

International Budget Partnership
OPEN BUDGET QUESTIONNAIRE

NEPAL

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Section One: The Availability of Budget Documents

Table 1. Budget Year of Documents Used in Completing the Questionnaire

Please indicate the budget year of the document used to complete the questionnaire. If the document is not available to the public, please state, "Not Available."

Budget Documents Used in Completing the Questionnaire	
<i>As explained in the guide to the questionnaire, documents from a variety of fiscal years are referred to throughout the questionnaire. Please indicate below for which fiscal year responses to questions relating to each report or experience were based on.</i>	
	Budget Year Used
Pre-Budget Statement	Not available
Budget Summary	2007/08
Executive's Budget Proposal	2007/08
Supporting Budget Documents	2006/07 and 2007/08
Citizens Budget	Not Available
Enacted Budget	2007/08
In-Year Reports	2006/07
Mid-Year Report	2006/07
Year-End Report	2005/06
Audit Report	2005/06

Table 2. Key Budget Documents Used: Full Titles and Internet Links

Please provide the full title, date and Internet link for all documents to be cited in Sections 2 & 3.

If an Internet link is not available for the document, please indicate one of these three answers: “Not Produced,” “Produced but Not Available to the Public,” “Publicly Available, but Not on the Internet.”

Budget Document	Full Title, Date, and Internet Link
Pre-Budget Statement	Produced, but not available for the public
Budget Summary	Released on 12 July 2007 http://www.mof.gov.np/publication/speech/2007/index.php
Executive’s Budget Proposal	Budget Speech of the Fiscal Year 2007 - 2008 Delivered to Interim Legislature - Parliament by Finance Minister Dr. Ram Sharan Mahat on 12 July 2007 http://www.mof.gov.np/publication/speech/2007/index.php
Budget Document One in Support of the Executive’s Budget Proposal	RED BOOK: Released on July 12, 2007 http://www.mof.gov.np/publication/red/2007/index_english.php
Budget Document Two in Support of the Executive’s Budget Proposal	ECONOMIC SURVEY: Released on July 11, 2007 http://www.mof.gov.np/publication/budget/2007/survey_eng.php
Budget Document Three in Support of the Executive’s Budget Proposal	YELLOW BOOK: Released on July 12, 2007 http://www.mof.gov.np/publication/yellow/2007/index_eng.php WHITE BOOK: Released on July 12, 2007 http://www.mof.gov.np/publication/sourcebook/2007/index_english.php
Citizens Budget	Not Produced
Enacted Budget	http://www.mof.gov.np/publication/speech/2007/index.php , August 8, 2007. Same as Executive's Budget Proposal. Please see additional comments at the end of this questionnaire

In-Year Reports	<p>One single in-year report is not published here in Nepal. Ministry of Finance releases information related to revenue collection on a monthly basis and the Financial Comptroller General Office releases the information related to expenditure on a trimester basis. Nepal Rastra Bank releases information related to internal borrowings on a monthly basis. There is no information on external borrowings.</p> <p>In-Year Trimester reports on Expenditure: http://www.fcgo.gov.np/Trim_early.php</p> <p>In-Year reports on Revenue: Publicly Available but not on the internet</p>
Mid-Year Review	<p>www.mof.gov.np Released on January end 2008</p> <p>The mid year report for the previous fiscal year (which is the year of study) is not available in the internet NOW. It was available until some time back. The Ministry of Finance does not keep this document as archive in the internet. Immediately after the release of mid-year report for the new year, the previous year's document is no longer available online but only offline.</p>
Year-End Report	<p>http://www.fcgo.gov.np/fs_62_63.php, May 2007</p>
Audit Report	<p>http://www.oagnep.gov.np, December 2006</p>
Other Documents	<p>Current Macroeconomic Situation Published from Nepal Rastra Bank (Central Bank of Nepal) www.nrb.org.np</p> <p>MTEF from National Planning Commission www.npc.gov.np</p>
Relevant Ministries & Departments	<p>Govt. of Nepal - Ministry of finance: www.mof.gov.np</p> <p>Financial Comptroller General Office: www.fcgo.gov.np</p> <p>Office of Auditor General: www.oagnepal.gov.np</p>

Table 3. Distribution of Documents Related to the Executive’s Budget Proposal

DISTRIBUTION OF BUDGET DOCUMENTS						
<i>For the following reports, place “Yes” in the appropriate row below to indicate if the report is:</i>						
	Pre-budget	Executive’s Budget Proposal				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
A. Not produced, even for internal purposes						Yes
B. Produced for internal purposes, but not available to the public	Yes					
C. Produced and available to the public, but only on request						
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)		Yes	Yes	Yes	Yes	
<i>For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them? For each characteristic, mark “Yes” if yes, “No” if no, or “NA” if Not Available.</i>						
	Pre-budget	Executive’s Budget				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
1. The release date is known at least one month in advance		No	No	No	No	
2. Advance notification of release is sent to users, media		No	No	No	No	
3. Released to public same day as official release to media		Yes	Yes	Yes	Yes	
4. Available on the Internet free of charge		Yes	Yes	Yes	Yes	
5. Free print copies available, limited distribution		Yes	Yes	Yes	Yes	
6. Free print copies available, mass distribution		No	No	No	No	
7. Readily available outside capital and/or big cities [†]		Yes	Yes	Yes	Yes	
8. Written in more than one language		Yes	Yes	Yes	Yes	
9. News conference is held to discuss release		Yes	Yes	Yes	Yes	

*A budget summary should be a stand-alone document, which could include a budget speech or a separately published executive summary.

[†]Mark “Yes” if access by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.

Table 4. Distribution of the Enacted Budget and Other Reports

DISTRIBUTION OF ENACTED BUDGET AND OTHER REPORTS					
<i>For the following reports, place a “Yes” in the appropriate row below to indicate if the report is:</i>					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
A. Not produced, even for internal purposes					
B. Produced for internal purposes, but not available to the public					
C. Produced and available to the public, but only on request		Yes			
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)	Yes		Yes	Yes	Yes
<i>For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them? For each characteristic, mark “Yes” if yes, “No” if no, or “NA” if Not Available.</i>					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
1. The release date is known at least one month in advance	No		No	No	No
2. Advance notification of release sent to users, media	No		No	No	No
3. Released to public same day as official release to media	Yes		No	No	No
4. Available on the Internet free of charge	Yes		Yes	Yes	Yes
5. Free print copies available, limited distribution	Yes		Yes	Yes	Yes
6. Free print copies available, mass distribution	No		No	No	No
7. Readily available outside capital/big cities ⁺	Yes		Yes	Yes	Yes
8. Written in more than one language	Yes		No	No	No
9. News conference is held to discuss release	Yes		No	No	No

⁺Mark “Yes” if access is available by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.

Section Two: The Executive's Budget Proposal

Notes on abbreviations:

BY = budget year (year for which the budget proposals are being made)

BY+1 = one year beyond the budget year

BY-1 = one year before the budget year

Please mark your answer by placing the appropriate letter in the box to the right of the question. For all answers marked "not applicable/other," please provide a brief explanation indicating either why the answer choices provided are not applicable or why another response would be more appropriate.

The Executive's Budget Proposal	
Estimates for the Budget Year and Beyond	
<p>1. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by administrative unit (that is, by ministry, department, or agency)?</p> <ol style="list-style-type: none"> All expenditures are classified by administrative unit. Expenditures are classified by administrative unit, but some small units are not shown separately. Expenditures are classified by administrative unit, but a significant number of units are not shown separately. No expenditures classified by administrative unit are presented. Not applicable/other (please comment). <p><u>Citation:</u> The information on classification of expenditures by administrative units can be found in Annex 4 of the Budget Speech 2007-08. This information is also available at http://www.mof.gov.np/publication/speech/2007/index.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>2. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by functional classification?</p> <ol style="list-style-type: none"> All expenditures are classified by functional classification, and the categorization is compatible with international standards. All expenditures are classified by functional classification, but the categorization is not compatible with international standards. Some, but not all, expenditures are classified by function. No expenditures classified by function are presented. Not applicable/other (please comment). <p><u>Citation:</u> The information on functional classification of expenditure can be found in Annex 8 of the Budget Speech 2007-08. This information is also available at http://www.mof.gov.np/publication/speech/2007/index.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>3. Does the executive’s budget or any supporting budget documentation present expenditures for the budget year that are classified by economic classification?</p> <ul style="list-style-type: none"> a. All expenditures are classified by economic classification, and the categorization is compatible with international standards. b. All expenditures are classified by economic classification, but the categorization is not compatible with international standards. c. Some, but not all, expenditures are classified by economic classification. d. No expenditures classified by economic classification are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> The information on classification of expenditure by economic heads can be found in Annex 9 of the Budget Speech 2007-08. This information is also available at http://www.mof.gov.np/publication/speech/2007/index.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>4. Does the executive’s budget or any supporting budget documentation present expenditures for individual programs for the budget year?</p> <ul style="list-style-type: none"> a. Program-level data are presented for all expenditures. b. Program-level data are presented for at least two-thirds of, but not all, expenditures. c. Program-level data are presented, but for less than two-thirds of expenditures. d. No program-level data are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> The information on expenditure for individual programs can be found in the supporting document entitled Expenditure Details for 2007-08 (RED BOOK). For example, Page 28-29, of the Estimates of Expenditure (known as RED BOOK) for 2007/08 provides program level detail of the agriculture expenditure for 2007/08. This information is also available at http://www.mof.gov.np/publication/red/2007/index_english.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>5. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for a multi-year period (at least two years beyond the budget year)?</p> <p>a. Yes, multi-year estimates of aggregate expenditure are presented. b. No, multi-year estimates of aggregate expenditure are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> In stead, the estimates of the aggregate level of expenditures are presented in a multi-year period by the Medium Term Expenditure Framework (MTEF). Now, MTEF for 2006-07 is available. But MTEF for 2007-08 has not been released yet.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
<p>6. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover a multi-year period (for at least two years beyond the budget year)?</p> <p>a. Yes, multi-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative). b. Yes, multi-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs. c. Yes, multi-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs. d. No, multi-year estimates are presented for aggregate expenditure only, or they are not presented at all. e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> The Medium Term Expenditure Framework (MTEF) contains details of expenditure for the multi-years. MTEF for 2007-08, however, was not released with the Budget Speech.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>7. Does the executive's budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the budget year?</p> <ol style="list-style-type: none"> All sources of tax revenue are identified individually. Sources of tax revenue amounting to at least two-thirds of, but not all, tax revenues are identified individually. Sources of tax revenue amounting to less than two-thirds of all tax revenues are identified individually. No sources of tax revenue are identified individually. Not applicable/other (please comment). <p><u>Citation:</u> The information on different sources of tax revenue for the budget year 2007-08 is found in Annex 2 of the Budget Speech 2007-08. This information is also available at http://www.mof.gov.np/publication/speech/2007/index.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>8. Does the executive's budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the budget year?</p> <ol style="list-style-type: none"> All sources of non-tax revenue are identified individually. Sources of non-tax revenue amounting to at least two-thirds of, but not all, non-tax revenues are identified individually. Sources of non-tax revenues amounting to less than two-thirds of all non-tax revenue are identified individually. No sources of non-tax revenues are identified individually. Not applicable/other (please comment). <p><u>Citation:</u> The information on different sources of non-tax revenue for the budget year 2007-08 is found in Annex 2 of the Budget Speech 2007-08. This information is also available at http://www.mof.gov.np/publication/speech/2007/index.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>9. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of revenue presented for a multi-year period (at least two years beyond the budget year)?</p> <p>a. Yes, multi-year estimates of aggregate revenue are presented. b. No, multi-year estimates of aggregate revenue are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> Multi-year estimates of aggregate revenue is not presented.</p> <p><u>Researcher's Response to this Question was “b.”</u></p> <p><u>Peer Reviewer One Comment:</u> OK. Due to delay in preparation of MTEF document in FY 2007/8 (Sixth MTEF), the multi year estimates of the aggregate revenue were missing.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I chose answer “b” because even the Peer Reviewer agrees my answer and does not contradict. His/Her comment supplements my comment.</p> <p><u>BP Comment:</u> IBP editors chose answer, “b” consistent with researcher’s observations.</p>	<p>b</p>
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<p>10. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover a multi-year period (for at least two years beyond the budget year)?</p> <ol style="list-style-type: none"> Yes, multi-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax). Yes, multi-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue. Yes, multi-year estimates are presented, but only for some individual sources of revenue. No, multi-year estimates are presented for aggregate revenue only, or they are not presented at all. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Revenue details for multi-year period is not presented.</p> <p><u>Researcher's Response to this Question was “d.”</u></p> <p><u>Peer Reviewer One Comment:</u> OK. Same reason as Q. 9.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I chose this answer because even the Peer Reviewer agrees my answer and does not contradict. His/Her comment supplements my comment.</p> <p><u>BP Comment:</u> IBP editors chose answer, “d” consistent with researcher’s observations.</p>	<p>d</p>
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<p>11. Does the executive’s budget or any supporting budget documentation present data on the total government debt outstanding for the budget year?</p> <p>a. Yes, the data reflect the outstanding debt both at the start of the budget year and at the end of the budget year (and thereby reflect the net borrowing requirement of the budget).</p> <p>b. Yes, the data reflect the outstanding debt at the end of the budget year.</p> <p>c. Yes, the data reflect the outstanding debt at the start of the budget year.</p> <p>d. No, data on the outstanding debt are not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> Data on total outstanding debt for the budget year is not presented.</p> <p><u>Researcher's Response to this Question was “d.”</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be “a” as the data on total government debt outstanding for the previous years has been presented in Economic Survey 2007 (table 2.11). Summary of the borrowing requirement for the budget year is presented in Annex 1 of Budget Speech of the Fiscal year 2007-8. This information is also available at http://www.mof.gov.np/publication/speech/2007/index.php.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I chose my answer because the economic survey 2007 contains data for 8 months of BY-1 only, which is not an annual data. Thus this does not present debt outstanding for the budget year.</p> <p><u>BP Comment:</u> IBP editors chose answer, “d” consistent with researcher’s observations.</p>	<p>d</p>
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<p>12. Does the executive's budget or any supporting budget documentation present interest payments on the debt for the budget year?</p> <p>a. Yes, interest payments on the debt are presented. b. No, interest payments on the debt are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation:</u> The information on interest payments on the debts for the budget year is found in Annex 9 of the Budget Speech 2007-08. This information is also available at http://www.mof.gov.np/publication/speech/2007/index.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>13. Does the executive's budget or any supporting budget documentation present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, currency denomination of the debt, or whether it is domestic and external debt) for the budget year?</p> <p>a. Yes, extensive information related to the composition of government debt is presented. b. Yes, key additional information is presented, but some details are excluded. c. Yes, some additional information is presented, but it lacks important details. d. No, additional information related to the composition of government debt is not presented. e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> Government debt is classified as external and internal debt. But other information is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c

14. Does the executive's budget or any supporting budget documentation present the macroeconomic forecast upon which the budget projections are based?
- a. Yes, an extensive discussion of the macroeconomic forecast is presented, and key assumptions (such as inflation, real GDP growth, unemployment rate, and interest rates) are stated explicitly.
 - b. Yes, the macroeconomic forecast is discussed and most of the key assumptions are stated explicitly, but some details are excluded.
 - c. Yes, there is some discussion of the macroeconomic forecast (and/or the presentation of key assumptions), but it lacks important details.
 - d. No, information related to the macroeconomic forecast is not presented.
 - e. Not applicable/other (please comment).

Citation:

Comment:

The macroeconomic forecast upon which the budget projections are based is not presented. The budget speech, however, presents estimates of macroeconomic variables for the budget year which are the budgetary targets that the government estimates to meet after the execution of the budgeted programs. For example, page 40, point 204 reads, "At the end of the fiscal year 2007-08, that is from the implementation of the proposed budget, GDP growth is estimated to be at 5 percent and inflation will be around 5 percent."

d

Researcher's Response to this Question was "d."

Peer Reviewer One Comment: A more appropriate response to this question would be "a" as the data on total government debt outstanding for the previous years have been presented in Economic Survey 2007 (table 2.11). Summary of the borrowing requirement for the budget year is presented in Annex 1 of Budget Speech of the Fiscal year 2007-8. This information is also available at <http://www.mof.gov.np/publication/speech/2007/index.php>.

Peer Reviewer Two Comment:

Researcher Response: I maintain my answer because peer reviewers' comment is not relevant in answering this question

BP Comment: IBP editors chose answer, "d" consistent with researcher's observation.

15. Does the executive's budget or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget (including expenditures, revenues, and debt)?

- a. Yes, extensive information on the impact of macroeconomic assumptions on the budget is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting the impact of the major macroeconomic assumptions, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on the impact of different macroeconomic assumptions on the budget is not presented.
- e. Not applicable/other (please comment).

Citation:

Comment:

Information on the impact of different macroeconomic assumptions on the budget is not presented.

d

Researcher's Response to this Question was "d."

Peer Reviewer One Comment: A more appropriate response to this question would be "c" as the "Annual Program for the Fiscal Year 2005/6" published by National Planning Commission contains some discussion of macroeconomic forecast.

Peer Reviewer Two Comment:

Researcher Response: I chose my answer because the document that peer reviewer is referring is the detail of expenditure, which is the breakdown of the budgeted expenditure. This is not based on macroeconomic assumptions.

BP Comment: IBP editors chose answer, "d" consistent with the researcher's response.

<p>16. Does the executive’s budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect expenditures?</p> <ul style="list-style-type: none"> a. Yes, extensive information on the impact of policy proposals on expenditures is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the impact of key policy proposals on expenditures, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on the impact of policy proposals on expenditures is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The impact of policy proposals on expenditure is not presented in the budget document. There are, however, some programs whose impacts on expenditures are presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>
<p>17. Does the executive’s budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect revenues?</p> <ul style="list-style-type: none"> a. Yes, extensive information on the impact of policy proposals on revenues is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the impact of key policy proposals on revenues, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on the impact of policy proposals on revenues is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The budget speech presents impact of tax rate change and administrative reforms on total revenue. The document, however, does not present the segregation on how much revenue is estimated to generate from administrative reforms and how much from tax rate changes. (Annex 2 Budget Speech 07-08)</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>

Estimates for Years Prior to the Budget Year	
<p>18. Does the executive's budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by administrative unit (that is, by ministry, department, or agency)?</p> <ol style="list-style-type: none"> All expenditures are classified by administrative unit for BY-1. Expenditures are classified by administrative unit for BY-1, but some small units are not shown separately. Expenditures are classified by administrative unit for BY-1, but a significant number of units are not shown separately. No expenditures classified by administrative unit are presented for BY-1. Not applicable/other (please comment). <p><u>Citation:</u> The information on expenditures for the year preceding the budget year (BY-1) can be found in Annex 6 of the Budget Speech 2007-08. This information is also available at http://www.mof.gov.np/publication/speech/2007/index_english.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>19. Does the executive's budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by functional classification?</p> <ol style="list-style-type: none"> All expenditures are classified by functional classification for BY-1, and the categorization is compatible with international standards. All expenditures are classified by functional classification for BY-1, but the categorization is not compatible with international standards. Some, but not all, expenditures are classified by function for BY-1. No expenditures classified by function are presented for BY-1. Not applicable/other (please comment). <p><u>Citation:</u> The information on expenditures by functional classification for the year preceding the budget year (BY-1) can be found in Annex 2 of the Red Book. This information is also available at http://www.mof.gov.np/publication/red/2007/index_english.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>20. Does the executive’s budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by economic classification?</p> <ul style="list-style-type: none"> a. All expenditures are classified by economic classification for BY-1, and the categorization is compatible with international standards. b. All expenditures are classified by economic classification for BY-1, but the categorization is not compatible with international standards. c. Some, but not all, expenditures are classified by economic classification for BY-1. d. No expenditures classified by economic classification are presented for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Expenditures classified by economic classification is not presented for BY-1.</p> <p><u>Researcher's Response to this Question was “d.”</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be “c” as the "Annual Program for the Fiscal Year 2007/8" published by National Planning Commission presents expenditure for the year preceding the budget year that are put under functional classification.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I chose my answer because peer reviewer is referring to functional classification, while the question asks for economic classification</p> <p><u>BP Comment:</u> IBP editors chose answer, “d” consistent with researcher’s observations.</p>	<p>d</p>
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<p>21. Does the executive’s budget or any supporting budget documentation present expenditures for individual programs for the year preceding the budget year (BY-1)?</p> <ul style="list-style-type: none"> a. Program-level expenditure data are presented for all expenditures for BY-1. b. Program-level expenditure data are presented for at least two-thirds of, but not all, expenditures for BY-1. c. Program-level expenditure data are presented, but for less than two-thirds of expenditures for BY-1. d. No program-level expenditure data are presented for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> Program Level expenditure data is presented for BY-1 in the Red Book, available at http://www.mof.gov.np/publication/red/2007/index_english.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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<p>22. In the executive’s budget or any supporting budget documentation, how many months of actual data are reflected in the expenditure estimates of the year prior to the budget year (BY-1)?</p> <ol style="list-style-type: none"> a. All BY-1 estimates have been updated from the original enacted levels to reflect six or more months of actual expenditure. b. All BY-1 estimates have been updated from the original enacted levels, but reflect less than six months of actual expenditure. c. Some BY-1 estimates have been updated from the original enacted levels to reflect actual expenditure. d. The BY-1 estimates have not been updated from the original enacted levels, or no BY-1 estimates are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> All BY-1 estimates are updated from the original enacted level to reflect eight months of actual expenditure. Actual expenditure for the first eight months of the fiscal year can be found in the page 16-17 of the Economic Survey for FY 2006-07 (published in 2007). This is also available at http://www.mof.gov.np/publication/budget/2007/surveyeng.php</p> <p><u>Comment:</u> The economic survey is presented to the parliament along with the budget proposal. While budget proposal contains estimates of revenue and expenditure for BY and beyond, the economic survey contains information on the performance of the economy during BY-1 and prior years. In other words, the economic survey for BY-1 year, which is 2006-2007 but published in 2007, is always the most recent budget document for the budget year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
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<p>23. In the executive's budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?</p> <p>a. Yes, such prior-year estimates of aggregate expenditure are presented. b. No, such prior-year estimates of aggregate expenditure are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation:</u> The information on estimates of aggregate level of expenditure presented for years that precede the budget year by more than one year is found in Table 2.4, 2.5 and 2.6 of the Economic Survey. This information is also available at http://www.mof.gov.np/publication/budget/2007/surveyeng.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>24. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?</p> <p>a. Yes, such prior-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative). b. Yes, such prior-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs. c. Yes, such prior-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs. d. No, such prior-year estimates are presented for aggregate expenditure only, or they are not presented at all. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Such prior year expenditure is presented for all individual programs for BY-1 and BY-2 years in the Red Book. The information is available at http://www.mof.gov.np/publication/red/2007/index_english.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>25. In the executive's budget or any supporting budget documentation, what is the most recent year presented for which all expenditures reflect actual outcomes?</p> <ol style="list-style-type: none"> Two years prior to the budget year (BY-2). Three years prior to the budget year (BY-3). Before BY-3. No actual data for all expenditures are presented in the budget or supporting budget documentation. Not applicable/other (please comment). <p><u>Citation:</u> The information on actual level of aggregate expenditure presented for years that precede the budget year by more than one year is found in Table 2.4, 2.5 and 2.6 of the Economic Survey. This information is also available at http://www.mof.gov.np/publication/budget/2007/surveyeng.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>26. Are the expenditure estimates for the years prior to the budget year adjusted, as needed, to be comparable with the budget-year estimates in terms of classification and presentation?</p> <ol style="list-style-type: none"> Yes, prior-year data are always adjusted to be comparable to the budget year data. Yes, in most cases, prior-year data are adjusted to be comparable. Yes, in some cases, prior-year data are adjusted to be comparable, but significant deviations between prior-year and budget-year classifications exist. No, prior-year data are not adjusted to be comparable, or no prior-year estimates are presented. Not applicable/other (please comment). <p><u>Citation:</u> The prior year expenditures are adjusted at least by administrative units and functional classification, and are comparable to current year's expenditure proposal. The information on such expenditures is presented in the Red Book. http://www.mof.gov.np/publication/red/2007/index_english.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>27. Does the executive's budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the year preceding the budget year (BY-1)?</p> <ol style="list-style-type: none"> All tax revenues are identified individually for BY-1. Tax revenues amounting to at least two-thirds of, but not all, tax revenue for BY-1 are identified individually. Tax revenues amounting to less than two-thirds of all tax revenues for BY-1 are identified individually. No tax revenues are identified individually for BY-1. Not applicable/other (please comment). <p><u>Citation:</u> The information on different sources of tax-revenue for BY-1 year is found in Annex 5 of the Budget Speech 2007-08. This information is also available at http://www.mof.gov.np/publication/speech/2007/index.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>28. Does the executive's budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the year preceding the budget year (BY-1)?</p> <ol style="list-style-type: none"> All non-tax revenues are identified individually for BY-1. Non-tax revenues amounting to at least two-thirds of, but not all, non-tax revenue for BY-1 are identified individually. Non-tax revenues amounting to less than two-thirds of all non-tax revenues for BY-1 are identified individually. No non-tax revenues are identified individually for BY-1. Not applicable/other (please comment). <p><u>Citation:</u> The information on different sources of non-tax-revenue for BY-1 year is found in Annex 5 of the Budget Speech 2007-08. This information is also available at http://www.mof.gov.np/publication/speech/2007/index_english.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>29. In the executive’s budget or any supporting budget documentation, how many months of actual data are reflected in the revenues estimates of the year prior to the budget year (BY-1)?</p> <ul style="list-style-type: none"> a. All BY-1 estimates have been updated from the original estimates to reflect six or more months of actual revenue collections. b. All BY-1 estimates have been updated from the original estimates, but reflect less than six months of actual revenue collections. c. Some BY-1 estimates have not been updated from the original estimates to reflect actual revenue collections. d. The BY-1 estimates have not been updated from the original estimates or no BY-1 estimates are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> All BY-1 estimates are updated from the original enacted level to reflect eight months of actual revenue collection. Actual revenue collection for the first eight months of the fiscal year is presented in Table 2.2 and 2.3 of the Economic Survey, available at http://www.mof.gov.np/publication/budget/2007/surveyeng.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>30. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of revenues presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?</p> <ul style="list-style-type: none"> a. Yes, such prior-year estimates of aggregate revenue are presented. b. No, such prior-year estimates of aggregate revenue are not presented. c. Not applicable/other (please comment). <p><u>Citation:</u> Prior year estimates of aggregate revenue are presented in Table 2.2 and 2.3 of the Economic Survey for FY 2006/07, available at http://www.mof.gov.np/publication/budget/2007/surveyeng.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>31. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?</p> <ol style="list-style-type: none"> Yes, such prior-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax). Yes, such prior-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue. Yes, such prior-year estimates are presented, but only for some individual sources of revenue. No, such prior-year estimates are presented for aggregate revenue only, or they are not presented at all. Not applicable/other (please comment). <p><u>Citation:</u> Information on revenue detail for BY-2 and prior years are presented in Table 2.2 and 2.3 of the Economic Survey for FY 2006/07, available at http://www.mof.gov.np/publication/budget/2007/surveyeng.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>32. In the executive's budget or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?</p> <ol style="list-style-type: none"> Two years prior to the budget year (BY-2). Three years prior to the budget year (BY-3). Before BY-3. No actual data for all revenues are presented in the budget or supporting budget documentation. Not applicable/other (please comment). <p><u>Citation:</u> Information on actual revenue collection for BY-2 and prior years are presented in Table 2.2 and 2.3 of the Economic Survey for FY 2006/07, available at http://www.mof.gov.np/publication/budget/2007/surveyeng.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>33. Does the executive's budget or any supporting budget documentation present information related to the government debt for the year preceding the budget year?</p> <ol style="list-style-type: none"> Yes, extensive information is presented on the level and composition of government debt for the year preceding the budget year. Yes, information on the level of debt is presented, but some important details about the composition of the debt are excluded. Yes, but only information on the level of debt is presented. No, information related to the government debt for BY-1 is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Information on the level of debt is presented in Table 2.11 and 2.12 of the Economic Survey for FY 2006/07. Debt information is classified as external and internal debt and information is also provided on the pattern of internal debt. This is also available at http://www.mof.gov.np/publication/budget/2007/surveyeng.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
<p>34. In the executive's budget or any supporting budget documentation, what is the most recent year presented for which the debt figures reflect actual outcomes?</p> <ol style="list-style-type: none"> Two years prior to the budget year (BY-2). Three years prior to the budget year (BY-3). Before BY-3. No actual data for government debt are presented in the budget or supporting budget documentation. Not applicable/other (please comment). <p><u>Citation:</u> Information on debt for BY-2 and prior years can be found in Table 2.11 of the Economic Survey. This information is available at 2006/07.http://www.mof.gov.np/publication/budget/2007/surveyeng.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

Comprehensiveness	
<p>35. Does the executive's budget or any supporting budget documentation present information for at least the budget year on extra-budgetary funds?</p> <ol style="list-style-type: none"> Yes, extensive information on extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key extra-budgetary funds, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on extra-budgetary funds is not presented. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Information on extra budgetary funds is not presented</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>36. Does the executive's budget or any supporting budget documentation present information for at least the budget year on intergovernmental transfers?</p> <ol style="list-style-type: none"> Yes, extensive information on intergovernmental transfers is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key intergovernmental transfers, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on intergovernmental transfers is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Information highlighting key intergovernmental transfers - from central government to local government - is presented in the Red Book. Page 65 of the Red Book shows the transfers of the central budget to the District Development Committees, Village Development Committees and Municipalities in the form of grants. This information is available at: http://www.mof.gov.np/publication/red/2007/index_english.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<p>37. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on transfers to public corporations?</p> <ul style="list-style-type: none"> a. Yes, extensive information on transfers to public corporations is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key transfers to public corporations, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on transfers to public corporations is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Information highlighting key transfers to public corporations is presented in the Red Book. For example, Page 77 shpws the government transfers to Nepal Television and Civil Aviation Authority of Nepal. This information is available at: http://www.mof.gov.np/publication/red/2007/index_english.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
<p>38. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on quasi-fiscal activities?</p> <ul style="list-style-type: none"> a. Yes, extensive information on quasi-fiscal activities is presented, including both a narrative discussion and, where possible, quantitative estimates. b. Yes, information is presented, highlighting key quasi-fiscal activities, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on quasi-fiscal activities is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Information on quasi-fiscal activities is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>39. Does the executive's budget or any supporting budget documentation present information on financial assets held by the government?</p> <ul style="list-style-type: none"> a. Yes, extensive information on financial assets is presented, including a listing of the assets, a discussion of their purpose, and an estimate of their market value. b. Yes, information is presented, highlighting key information, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on financial assets is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Information on financial assets is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>40. Does the executive's budget or any supporting budget documentation present information on non-financial assets held by the government?</p> <ul style="list-style-type: none"> a. Yes, extensive information on non-financial assets is presented, including a listing of the assets, and (where possible) an estimate of their market value. b. Yes, information is presented, highlighting key information, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on non-financial assets is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Information on non-financial assets is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>41. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on expenditure arrears?</p> <ul style="list-style-type: none"> a. Yes, extensive information on expenditure arrears is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key expenditure arrears, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on expenditure arrears is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Information on expenditure arrears is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>42. Does the executive’s budget or any supporting budget documentation present information on contingent liabilities (such as government loan guarantees)?</p> <ul style="list-style-type: none"> a. Yes, extensive information on contingent liabilities is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key contingent liabilities, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on contingent liabilities is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Information on contingent liabilities is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>43. Does the executive’s budget or any supporting budget documentation present information on future liabilities, such as civil service pensions?</p> <ul style="list-style-type: none"> a. Yes, extensive information on future liabilities is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key future liabilities, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on future liabilities is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Information on future liabilities is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>44. Does the executive’s budget or any supporting budget documentation provide details on the sources of donor assistance, both financial and in-kind?</p> <ul style="list-style-type: none"> a. All sources of donor assistance are identified individually. b. At least two-thirds of, but not all, sources of donor assistance, are identified individually. c. Less than two-thirds of sources of donor assistance are identified individually. d. No sources of donor assistance are identified individually. e. Not applicable/other (please comment). <p><u>Citation:</u> Information on sources of donor assistance both financial and in-kind is presented in the White book (Source Book), which is available at http://www.mof.gov.np/publication/sourcebook/2007/index_english.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>45. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on tax expenditures?</p> <ul style="list-style-type: none"> a. Yes, extensive information on tax expenditures is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key tax expenditures, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on tax expenditures is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Information on tax expenditure is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
<p>46. Does the executive’s budget or any supporting budget documentation identify all earmarked revenues?</p> <ul style="list-style-type: none"> a. All earmarked revenues are identified individually. b. At least two-thirds of, but not all, earmarked revenues are identified individually. c. Less than two-thirds of earmarked revenues are identified individually. d. No earmarked revenues are identified individually. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Earmarked revenues are not identified individually.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>

<p>47. What percentage of expenditure in the budget year is dedicated to spending on secret items relating to, for instance, national security and military intelligence?</p> <ul style="list-style-type: none"> a. One percent or less of expenditure is dedicated to secret items. b. Three percent or less, but more than one percent, of expenditure is dedicated to secret items. c. Eight percent or less, but more than three percent, of expenditure is dedicated to secret items. d. More than eight percent of expenditure is dedicated to secret items, or the percentage is not available to the public. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The percentage is not available to the public.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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The Budget Narrative & Performance Monitoring	
<p>48. Does the executive’s budget or any supporting budget documentation explain how the proposed budget is linked to government’s stated policy goals, by administrative unit (or functional category), for the budget year?</p> <ol style="list-style-type: none"> a. Yes, extensive information on the link between the budget and the government’s stated policy goals, by administrative unit (or functional category) is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the link between major policy goals and the budget, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on the link between the budget and the government’s stated policy goals is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> This Fiscal Year's budget speech contains pro-poor budget and gender budget. These two break-down helps link the budget expenditure with the policy goals of poverty reduction and gender equality. The budget, however, does not provide narrative discription. This information can be available at Annex 8B and 8C of the Budget Speech. http://www.mof.gov.np/publication/speech/2007/index.php</p> <p><u>Comment:</u> The budget speech for 2007-08 (Table 8 and Table 8A) and Red Book also break down all expenditures by priorities (P1, P2 and P3) and four pillars of Poverty Reduction Strategy Papaer (broad based economic growth, social development, targeted programs for remote and marginalized communities and good governance). This indirectly links expenditure with policy goals.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> To add to the comment, the 2007 Interim Constitution for the first time guarantees certain economic rights including free health services and employment (Part 3 Fundamental Rights points 16 and 18 see www.worldstatesmen.org/Nepal Interim Constitution2007). Thus when the Budget Speech refers to “essential health services...will be provided free of cost” (point 80) and “one family one job” program in Karnali ...will...be continued” (point 82) these too link the budget up with national policy goals.</p>	b

<p>49. Does the executive’s budget or any supporting budget documentation explain how the proposed budget is linked to government’s stated policy goals for a multi-year period (for at least two years beyond the budget year)?</p> <ul style="list-style-type: none"> a. Yes, extensive information on the link between the budget and the government’s stated policy goals over a multi-year period is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the major policy goals, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on the link between the budget and the government’s stated policy goals over a multi-year period is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Information on the link between the budget and government's stated policy goals over a multi-year period is not presented.</p> <p><u>Researcher's Response to this Question was “d.”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> However, the National Planning Commission’s Three Year Interim Plan (2008-10) presents a three year sectoral budget allocation over the three year period, see for example its Table 6 on Development Expenditure Allocation 2008-2010 (www.npc.gov.np)</p> <p><u>Researcher Response:</u> I chose my answer because my response is based on the budget proposal, which is distinct from the plan document. Even the three year interim plan does not provide information on the link between the budget and government’s stated policy goals.</p> <p><u>BP Comment:</u> IBP editors chose answer, “d” consistent with the researcher’s observations.</p>	<p>d</p>
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50. Does the executive's budget or any supporting budget documentation present non-financial data, such as the number of beneficiaries, for expenditure programs?
- a. Non-financial data are presented for all programs.
 - b. Non-financial data are presented for programs representing at least two-thirds of, but not all, expenditures.
 - c. Non-financial data are presented for programs representing less than two-thirds of expenditure.
 - d. No non-financial data are presented.
 - e. Not applicable/other (please comment).

Citation:

Comment:

In most cases, the government does not provide links between expenditure program and non-financial data associated with it. But there are a few instances where such links are shown. For example, Point No. 79 in Page 18 of the Budget Speech gives some information on how many people would benefit from the expenditures through targeted programs for poverty reduction being run this year.

Researcher's Response to this Question was "c."

Peer Reviewer One Comment: A more appropriate response to this question would be "b" as the Annual Program for the Fiscal Year 2007/8 published by National Planning Commission contains some information about non-financial data.

Peer Reviewer Two Comment: The 2007/08 Budget for the first time also incorporates 5 gender indicators in its computerized system so that 11.3% of its spending has ended up being defined as "directly gender responsive," 33.16% as "indirectly gender responsive" and 55.54% as "gender neutral."

Researcher Response: I chose my answer because in most cases, the government does not provide links between expenditure program and non-financial data associated with it. But there are a few instances where such links are shown. While peer reviewer one agrees this (but surprisingly chooses response that says more than two-third of the expenditure is linked with non-financial data), peer reviewer two is referring something that has nothing to do with this response.

IBP Comment: IBP editors chose answer, "c" consistent with the researcher's response.

C

<p>51. Are the non-financial data presented useful for assessing how an expenditure program is performing?</p> <ul style="list-style-type: none"> a. The non-financial data are very useful for assessing program performance. b. The non-financial data are mostly useful for assessing program performance. c. The non-financial data are somewhat useful for assessing program performance. d. No non-financial data are provided or they are not useful for assessing program performance. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> There are no instances where these non-financial data are used to assess the performance of the program.</p> <p><u>Researcher's Response to this Question was "d."</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be "b" as the Annual Program for the Fiscal Year 2007/8 published by National Planning Commission contains some information about non financial data which are useful for assessing program performance, for example, targets for kilometers of black topping, number of new sub health posts and so on.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I chose my answer because there are no instances where non-financial data are used to assess the performances of the programs.</p> <p><u>IBP Comment:</u> IBP editors chose answer, "d" consistent with the researcher's response.</p>	<p>d</p>
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<p>52. Does the executive’s budget or any supporting budget documentation contain performance indicators for expenditure programs?</p> <ul style="list-style-type: none"> a. Performance indicators are presented for all programs. b. Performance indicators are presented for programs representing at least two-thirds of, but not all, expenditures. c. Performance indicators are presented for programs representing less than two-thirds of expenditures. d. No performance indicators are presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Performance indicators are not presented.</p> <p><u>Researcher’s Response to this Question was “d.”</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be “b” as "Annual Program for the Fiscal Year 2007/8" published by National Planning Commission contains information about performance indicators.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I chose my answer because performance indicators are not presented. Further, the document that peer reviewer one has mentioned was released only in July 2008 after the September 28, 2007 cut off date for the initiative.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” consistent with the researcher’s response.</p>	<p>d</p>
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<p>53. Are the performance indicators sufficiently well designed, such that one can assess whether there has been progress toward meeting policy goals?</p> <ul style="list-style-type: none"> a. All performance indicators are well designed. b. Most performance indicators are well designed. c. Some performance indicators are well designed, but most are not. d. No programs have performance indicators, or they are not well designed. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Performance indicators are not presented.</p> <p><u>Researcher's Response to this Question was “d.”</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be “b” as the "Annual Program for the Fiscal Year 2007/8" published by National Planning Commission contains information about performance indicators and most performance indicators are well designed.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I chose my answer because performance indicators are not presented Further, the document that peer reviewer one has mentioned was released only in July 2008.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” consistent with the researcher’s response.</p>	<p>d</p>
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<p>54. Are performance indicators used in conjunction with performance targets presented in the executive’s budget or any supporting budget documentation?</p> <ul style="list-style-type: none"> a. All performance indicators are used in conjunction with performance targets. b. Most performance indicators are used in conjunction with performance targets. c. Some performance indicators are used in conjunction with performance targets, but most are not. d. No performance indicators are used in conjunction with performance targets. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Performance indicators are not presented.</p> <p><u>Researcher's Response to this Question was “d.”</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be “b” as the most performance indicators presented in the "Annual Programs for Fiscal Years 2007/8 are used in conjunction with performance targets.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I chose my answer because performance indicators are not presented. Further, the document that peer reviewer one has mentioned was released only in July 2008.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” consistent with the researcher’s response.</p>	<p>d</p>
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<p>55. Does the executive's budget or any supporting budget documentation present information on policies (both proposals and existing commitments) in at least the budget year that are intended to benefit directly the country's most impoverished populations?</p> <ol style="list-style-type: none"> Yes, extensive information on policies intended to alleviate poverty is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting the impact of key policies intended to alleviate poverty, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on policies intended to alleviate poverty is not presented. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Some information on such policies is presented. But it lacks important details. For example, Point No. 79 in Page 18 of the Budget Speech says, "Intensive programs on poverty alleviation will be carried out in 40 districts including districts of Karnali zone, which are considered backward on the basis of human development index and also in all the VDCs (Village Development Committee) of Southern Madesh bordering with India. Income generating programs like promotion of traditional skills and innovation led enterprize; community infrastructure road, bridge, drinking water and irrigation; and capacity development programs like education, health and training will be carried out by directly targetting the ultra poor, women, Dalits, indogenous people, Janajatis and backward Madhesi communities. As many as 80 thousand households will be benefitted from the implementation of 3 thousand 500 projects in the next fiscal year." The budget has allocated a sum of Rs 1.77 billion for this program in the Poverty Alleviation fund. Furthermore, all expenditures are classified by four pillars of Poverty Reduction Strategy Paper (PRSP). And one of the pillars is targeted programs for social inclusion.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	C
Additional Key Information for Budget Analysis & Monitoring	
<p><i>Please note that the questions in this section ask about information that is generally available to the public. The information need not be included in the executive's budget proposal or supporting documents, but may be found in other documents issued by the executive.</i></p>	

<p>56. Does the executive make available to the public a description of the tax rate or fee schedule for all revenue sources, including commercial projects involving the private sector?</p> <ol style="list-style-type: none"> a. Yes, extensive information on tax rates, fees, royalties and other revenues sources is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the rates and fees for major revenue sources, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> A description of the tax rate and fee schedule for all revenue can be found in the Finance Ordinance, which is made available by the Ministry of Finance at: http://www.mof.gov.np/publication/adhyadesh/2064.php</p> <p><u>Comment:</u> "Adhyadesh" is the Nepali word for "ordinance."</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>57. Does the executive make available to the public an analysis of the distribution of the tax burden?</p> <ol style="list-style-type: none"> a. Yes, a detailed analysis of the distribution of the tax burden is presented, including both a narrative discussion and quantitative estimates. b. Yes, an analysis is presented, highlighting key aspects of the distribution, but some details are excluded. c. Yes, some analysis is presented, but it lacks important details. d. No analysis on the distribution of the tax burden is presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Analysis of tax burden is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>58. Does the executive make available to the public an explanation of the conditions associated with assistance from international financial institutions (IFI)?</p> <ol style="list-style-type: none"> a. Yes, extensive information on conditions associated with IFI assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality. b. Yes, information is presented, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on conditions associated with IFI assistance is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The Ministry of Finance provides some information on loan immediately after the signing of a loan agreement through press releases. For example MOF press release of November 1st, 2006 reads, "the Asian Development Bank (ADB) has agreed to provide a loan assistance of US\$ 56 Million (approximately NRs. 4038.72 million) and grant assistance of US\$ 8.7 million (approximately NRs. 627.44 million) to Government of Nepal (GoN) for the implementation of Rural Finance Sector Development Cluster Program." This press release, however, does not provide information on the interest rate, duration of loan repayment and other details. Please refer to http://www.mof.gov.np/publication/press/2006/nov0106.php</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>c</p>
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<p>59. Does the executive make available to the public an explanation of the conditions associated with assistance from donor countries?</p> <ol style="list-style-type: none"> Yes, extensive information on conditions associated with donor country assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality. Yes, information is presented, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on conditions associated with donor country assistance is not presented. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The Ministry of Finance provides some information on loan immediately after the signing of a loan agreement through press releases. For example MOF press release issued on September 3rd, 2007 reads, "the Saudi Fund for Development has agreed to provide a loan assistance of Saudi Riyal 56.25 million (approximately Rs. 98 crore 55 lakh) to Nepal for implementation of Bagmati Irrigation Project in the remaining areas of the project command area." This press release, however, does not provide information on the interest rate, duration of loan repayment and other details." Please refer to http://www.mof.gov.np/publication/press/2007/sept0307.php</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c
<p>60. Does the executive make available to the public a summary that describes the budget and its proposals?</p> <ol style="list-style-type: none"> Yes, it provides a summary that is very informative. Yes, it provides a summary that is somewhat informative. Yes, but the summary is not very informative. No, it does not provide a summary. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> In Nepal, budget speech is also the Budget Summary.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>61. Does the executive publish a “citizens budget” or some non-technical presentation intended for a wide audience that describes the budget and its proposals?</p> <ul style="list-style-type: none"> a. Yes, it publishes a citizens budget that is very informative. b. Yes, it publishes a citizens budget that is somewhat informative. c. Yes, but the citizens budget is not very informative. d. No, it does not publish a citizens budget. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No, it does not publish citizens budget.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>62. Does the executive make available to the public non-technical definitions of terms used in the budget and other budget-related documents (for instance, in a glossary)?</p> <ul style="list-style-type: none"> a. Yes, thorough definitions of budget terms are provided. b. Yes, definitions are provided, but some details are excluded. c. Yes, some definitions are provided, but it lacks important details. d. No, definitions are not provided. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No, non-technical definitions are not provided.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

63. Do citizens have the right *in law* to access government information, including budget information?

- a. Yes, the right has been codified into law, and citizens are generally able in practice to obtain government information, including budget information.
- b. Yes, the right has been codified into law, but it is sometimes not possible for citizens in practice to obtain government information, including budget information.
- c. Yes, the right has been codified into law, but it is frequently or always impossible in practice to obtain access to government information, including budget information.
- d. No, the right to access government information has not been codified into law, or this right does not include access to budget information.
- e. Not applicable/other (please comment).

Citation:

Recently the government has enacted a law related to Right to Information. As per this law, citizens have legal rights to access government information, including budget information. It is publicly available both in print form and website. You can get the document downloaded from the official website of the ministry of information and communication.

http://www.moic.gov.np/pdf_files/suchanako_hak_sambandhi_ain_2064.pdf

Comment:

Researcher's Response to this Question was “a.”

Peer Reviewer One Comment:

Peer Reviewer Two Comment: According to the joint analysis of Article 19 (an independent human rights organization that works around the world to protect and promote the right to freedom of expression) with the Federation of Nepali Journalists (FNJ) released on 1 February 2008, Nepal’s Right to Information Act 2007 is not yet in line with international standards and practices. Amongst others, it is limited in scope to citizens rather than applying to everyone and the information request procedures require applicants to submit reasons for their requests. This analysis is available in English at: <http://www.article19.org/pdfs/analysis/nepal-rti-act.pdf>.

Researcher Response: I chose my answer because citizens have a right to access in information after the enactment of law related to right to information.

BP Comment: IBP editors chose answer, “c” consistent with the peer reviewer’s comment, and with responses to Questions 64 and 65.

C

<p>64. Are citizens able in practice to obtain financial information on expenditures for individual programs in a format that is more highly disaggregated than that which appears in the executive’s budget proposal if they request it (for example, from a ministry or agency)?</p> <p>a. In practice, highly disaggregated information is available to the public for all programs except those considered related to national security or military intelligence.</p> <p>b. In practice, highly disaggregated information is available to the public for programs representing at least two-thirds of, but not all, expenditures.</p> <p>c. In practice, highly disaggregated information is available to the public for programs representing less than two-thirds of expenditures.</p> <p>d. In practice, no highly disaggregated expenditure information is available.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> Highly disaggregated information on expenditures is not available.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>65. Are citizens able in practice to obtain non-financial information related to expenditures (for example, number of beneficiaries, number of persons employed by the program, etc.) for individual programs in a format that is more highly disaggregated than that which appears in the executive’s budget proposal if they request it from a ministry or agency?</p> <p>a. In practice, highly disaggregated non-financial information is available to the public for all programs except those considered related to national security or military intelligence.</p> <p>b. In practice, highly disaggregated non-financial information is available to the public for programs representing at least two-thirds of, but not all, expenditures.</p> <p>c. In practice, highly disaggregated non-financial information is available to the public for programs representing less than two-thirds of expenditures.</p> <p>d. In practice, no highly disaggregated non-financial expenditure information is available.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> Highly disaggregated information non-financial expenditures is not available.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

Section Three: The Budget Process

The Budget Process	
Executive's Formulation of the Budget	
<p>66. How far in advance of the release of the budget is the day of its release known?</p> <ul style="list-style-type: none"> a. The release date is set in permanent law. b. The executive announces the release date at least two months in advance. c. The executive announces the release date less than two months but more than two weeks in advance. d. The executive announces the release date two weeks or less before the release, or makes no announcement. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The release date of the budget is not fixed in law and therefore it is not usually announced. However, normally, the budget is released within a week before the budget year begins.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>67. Does the executive release to the public its timetable for preparation of 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 what ever central government agency is in charge of coordinating the budget’s formulation)?</p> <p>a. Yes, a detailed timetable is released to the public. b. Yes, a timetable is released, but some details are excluded. c. Yes, a timetable is released, but it lacks important details. d. No, a timetable is not issued to the public. e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> A timetable is not released to the public.</p> <p><u>Researcher's Response to this Question was “d.”</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be "b" as this information is available in "Budget Preparation Manual" published by Ministry of Finance. This information is available in http://www.mof.gov.np/</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I chose my answer because Budget preparation manual is a permanent document which is the guidelines for budget formulation. However, this timetable is not followed in practice.</p> <p><u>BP Comment:</u> IBP editors chose answer, “d” consistent with researcher’s comment.</p>	<p>d</p>
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<p>68. Does the executive adhere to its timetable for the preparation and release of the budget?</p> <ol style="list-style-type: none"> The executive adheres to the dates in its timetable. The executive adheres to most of the key dates in its timetable. The executive has difficulty adhering to most of the dates in its timetable. The executive does not adhere to the dates in its timetable, or it does not release to the public its timetable. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The timetable is not released for the public.</p> <p><u>Researcher's Response to this Question was “d.”</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be “c.” The timetable is released (see above) but adherence is low.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I chose my answer because of response as in Question 67</p> <p><u>BP Comment:</u> IBP editors chose answer, “d” consistent with researcher’s observation.</p>	d
<p>69. Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?</p> <ol style="list-style-type: none"> Yes, the executive holds extensive consultations with a wide range of legislators. Yes, the executive holds consultations with a range of legislators, but some key members are excluded. Yes, the executive holds very limited consultations, involving only a few members of the legislature. No, the executive does not typically consult with members of the legislature as part of the budget preparation process. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The executive holds consultations with a range of legislators as part of its process of determining budget priorities.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<p>70. Does the executive hold consultations with the public as part of its process of determining budget priorities?</p> <ol style="list-style-type: none"> Yes, the executive holds extensive consultations with a wide range of constituencies. Yes, the executive holds consultations with a range of constituencies, but some key constituencies are excluded. Yes, the executive holds very limited consultations, involving only a few constituencies. No, the executive does not typically consult with the public as part of the budget preparation process. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Very limited consultations, in some major cities, are carried out as part of budget process.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c
<p>71. When does the executive release a pre-budget statement to the public?</p> <ol style="list-style-type: none"> The executive releases a pre-budget statement at least four months in advance of the start of the budget year. The executive releases a pre-budget statement at least two months (but less than four months) in advance of the start of the budget year. The executive releases a pre-budget statement, but it is released less than two months before the start of the budget year. The executive does not release a pre-budget statement. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The executive does not release a pre-budget statement.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>72. Does the pre-budget statement describe the government’s macroeconomic and fiscal framework?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the government’s fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key aspects of the fiscal and macroeconomic framework, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The executive does not release a pre-budget statement.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>73. Does the pre-budget statement describe the government’s policies and priorities that will guide the development of detailed estimates for the upcoming budget?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the government’s budget policies and priorities is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key aspects of the government’s budget policies and priorities, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The executive does not release a pre-budget statement.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

Legislative Approval of the Budget	
<p>74. How far in advance of the start of the budget year does the legislature receive the budget?</p> <ol style="list-style-type: none"> a. The legislature receives the budget at least three months before the start of the budget year. b. The legislature receives the budget at least six weeks, but less than three months, before the start of the budget year. c. The legislature receives the budget less than six weeks before the start of the budget year. d. The legislature does not receive the budget before the start of the budget year. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The legislature receives the budget one week before the start of the budget year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c
<p>75. Does a legislative committee (or committees) hold public hearings on the macroeconomic and fiscal framework presented in the budget in which testimony from the executive branch and the public is heard?</p> <ol style="list-style-type: none"> a. Yes, public hearings are held on the macroeconomic and fiscal framework in which testimony is heard from the executive branch and a wide range of constituencies. b. Yes, hearings are held in which testimony is heard from the executive branch and some constituencies. c. Yes, hearings are held in which testimony from the executive branch is heard, but no testimony from the public is heard. d. No, public hearings are not held on the macroeconomic and fiscal framework in which testimony from the executive branch and the public is heard. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Public hearings are not held on the macroeconomic and fiscal framework.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>76. Do legislative committees hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the executive branch is heard?</p> <ol style="list-style-type: none"> Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the executive branch is heard. Yes, hearings are held, covering key administrative units, in which testimony from the executive branch is heard. Yes, a limited number of hearings are held in which testimony from the executive branch is heard. No, public hearings are not held on the budgets of administrative units in which testimony from the executive branch is heard. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Public hearings are not held on the individual budgets of central government administrative units in which testimony from the executive branch is heard.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>77. Does a legislative committee (or committees) hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the public is heard?</p> <ol style="list-style-type: none"> Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the public is heard. Yes, hearings are held, covering key administrative units, in which testimony from the public is heard. Yes, a limited number of hearings are held in which testimony from the public is heard. No, public hearings are not held on the budgets of administrative units in which testimony from the public is heard. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Public hearings are not held on the individual budgets of central government administrative units in which testimony from the public is heard.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>78. Do the legislative committees that hold public hearings release reports to the public on these hearings?</p> <ul style="list-style-type: none"> a. Yes, the committees release very informative reports, which include all written testimony presented at the hearings. b. Yes, the committees release reports, but some details are excluded. c. Yes, the committees release reports, but they are not very informative. d. No, the committees do not release reports or do not hold public hearings. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The committees do not hold public hearings.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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<p>79. Is the legislature (or the appropriate legislative committee or members of the legislature) given full information for the budget year on the spending of all secret items relating to, for instance, national security and military intelligence?</p> <p>a. Yes, the appropriate legislative committee or members of the legislature is provided extensive information on all spending on secret items, which includes detailed, line item descriptions of all expenditures.</p> <p>b. No, the legislature is provided information on spending on secret items, but some details are excluded, or some categories are presented in an aggregated manner, or the legislature is provided no information on secret items.</p> <p>c. Not applicable/other (please comment).</p> <p><u>Citation:</u> The members of legislature are provided extensive information on all spending on secret items.</p> <p><u>Comment:</u> As the parliament that was dissolved by the King in 2002 has been restored after the historic people’s movement in April 2007, the legislature is active and thus parliamentarians can exercise their rights at full capacity. Therefore, the answer jumped to "a" in OBI 2008 from "d" in OBI 2006 during when the parliament had no legislative power.</p> <p><u>Researcher's Response to this Question was “a.”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> In what form is this information presented because in Question 47 it says it does not appear in the Budget Document?</p> <p><u>Researcher Response:</u> I chose my answer because the parliamentarians have an access to all information related to government expenditure.</p> <p><u>BP Comment:</u> IBP editors chose answer, “a” consistent with researcher’s response.</p>	<p>a</p>
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<p>80. Does the legislature have authority <i>in law</i> to amend the budget presented by the executive?</p> <p>a. Yes, the legislature has unlimited authority <i>in law</i> to amend the budget.</p> <p>b. Yes, the legislature has authority <i>in law</i> to amend the budget, with some limitations.</p> <p>c. Yes, the legislature has authority <i>in law</i> to amend the budget, but its authority is very limited.</p> <p>d. No, the legislature does not have any authority <i>in law</i> to amend the budget.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Yes, the legislature has unlimited authority in law to amend the budget. As per the Interim Constitution of Nepal 2007, any bill presented in the parliament has to be passed by the parliament. The Interim Constitution of Nepal 2007 is publicly available in the printed forms.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>81. What is the most detail provided in the appropriation (expenditure budget) approved by the legislature?</p> <p>a. The approved budget includes program-level detail.</p> <p>b. The approved budget includes departmental totals and some additional details (for instance, sub-department totals or major programs).</p> <p>c. The approved budget includes only departmental totals.</p> <p>d. The approved budget includes less information than departmental totals.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> RED BOOK http://www.mof.gov.np/publication/red/2007/index_english.php</p> <p><u>Comment:</u> The approved budget includes program level details.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

Executive's Implementation of the Budget	
<p>82. How often does the executive release to the public in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</p> <ol style="list-style-type: none"> In-year reports on actual expenditure are released at least every month. In-year reports on actual expenditure are released at least every quarter. In-year reports on actual expenditure are released at least semi-annually. In-year reports on actual expenditure are not released. Not applicable/other (please comment). <p><u>Citation:</u> In year reports on actual expenditure are released every trimester (every four months or three times a year). They can be available at http://www.fcgo.gov.np/Trim_early.php (the website of the Financial Comptroller general office.)</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c
<p>83. What share of expenditure is covered by in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</p> <ol style="list-style-type: none"> Yes, in-year reports cover all expenditures. Yes, in-year reports cover at least two-thirds, but not all, of expenditures. Yes, in-year reports cover less than two-thirds of expenditures. No in-year reports are released to the public. Not applicable/other (please comment). <p><u>Citation:</u> Trimester Reports of expenditures by Ministry of Finance's Financial Comptroller General Office http://www.fcgo.gov.np/Trim_early.php</p> <p><u>Comment:</u> In year reports cover all expenditures.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>84. What is the most detail provided in the in-year reports on actual expenditures organized by <i>administrative unit</i>?</p> <ol style="list-style-type: none"> The in-year reports on actual expenditures organized by administrative unit contain program-level detail. The in-year reports on actual expenditures organized by administrative unit contain departmental totals and some additional details (for instance, sub-department totals or major programs). The in-year reports on actual expenditures organized by administrative unit contain only departmental totals. The in-year reports on actual expenditures organized by administrative unit are not released to the public, not produced, or contain less information than departmental totals. Not applicable/other (please comment). <p><u>Citation:</u> Actual departmental totals of the expenditure organized by administrative units are available in the Trimester Reports of expenditures by Ministry of Finance's Financial Comptroller General Office. http://www.fcgo.gov.np/Trim_early.php</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c
<p>85. Do the in-year reports released to the public compare actual year-to-date expenditure with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?</p> <ol style="list-style-type: none"> Yes, comparisons are made for all expenditures. Yes, comparisons are made for at least two-thirds, but not all, of expenditures. Yes, but comparisons are made for less than two-thirds of expenditures. No, comparisons are not made, or no in-year reports are released to the public. Not applicable/other (please comment). <p><u>Citation:</u> Comparisons are not made.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>86. How often does the executive release to the public in-year reports on actual revenue collections by source of revenue?</p> <ul style="list-style-type: none"> a. In-year reports on actual revenue collections by source of revenue are released at least every month. b. In-year reports on actual revenue collections are released at least every quarter. c. In-year reports on actual revenue collections are released at least semi-annually. d. In-year reports on actual revenue collections by source of revenue are not released. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> In-year reports on actual revenue collection by source of revenue is released every month. This information is released by the Ministry of Finance through Media, which are published in national newspapers.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>87. What share of revenue is covered by the in-year reports on actual revenue collections?</p> <ul style="list-style-type: none"> a. In-year reports cover the actual revenue collections of all sources of revenue. b. In-year reports cover the actual revenue collections of at least two-thirds of, but not all, sources of revenue. c. In-year reports cover actual revenue collections of less than two-thirds of revenue sources. d. In-year reports on actual revenue collections are not released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> In-year reports on actual revenue collection cover all sources of revenue. The information is released by the Ministry of Finance through Media and is published in national newspapers.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>88. Do the in-year reports released to the public compare actual year-to-date revenue collections with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?</p> <ol style="list-style-type: none"> Yes, comparisons are made for all revenue sources. Yes, comparisons are made for at least two-thirds of, but not all, revenue sources. Yes, but comparisons are made for less than two-thirds of revenue sources. No, comparisons are not made, or no in-year reports are released to the public. Not applicable/other (please comment). <p><u>Citation:</u> In year reports compare actual revenue collection with the original estimates and with actual year-to-date revenue collection of the previous year. The information is released by the Ministry of Finance through Media.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>89. Does the executive release to the public in-year reports on actual borrowing?</p> <ol style="list-style-type: none"> Yes, in-year reports on actual borrowing are released at least every month. Yes, in-year reports on actual borrowing are released at least every quarter. Yes, in-year reports on actual borrowing are released at least semi-annually. No, in-year reports on actual borrowing are not released. Not applicable/other (please comment). <p><u>Citation:</u> In-year reports on actual borrowing are not released. Nepal Rastra Bank, the central bank of Nepal releases information related to borrowings on a monthly basis, this however covers borrowings in cash only and represents less than half of the total borrowings.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>90. Do in-year reports released to the public on actual borrowing present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, and currency denomination of the debt) for the budget year?</p> <ul style="list-style-type: none"> a. Yes, extensive information related to the composition of government debt is presented. b. Yes, key additional information is presented, but some details are excluded. c. Yes, some additional information is presented, but it lacks important details. d. No, additional information related to the composition of government debt is not presented, or such in-year reports on borrowing are not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Additional information related to the composition of government debt is not presented.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>91. For in-year reports on actual expenditure released to the public by the executive, how much time typically elapses between the end of the reporting period and when the report is released (e.g., are quarterly reports released less than 4 weeks after the end of the quarter)?</p> <ul style="list-style-type: none"> a. Reports are released 1 month or less after the end of the period. b. Reports are released 2 months or less (but more than 1 month) after the end of the period. c. Reports are released more than 2 months after the end of the period. d. In-year reports are not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Reports are released more than 2 months after the end of the period.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c

<p>92. Does the executive release to the public a mid-year review of the budget that discusses the changes in economic outlook since the budget was enacted?</p> <ul style="list-style-type: none"> a. Yes, the mid-year review includes an extensive discussion of the economy that includes a revised forecast for the full fiscal year and its effects on the budget. b. Yes, the mid-year review includes a discussion of the economy, but it lacks some details. c. Yes, the mid-year review includes a discussion of the economy, but it lacks important details. d. No, the mid-year review does not include a discussion of the economy, or the executive does not release a mid-year review of the budget. e. Not applicable/other (please comment). <p><u>Citation:</u> Yes, the mid-year review includes an extensive discussion of the economy that includes a revised forecast of the full fiscal year.</p> <p><u>Comment:</u> Mid-year report for the previous fiscal year is not available in the internet now. It was available until some time back. The problem is that the MOF does not keep this document as archives in the internet. And when mid-year report for the new year is published, the previous year's document is made offline.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>93. Does the executive release to the public a mid-year review of the budget that includes updated expenditure estimates for the budget year underway?</p> <ul style="list-style-type: none"> a. Yes, the mid-year review includes updated expenditure estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels. b. Yes, the mid-year review includes updated estimates of expenditure, but some details on why estimates have changed are not provided. c. Yes, the mid-year review includes updated estimates of expenditure, but important details on why estimates have changed are not provided. d. No, the mid-year review does not include updated expenditure estimates for the budget year, or the executive does not release a mid-year review of the budget. e. Not applicable/other (please comment). <p><u>Citation:</u> Yes the mid-year review includes updated expenditure estimates for the full fiscal year.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>94. What is the most detail provided in the mid-year review for expenditures?</p> <ul style="list-style-type: none"> a. The mid-year review includes program-level detail for expenditures. b. The mid-year review includes departmental totals (or functional totals) and some additional details (for instance, sub-department totals or major programs). c. The mid-year review includes only departmental totals (or functional totals). d. The mid-year review includes less information than departmental totals (or functional totals) for expenditures, or the executive does not release a mid-year review of the budget. e. Not applicable/other (please comment). <p><u>Citation:</u> The mid-year review includes expenditure by department totals.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c
<p>95. Does the executive release to the public a mid-year review of the budget that includes updated revenue estimates for the budget year underway?</p> <ul style="list-style-type: none"> a. Yes, the mid-year review includes updated revenue estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels. b. Yes, the mid-year review includes updated estimates of revenue, but some details on why estimates have changed are not provided. c. Yes, the mid-year review includes updated estimates of revenue, but important details on why estimates have changed are not provided. d. No, the mid-year review does not include updated revenue estimates for the budget year, or the executive does not release a mid-year review of the budget. e. Not applicable/other (please comment). <p><u>Citation:</u> Yes, the mid-year review includes updated revenue estimates for the full fiscal year.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>96. Does the executive seek input from the legislature when the executive shifts funds between administrative units (except when the amounts are below a certain <i>minimal</i> level specified in law or regulation)?</p> <ul style="list-style-type: none"> a. Yes, the executive seeks approval from the legislature before shifting funds between administrative units. b. Yes, the executive gives prior notification to the legislature before shifting funds, giving the legislature an opportunity to block or modify the proposed adjustment. c. Yes, the executive seeks legislative approval, but only after the shift of funds has been implemented. d. No, the executive shifts funds between administrative units without seeking input from the legislature, or the amount allowed under the law or by regulation is significantly large enough to undermine public scrutiny and accountability (please describe arrangements below). e. Not applicable/other (please comment). <p><u>Citation:</u> The executive shifts funds between administrative units without seeking input from the legislature.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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97. During the past year, have there been credible reported instances in which the procurement of goods and services has not followed an open and competitive process in practice?

- a. There were no credible reported instances of procurement failing to follow an open and competitive process in practice during the past year.
- b. The procurement of goods and services frequently followed an open and competitive process in practice, but there were some reported instances of irregularities.
- c. The procurement of goods and service followed an open and competitive process in many instances, but there were significant reported examples of irregularities.
- d. No, the procurement process was not open and competitive in practice.
- e. Not applicable/other (please comment).

Citation:

There are instances of breaches during the public procurement process in Nepal. The regulation contains detail process to make public procurement open and competitive. But this regulation is not followed strictly.

Comment:

Researcher's Response to this Question was “c.”

Peer Reviewer One Comment:

Peer Reviewer Two Comment: Nepal signed the United Nations Anti-Corruption Treaty in 2003 that was ratified by the government in 2004. This committed it to introduce a “Public Procurement Act” which was endorsed by the Cabinet in August 2006 i.e., since the release of OBI 2006.

Researcher Response: I chose my answer because There are instances of breaches during the public procurement process in Nepal. The regulation contains detail process to make public procurement open and competitive. But this regulation is not followed strictly.

BP Comment: IBP editors chose answer, “c” consistent with the researcher’s observations.

c

<p>98. When does the legislature typically approve supplemental budgets?</p> <ol style="list-style-type: none"> a. Supplemental budgets are approved before the funds are expended, or the executive rarely proposes a supplemental budget (please specify). b. Supplemental budgets are approved after the funds are expended, or the executive implements supplemental budgets without ever receiving approval from the legislature (please specify). c. Not applicable/other (please comment). <p><u>Citation:</u> Supplemental budgets are approved before the funds are spent. Since the parliament is active now, the government takes approval from the legislature while bringing supplemental budget.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>99. In most years, how large are supplemental budget requests relative to the size of the original budget?</p> <ol style="list-style-type: none"> a. Supplemental budgets are generally equal to 2 percent or less of the original budget. b. Supplemental budgets are generally equal to more than 2 percent, but less than 5 percent, of the original budget. c. Supplemental budget are generally equal to more than 5 percent, but less than 10 percent, of the original budget. d. Supplemental budget are generally equal to 10 percent or more of the original budget, or insufficient information is available to the public regarding the amount of supplemental budgets. e. Not applicable/other (please comment). <p><u>Citation:</u> The last time Supplemental Budget presented in the Nepalese parliament was in 2004/05. The supplementary budget, then, was 3.22 percent of the original budget.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<p>100. When does the legislature approve the expenditure of contingency funds or other funds for which no specific purpose was identified in the budget?</p> <ul style="list-style-type: none"> a. Expenditures are approved before the funds are expended, or contingency funds or other funds with no specific purposes are not included in the budget. b. Expenditures are approved after the funds are expended, but before the end of the fiscal year. c. Expenditures are approved after the end of the fiscal year, for example in the next budget. d. Such expenditure takes place without legislative approval. e. Not applicable/other (please comment). <p><u>Citation:</u> Expenditures are approved before the funds are spent. Since the parliament is active now, the government takes approval of all funds from the legislature</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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Executive's Year-end Report and the Supreme Audit Institution	
<p>101. How long after the end of the budget year does the executive release to the public a year-end report that discusses the budget's actual outcome for the year?</p> <ol style="list-style-type: none"> The report is released six months or less after the end of the fiscal year. The report is released 12 months or less (but more than six months) after the end of the fiscal year. The report is released more than 12 months after the end of the fiscal year. The executive does not release a year-end report. Not applicable/other (please comment). <p><u>Citation:</u> The year-end reports are released within ten months after the end of the fiscal year by the Financial Comptroller General's Office (FCGO). Reports can be obtained from the FCGO.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
<p>102. In the year-end report have the data on the actual outcomes been audited?</p> <ol style="list-style-type: none"> Yes, all data on actual outcomes have been audited. At least two-thirds, but not all, of the data on actual outcomes have been audited. Less than two-thirds of the data on actual outcomes have been audited. None of the data on actual outcomes has been audited, or a year-end report is not released. Not applicable/other (please comment). <p><u>Citation:</u> None of the data on actual outcomes are audited. The FCGO carries out Internal Audit, but the Final Audit is carried out by the Office of Auditor General.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>103. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key differences, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No, explanation is not presented.</p> <p><u>Researcher's Response to this Question was “d.”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Page 1 States: The total government expenditure in FY 05/06 is Rs. 110.89 billion which works out to be 87.39% of the initial budget estimate and 99.42% of the revised estimate.” Other details appear in the Annexes on Spending Ministry-, Source and Department-wise so it would seem that some effort – while limited - has been made to compare actual spending with planned spending.</p> <p><u>Researcher Response:</u> I chose my answer because information on the actual data is presented but there is no explanation on why differences exist between the actual and budgeted figures</p> <p><u>BP Comment:</u> IBP editors chose answer, “d” consistent with the researcher’s response.</p>	<p>d</p>
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<p>104. What level of detail is the focus of the explanation of the differences between the enacted levels and the actual outcome for expenditures presented in the year-end report?</p> <ul style="list-style-type: none"> a. The explanation of the differences between the enacted expenditure levels and the actual outcome focuses on the program level. b. The explanation focuses on departmental totals (or functional totals) or some lower level of detail (but not the program level in all cases). c. The explanation focuses on a higher level of aggregation than departmental totals (or functional totals). d. No explanation of the differences is provided, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No, explanation of the differences is not provided.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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<p>105. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No, explanation is not presented.</p> <p><u>Researcher's Response to this Question was “d.”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Page 1 says “In FY 2005/06 revenue collection is 88.34% of the targeted collection of Rs. 81.82 billion” and Annex 5 focuses on targeted vs. actual revenue so it would seem that some effort – while limited - has been made to compare actual revenue with planned revenue.</p> <p><u>Researcher Response:</u> I chose my answer because data on actual revenue is presented but there is no explanation on the variation between budgeted and actual revenue collection</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” consistent with the researcher’s response.</p>	<p>d</p>
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<p>106. Does the year-end report explain the difference between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> No, explanation is not presented.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>107. Does the year-end report explain the difference between the original estimates of non-financial data and the actual outcome?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No, explanation is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>108. Does the year-end report explain the difference between the original performance indicators and the actual outcome?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No, explanation is not presented</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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<p>109. Does the year-end report explain the difference between the enacted level of funds intended to benefit directly the country’s most impoverished populations and the actual outcome?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No, explanation is not presented.</p> <p><u>Researcher's Response to this Question was “d.”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> In my view, more information is presented than a standard “d” response would suggest: disaggregations by the MTEF Priority Goals (P1, P2 etc) relates to poverty (pages 7-8) as well as detailed information that is presented on revenue and expenditure per development region (page 13) and later per district. Poverty in Nepal is confined to specific pockets of the country (notably the Mid and Far West Development Regions) therefore this district and region wise information would seem to shed light on poverty efforts made during the FY. Later in the Annexes spending pattern breakdowns by Ministry are also revealing to some extent e.g., Ministry of Defense or Foreign Affairs is most likely to be less pro-poor than Ministry of Local Development spending.</p> <p><u>Researcher Response:</u> I chose my answer because the explanation is not presented. Furthermore, there is MTEF V document has not been released yet.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” consistent with the researcher’s response.</p>	<p>d</p>
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<p>110. Does the year-end report present the actual outcome for extra-budgetary funds?</p> <ul style="list-style-type: none"> a. Yes, extensive information on the actual outcome for extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key issues, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information is not presented on extra-budgetary funds, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> No, information is not presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
<p><i>The Independence and Performance of the Supreme Audit Institution</i></p>	
<p>111. How long after the end of the fiscal year are the final annual expenditures of national departments audited and (except for secret programs) released to the public?</p> <ul style="list-style-type: none"> a. Final audited accounts are released to the public six months or less after the end of the fiscal year. b. Final audited accounts are released 12 months or less (but more than six months) after the end of the fiscal year. c. Final audit accounts are released more than 12 months, but within 24 months of the end of the fiscal year. d. Final audited accounts are not completed within 24 months after the end of the fiscal year or they are not released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Final audited accounts are released 12 months after the end of the fiscal year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>b</p>

<p>112. Two years after the completion of a fiscal year, what percentage of annual expenditures has been audited and (except for secret programs) the report(s) released to the public?</p> <ul style="list-style-type: none"> a. All expenditures have been audited and the reports released to the public. b. Expenditures representing at least two-thirds of, but not all, expenditure have been audited. c. Expenditure representing less than two-thirds of expenditure have been audited. d. No expenditures have been audited, the reports have not been released to the public, or was released more than 24 months after the end of the fiscal year. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Expenditures representing at least two-third of expenditures are audited.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
<p>113. Does the annual audit report(s) that is released to the public include an executive summary?</p> <ul style="list-style-type: none"> a. The annual audit report(s) includes one or more executive summaries summarizing the report's content. b. No, the audit report(s) does not include an executive summary, or such reports are not released to the public, or was released more than 24 months after the end of the fiscal year. c. Not applicable/other (please comment). <p><u>Citation:</u> The annual audit report contains an executive summary. This information is available on the final audit report, which can be available in the website of the Office of Auditor General.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>114. 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?</p> <p>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 they are removed.</p> <p>b. No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature.</p> <p>c. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> The head of the SAI may only be removed by the legislature. According to the Interim Constitution of Nepal, the Auditor General can be removed by the parliament if two-thirds majority of the total number of parliamentarian pass a proposal of impeachment. http://www.worldstatesmen.org/Nepal_Interim_Constitution2007</p> <p>Until last year the parliament was not functional and the response in the previous round of OBI was "b." When the parliament was non-functional the king was the head of the state and he had an absolute power to sack the head of the Supreme Audit Institution.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>115. Does the Supreme Audit Institution release to the public audits of extra-budgetary funds?</p> <p>a. Yes, the SAI releases to the public audits of all extra-budgetary funds.</p> <p>b. Yes, the SAI releases audits representing at least two-thirds of, but not all, extra-budgetary funds.</p> <p>c. Yes, the SAI releases audits representing less than two-thirds of all extra-budgetary funds.</p> <p>d. No, the SAI does not release to the public audits of extra-budgetary funds, or it does not audit such funds, or such a report was released more than 24 months after the end of the fiscal year.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> The SAI does not release to the public, audits of extra budgetary funds.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>116. Beyond the established year-end attestation audits, does the Supreme Audit Institution (SAI) have <i>the discretion in law</i> to undertake those audits it may wish to?</p> <ul style="list-style-type: none"> a. The SAI has full discretion to decide which audits it wishes to undertake. b. The SAI has significant discretion, but faces some limitations. c. The SAI has some discretion, but faces considerable limitations. d. The SAI has no discretion to decide which audits it wishes to undertake. e. Not applicable/other (please comment). <p><u>Citation:</u> The SAI has full discretion to decide which audit it wishes to undertake.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>117. Who determines the budget of the Supreme Audit Institution?</p> <ul style="list-style-type: none"> a. The budget of the SAI is determined by the legislature or judiciary (or some independent body), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate. 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. c. The budget of the SAI is determined by the legislature or judiciary (or some independent body), but the funding level is not consistent with the resources the SAI needs to fulfill its mandate. d. The budget of the SAI is determined by the executive, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate. e. Not applicable/other (please comment). <p><u>Citation:</u> The SAI budget is determined by the budget division officials of the Ministry of Finance. Due to lack of funding, they are unable to carry out several activities, for instance performance auditing.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> FYI: The Global Integrity Report 2007 assigns a score of 75 on question 56e on the Auditor General’s budget “The AG receives regular annual funding from the government. However, the government budget is largely dependent on foreign aid, which may not be consistent.” (www.globalintegrity.org)</p>	d

<p>118. Does the Supreme Audit Institution employ designated staff for undertaking audits of the central government agencies pertaining to the security sector (military, police, intelligence services)?</p> <ol style="list-style-type: none"> a. The SAI employs designated staff, and the staffing levels are broadly consistent with the resources the SAI needs to fulfill its mandate. b. The SAI employs designated staff, but the staffing levels are a cause of some constraints to the SAI in fulfilling its mandate. c. The SAI employs designated staff, but the staffing levels pose a significant constraint on the SAI in fulfilling its mandate. d. The SAI does not employ designated staff for auditing of the security sector, or does not undertake audits of the security sector. e. Not applicable/other (please comment). <p><u>Citation:</u> Yes, the SAI employs designated staff, but the staffing levels are a cause of some constraint mainly due to inadequate funds.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> FYI: The same report assigns a score of 75 on question 56c on the AG’s capacity stating” The AG is assisted by a relatively professional, technical staff, yet some of them may lack professional competence.”</p>	<p>b</p>
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<p>119. Does the Supreme Audit Institution maintain formal mechanisms of communication with the public to receive complaints and suggestions to assist it in determining its audit program (that is, to identify the agencies, programs, or projects it will audit)?</p> <ul style="list-style-type: none"> a. Yes, the SAI maintains mechanisms of communication with the public, and received more than 100 communications from the public during the past year. b. Yes, the SAI maintains mechanisms of communication with the public, and received less than 100 but more than ten communications from the public during the past year. c. Yes, the SAI maintains mechanisms of communication with the public but it receives very little (less than ten) or no information from the public on potential subjects for audit. d. No, the SAI does not maintain any formal mechanisms of communication with the public. e. Not applicable. <p><u>Citation:</u> No, the SAI does not maintain any formal mechanisms of communication with the public.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
<p>120. Does a committee of the legislature view and scrutinize the audit reports?</p> <ul style="list-style-type: none"> a. Yes, all audit reports are scrutinized. b. Yes, most audit reports are scrutinized. c. Yes, some audit reports are scrutinized. d. No, audit reports are not scrutinized. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Some audit reports are scrutinized. It is the Public Accounts Commission that reviews and scrutinizes the audit reports.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>c</p>

<p>121. 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?</p> <ul style="list-style-type: none"> a. Yes, the executive reports publicly on what steps it has taken to address audit findings. b. Yes, the executive reports publicly on most audit findings. c. Yes, the executive reports publicly on some audit findings. d. No, the executive does not report on steps it has taken to address audit findings. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The executive does not report on steps it takes to address audit findings.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
<p>122. Does either the Supreme Audit Institution or the legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?</p> <ul style="list-style-type: none"> a. Yes, a comprehensive report is released regularly that tracks actions taken by the executive to address audit recommendations. b. Yes, a report is released, covering key audit recommendations, but some details are excluded. c. Yes, a report is released, but it lacks important details. d. No, a report is not produced or it is prepared for internal purposes only (please specify). e. Not applicable/other (please comment). <p><u>Citation:</u> Such report is not produced.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>

<p>123. Are audit reports of the annual accounts of the security sector (military, police, intelligence services) and other secret programs provided to the legislature (or relevant committee)?</p> <ul style="list-style-type: none"> a. Yes, legislators are provided with detailed audit reports related to the security sector and other secret programs. b. Yes, legislators are provided audit reports on secret items, but some details are excluded. c. Yes, legislators are provided audit reports on secret items, but they lack important details. d. No, legislators are not provided audit reports on secret items, or secret programs are not audited (please specify). e. Not applicable/other (please comment). <p><u>Citation:</u> Yes, legislature is provided with audit reports related to the security sector and other secret programs.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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Additional Comments:

Please use this section to add any additional comments.

Researcher Additional Comments:**Legislative Approval of Budgets**

When answers related to "Legislative Approval of Budgets" in Nepal in OBI-2006 and OBI 2008 are compared, one can see a substantial improvement from "d" to "a." This big jump from "d" to "a" within the last two rounds (between 2006 and 2008) is due to the following major political change in Nepal.

The Nepalese parliament was dissolved by the King in 2002 which was restored only in April 2007. As there was no parliament during the time of the OBI 2006 two years ago, all responses related to the legislature were marked "d" then. Since April 2007 when the parliament has been restored after the historic people's movement, the legislature has been active and thus parliamentarians can exercise their rights at full capacity.

The Finance Minister tabled the Budget proposal for 2007/08 in the legislature on July 12th. The same day, budget proposal was made public and put on the internet (www.mof.gov.np) The members of parliament began the discussion on the budget proposal from July 13th. The Interim Legislature-Parliament passed the annual budget with a majority on August 8, 2007. (Source: <http://www.kantipuronline.com/timeline2007.php>) The enacted budget was exactly same as the budget proposal. Those who ask for enacted budget in the ministry of finance get the budget proposal, which now is the enacted budget.

Other Major Political Update in Nepal

Nepal does not have a presidential system and there is no direct election of the head of the state. Instead, the Prime Minister is elected by the simple majority in the parliament. It means, the PM normally has the majority of the MPs (Members of Parliament) in his favor. Because of this, the document that is presented to the parliament is, in most of the cases, approved by the house without amendment. There may however, be long discussions.

In case of budget proposal and enacted budget proposal, the parliament normally approves the finance minister's proposal without any changes. Normally the parliament, after discussions, passes the budget proposal as it is. There are very few instances where the parliament had made some amendments on the budget in the past. However, there is no such evidence within the last couple of years. Therefore, the Ministry of Finance does not release the same document twice. In such case, the Executive Budget Proposal and Enacted Budget are the same documents in Nepal.