.

Having said that, the third annual report published by the National Natural Resources and Fiscal Commission (NNRFC) doesn't include costings of new policy proposals.

3rd Report - https://nnrfc.gov.np/uploads/resources/2022-07-18/NNRFC_%E0%A4%A4%E0%A5%87%E0%A4%B8%E0%A5%8D%E0%A4%B0%E0%A5%8B_%E0%A4%B5%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%B7%E0%A4%BF%E0%A4%95_%E0%A4%AA%E0%A5%8D%E0%A4%B0%E0%A4%A4%E0%A4%BF%E0%A4%B5%E0%A5%87%E0%A4%A6%E0%A4%A8-%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AE1.pdf

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:

The parliamentary committee summons senior officials of the National Natural Resource and Fiscal Commission (NNRFC) depending on the issue.

There is no watertight rule on frequency to summon the officials.

The NNRFC site press release and notices are not up to date so its hard for tracing exact number of meeting.

It should also be noted that the work areas of the Finance Committee of the House of Representatives (Parliament) include the NNRFC, so it likely that the NNRFC is more often present at these committee meetings.

Comment:

NNRFC functions listed on its site as per constitutions are (see <https://www.lawcommission.gov.np/en/archives/851>)

(a) to determine detailed basis and modality for the distribution of revenues between the Federal, State and Local Governments out of the Federal Consolidated Fund in accordance with the Constitution and law,

(b) to make recommendation about equalization grants to be provided to the State and Local Governments out of the Federal Consolidated Fund,

(c) to conduct study and research work and prepare parameters as to conditional grants to be provided to the State and Local Governments in accordance with national policies and programs, norms/standards and situation of infrastructures,

(d) to determine detailed basis and modality for the distribution of revenues between the State and Local Governments out of the State Consolidated Fund,

(e) to recommend measures to meet expenditures of the Federal, State and Local Governments, and to reform revenue collection,

(f) to analyze macro-economic indicators and recommend ceiling of internal loans that the Federal, State and Local Governments can borrow,

(g) to review the bases for the distribution between the Federal and State Governments of revenues and recommend for revision,

(h) to set bases for the determination of shares of the Government of Nepal, State Government and Local level in investments and returns, in the mobilization of natural resources,

(i) to do study and research work on possible disputes that may arise between the Federation and the States, between States, between a State and a Local level, and between Local levels, and make suggestions to act in a coordinated manner for the prevention of such disputes.

Though some of its functions mentioned below are like that of IFI and it may have some presence in parliamentary meetings, it is still not IFI and answer remains d.

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:

b. Yes, a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, and approves recommendations for the upcoming budget.

Source:

Important Suggestions and Conclusions in the Pre-Budget Discussion Report, 2079 of the Finance Committee
<https://hr.parliament.gov.np/uploads/attachments/4hiomsiomxuqjz7t.pdf>

Comment:

Federal Finance Committee of the House of Representatives holds pre-budget discussion focusing on government policy on upcoming EBP.

Multiple meetings with peoples from multiple disciplines like ministry, industrialist, journalists, bankers, experts and so on.

The document above is the recommendations and suggestions from these various meeting of committee to the government before presentation of EBP in parliament.

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 legislature receives the EBP at least 1 & half month but less than 2 months before the start of the budget year.

The fiscal year starts at 16 July of the English calendar year. The EBP is presented every year on May 28 of the calendar year as per our constitutional arrangements.

There is no such provision in Nepal for the legislature to get the EBP before it is presented on the parliament floor; parliament can have the EBP after the Finance Minister presents the EBP on the floor.

Comment:

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:

Media Report

<https://ekantipur.com/news/2022/06/27/165633482512864660.html?author=1>

Parliament Approval

<https://hr.parliament.gov.np/np/bills/D8dzN8Ew>

Comment:

The Budget is presented on May 28 as per constitutional arrangement.

The bill needs to be passed by both house to come to effect.

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:

c. Yes, the legislature has authority in law to amend the Executive's Budget Proposal, but its authority is very limited.

Source:

The Parliament is a constitution of elected members by the citizens of the country for making laws and policies. Since the parliament is where bills are discussed and these in turn become acts after approval, thus parliament does have the authority to amend the budget since it is a law making body.

Comment:

The Legislature-Parliament has authority to amend all provisions of the Executive Budget Proposal except non - votable expenses i.e constitutional expenses.

In the parliamentary system of Nepal, the Legislature-Parliament can amend and make any laws by simple majority. The constitution is the only document which requires two-third majority for amendment.

The government falls when the budget is not passed or simple majority disapproves the EBP.

So far in practice, there has been no change in the EBP when it is presented at the parliament.

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:

b. Yes, the legislature used its authority in law to propose amendments to the Executive's Budget Proposal, but no amendments were adopted.

Source:

Public Records and Telephonic Conversation with Dr. Rojnath Pandey, Secretary, Federal Parliament

Comment:

There is no such use of authority to amend the EBP by the legislature.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, the legislature used its authority in law to propose amendments to the Executive's Budget Proposal, but no amendments were adopted.

Comments: House of representative operation guidelines of Nepal has provision that members of parliament can register notice of expenditure reduction in particular budget heads. This can be taken as limited authority. In F/Y 22/23 this authority was largely used. 23 different proposal for expenditure reduction were tabled but none of them got approved as all the members from ruling parties voted against the proposal and those proposal registered by members of ruling political parties were withdrawn by themselves stating that they were convinced with the clarification of minister. Please, see the clause 146-149 of the rule (law of parliament operation). <https://docs.google.com/viewerng/viewer?url=https://hr.parliament.gov.np/uploads/attachments/xo9w7jtmp0ythwoi.pdf> See the news about 23 proposal of expenditure reduction got disapproved. : <https://baahrakhari.com/detail/354389>

Government Reviewer

Opinion: Agree

Researcher Response

The peer reviewer suggestion is reviewed and verified. News about 23 proposal of expenditure reduction got disapproved. Link : <https://baahrakhari.com/detail/354389> The new answer is B

IBP Comment

Considering the additional information and evidence brought by the peer reviewer and confirmed by the researcher, the original answer was changed from "c" to "b".

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:

d. No, a specialized budget or finance committee did not examine the Executive's Budget Proposal.

Source:

Finance committee doesn't have any definitive role on budget approval process. This committee involvement was mostly in budget formulation process and pre budget discussion with various disciplines.

Likewise budget is a very secret and major policy document that is only unveiled on Budget Day on parliament floor and only then these committee members can have access to this document.

(In Telephonic Conversation with Dr. Rojnath Pandey, Secretary, Federal Parliament

Comment:

The members of parliament do have access on EBP on the very day of Budget Speech.

Role of Parliamentary Committee are stated here.

<https://www.lawcommission.gov.np/en/archives/3911>

<https://hr.parliament.gov.np/np/committees/Finance-Committee/work-duty-authority#>

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:

d. No, sector committees did not examine the Executive's Budget Proposal.

Source:

As Per Telephonic Conversation with Dr. Rojnath Pandey, Secretary, Federal Parliament

Comment:

Budget is a very secret and major policy document that is only unveiled on Budget Day on parliament floor and only then these committee members can have access to this document.

It is a document shrouded in confidentiality till budget speech day because of its revenue, expenditure, policy implications.

This is not a subject to discuss in any legislature committee.

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:

c. Yes, a committee examined in-year implementation, but it did not publish any report with findings and recommendations.

Source:

Media Coverage

<https://myrepublica.nagariknetwork.com/news/pac-stresses-implementation-of-its-directives/>

Comment:

PAC conducts investigation on various budget as well as non budget current issues. In the cases of some severe misshapen and budget mismanagement, they even form a certain specific sub committee to probe further into the subject.

Likewise Finance committee also held meetings on various budget and finance related issues round the year.

Finance Committee meetings notices are available in the parliament website but they don't have any information on findings and recommendations.

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:

d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to shifting funds between administrative units, and in practice the executive shifts funds between administrative units before obtaining approval from the legislature.

Source:

Section 121 of the Nepal Constitution of 2015, and the Financial Work Procedure Act of 1998

Constitution of Nepal-2015

<http://www.lawcommission.gov.np/en/archives/884>

121. Supplementary estimates: (1) The Minister for Finance of the Government of Nepal may lay before the House of Representatives a supplementary estimate if it is found in any financial year,- (a) that the sum authorized to be spent for a particular service by the Appropriation Act for the current financial year is insufficient, or that a need has arisen for expenditures on some new service not provided for by the Appropriation Act for that year, or (b) that the expenditures made during that financial year are in excess of the amount authorized by the Appropriation Act. (2) The sums included in the supplementary estimate shall be specified under the related heads in a Supplementary Appropriation Bill.

Comment:

Financial Work Procedure Act (Section 8)

<http://www.lawcommission.gov.np/np/archives/6244>

The Financial Work Procedure Act clearly mentions that government can transfer the budget within the ceiling prescribed by Appropriation Act. The Appropriation Act provides government the right to transfer budget from one head to other not exceeding 10% of the total budget in aggregate but development budget and financial management cannot be transferred to recurrent expenditure.

PDF Page 3 of Appropriation Act - Section 3 Subsection 3 Clearly states the same.

Appropriation Act -

https://www.mof.gov.np/uploads/document/file/%E0%A4%B5%E0%A4%BF%E0%A4%A8%E0%A4%BF%E0%A4%AF%E0%A5%8B%E0%A4%9C%E0%A4%A8%20%E0%A4%90%E0%A4%A8,%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AD_20201118045140.pdf

Peer Reviewer

Opinion: Agree

Comments: Appropriation Act provides flexibility to transfer budget from one administrative unit to another within the limit of 10%. Capital expenditure budget can not be transferred to recurrent and that for principal repayment can be transferred only to interest payment heads. The provision is not clear of executive need to transfer more than that or otherwise. Executive is taking benefit of this loophole. See paragraph 3 on allocation and virement of appropriation Act 2079. <https://mof.gov.np/site/publication-detail/3182>

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:

NA

Comment:

Section 121 of the Nepal Constitution-2015 (Page Number 78) Constitution of Nepal-2015
<http://www.lawcommission.gov.np/en/archives/884>

121. Supplementary estimates: (1) The Minister for Finance of the Government of Nepal may lay before the House of Representatives a supplementary estimate if it is found in any financial year,- (a) that the sum authorized to be spent for a particular service by the Appropriation Act for the current financial year is insufficient, or that a need has arisen for expenditures on some new service not provided for by the Appropriation Act for that year, or (b) that the expenditures made during that financial year are in excess of the amount authorized by the Appropriation Act. (2) The sums included in the supplementary estimate shall be specified under the related heads in a Supplementary Appropriation Bill.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: 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:

Telephonic Conversation with Dr. Roj Nath Pandey, Secretary, Federal Parliament

Comment:

Executive can spend within the limit as approved by parliament irrespective of revenues.

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:

c. Yes, a committee examined the Audit Report on the annual budget, but it did so after the report had been available for more than six months or it did not publish any report with findings and recommendations.

Source:

Telephone Conversation With Dr. Rojnath Pandey, Secretary, Federal Parliament

The Scope, Responsibility and power of PAC

<https://hr.parliament.gov.np/np/committees/Public-Account-Committee/work-duty-authority>

Comment:

The PAC holds various meeting and discussion workshops of the audit report with officials of the concerned ministry & government department, Office of Auditor General representatives, lawmakers and media.

They even form various sub committees for examining and looking into some important & specific findings from Audit Report .

All the findings are presented by PAC in parliament.

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:

Interview with Maheshowr Kafle (Deputy AG), Office of the Auditor General, Nepal

See also Part 22 "Auditor General" of the Constitution of Nepal.

<http://www.lawcommission.gov.np/en/archives/859>

Comment:

Constitutional Council headed by the Prime Minister with Chief Justice, speaker of the House, National Assembly Chair, Opposition Party Leader as

member will recommend the name of Auditor General. It goes to the Public Hearing Special Committee (PHSC) of the Parliament. After the clearance from PHSC it goes to the President for appointment. It is a fixed term appointment for the tenure of 6 years or up to the age of 65 whichever comes first.

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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: None

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:

Interview with Maheshwor Kafle (Deputy AG), OAG, Nepal

Comment:

See Part 22 "Auditor General" of the Constitution of Nepal.

2/3 majority of the Parliament can remove the Auditor General through impeachment process.

Specifically, see Part 22 (4)(c)(d)

(c) if a motion of impeachment is passed against him or her under Article 101,

(d) if he or she is removed from office by the President on recommendation of the Constitutional Council on grounds of his or her inability to hold office and discharge the functions due to physical or mental illness

See Article 101 on page 69 of the below:

<https://lawcommission.gov.np/en/wp-content/uploads/2021/01/Constitution-of-Nepal.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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: None

121. Who determines the budget of the Supreme Audit Institution (SAI)?

GUIDELINES:

Question 121 asks who determines the budget of the Supreme Audit Institution (SAI). To ensure objective audits of government budgets, another important component of the SAI's independence from the executive is the extent to which the SAI's budget is determined by a body other than the executive, and whether the SAI has adequate resources to fulfill its mandate.

Answer "a" applies if the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate, AND either the SAI determines its own budget and then submits it to the executive (which accepts it with little or no change) or directly to the legislature, or the budget of the SAI is determined directly by the legislature or judiciary (or some independent body). Answer "b" applies if the SAI's budget is determined by the executive (absent a recommendation from the SAI), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate. Answer "c" applies if the legislature or judiciary (or some independent body) determines the SAI's budget, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Answer "d" applies if the executive determines the SAI's budget, and the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Please provide evidence in support of the assessment that the funding level is or is not broadly consistent with the resources the SAI needs to fulfill its mandate.

Answer:

b. The budget of the SAI is determined by the executive, and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.

Source:

Interview with Maheshowr Kafle (Deputy AG), OAG,Nepal

& Constitution of Nepal .

<https://lawcommission.gov.np/en/wp-content/uploads/2021/01/Constitution-of-Nepal.pdf>

Comment:

AG proposes the budget required to fulfill its mandate and the executive committee determine the ceiling of the budget.

By the provision of the constitution the expenses of the Auditor General is non- votable .

Covered by Constitution of Nepal, Section 118 (d) & (f).

Section 118 - Expenditures chargeable on Federal Consolidated Fund: The expenditures relating to the following matters shall be charged on the Federal Consolidated Fund, and approval of the Federal Parliament shall not be required for such expenditures:

(d) - the amount required as remuneration and facilities payable to the chiefs and officials of the Constitutional Bodies,

(f) - the administrative expenses of the Office of the President or the Vice President, the Supreme Court, the Judicial Council, the Constitutional Bodies, and the offices of Chiefs of States,

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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: None

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:

Section 3 - Methods of Audit (PDF Page 2)

Section 4 - Matters to be Audited (PDF Page 3)

Section 5 - Matters to be Audited in View of Propriety (PDF Page 5) of Audit Act

Audit Act 1991

<https://oag.gov.np/uploads/files/kQT-Audit-Act-2048-1991.pdf>

<https://www.lawcommission.gov.np/en/archives/category/documents/prevaling-law/statutes-acts/audit-act-2048-1991>

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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: None

123. Are the audit processes of the Supreme Audit Institution (SAI) reviewed by an independent agency?

GUIDELINES:

Question 123 assesses whether and to what extent the audit processes of the Supreme Audit Institution (SAI) are subject to review by an independent agency.

The latter could be a peer SAI, an international organization, an academic institution with relevant expertise, or an independent domestic agency with quality assurance functions in the area of financial reporting.

To answer "a," an independent agency must conduct and publish a review of the audit processes of the SAI on an annual basis. Answer "b" applies if a review was carried out within the past five years, and published, but it is not conducted annually, but. Choose answer "c" if the SAI has an internal unit that reviews the audit processes of the SAI on a regular basis, but an independent agency does not conduct such a review. Answer "d" applies if the audit processes of the SAI are reviewed neither by an independent agency nor by a unit within the SAI.

If the answer is either "a" or "b," please specify the name of the independent agency and when last it conducted such a review, and provide a copy of the published report. If the answer is "c," please specify the name of the unit within the SAI that is tasked with conducting such reviews.

Answer:

d. No, the audit processes of the SAI are reviewed neither by an independent agency nor by a unit within the SAI.

Source:

Interview with Maheshwor Kafle (Deputy AG), Office of the Auditor General, Nepal

Comment:

The last peer review of OAG Nepal was done by SAI of India in 2014 and no peer review was done since.

2014 Peer Review Report

[http://www.oagnep.gov.np/uploads/022-207172-004_Peer%20Review%20by%20SAI-India%20SAI-PMF%202014\(1\).pdf](http://www.oagnep.gov.np/uploads/022-207172-004_Peer%20Review%20by%20SAI-India%20SAI-PMF%202014(1).pdf)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: None

124. In the past 12 months, how frequently did the head or a senior staff member of the Supreme Audit Institution (SAI) take part and testify in hearings of a committee of the legislature?

GUIDELINES:

Question 124 concerns the interaction between two important oversight actors and assesses how frequently the Supreme Audit Institution (SAI) made high-level inputs to the work of legislative committees. Many SAIs interact with the legislature in some form, but the nature and intensity of the interaction varies. This question probes this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the SAI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the SAI representative in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). You can refer to official records of legislative committees, websites and annual reports of the SAI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; "c" for once or twice, and "d" for never.

Answer:

c. Rarely (i.e., once or twice).

Source:

As per telephonic conversation with an official in the Office of Auditor General Nepal.

Comment:

Peer Reviewer**Opinion:** Agree**Comments:** Though public Account committee publishes annual report, it does not reflect the meetings of hearing in presence of SAI officials.
<https://hr.parliament.gov.np/uploads/attachments/q035jpe2tisk1rsg.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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: None

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:

b. Yes, the executive uses open participation mechanisms through which members of the public provide their inputs on the budget.

Source:

Revenue Advisory Committee made a public notice through its website calling for the general public to send their inputs in regard to the issues to be incorporated in the budget, policy and program for the fiscal year. These notices are also published on national daily.

These committee used to conduct thorough consultations in past years. Committee is elevated to a revenue board, and one of their main purpose was to conduct tax consultations. However, the pandemic affected the engagement.

Along with these Ministry of Finance also asks for budget suggestions from Public via website and email.

<https://mof.gov.np/budgetSuggestion>

Comment:

Though there are some practices of receiving civic inputs in the budget process through different channels, the executive does not put in place a practice to inform the citizens as which recommendations and inputs were used in informing and improving budget policies.

There is new development with "National Strategy and Action Plan for Citizen Engagement of in Public Financial Management in Nepal" which was initiated by PEFA Nepal in collaboration with Freedom Forum. This will be the new addition to opportunity of public engagement in PFM once Govt. approves.

<https://www.pefa.gov.np/en/detail/national-strategy-and-action-plan-for-citizen-engagement-of-in-public-financial-management-in-nepal>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

See also the "Report on revenue policy and tax reform for the fiscal year 2079/80, 2079" <https://mof.gov.np/site/publication-detail/3179>

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:

The government does not actively reach out to vulnerable communities in the budget making process. A ceiling is sent to each ministry who then sends that to its departments to send programs for the year. A council (which may include vulnerable groups) will finalize programs and send it back to the ministry who then sends it to ministry of finance. While we had earmarked budget for disadvantaged groups through Local Governance and Community Development Program (LGCDP) it doesn't necessarily mean they are consulted during the budget formulation process.

Comment:

The most substantial form of public consultation (that is, with different stakeholders, including private sector through pre-budget discussion, revenue advisory committee meetings, functioning of other subcommittees under the committee and media there is no clear action to include vulnerable and under-represented population groups.

However, it should be noted that there are other forms of public consultation that do engage with vulnerable and disadvantaged groups of the population including the Federation of Dalit and ethnic NGOs.

Peer Reviewer

Opinion: Agree

Comments: The mechanism set by MoF is open for all but no special arrangement is made for the vulnerable groups.

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:

c. The executive's engagement with citizens covers at least one (but less than three) of the above-mentioned topics.

Source:

Revenue Board did submit the inputs and recommendations on existing revenue policy, customs rates, Value Added Tax, income tax, concise duty, non-tax, revenue leakage control as well as overall reforms in revenue administration.

<https://mof.gov.np/site/publication-detail/3179>

However, there was no follow up and it is unclear how inputs were used.

Comment:

As per the release of report the revenue advisory committee submitted to Ministry Of Finance summarizing inputs. This report was published online after the budget date but the document date is well before the budget date.

Peer Reviewer

Opinion: Agree

Comments: Through MoF led mechanism, citizen can provide input on either of the areas mentioned above but there is no organized mechanism to take inputs on specific areas. Revenue advisory board collects inputs and feedback focusing on different aspects of public revenue.

Government Reviewer

Opinion: Agree

128. Does the executive use participation mechanisms through which the public can provide input in monitoring the implementation of the annual budget?

GUIDELINES:

This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:

https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf.

Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in monitoring the implementation of the annual budget. If the executive has designated a central coordinating agency to implement participation mechanisms throughout the national budget process, researchers may consider these mechanisms. Participation mechanisms used only by line ministries should not be used to answer this question. If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the implementation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenue administration, public service delivery, public investment project implementation, including procurement, and the administration of social transfer schemes.

To answer "a," the executive must use open participation mechanisms that involve the public in the implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government official. Examples include public meetings, online, deliberative exchanges, procurement complaint mechanisms, and social monitoring and dialogue.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input on the implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include public hearings, surveys, focus groups, report cards, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to provide input on budget implementation, but:

1) *The mechanisms are not structured, happen only on ad-hoc basis, or not regularly.*

and/or

2) *The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.*

In cases where there is discretion in who is allowed to participate, to select answer choice "c", the researcher must have evidence that the government is holding participation mechanisms that have some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and members of

the public can have knowledge of the meeting, who participated, and what was discussed.

Examples include hotlines, Facebook announcements, one-off meetings with NGOs in which there is a public record.

The researcher must present evidence to support selection of a "c" response.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

b. Yes, the executive uses open participation mechanisms through which members of the public provide their inputs on budget implementation.

Source:

There are evolving good practices, there is no strong and structured civic participation and inputs mechanism through which the public including citizens and their associations can provide input in monitoring the implementation of the annual budget however third party audit practices are evolving to listen to and redress complains.

The mechanism such as "Hello Sarkar" is in place at the Office of the Prime Minister and Council of Ministers (OPMCM) which is digitally and physically open for public complains on public revenue, spending and program implementation. As the mechanism has collected information and referred the complaints to the concerned ministries and agencies, it also brings Ministry of Finance to the ambit to address the concerned concerns.

Hello Sarkar Link - <https://gunaso.opmcm.gov.np/home>

Besides this hello sarkar can be approached via online, Facebook, twitter, fax, sms and telephone as well.

All in all, it is one of the best way for citizen to engage with government.

Comment:

Ministry of finance has mechanized the practice of proactively disclosing information of the project implementation and monitoring and evaluation under RTI ACT.

<https://mof.gov.np/search?>

s=%E0%A4%B8%E0%A5%82%E0%A4%9A%E0%A4%A8%E0%A4%BE%E0%A4%95%E0%A5%8B+%E0%A4%B9%E0%A4%95+%E0%A4%B8%E0%A4%AE%E0%A5%8D%E0%A4%AC%E0%A4%A8%E0%A5%8D%E0%A4%A7%E0%A5%80+%E0%A4%90%E0%A4%A8

There is also the practice of involving users committee as a civic mechanism in the local infrastructure construction works such as drinking water, irrigation, road and drainage even by federal, provincial and local governments. It is how the citizen engagement has been mechanized in the implementation of budget. The provision of user committee and Tole Development Organization is stipulated in the Local Government Operation Act-2017. The local governments have their own complaint redress mechanisms like Hello Sarkar where public can lodge their complaints on public affairs including budget online.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, the executive uses participation mechanisms during the budget implementation phase, but either these mechanisms capture only some ad-hoc views, or the executive invites specific individuals or groups for budget discussions (participation is not, in practice, open to everyone).

Comments: Disclosure of information during project implementation phase is satisfactory. Project information board installation at the public spaces, disclosure of progress reports, open notice for bidding process are systematic and open but public consultation, participatory monitoring etc are quite ad-hoc. It is better at local level but very limited at the federal level. Good governance Act 2008 has provision of public hearing but this is mandatory for regional, district and local level agencies not federal. See the provision of public hearing in the following link :

<https://www.lawcommission.gov.np/en/wp-content/uploads/2018/10/good-governance-management-and-operation-act-2064-2006.pdf>

Government Reviewer

Opinion: Agree

Researcher Response

The peer reviewer response is reviewed and taken into consideration. The researcher still believes the criteria for Answer B is met. The answer remains B.

IBP Comment

IBP appreciates the peer reviewer's comment. The researcher conducted a second review of the indicator and based on the information available the original answer "b" is accurate.

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:

The government receives inputs from a handful representative of underrepresented and vulnerable population in the budget implementation process. The practice is ad hoc.

Though any citizen can provide suggestion during budget implementation there is not knowing of those inputs and suggestions.

Comment:

The RTI law is applicable for all Nepali citizens irrespective of class, caste and creed so people from underrepresented communities can also provide their inputs for which the government is legally bound to listen or respond.

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:

c. The executive's engagement with citizens covers at least one (but less than three) of the above-mentioned topics.

Source:

Hello Sarkar Link - <https://gunaso.opmcm.gov.np/home>

Comment:

A very limited to minimum engagement is there between executive and citizen since a clear roadmap is not in practice for this engagement. Even though various agencies of government with their respective agendas holds some form of public hearings through local and provincial level of the government. Mostly these engagement is focused around social spending and these practice very from place to place and different levels of government. The use of RTI for getting information from the government on various disciplines of budget is a form of engagement with executive which is increasing day by day.

Like wise "Hello Sarkar" is an official portal where citizen have engaging platform directly to Office of Prime Minister & Minister of Council via online, telephone, fax, sms etc and provide the inputs and feedback on budget issues.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

131. When the executive engages with the public, does it provide comprehensive prior information on the process of the engagement, so that the public can participate in an informed manner?

Comprehensive information must include at least three of the following elements:

- 1. Purpose**
- 2. Scope**
- 3. Constraints**
- 4. Intended outcomes**
- 5. Process and timeline**

GUIDELINES:

This question relates to the GIFT principle of "Openness," and addresses whether the executive provides relevant information on the process of the engagement before public participation takes place, in order to help citizens engage effectively. The question addresses whether the "rules of the public engagement" are clearly spelled out, in advance and in detail, so that those members of the public who want to engage know how to do so, in terms of when they can do so, what they are expected to provide input on, by when, to whom, etc. This question does not cover the substance of the engagement, which is covered by questions 127 and 130.

Non-comprehensive information means that the government provides information that includes at least one but less than three of the elements listed above.

Purpose refers to a brief explanation of why the public engagement is being undertaken, including the executive's objectives for its engagement with the public.

Scope refers to what is within the subject matter of the engagement as well as what is outside the subject matter of the engagement. For example, the scope may include how a current policy is administered but exclude the specifics of the policies themselves.

Constraints refers to whether there are there any explicit limitations on the engagement. An example of a constraint could be that any policy changes must not cost (or forgo revenue) more than a specific amount or have no net fiscal cost.

Intended outcomes refers to what the executive hopes to achieve as a result of the engagement. Examples of intended outcomes could be revising a policy to better reflect citizen or service-user views or to improve the way in which a particular program is administered.

Process refers to the methods by which the public engagement will take place and the discrete steps in the process. For example, the process may simply be a one-off Internet-based consultation, with a summary published of public inputs and the official response. The process may involve simultaneous or overlapping steps, and may be conducted in one round or in two or more rounds of engagement.

Timeline refers to the specific dates on which the discrete steps in the process will take place, or during which they will be completed, and clear start and end dates for the overall engagement.

Answer "d" applies if the executive does not use public participation mechanisms during the budget implementation or formulation stage.

Answer:

c. Information is provided in a timely manner in both or one of the two phases, but it is not comprehensive.

Source:

Telephonic conversation with Ministry of Finance Official.

Comment:

Related to the Revenue Advisory Committee's request for inputs, like that of previous years, there is very limited information on public engage with participation mechanism.

The MoF publishes notice in the national broadsheet and on online. The Executive provides information on the process of the engagement basically the purpose and the timeline. The Ministry of Federal Affairs and General Administration and National Planning Commission has developed guidelines for the public to participating in local development affairs. The provincial and local governments have developed their own guide in ensuring citizen participation in purpose and the timeline.

Peer Reviewer

Opinion: 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:

c. Yes, the executive provides a written record which includes either the list of the inputs received or a report or summary on how they were used.

Source:

Though the executive receives feedback and inputs from the citizen in the formulation of the annual budget, there is no as such practice to provide the public with feedback how their input has been used in the formulation.

The Revenue Advisory Committee compiles all the recommendations received from public and prepares a report which is made public through ministry official website.

How the inputs were used in the formulation of annual budget is not clearly reflected in the publication of budget proposal.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

IBP worked with the researcher to revise the score to a "C". The Revenue Advisory Board prepares a report after consultations and interactions with various stakeholders on tax, revenue, excise duty, customs duty, etc. The report provides information on stakeholder inputs and is submitted to and published by the MoF (PDF Pg 15-23). Link- <https://mof.gov.np/site/publication-detail/3179>

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:

This does not exist in current practice.

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:

Though there is timeline for various aspects in relation to budget formulation there is no information of any mechanism for participation of public.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

135. Do one or more line ministries use participation mechanisms through which the public can provide input during the formulation or implementation of the annual budget?

GUIDELINES

While questions 125 – 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:

c. Yes, at least one line ministry uses participation mechanisms during the budget formulation or implementation phase, but either these mechanisms capture only some ad-hoc views, or the executive invites specific individuals or groups for budget discussions (participation is not, in practice, open to everyone).

Source:

Directive on Budget Formulation, Implementation, Financial Management and Property Transfer 2077

https://mof.gov.np/uploads/document/file/%E0%A4%B8%E0%A5%8D%E0%A4%A5%E0%A4%BE%E0%A4%A8%E0%A4%BF%E0%A4%AF%20%E0%A4%A4%E0%A4%B9%20%E0%A4%A8%E0%A4%BF%E0%A4%B0%E0%A5%8D%E0%A4%A6%E0%A5%87%E0%A4%B6%E0%A4%BF%E0%A4%95%E0%A4%BE,%20%E0%A5%A8%E0%A5%A6%E0%A5%AD%E0%A5%AA_20170704111549.pdf

Comment:

At least one line ministry uses participation mechanisms during the budget formulation or implementation phase.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

IBP agrees with the researchers' assessment, the link provided is the directive that was introduced with the scope for public participation during the formulation/implementation of the annual budget. The provisions on pages 3 & 4 of the directive have a participatory space for planning, budgeting, and implementation at the local level of government. This directive is in effect and it's the updated one that is in execution on date.

136. Does the legislature or the relevant legislative committee(s) hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the formulation of the annual budget (pre-budget and/or approval stages)?

GUIDELINES:

This question reflects the GIFT principle on "Sustainability," "Transparency," and "Complementarity" and assesses the extent to which the participation mechanism(s) used by the legislative are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.

Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) has put in place and is using to allow the public to participate in their deliberations on the annual budget. This includes deliberations during the pre-budget phase (i.e., when the executive is still in the process of formulating the draft budget) and the budget discussions after the budget has been tabled to parliament and before it is approved. In the comment box, please specify during which stage of the budget cycle the legislature has put in place a public participation mechanism.

Mechanisms through which members of the public reach out to individual Members of Parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.

If there is more than one mechanism, please select a mechanism that best shows/reflects the legislature's efforts to incorporate citizens into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenues, policy selection, and macro-fiscal planning (please note that the issue of coverage is covered in a subsequent question).

To answer "a," the legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).

Answer "b" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *Testimony is not allowed from members of the public or CSOs; but*
- *There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.*

Answer "c" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *Testimony is not allowed from members of the public or CSOs;*
- *No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, but*
- *The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)*
- *The legislature has a provision (via standing orders or in law) through which the public can submit their inputs, and members of the public or CSOs actively use it to submit opinions on the budget.*

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget

Answer:

c. Yes, public hearings on the budget are held. No testimony from the public is provided during the public hearings, and there are no other mechanisms through which public contributions are received, but the legislature invites specific individuals or groups to testify or provide input (participation is not, in practice, open to everyone).

Source:

Yes, public hearings on the budget are held. No testimony from the public is provided during the public hearings, and there are no other mechanisms through which public contributions are received, but the legislature invites specific individuals or groups to testify or provide input (participation is not, in practice, open to everyone).

Meeting Report of Finance Committee of Federal House of Representative of Nepal
<https://hr.parliament.gov.np/uploads/attachments/4hiomsiomxqjz7t.pdf>

As per the report, they held closed discussion with experts, respective ministries, private sectors etc. on the matters of budget priorities, new changes in budgets, essential aspects that should be addressed by the budget and so on.

The reports also detailed on suggestions for the upcoming budget. Priorities sectors for upcoming budgets, developing the self sufficient economy, project management and infrastructure development, educations and employment and so on.

The suggestions that are stated in report doesn't clarify about which sector provided what types of suggestions.

There is no direct citizen engagement in any of the above. Selected groups and selected discipline were involved in the discussion. As such answer choice C applies.

Likewise the annual report of finance committee of federal government also presents in the information on pre-budget discussions as well.
<https://hr.parliament.gov.np/uploads/attachments/t13ydnizaapsizc.pdf>

Comment:

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:

c. The legislature seeks input on at least one (but less than three) of the above-mentioned topics.

Source:

The meeting and discussion among the selected parties do contain inputs at least one of the above topics. Looking at the above topics, the social spending policies is the one likely most discussed among various groups in these meeting.

Comment:

Direct citizen interaction hasn't taken place as for pre-budget statement discussion. Special & selected groups from govt. and outside have been consulted in pre- budget meeting as well. Therefore, it's safe to say that there is no mechanism for citizen engagement in pre-budget statement discussion with the legislature.

It is also to be noted that beyond this stage there is no public discussion on approval and executing stage of budget.

Peer Reviewer

Opinion: Agree

Comments: I agree with the researcher. In absence of report on agenda wise discussion, I also go with this option considering that two main areas of budgetary discussion in Nepal are 1. Public Investment Projects (pre-dominantly roads) and social development (health and education)

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:

d. The requirements for a "c" response or above are not met.

Source:

There is no practice of legislative to provide details on how citizens' feedback has been incorporated in the deliberation of budget. Even for the case of feedback from these selected discussions made in pre-budget, these groups from bankers, corporate, private sectors, expert etc. only knew when they hear the budget speech. Though the report contains feedback of these discussion group by group but there is not any public disclosure on which feedback was used and how it reflected on the delivered budget.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

139. Does the legislature hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the Audit Report?

GUIDELINES:

This question reflects the GIFT principle on "Sustainability," "Transparency," and "Complementarity" and assesses the extent to which the participation mechanism(s) used by the 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:

There is no such practice of public hearing in audit reports from legislative where common citizens are invited for discussion. These reports are discussed in length in Public Accounts committee of Federal Parliament of Nepal.

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:

a. Yes, the SAI maintains formal mechanisms through which the public can suggest issues/topics to include in its audit program.

Source:

Yes, the SAI maintains formal mechanisms through which the public can suggest issues/topics to include in its audit program.

CPA Procedures 2073

https://oagnep.gov.np/wp-content/uploads/2018/03/CPA-Karyabedi-2073_1466321850.pdf

Comment:

The CPA Procedure 2073 which provides the platform for CSO engagement in Performance Audit has provisioned the steering and working committees where representatives from CSO are involved in selecting the topics for audit and follow up as well. Besides this OAG also has on Audit Advisory Committee where there is representation of CSO, experts, media personals and ex-servicemen of government.

OAG publishes notice to national daily for feedback from public regarding audit issues, budget issues, topics for upcoming budgets where common public by way of hotline and mails can provide their inputs to OAG.

OAG publishes CPA call notice every year open for public to participate in performance audit which is another platform where public can directly participate in audit as well.

OAG has been actively engaging in developing CPA trained personals by providing trainings and Freedom Forum has been actively working hand in hand with OAG in building a network of CPAs through out the country.

OAG also has spokesperson and information officer through which public can provide and get information in both ways.

Peer Reviewer

Opinion: Agree

Comments: I do not disagree with the researcher but participation mechanism has been set for performance audit only. However this has link with the compliance and financial audit and areas of public interest are selected through consultation. For financial and compliance audit mechanism and

practices have not been well institutionalized.

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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: None

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:

https://oagnep.gov.np/wp-content/uploads/2018/03/CPA-Karyabedi-2073_1466321850.pdf

Comment:

Office of Auditor General every year calls for public to participate in performance audit. There is proper mechanism to involve CSOs in these audit. CSOs are always involved in selecting audit topics each year. The CPA Procedures 2073 (https://oagnep.gov.np/wp-content/uploads/2018/03/CPA-Karyabedi-2073_1466321850.pdf) has provisions for CSOs engagement in audit.

CSOs representatives are consulted for selection of audit topics for performance audit. The selected CSOs to participate in audit are given training before audit start. Audit process includes site visit, field observation, interviews with locals, and focus group discussion.

In CPA public is participating from both sides. Form one side CSOs are conducting audit whereas the beneficiaries (general public) can put forth their views and observations on what are the reality of work done and can act as first-hand information provider to make audit effective.

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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: None

142. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can contribute to audit investigations (as respondents, witnesses, etc.)?**GUIDELINES:**

This question mirrors question 140, but instead of covering public assistance in formulating the SAI's audit program, it focuses on whether the Supreme Audit Institution has established mechanisms through which the public can participate in audit investigations. In addition to seeking public input to determine its audit agenda, the SAI may wish to provide formal opportunities for the public and civil society organizations to participate in the actual audit investigations, as witnesses or respondents.

Answer:

a. Yes, SAI maintains formal mechanisms through which the public can contribute to audit investigations.

Source:

The requirements for an "a" response are not met.

CPA Procedure 2073

https://oagnep.gov.np/wp-content/uploads/2018/03/CPA-Karyabedi-2073_1466321850.pdf

Stakeholders Engagement Strategy

<https://oagnep.gov.np/document-post/stakeholders-engagement-strategy/> The requirements for an "a" response are not met.

CPA Procedure 2073

https://oagnep.gov.np/wp-content/uploads/2018/03/CPA-Karyabedi-2073_1466321850.pdf

Stakeholders Engagement Strategy

<https://oagnep.gov.np/document-post/stakeholders-engagement-strategy/>

Comment:

The major place where public can participate in audit is performance audit through CPA. There is a committee in OAG for carrying out CPA related activities which provides training to CSOs on capacity building so that effective participation in performance audit can be achieved. The CPA is place where the common public of place where audit is taking place can raise their concern and issues to auditor and CSOs conducting audit. OAGN stakeholder engagement strategy is the new approach which has laid out various areas where CSOs, citizens can participate in audit process. This is an encouraging way going forward, it has places public (citizens) as stakeholders who are not active but share common issues with the office that can encourage public/political or media activism

Peer Reviewer

Opinion: Agree

Comments: For performance audit mechanism are enough but for statutory audit it is more ad-hoc. However public notice to provide information through email and telephone (dedicated) is a positive initiative.

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 of Nepal, IBP has sought input on a subset of indicators of the survey questionnaire from the Supreme Audit Institution (Office of the Auditor General), 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: Public can inform the SAI through information officer, spokesperson and complain box about any types of matters to be audited. Our SAI has published this type of notice also in our website. This notice is in Nepali language. Policy and planning directorate of our SAI collect the information from public and communicate regularly to the concerned audit team leader for the purpose of auditing and reporting specifically on such issues. IBP's final comment: IBP appreciates the additional information provided by the OAG. The question asks whether the OAG has established a formal mechanism through which the public can participate in audit investigations We agree that there is a mechanism through which citizens can participate in various activities through complaint box, mails, website with the supply of information on different areas to OAG. This is the ad-hoc means of communication by which the citizens can provide their views, observations, and findings to OAG. This is not a two-way communication mechanism in which OAG and the public can have back-and-forth communications and enquire about the information's utility and OAG's take on such feedback. Besides these are not real-time engagements and there is no scope for any live interaction. As mentioned it's a one-way route via which the public has the opportunity to input the data and information but the utility, final use, and whether supplied information has any utility or not is not known. However, one interactive opportunity for the public is in the form of Citizen Participation in Audit (CPA) in performance audit. The opportunity to visit the field, interact with the public, conduct surveys, prepare reports and submit the findings to Performance Audit Directorate of OAG in a physical meeting is available while conducting Performance Audit.

<https://oag.gov.np/uploads/files/0eQ->

[Citizen%20Participatory%20Audit%20Directives,%202023.pdf#:~:text=The%20objective%20of%20Citizen%20Participatory%20Audit%20%28CPA%29%20is,suitable%20subject%20matter%20which%20impacts%20citizens%20of%20Nepal](#) Therefore, there is evidence that SAI maintains formal mechanisms through which the public can contribute to audit investigations. The original answer was changed from "b" to "a".