

Nicaragua

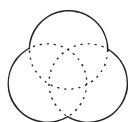
Overview



Transparency:

44 /100

(Open Budget Index score)



Public Participation:

7 /100



Budget Oversight:

54 /100

About the survey

Government budget decisions – what taxes to levy, what services to provide, and how much debt to take on – have important consequences for all people in society. When governments provide information and meaningful channels for the public to engage in these decisions, we can better ensure public money is spent on public interests.

The Open Budget Survey (OBS) is the world’s only independent, comparative and fact-based research instrument that uses internationally accepted criteria to assess public access to central government budget information; formal opportunities for the public to participate in the national budget process; and the role of budget oversight institutions, such as legislatures and national audit offices, in the budget process.

The survey helps local civil society assess and confer with their government on the reporting and use of public funds. This 9th edition of the OBS covers 125 countries.

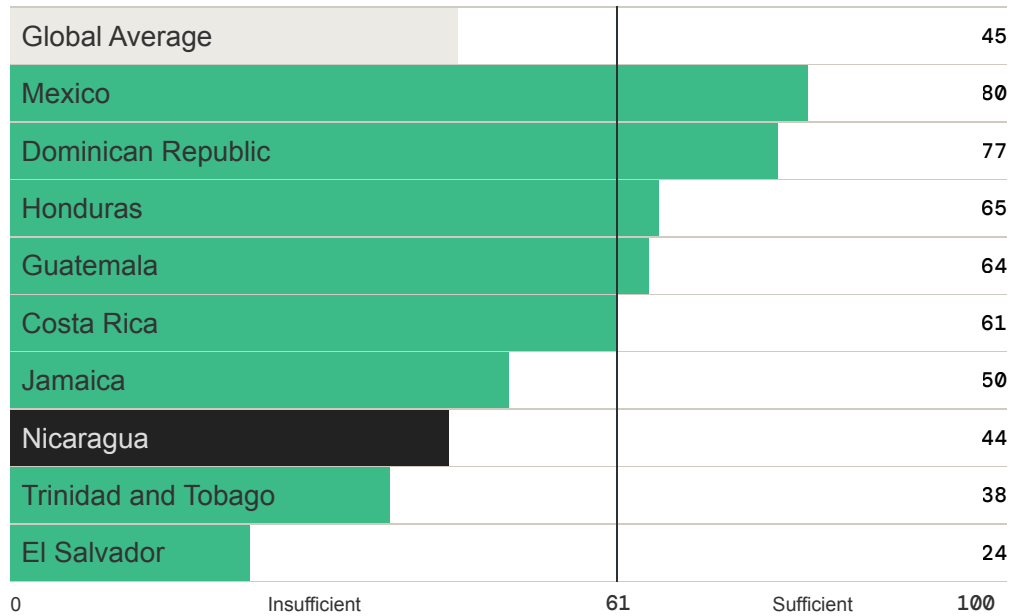
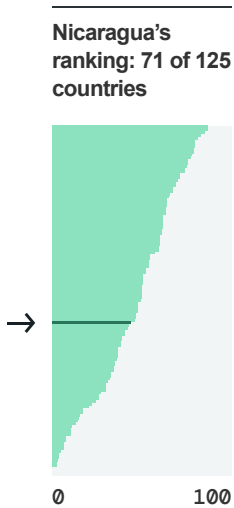
Visit www.internationalbudget.org/open-budget-survey for more information, including the full OBS methodology, the 2023 Global Report, findings for all surveyed countries, and the Data Explorer.

Transparency

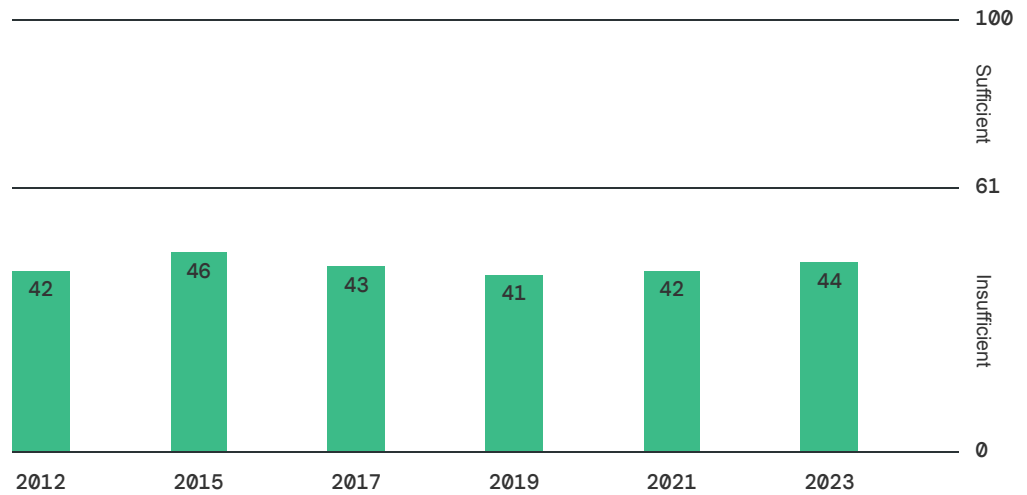
This part of the OBS measures public access to information on how the central government raises and spends public resources. It assesses the **online availability, timeliness, and comprehensiveness** of eight key budget documents using 109 equally weighted indicators and scores each country on a scale of 0 to 100. **A transparency score of 61 or above indicates a country is likely publishing enough material to support informed public debate on the budget.**

Nicaragua has a transparency score of **44** (out of 100).

Transparency in Nicaragua compared to others



How has the transparency score for Nicaragua changed over time?



Public availability of budget documents in Nicaragua

| KEY | |
|---------------------------------------|--|
| ● | Available to the Public |
| ● | Published Late, or Not Published Online, or Produced for Internal Use Only |
| ⊘ | Not Produced |

| Document | 2012 | 2015 | 2017 | 2019 | 2021 | 2023 |
|-----------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Pre-Budget Statement | ● | ● | ● | ● | ● | ● |
| Executive's Budget Proposal | ● | ● | ● | ● | ● | ● |
| Enacted Budget | ● | ● | ● | ● | ● | ● |
| Citizens Budget | ⊘ | ⊘ | ⊘ | ⊘ | ⊘ | ● |
| In-Year Reports | ● | ● | ● | ● | ● | ● |
| Mid-Year Review | ⊘ | ⊘ | ⊘ | ⊘ | ⊘ | ⊘ |
| Year-End Report | ● | ● | ● | ● | ● | ● |
| Audit Report | ● | ● | ● | ● | ● | ● |

How comprehensive is the content of the key budget documents that Nicaragua makes available to the public?

| KEY | |
|---------------------------------------|--------------|
| ● | 61-100 / 100 |
| ● | 41-60 / 100 |
| ● | 1-40 / 100 |

| Key budget document | Document purpose and contents | Fiscal year assessed | Document content score |
|-----------------------------|---|----------------------|------------------------|
| Pre-Budget Statement | Discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt. | 2023 | Published Late |
| Executive's Budget Proposal | Submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation. | 2023 | 56 |
| Enacted Budget | The budget that has been approved by the legislature. | 2022 | 22 |
| Citizens Budget | A simpler and less technical version of the government's Executive's Budget Proposal or the Enacted Budget, designed to convey key information to the public. | 2023 | 33 |
| In-Year Reports | Include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly. | 2022 | 70 |
| Mid-Year Review | A comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes. | 2022 | Not Produced |
| Year-End Report | Describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals. | 2021 | 59 |
| Audit Report | Issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts. | 2020 | Internal Use |

Nicaragua's transparency score of **44** in the OBS 2023 is near its score in 2021.

What changed in OBS 2023?

Nicaragua has increased the availability of budget information by:

- Publishing the Citizens Budget online.

However, Nicaragua has decreased the availability of budget information by:

- Producing the Audit Report for internal use only.

Recommendations

Nicaragua should prioritize the following actions to improve budget transparency:

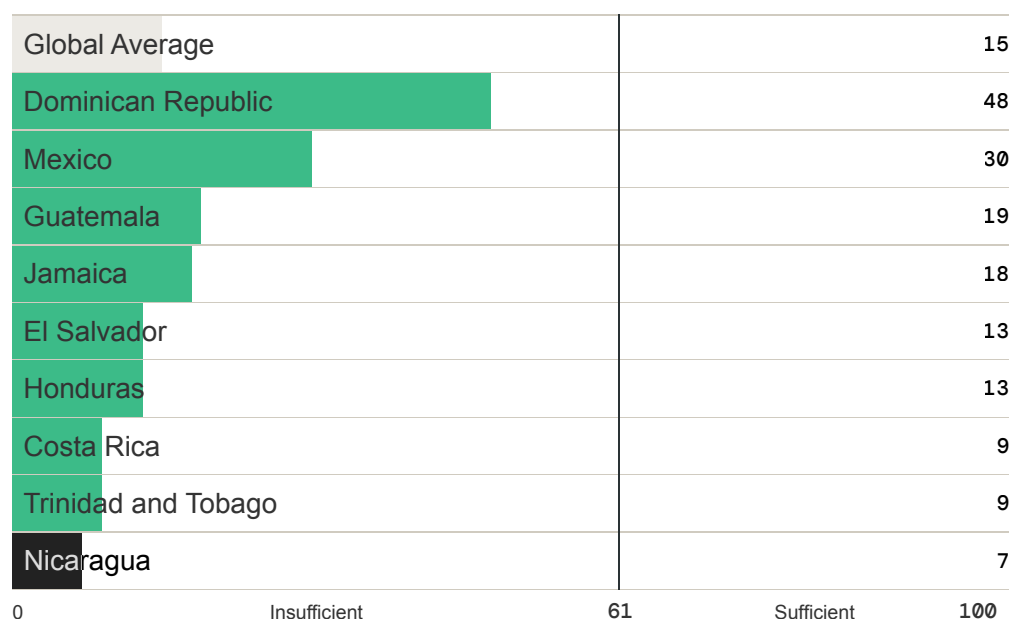
- Publish the Pre-Budget Statement online in a timely manner. The document that corresponds to the Pre-Budget Statement in Nicaragua is called: “Lineamientos de Política para la formulación del Proyecto de Presupuesto General de la República y del Marco Presupuestario de Mediano Plazo”. It should be published at least one month before the Executive’s Budget Proposal is submitted to the legislature for consideration.
- Produce and publish the Mid-Year Review online in a timely manner.
- Include in the Executive's Budget Proposal data on the financial position of the government and data on the macroeconomic forecast. In addition, it should include information related to the composition of the total debt outstanding at the end of the budget year.
- 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).
- Include in the Year-End Report comparisons between borrowing estimates and actual outcomes, comparisons between planned nonfinancial outcomes and actual outcomes and comparisons between the original macroeconomic forecast and actual outcomes.
- Institutionalize the practice of producing and publishing a Citizens Budget annually.
- Expand on the participatory nature of the Citizens Budget, for example, by identifying the public’s budget information needs prior to the release of the document, publicizing it via additional methods of dissemination (e.g. billboards, radio programs), and publishing simplified budget documents for additional stages of the budget process.
- Improve the comprehensiveness of the Enacted Budget (Ley Anual de Presupuesto General de la República) by presenting expenditure estimates by administrative, economic, functional classification and individual programs; and by presenting revenues estimates by category (such as tax and non-tax) and individual sources. The complete version of the Enacted Budget is published out of time. Thus, detailed information cannot be obtained until after the period recommended by good practices.
- Restore the good practice of publishing the Audit Report online in a timely manner.

Public Participation

The OBS assesses the formal opportunities offered to the public for meaningful participation in the different stages of the budget process. It examines the practices of the central government’s executive, the legislature, and the supreme audit institution (SAI) using 18 equally weighted indicators, aligned with the Global Initiative for Fiscal Transparency’s [Principles of Public Participation in Fiscal Policies](#) , and scores each country on a scale from 0 to 100.

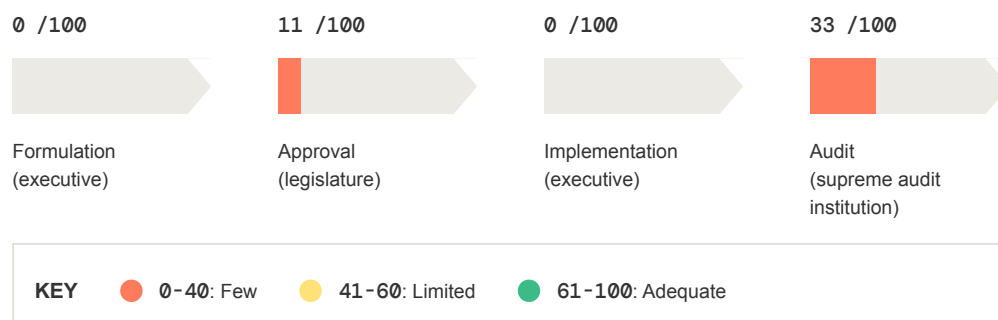
Nicaragua has a public participation score of 7 (out of 100).

Public participation in Nicaragua compared to others



For more information, see [here](#) for innovative public participation practices around the world.

Extent of opportunities for public participation in the budget process



Recommendations

To further strengthen public participation in the budget process, Nicaragua's Ministerio de Hacienda y Crédito Público should prioritize the following actions:

- Pilot mechanisms to engage the public during budget formulation and to monitor budget implementation.
- Actively engage with vulnerable and underrepresented communities, directly or through civil society organizations representing them.

Nicaragua's Asamblea Nacional has established submissions related to the approval of the annual budget, but should also prioritize the following actions:

- Allow any member of the public or any civil society organization to testify during its hearings on the budget proposal prior to its approval.
- Allow members of the public or civil society organizations to testify during its hearings on the Audit Report.

Nicaragua's Contraloría General de la República de Nicaragua has established mechanisms for the public to assist in developing its audit program. It should prioritize the following actions to improve public participation in the budget process:

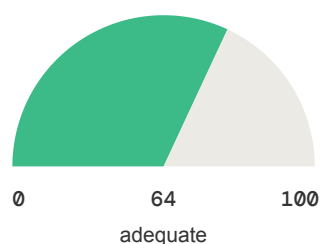
- Establish formal mechanisms for the public to contribute to relevant audit investigations.

Budget Oversight

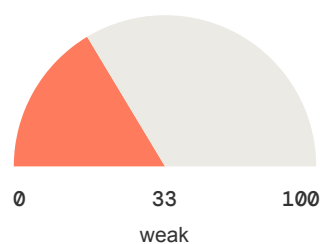
The OBS examines the role that legislatures and supreme audit institutions (SAIs) play in the budget process and the extent to which they provide oversight; each country is scored on a scale from 0 to 100 based on 18 equally weighted indicators. In addition, the survey collects supplementary information on independent fiscal institutions (see Box).

The legislature and supreme audit institution in Nicaragua, together, provide limited oversight during the budget process, with a composite oversight score of **54** (out of 100). Taken individually, the extent of each institution's oversight is shown below:

Legislative oversight



Audit oversight



KEY ● 0-40: Few ● 41-60: Limited ● 61-100: Adequate

Recommendations

Nicaragua's Asamblea Nacional provides adequate oversight during the planning stage of the budget cycle and adequate oversight during the implementation stage. To further improve oversight, the following actions should be prioritized:

- The legislature should debate budget policy before the Executive's Budget Proposal is tabled and approve recommendations for the upcoming budget.
- A legislative committee should examine in-year budget implementation and publish reports with their findings online.
- A legislative committee should examine the Audit Report and publish a report with their findings online.

To strengthen independence and improve audit oversight by the Nicaragua Contraloría General de la República de Nicaragua, the following actions are recommended:

- Require legislative or judicial approval to appoint the head of the supreme audit institution.
- Ensure the supreme audit institution has adequate funding to perform its duties, as determined by an independent body (e.g., the legislature or judiciary).
- Ensure audit processes are reviewed by an independent agency.

The emerging practice of establishing independent fiscal institutions

Nicaragua does not have an independent fiscal institution (IFI). IFIs are increasingly recognized as valuable independent and nonpartisan information providers to the Executive and/or Parliament during the budget process.

**These indicators are *not* scored in the Open Budget Survey.*

Methodology

- Only documents published and events, activities, or developments that took place through 31 December 2022 were assessed in the OBS 2023.
- The survey is based on a questionnaire completed in each country by an independent budget expert:
Leonardo Labarca
Expediente Abierto

info@expedienteabierto.org
- To further strengthen the research, each country's draft questionnaire is also reviewed by an anonymous independent expert.