

**International Budget Partnership
OPEN BUDGET QUESTIONNAIRE**

NICARAGUA

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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	Not Available
Executive’s Budget Proposal	2007
Supporting Budget Documents	2007
Citizens Budget	Not Available.
Enacted Budget	2007
In-Year Reports	2007
Mid-Year Report	Not Available
Year-End Report	2006
Audit Report	2005 ¹

1 The National Audit or Comptrollers’ Office produced Audit reports of different Ministries for 2005 that are now available at their web site at <http://www.cgr.gob.ni/Servicios/filerep/listard.asp?cate=12&cated=Informes%20de%20Auditor%EDA&area=2&aread=Direcci%F3n%20General%20de%20Auditor%EDas>. Nonetheless, there is no global Audit report for the General Republic’s Budget.

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	Not produced
Budget Summary	Not Produced
Executive’s Budget Proposal	Publicly Available, but Not on the Internet (The proposal is removed and subsequently replaced with the enacted budget)
Budget Document One in Support of the Executive’s Budget Proposal	Not Available
Budget Document Two in Support of the Executive’s Budget Proposal	Not Available
Budget Document Three in Support of the Executive’s Budget Proposal	Not Available
Citizens Budget	Not Produced
Enacted Budget	Available in: http://www.hacienda.gob.ni/hacienda/presupuesto2006/mpmp.jsp
In-Year Reports	
Mid-Year Review	Not Produced
Year-End Report	

<p>Audit Report</p>	<p>Produced, but Not Available to the Public</p> <p>Please note that the reports listed below only became publicly available after the closing date for research for all countries participating in this study, which was September 27, 2007. As such, the Audit Reports are considered as not available to the public for the purposes of this evaluation.</p> <p>Nevertheless, the publication of the reports is a welcome step, and should they be made available in subsequent budget years, they will be reflected in the evaluation.</p> <p>Audit Reports of different Ministries for 2005 at http://www.cgr.gob.ni/Servicios/filerep/listarc.asp?area=2&aread=Direcci%F3n%20General%20de%20Auditor%EDas (available at the end of 2007 – after the period analyzed)</p>
<p>Other Documents</p>	<p>Available in: http://www.hacienda.gob.ni/hacienda/presupuesto2006/mpmp.jsp</p>
<p>Relevant Ministries & Departments</p>	<p>Ministry of Finances http://www.hacienda.gob.ni/hacienda/ Presidency of Nicaragua http://www.presidencia.gob.ni/ Central Bank http://www.bcn.gob.ni/ National Assembly (Congress) http://www.asamblea.gob.ni/ Internal Revenue General Direction http://www.dgi.gob.ni/ Costums Services General Direction http://www.dga.gob.ni/ Controllers General Office http://www.cgr.gob.ni/</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		Yes			Yes
B. Produced for internal purposes, but not available to the public						
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				
<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	NA	No	NA			NA
2. Advance notification of release is sent to users, media	NA	No	NA			NA
3. Released to public same day as official release to media	NA	No	NA			NA
4. Available on the Internet free of charge	NA	Yes	NA			NA
5. Free print copies available, limited distribution	NA	Yes	NA			NA
6. Free print copies available, mass distribution	NA	Yes	NA			NA
7. Readily available outside capital and/or big cities [†]	NA	No	NA			NA
8. Written in more than one language	NA	No	NA			NA
9. News conference is held to discuss release	NA	No	NA			NA

*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			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	
<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	NA	No	NA
2. Advance notification of release sent to users, media	No	No	NA	No	NA
3. Released to public same day as official release to media	Yes	Yes	NA	Yes	NA
4. Available on the Internet free of charge	Yes	Yes	NA	Yes	NA
5. Free print copies available, limited distribution	No	No	NA	No	NA
6. Free print copies available, mass distribution	No	No	NA	No	NA
7. Readily available outside capital/big cities ⁺	No	No	NA	No	NA
8. Written in more than one language	No	No	NA	No	NA
9. News conference is held to discuss release	No	No	NA	No	NA

⁺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> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html</p> <p><u>Comment:</u> The Executive's Proposal of the General Budget is posted right after its presentation to the National Assembly on October 15th of each year, but once it is approved by the Assembly it is taken down, generally around December 15th. However, in 2007, the Budget was approved in March.</p> <p>The expenditures registered in the General Budget are classified by administrative units. The problem lies with those expenditures that are non-registered, of which are not disclosed in the consolidated budget presentation. These non-registered or off-budget expenditures are of significant size in relation to on-budget expenditures.</p> <p>There are two major limitations on the transparency of the General Budget in Nicaragua. One of them has been evident for the past several years – as detailed in past IBP Open Budget evaluations. It is the deliberate underestimation of the annual revenues from taxes, underreporting equivalent to approximately 10 percent of total annual revenues.</p> <p>The other major limitation first manifested itself with the 2007 Budget. Specifically, the 2007 budget fails to disclose in any of its sections the funds derived from various cooperation agreements with Venezuelan government entities. These undisclosed revenues, and the expenditures arising from them, are estimated between US\$100,000,000 and US\$500,000,000 per year (a sum equivalent to five to twenty percent of the 2007 General Budget).</p> <p>The first of these agreements was signed in January 2007, and was published by the National Assembly on April 11, 2007 (Please see http://www.asamblea.gob.ni/index.php?option=com_wrapper&Itemid=153), with respect to Decree 5111, as well as other several other agreements with Venezuela, ratified in the Decrees 5113, 5114, 5115, 5116, 5117.</p> <p>All of these agreements include cooperation that produce income and some of them include also the possibility of incurring debt. Nonetheless, neither the revenue nor the debt associated with these activities has been disclosed in the National Budget, violating explicit provisions of Law 550. Over time, government officials have provided conflicting explanations regarding these activities. The nature and size of the activities described in cooperative agreements, and whether or not they imply that public debt has been incurred, has not been disclosed by the Nicaraguan</p>	C	

<p>government. This is despite the fact that the framework agreement between Petrocaribe and ALBA (See Acuerdo energético del ALBA entre Venezuela y Nicaragua, signed on April 29, 2007 http://www.alternativabolivariana.org/modules.php?name=News&file=article&sid=1805) established that it is an agreement between the Government of Nicaragua to be carried out by public sector institutions. It also declares that it produces public debt, for example in Item 4 of the Agreement in Annex 1.</p> <p>Peer Reviewer One Comment: The budget proposal sent by the Executive to the National Assembly shows the expenditures by institution, for example: Health Ministry, Education Ministry, Defense Ministry, Labor Ministry, etc. It also includes the expenses for allocations and subventions and the payment of the public debt.</p> <p>Peer Reviewer Two Comment:</p>	
<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> Clasificación Funcional del gasto http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/E_16_Clasif_Funcional.pdf Estructura Funcional del Gasto http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/E_17_Estruct_Gasto.pdf Estructura Funcional del gasto Asignaciones y Subvenciones http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/E_18_Estruct_Gasto_AS.pdf</p> <p><u>Comment:</u> The comment and explanation in Question 1 are applicable to this question. The registered expenditures are classified by function, but there is significant portion of the expenditures and revenues that are non-registered, especially since the beginning of 2007.</p> <p>Peer Reviewer One Comment: The Executive's budget proposal shows the functional classification, in which it uses the concepts of governmental administration, education, health, social services and social welfare, economic services, public debt and others. For each one of them the total expenditure amount is determined and also subdivided into capital and current expenditure.</p> <p>Peer Reviewer Two Comment:</p>	C

<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> <ol style="list-style-type: none"> All expenditures are classified by economic classification, and the categorization is compatible with international standards. All expenditures are classified by economic classification, but the categorization is not compatible with international standards. Some, but not all, expenditures are classified by economic classification. No expenditures classified by economic classification are presented. Not applicable/other (please comment). <p><u>Citation:</u> Clasificación Institucional económica http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/E_20_Presup_Gasto.pdf</p> <p><u>Comment:</u> See Comment in Question 1.</p> <p><u>Peer Reviewer One Comment:</u> The Executive's budget proposal by institution shows the economic classification by program, determining the allocations for expenditures in categories such as: central activities, central projects, specific services of the institution, among others. Later on budgetary credits are established by groups of expenses and programs. This type of classification has a brief summary which identifies the institutional policy and description of each program</p> <p><u>Peer Reviewer Two Comment:</u></p>	C
<p>4. Does the executive's budget or any supporting budget documentation present expenditures for individual programs for the budget year?</p> <ol style="list-style-type: none"> Program-level data are presented for all expenditures. Program-level data are presented for at least two-thirds of, but not all, expenditures. Program-level data are presented, but for less than two-thirds of expenditures. No program-level data are presented. Not applicable/other (please comment). <p><u>Citation:</u> Detalle de gasto por Programa y fuente de financiamiento http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/E_10_Detalle_Programa.pdf</p> <p><u>Comment:</u> As in past, the programs presented are too broad and there is not much detail about them. In comparison to 2005, the Budget includes information by program for all the units, and not just the Executive Branch. But the problems mentioned above have an important consequence also in this issue</p>	C

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)?

- 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).

Citation:

Presupuesto General de la República 2007
<http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html>
http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley%20550.%20Ley%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf
See <http://www.snip.gob.ni/bpe/pip/pip.aspx?year=2007>
http://www.oafe.hacienda.gob.ni/oafe/PDF/oafe/Estudios/Marco_Presupuestario_de_Mediano_Plazo_2007_09.pdf

Comment:

The Medium Term Framework was not available to the public prior to the Budget's enactment.

The Executive's Proposal of the General Budget is posted right after its presentation to the National Assembly on October 15th of each year, but once it is approved by the Assembly it is taken down, generally around December 15th.

The General Budget Document 2007 in the site of the Ministry of Hacienda does not include the Medium Term Framework. The Framework is in the OAFE as a separate document. As you can see in the 2006 Budget site (<http://www.hacienda.gob.ni/hacienda/presupuesto2006/indice.jsp>) the MTSF was part of the Book, not a separate document.

As it has been mentioned above, the projections do not include important portions of the public revenues. In this case, the most relevant aspect is the under-calculation of the Tax Revenues that has been done regularly for several years.

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

Peer Reviewer One Comment: I only suggest including the link to law 550 corresponding to the citation and eliminating it from the comment. Same for what concerns the SNIP.

Peer Reviewer Two Comment: A more appropriate response to this question would be "a." Law 550 mandates to include a Medium Term Expenditure Framework – MTEF (Marco Presupuestario de Mediano Plazo – MPMP, term used in Spanish by the MHCP) as an annex of the budget, and it is included in the budget proposal and in the enacted budget. (See:

<http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007>
http://www.oafe.hacienda.gob.ni/oafe/PDF/oafe/Estudios/Marco_Presupuestario_de_Mediano_Plazo_2007_09.pdf

IBP Comment: IBP editors chose answer, "b" consistent with the researcher's observations.

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> <ol style="list-style-type: none"> 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><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html</p> <p><u>Comment:</u> idem 5</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> A more appropriate response to this question would be “a.” Same explanation as in 5. Institutional MTEF (Marcos de Gastos Sectorial de Mediano Plazo) for 18 institutions of the central government and State branches are included, with detailed budgets by programs.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” consistent with the researcher’s observation.</p>	<p>d</p>
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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?

- a. All sources of tax revenue are identified individually.
- b. Sources of tax revenue amounting to at least two-thirds of, but not all, tax revenues are identified individually.
- c. Sources of tax revenue amounting to less than two-thirds of all tax revenues are identified individually.
- d. No sources of tax revenue are identified individually.
- e. Not applicable/other (please comment).

Citation:

Presupuesto de Ingresos por Rubro según Unidad Recaudadora

http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/E_02_Ing_por_Uni_Rec.pdf

Comment:

The General Budget of the Republic (PGR) includes an income budget that reflects most of the tax revenues. However, in the last year, including 2007, it has been denounced and accepted that there is an underestimation of the revenues, as a mean of diminishing the budget transfers to some institutions that have fixed percentages of the Budget assigned, as the Public Universities, the Municipalities and the Judicial System determined in the Constitution. It also gives the Executive the opportunity to define its own priorities, and give them as a fact to the National Assembly. In September 2007, the Executive Branch presented a proposal of Reform to the National Budget that included an increase in national revenues (result of recovering more taxes) of C\$468.9 million that represents close to 2.5% of the total of the Budget. Once approved, the Executive sent another reform with a new increase in revenues for the same reasons. And independent economist had been saying that there should be a revision of the way the Revenue Service calculates its fiscal income per year, since every year they go through the same process.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "a." The question refers to the identification of the different sources of tax revenues, and that is how it is presented in the budget document; see:

[http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007](http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007(file:E_02_Ing_por_Uni_Rec.pdf)
(file:E_02_Ing_por_Uni_Rec.pdf)

<http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html>

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

b

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?
- 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).

Citation:

Presupuesto de Ingresos por Rubro 2007

http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/E_02_Ing_por_Uni_Rec.pdf

Desglose de Donaciones y Préstamos

http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/E_07_Desglose_Especif.pdf

Comment:

See comment under Question 1.

The Executive's Proposal of the General Budget is posted right after its presentation to the National Assembly on October 15th of each year, but once it is approved by the Assembly it is taken down, generally around December 15th.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "a."

All sources of non-tax revenue are identified individually, including transfers from public enterprises and non-enterprise institutions. See:

[http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007\(file:E_02_Ing_por_Uni_Rec.pdf\)](http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007(file:E_02_Ing_por_Uni_Rec.pdf)

[http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007\(file:E_07_Desglose_Especif.pdf\)](http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007(file:E_07_Desglose_Especif.pdf)

[http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007\(file:E_08_Desglose_Deficit.pdf\)](http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007(file:E_08_Desglose_Deficit.pdf)

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

b

<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> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html Presupuesto de Ingresos por Rubro 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/E_02_Ing_por_Uni_Rec.pdf</p> <p><u>Comment:</u> So far, despite the approval of Law 550 in 2005, there is no multi-year estimates for revenues. As it has been mentioned, the Law 550 orders that multi-year projection be made in the Medium term Strategic Framework. Besides, as it was mentioned in question 7, the yearly calculations of revenues in the National Budget are not reliable. See comments to questions 5, 7 and 8. In the separate document of MTSF 2007 – 2009, there are projections, but they are non reliable, for the reasons given above.</p> <p><u>Researcher’s Response to this Question was “b.”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “a.” See: http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007 (file: mediano plazo.pdf; page 33) (reference non existent)</p> <p><u>IBP Comment:</u> IBP editors chose answer, “b” consistent with the peer reviewer’s observation.</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"> a. Yes, multi-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax). b. Yes, multi-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue. c. Yes, multi-year estimates are presented, but only for some individual sources of revenue. d. No, multi-year estimates are presented for aggregate revenue only, or they are not presented at all. e. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto de Ingresos por Rubro 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/E_02_Ing_por_Uni_Rec.pdf</p> <p><u>Comment:</u> In 2007, there are no multi year estimates for all revenues. See comments 1, 5, 7, 8, and 9.</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> A more appropriate response to this question would be “b.” See: http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007 (file: mediano plazo.pdf; page 33)</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” consistent with the peer reviewer’s observation.</p>	<p>d</p>
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11. Does the executive's budget or any supporting budget documentation present data on the total government debt outstanding for the budget year?
- 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).
 - Yes, the data reflect the outstanding debt at the end of the budget year.
 - Yes, the data reflect the outstanding debt at the start of the budget year.
 - No, data on the outstanding debt are not presented.
 - Not applicable/other (please comment).

Citation:

Presupuesto General de la República 2007

<http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html>

Detalle del pago del servicio de la Deuda Interna

http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/E_05_06_Detalle_Pago_Int.pdf

Detalle del pago del servicio de la Deuda Externa

http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/E_05_06_Detalle_Pago_Ext.pdf

Comment:

The 2007 Budget and supporting documents include information on the service of the Public Debt, both internal and external, but it does not include information on the the total amounts. The Central bank produces information on public debt, but they do not accompany the Budget. The only information on debt included on the Budget are the amounts allocated to pay the redemption the interests of that year. But that information is not complete, since in the first Reform to the 2007 Budget, the Executive included (and the National Assembly approved it) C\$ 250 million additional for the payment of the internal debt (close to 18% of the total approved initially).

As it has been mentioned, a major gap of information related to the debt comes from the Aid from Venezuela and the oil that Nicaragua gets through the ALBA or Alternativa Bolivariana para los Pueblos de América Agreement.

(<http://www.alternativabolivariana.org/modules.php?name=Content&pa=showpage&pid=258>) signed between Venezuela and Nicaragua.

See Comment to Question 1.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

d

<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> Detalle del pago del servicio de la Deuda Interna http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/E_05_06_Detalle_Pago_Int.pdf Detalle del pago del servicio de la Deuda Externa http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/E_05_06_Detalle_Pago_Ext.pdf</p> <p><u>Comment:</u> See Question 11.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
<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> Detalle del pago del servicio de la Deuda Interna http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/E_05_06_Detalle_Pago_Int.pdf Detalle del pago del servicio de la Deuda Externa http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/E_05_06_Detalle_Pago_Ext.pdf</p> <p><u>Comment:</u> In the Budget documents, there is information on the amount to be payed, on the term, on the distribution between amortization and interest, but not on the total amount owed. It is necessary to consult other documents.</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?
- 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.
 - Yes, the macroeconomic forecast is discussed and most of the key assumptions are stated explicitly, but some details are excluded.
 - Yes, there is some discussion of the macroeconomic forecast (and/or the presentation of key assumptions), but it lacks important details.
 - No, information related to the macroeconomic forecast is not presented.
 - Not applicable/other (please comment).

Citation:

Presupuesto General de la República 2007
<http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html>
See http://www.hacienda.gob.ni/hacienda/PDF/PEF2007-2010_final.pdf

Comment:

The Budget Documents 2007 do not include documentation on the macroeconomic forecasts. The Central Bank provides some information about them, but in 2007 the Central Bank as well as other public institutions have been less communicative than in the past. The Central Bank did not communicate about the increase in the rate of Inflation in the first nine months of the year.

The Law 550 in the Art. 35 establishes that the Message of the Bill that the Presidency sends to the National Assembly should include the macroeconomic context, the estimation of main macroeconomic variables and the assumptions on which they are based. But the Message of the Bill is taken down the web page of the Ministry of Finances, once the Budget is approved, so it is not available.

Late in 2007, the Government published its Economic and Financial Program 2007 - 2010 that includes some of the macroeconomic variables, months after the Budget was approved. But this Program, does not include the information related to the Debt derived from the Venezuelan oil, or the income from the the Agreements of Cooperation with Venezuela and Iran, and continues to carry the under calculation of the Annual Tax revenues.

See comments to Questions 1, 5 and 7.

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

Peer Reviewer One Comment: I consider it important to mention that the Government issued in 2007 its Financial Economic Program 2007-2010, which includes some parts on macroeconomic assumptions (see page 27 onwards). This document is published in the website of the Ministry of Finance. (see http://www.hacienda.gob.ni/hacienda/PDF/PEF2007-2010_final.pdf)

Peer Reviewer Two Comment: A more appropriate response to this question would be "a." Information on the exercise of financial programming and an analysis of the macroeconomic balance is presented in the MTEF. See:

<http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007>
http://www.oafe.hacienda.gob.ni/oafe/PDF/oafe/Estudios/Marco_Presupuestario_de_Mediano_Plazo_2007_09.pdf

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

d

<p>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)?</p> <p>a. Yes, extensive information on the impact of macroeconomic assumptions on the budget is presented, including both a narrative discussion and quantitative estimates.</p> <p>b. Yes, information is presented, highlighting the impact of the major macroeconomic assumptions, but some details are excluded.</p> <p>c. Yes, some information is presented, but it lacks important details.</p> <p>d. No, information on the impact of different macroeconomic assumptions on the budget is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html</p> <p><u>Comment:</u> There is no such information in the Budget documents. And the law 550 does not require it to be included.</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> A more appropriate response to this question would be “c.” See: http://www.oafe.hacienda.gob.ni/oafe/PDF/oafe/Estudios/Marco_Presupuestario_de_Mediano_Plazo_2007_09.pdf</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” consistent with researcher’s response.</p>	<p>d</p>
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<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> <p>a. Yes, extensive information on the impact of policy proposals on expenditures is presented, including both a narrative discussion and quantitative estimates.</p> <p>b. Yes, information is presented, highlighting the impact of key policy proposals on expenditures, but some details are excluded.</p> <p>c. Yes, some information is presented, but it lacks important details.</p> <p>d. No, information on the impact of policy proposals on expenditures is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html</p> <p><u>Comment:</u> The Budget documents do not include information on the impact, nor on the policy proposals. There is some information in the "Exposición de motivos" but it lacks important details, and - as it has been mentioned - this part of the Budget is not available once the Budget is approved.</p> <p>As it has been mentioned, the Budget Document 2007 does not include formally a MTSF, as it did Budget 2006. It is presented in a different section of the Ministry of Finances web site. But the most important issue is that this information lacks very relevant issues as it has been mentioned in Questions 1, 5, 7, 8 and 9.</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> A more appropriate response to this question would be “a.” The section Fiscal Framework of the MTEF presents information on this issue. http://www.oafe.hacienda.gob.ni/oafe/PDF/oafe/Estudios/Marco_Presupuestario_de_Mediano_Plazo_2007_09.pdf</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” consistent with the researcher’s observation.</p>	<p>d</p>
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<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> <ol style="list-style-type: none"> Yes, extensive information on the impact of policy proposals on revenues is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting the impact of key policy proposals on revenues, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on the impact of policy proposals on revenues is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html</p> <p><u>Comment:</u> See comments to Question 1</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>
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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"> a. All expenditures are classified by administrative unit for BY-1. b. Expenditures are classified by administrative unit for BY-1, but some small units are not shown separately. c. Expenditures are classified by administrative unit for BY-1, but a significant number of units are not shown separately. d. No expenditures classified by administrative unit are presented for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html</p> <p><u>Comment:</u> The Ministry of Finances presents to the National Assembly quarterly reports of the expenditures per unit, as well as a nine months report (January - September) almost as the same time as they present the Budget Proposal for the next year, but this is not considered part of the supporting documents of the Budget. There is no estimations of costs and expenditures for prior years in the Budget documents and the Law 550 does not establish any requirements about this information. The MTSF – presented as a separated document from the Budget includes information of previous years, but it does not include some important details as the regular undercalculation of the tax revenues. Besides, in different occasions, officials of the present government stated that they will have a radical change in national development policy for Nicaragua, implying that the MTSF was not consistent with their plans. During the whole year 2007, there was no document that could be analyzed to learn about their policies. At the beginning of 2007, different Ministers announced new policies not included in the MTSF, such as free education for children and free health services and medicines for everybody, as well as social insurance for everybody. None of these policies were include in the MTSF, nor was the MTSF modified to include any of the new policies. For some, the MTSF was only a theoretical document to fulfill the requirements, never a document to work with, or even a document of reference. In that sense, all the information included in the MTSF become less valuable, and less useful as a tool for analyzing public policies and planning.</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> A more appropriate response to this question would be "a." Information on the aggregate level of expenditures as well as detailed expenditures by institution, economic classification and programs for two previous years is presented in the statistical annex of the MTEF document (beginning in page 50). http://www.oafe.hacienda.gob.ni/oafe/PDF/oafe/Estudios/Marco_Presupuestario_de_Mediano_Plazo_2007_09.pdf</p> <p><u>IBP Comment:</u> IBP editors chose answer, "d" consistent with the researcher's response.</p>	d

<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> <p>a. All expenditures are classified by functional classification for BY-1, and the categorization is compatible with international standards.</p> <p>b. All expenditures are classified by functional classification for BY-1, but the categorization is not compatible with international standards.</p> <p>c. Some, but not all, expenditures are classified by function for BY-1.</p> <p>d. No expenditures classified by function are presented for BY-1.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html</p> <p><u>Comment:</u> Same as question 18</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> A more appropriate response to this question would be “a.” Same explanation as in question 18 (page 47 in the MTEF document).</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” consistent with the peer reviewer’s response.</p>	<p>d</p>
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<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> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html</p> <p><u>Comment:</u> See comments to question 1 and 18.</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> A more appropriate response to this question would be “a.” Same explanation as in question 18.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” consistent with the peer reviewer’s response.</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> <ol style="list-style-type: none"> Program-level expenditure data are presented for all expenditures for BY-1. Program-level expenditure data are presented for at least two-thirds of, but not all, expenditures for BY-1. Program-level expenditure data are presented, but for less than two-thirds of expenditures for BY-1. No program-level expenditure data are presented for BY-1. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html</p> <p><u>Comment:</u> Same as question 18.</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> A more appropriate response to this question would be "a." Same explanation as in question 18.</p> <p><u>IBP Comment:</u> IBP editors chose answer, "d" consistent with the researcher's observations.</p>	d
<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"> All BY-1 estimates have been updated from the original enacted levels to reflect six or more months of actual expenditure. All BY-1 estimates have been updated from the original enacted levels, but reflect less than six months of actual expenditure. Some BY-1 estimates have been updated from the original enacted levels to reflect actual expenditure. The BY-1 estimates have not been updated from the original enacted levels, or no BY-1 estimates are presented. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html Presupuesto del gasto http://www.consultaciudadana.gob.ni/consulta/EntidadGasto.jsp?p=Inicio_g# Informes de Ejecución Presupuestaria http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp</p> <p><u>Comment:</u> As it has been mentioned, the Ministry of Finances sends quarterly reports of actual expenditures to the National Assembly. They do not make any projections or estimates of the level of expenditures that would be achieved at the end of the year. But the information sent to the Assembly is not always complete, since not all the units render account in a timely manner. There is some level of information available in www.consultaciudadana/hacienda/ in Presupuestos de gastos, but it is</p>	d

only presented for the more general levels.
Besides, the report of the expenditures of BY-1 is not included in the Budget documents.

See comments to question 1 and 18.

The Annual report of the Budget of the prior year is not part of the documentation provided by the Ministry of Finances with the Budget proposal. The document Informe de Liquidacion 2006 was produced and made available months after the presentation and even after the approval of the Budget 2007 in March 2007. Usually the Informe de Liquidación are produced and made available during the second quarter of the year. The Annual Budget Proposal does not include information of the expenditures of current year. The MTSF for 2007, not part of the Budget Proposal (See comment question 18) does include information of partial expenditures of 2006.

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

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "a." Revenue and expenditure estimates for the last two years (2006 and 2007) reflect between 7 and 9 months of actual data. The last reform to the budget 2006 was in August and the budget 2007 was reformed in October; the new figures after reforms are taken as a base for estimates of the next budget exercise. See: http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp (Informe Liquidación 2006, pages 2-5; Informe de Liquidación 2007, pages 3-4).

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

<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> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html Asignaciones y Subvenciones http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/D_21_aa_Asign_Subvenciones.pdf</p> <p><u>Comment:</u> There is not such requirement in Law 550. In the Budget Documents, there are no data on expenditures for prior years, except for the "entes descentralizados" that represent less than 20% of the total expenditures, and present data for BY-2. But the rest - including all the Ministries and other branches as the Judiciary and legislative - do not include any information of prior years. Same explanation of Question 18 and subsequent. In the MTSF, there are actual data for the year 2005 and projections for the subsequent years. There are NO data for prior years. (See page 37 MTSF)</p> <p><u>Researcher’s Response to this Question was “b.”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “a.” Same explanation as in question 18.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “b” consistent with the researcher’s observation.</p>	<p>b</p>
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<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> <ol style="list-style-type: none"> 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). 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. 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. No, such prior-year estimates are presented for aggregate expenditure only, or they are not presented at all. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html Asignaciones y Subvenciones http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/D_21_aa_Asign_Subvenciones.pdf</p> <p><u>Comment:</u> Same as Question 23. They are only presented for year 2005 and projections for 2006, not for prior years. The information is presented by major activities or programs with in the 18 major Ministries. There is little detail in each Ministry.</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> A more appropriate response to this question would be “a.” Same explanation as in question 18.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” consistent with the research’s observations.</p>	<p>d</p>
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<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> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html Asignaciones y Subvenciones http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/D_21_aa_Asign_Subvenciones.pdf</p> <p><u>Comment:</u> Same as question 18 and 23. The information presented in MTSF, not in the Budget documents, includes only 2005, 2006 has projections of expenditures.</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> A more appropriate response to this question would be "a." This information is presented in the statistical annex of the MTEF document (beginning in page 50). For the budget proposal and the enacted budget 2007 the most recent year presented for which all expenditures reflect actual outcomes is 2005. See http://www.oafe.hacienda.gob.ni/oafe/PDF/oafe/Estudios/Marco_Presupuestario_de_Mediano_Plazo_2007_09.pdf</p> <p><u>IBP Comment:</u> IBP editors chose answer, "d" consistent with the researcher's observations.</p>	<p>d</p>
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<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> <ul style="list-style-type: none"> a. Yes, prior-year data are always adjusted to be comparable to the budget year data. b. Yes, in most cases, prior-year data are adjusted to be comparable. c. Yes, in some cases, prior-year data are adjusted to be comparable, but significant deviations between prior-year and budget-year classifications exist. d. No, prior-year data are not adjusted to be comparable, or no prior-year estimates are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Informes de Ejecucion Presupuestaria http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp</p> <p><u>Comment:</u> See comments to Questions 1, 18, 23 The Executive’s Proposal of the General Budget is posted right after its presentation to the National Assembly on October 15th of each year, but once it is approved by the Assembly it is taken down, generally around December 15th. In the MTSF, there is information for 2005, but not for prior years. In the case of 2007, there were several reforms and the data for 2006 were not adjusted to include the actual data and not the projections included in the MTSF 2007 – 2009, based on the Budget proposal for 2006.</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> A more appropriate response to this question would be “a.” Revenue and expenditure estimates prior to the budget year are adjusted based on new estimates stemming from reforms to the budget in the current year (which actually is a prior year). The new figures after reforms are taken as a base for estimates of the next budget exercise. See explanation in question 29.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” consistent with the researcher’s observations.</p>	<p>d</p>
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<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"> a. All tax revenues are identified individually for BY-1. b. Tax revenues amounting to at least two-thirds of, but not all, tax revenue for BY-1 are identified individually. c. Tax revenues amounting to less than two-thirds of all tax revenues for BY-1 are identified individually. d. No tax revenues are identified individually for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html Informes de Ejecución Presupuestaria http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp</p> <p><u>Comment:</u> There is no information of prior years in the budget documents of expenses or incomes. It is not a requirement included in Law 550. See comment to question 18 and 23</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> A more appropriate response to this question would be “a.” This information is presented in the MTEF document (beginning in page 33; see also the statistical annex of the MTEF). See http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007 (file: mediano plazo.pdf) or http://www.oafe.hacienda.gob.ni/oafe/PDF/oafe/Estudios/Marco_Presupuestario_de_Mediano_Plazo_2007_09.pdf</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>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> <ul style="list-style-type: none"> a. All non-tax revenues are identified individually for BY-1. b. Non-tax revenues amounting to at least two-thirds of, but not all, non-tax revenue for BY-1 are identified individually. c. Non-tax revenues amounting to less than two-thirds of all non-tax revenues for BY-1 are identified individually. d. No non-tax revenues are identified individually for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html</p> <p><u>Comment:</u> Same as questions 18, 23 and 27</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> A more appropriate response to this question would be “a.” Same explanation as in question 27.</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>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> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html</p> <p><u>Comment:</u> Same as Question 27. In relation to the BY-1 (2006) estimates, they were not updated from the original estimates with the first six months, but they used the same date of 2006 Annual Budget, without including the under-calculation of the Tax revenues, that were added to the 2006 Budget Reform at the end of that year. Both documents mentioned by the reviewer were produced after the approval of 2007 Budget and the second was produced in 2008.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “a.” Revenue and expenditure estimates for the last two years (2006 and 2007) reflect between 7 and 9 months of actual data. The last reform to the budget 2006 was in August and the budget 2007 was reformed in October; the new figures after reforms are taken as a base for estimates of the next budget exercise. See: http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp (Informe Liquidación 2006, pages 2-5; Informe de Liquidación 2007, pages 3-4).</p> <p><u>IBP Comment:</u> IBP editors chose answer, “c” consistent with the researcher’s observations.</p>	<p>C</p>
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<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> <p>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> <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html</p> <p><u>Comment:</u> Same as Question 27. See comments to question 23, 27 and 29. There are no aggregated levels of revenues for other than for year BY-2 (2005), there are projections for 2006 and nothing for prior years.</p> <p><u>Researcher's Response to this Question was "d."</u></p> <p><u>Peer Review One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "a." This information is presented in the statistical annex of the MTEF document (beginning in page 50). See http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007 (file: mediano plazo.pdf) or http://www.oafe.hacienda.gob.ni/oafe/PDF/oafe/Estudios/Marco_Presupuestario_de_Mediano_Plazo_2007_09.pdf</p> <p><u>IBP Comment:</u> IBP editors chose answer, "d" consistent with the researcher's observations.</p>	<p>d</p>
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<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> <ul style="list-style-type: none"> a. Yes, such prior-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax). b. Yes, such prior-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue. c. Yes, such prior-year estimates are presented, but only for some individual sources of revenue. d. No, such prior-year estimates are presented for aggregate revenue only, or they are not presented at all. e. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html</p> <p><u>Comment:</u> Same as Question 27 and 30</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>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> <ul style="list-style-type: none"> a. Two years prior to the budget year (BY-2). b. Three years prior to the budget year (BY-3). c. Before BY-3. d. No actual data for all revenues are presented in the budget or supporting budget documentation. e. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html</p> <p><u>Comment:</u> Same as Question 27. It is the most recent, and the only information available in a document (MTSF) that is not part of the Budget Documents</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> A more appropriate response to this question would be “a.” This information is presented in the statistical annex of the MTEF document (beginning in page 50). For the budget proposal and the enacted budget 2007 the most recent year presented for which all revenues reflect actual outcomes is 2005. See: http://www.oafe.hacienda.gob.ni/oafe/PDF/oafe/Estudios/Marco_Presupuestario_de_Mediano_Plazo_2007_09.pdf</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” consistent with the researcher’s observations.</p>	<p>d</p>
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<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> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html</p> <p><u>Comment:</u> The Budget documents for 2007 do not include information on previous years about the public debt. As it has been mentioned, there is only information on the amounts to be paid for interest and amortizations, during the budget years. The Budget 2007 did not include the Medium Term Framework that Budget 2006 did and it had some of this information, although not completed. Also see comment on Question 18</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> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html</p> <p><u>Comment:</u> Same as Question 33. See also comment to Question 18. It does not include information of any previous years</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> <p>a. Yes, extensive information on extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates.</p> <p>b. Yes, information is presented, highlighting key extra-budgetary funds, but some details are excluded.</p> <p>c. Yes, some information is presented, but it lacks important details.</p> <p>d. No, information on extra-budgetary funds is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html Informes de Ejecucion Presupuestaria http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp</p> <p><u>Comment:</u> In the different documents of the Budget that have been consulted, there has not been found information or mentions about extra-budgetary funds or explanations on the matter.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

36. Does the executive's budget or any supporting budget documentation present information for at least the budget year on intergovernmental transfers?

- a. Yes, extensive information on intergovernmental transfers is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting key intergovernmental transfers, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on intergovernmental transfers is not presented.
- e. Not applicable/other (please comment).

Citation:

Presupuesto de Ingresos por Rubro 2007

http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/E_02_Ing_por_Uni_Rec.pdf

Comment:

There is information on transfer of non-enterprise autonomous entities and public enterprises is included in the General Budget (PGR), but frequently, it has been questioned whether this information is reliable. During 2007, there have been different requests of information about this issue by the National Assembly and the opposition parties, especially in relation to Petronic, the Nicaraguan enterprise that administers the importation and sales of oil and has been getting oil from Venezuela. There have been several official versions about the characteristics of this multimillionaire deal. First, both governments made a public agreement that there would be partially a donation and the rest a loan with highly concessionary conditions. Afterward, they mentioned that it was going to be totally donated, then it became a negotiation between two private enterprises, and the profits would go to one of these private enterprises, that belong to the party in power. There was no explanation why "the government rejected" a highly concessional loan that could benefit the entire country in a critical year on energy and oil supplies. See comments on Question 1

C

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "b." Information on the amounts of intergovernmental transfers and transfers to public corporations is presented in the budget document, but without further analysis. See:

<http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007> (files: D_02_Asig_Subvenciones.pdf and D_21_aa_Asig_Subvenciones.pdf)

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

<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> <ol style="list-style-type: none"> Yes, extensive information on transfers to public corporations is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key transfers to public corporations, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on transfers to public corporations is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Asignaciones y Subvenciones 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/D_02_Asign_Subvenciones.pdf</p> <p><u>Comment:</u> In the Budget documentation for years prior to 2005, there was little detail about these transfers. The Law 550 establishes in the articles 73, 74 and 76 more precise norms about these transfers, but it still leaves some areas unclear. Besides, in different moments there have been denouncements about lack of transparency in some transfers, starting with Petronic, but there have been others like the Ports National Enterprise, the National Lottery and others. And more recently, all the questions raised in relation to the Venezuelan Aid and the debt product of the oil. See comments to Question 1</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "b." Same explanation as in question 36.</p> <p><u>IBP Comment:</u> IBP editors chose answer, "c" consistent with the researcher's response.</p>	C
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<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> <ol style="list-style-type: none"> Yes, extensive information on quasi-fiscal activities is presented, including both a narrative discussion and, where possible, quantitative estimates. Yes, information is presented, highlighting key quasi-fiscal activities, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on quasi-fiscal activities is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html.</p> <p><u>Comment:</u> There is no information about this kind of activities in the reviewed documents</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> <ol style="list-style-type: none"> 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. Yes, information is presented, highlighting key information, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on financial assets is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html</p> <p><u>Comment:</u> Idem Question 38</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> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html</p> <p><u>Comment:</u> According to the former Director of the Office of Public Ethics, Lic. Haydeé Acosta and other functionaries, it does not exist a global inventory of the assets owned by the State. The present government has not made any mention or any move to correct this situation. As it has been mentioned in 2006, this has lead to fraudulent sales, as well as irregular appropriations by public workers, especially in hierarchical positions.</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>41. Does the executive's budget or any supporting budget documentation present information for at least the budget year on expenditure arrears?</p> <ol style="list-style-type: none"> Yes, extensive information on expenditure arrears is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key expenditure arrears, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on expenditure arrears is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html Informes de Ejecucion Presupuestaria http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp</p> <p><u>Comment:</u> For several years, there have been some questions from members of Parliament about the unused funds. For 2006, the unexecuted funds totaled around 9% of the total, but the projections for 2007 are much higher, up to 35% for some institutions, and 12% for the total by June. The former ministers of Finances have not given a clear answer about this issue, and the present minister does not give information to the public. The former ones only mentioned that it goes to the "Cuenta Unica de Tesorería," but the figures have not been 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> <ol style="list-style-type: none"> Yes, extensive information on contingent liabilities is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key contingent liabilities, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on contingent liabilities is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html.</p> <p><u>Comment:</u> There is no information on this issue on the documents revised.</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> <p>a. Yes, extensive information on future liabilities is presented, including both a narrative discussion and quantitative estimates.</p> <p>b. Yes, information is presented, highlighting key future liabilities, but some details are excluded.</p> <p>c. Yes, some information is presented, but it lacks important details.</p> <p>d. No, information on future liabilities is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html</p> <p><u>Comment:</u> There is very little information on the documents reviewed about future liabilities, there only some funds contemplated for some liabilities for workers that stop working during the current budgetary year. But there is no accumulation of funds for the future. The Nicaraguan Labor Code establishes that regardless of whose decision it is to terminate a labor contract, the employer has to pay a month of payment for each of the first 3 years worked, and 20 days for each of the following three years. If it is a position of trust ("posición de confianza"), it will have to be added between two and six months of salary. (Ley 185, Código del Trabajo, Aprobado el 28 de Octubre de 1994, Artos. 45 y 47) In some of the public institutions, there are Agreements between the Administration and the Unions that include other benefits, such as special pensions in Health and the judiciary system, for example. And most of those are not visible in the Budget.</p> <p>On the other hand, in different occasions, it has been mentioned that the Central Government, as well as some Municipal Governments owed the Social Security Institute considerable amounts of funds to the Social Security Pensions Fund for patron contributions that have not been paid. It has not been any payment nor has been proposed or approved a budget allocation for this debt.</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>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> <ol style="list-style-type: none"> All sources of donor assistance are identified individually. At least two-thirds of, but not all, sources of donor assistance, are identified individually. Less than two-thirds of sources of donor assistance are identified individually. No sources of donor assistance are identified individually. Not applicable/other (please comment). <p><u>Citation:</u> Desglose de Donaciones y Préstamos 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/E_07_Desglose_Especif.pdf Informes de Ejecución Presupuestaria 2007 http://www.hacienda.gob.ni/hacienda/dpresupuesto_informes.jsp</p> <p><u>Comment:</u> Most of the Grants are registered in the General Budget, especially in the past years. Nonetheless, there are some that are not clearly registered, especially this year. For example, the Cuban Government has donated important amounts of medicines, has sent several health brigades and this donation is not visible, and was not included in any of the reforms to General Budget. But more important has been the support of the Venezuelan Government with agricultural inputs such as urea and seeds, or food and medicine donations, oil and construction materials and funds that are not shown in the General Budget nor in the Reports of Execution for this year. See comment to Question 1</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c
<p>45. Does the executive's budget or any supporting budget documentation present information for at least the budget year on tax expenditures?</p> <ol style="list-style-type: none"> Yes, extensive information on tax expenditures is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key tax expenditures, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on tax expenditures is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html</p> <p><u>Comment:</u> There is no information on this issue in the reviewed documentation</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>46. Does the executive’s budget or any supporting budget documentation identify all earmarked revenues?</p> <ol style="list-style-type: none"> All earmarked revenues are identified individually. At least two-thirds of, but not all, earmarked revenues are identified individually. Less than two-thirds of earmarked revenues are identified individually. No earmarked revenues are identified individually. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html Desglose de Donaciones y Préstamos 2007http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/E_07_Desglose_Especific.pdf La Prensa, Asamblea demanda conocer acuerdos con Irán y Venezuela http://www.laprensa.com.ni/archivo/2007/febrero/01/noticias/politica/170879.shtml</p> <p><u>Comment:</u> The funds that come from loans and grants from external sources with specific destination are generally reflected on the budget, but not the total. As it has been mentioned, the funds that come to Nicaragua from the Government of Venezuela are not shown anywhere in the General Budget, although according to President Hugo Chavez they were for the Nicaraguan Government to support local agricultural production and transportation. According to independent economists, the amount of funds produced by the sale of the different forms of petroleum derivatives for the government could be between \$100 and \$500 million dollars per year, almost one third of the General Budget.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “a.” The aggregate level of earmarked revenues (Rentas con destino específico) by institution is presented in the budget document; see: http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007 (file: E_14_RentasDE.pdf)</p> <p><u>IBP Comment:</u> IBP editors chose answer, “c” consistent with the researcher’s response.</p>	<p>c</p>
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<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> <ol style="list-style-type: none"> One percent or less of expenditure is dedicated to secret items. Three percent or less, but more than one percent, of expenditure is dedicated to secret items. Eight percent or less, but more than three percent, of expenditure is dedicated to secret items. More than eight percent of expenditure is dedicated to secret items, or the percentage is not available to the public. Not applicable/other (please comment). <p>Citation: Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html La Prensa, Murillo quita C\$11 millones http://www.laprensa.com.ni/archivo/2007/febrero/01/noticias/politica/170804.shtml</p> <p>Comment: There is no accurate or verifiable information on what is allocated to secret items, although in the last years due to the particularities of the Nicaraguan History, the national security and intelligence expenditures have levels of control. During this year, the expenditures of the Presidency and some areas of the government close to the President, such as the publicity and communication expenditures of the President and some Ministry are not clear to the public, because in the Reports of Execution of the Budget the amounts reported are low. In the streets you can see many billboards, posters, TV spots and paid programs that are not reflected in the Budget. This has been a frequent public issue in the media. This situation is consistent with the reports and comments about the Venezuelan aid and oil for Nicaragua. According the different sources, this could go between \$100 and \$500 million dollars per year, and very significant amounts have been expended without any control or regulations.</p> <p>Peer Reviewer One Comment:</p> <p>Peer Reviewer Two Comment: A more appropriate response to this question would be “c.” Information on this issue is not specified in the budget documents, but this kind of expenditure has been handled by the presidency and the ministry of defense; and supposing that the whole budget of these institutions was dedicated to secret items, that would represent approximately 4.1% of the total expenditure budget. See: http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007 (file: D_01_Clasif_Institucional.pdf)</p> <p>IBP Comment: IBP editors chose answer, “d” consistent with the researcher’s response.</p>	d
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"> 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. Yes, information is presented, highlighting the link between major policy goals and the budget, but some details are excluded. 	c

- 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).

Citation:

Presupuesto General de la República 2007
<http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html>, Título II
Presupuesto General de la República (Presupuesto por Ministerio)

Comment:

The Budget of each Ministry includes some information on the policy and goals that have been established, especially those that provide services, but it is not clear the link between what is needed, what is planned and what is allocated in the proposal, and even less on how it is expended. Apart from those issues, the goals are only mentioned by the number of attentions, not the percentage of people that need the service that would get it. For example, in the case of Ministry of the Family, they have the goal in one of their programs of having 374 families with the ability of protecting developed or 66 children adopted for the year 2007, but there is no mention of how many families would need to develop that ability, or how many children could be adopted (See

http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/D_19_01_MIFAM.pdf)
The same happens in other Ministries.

But prior to this, it has to be mentioned that the government that started on January 2007 has not stated clearly the policies and plans that they have for the country. In different occasions, officials of the present government stated that they will have a radical change in national development policy for Nicaragua, but during the whole year 2007, there was no document that could be analyzed to learn about their policies. At the beginning of 2007, different Ministers stated new policies that were not included in the Budget 2007 approved in March or in any of the reforms of the year. Neither the MTSF was revised to be coherent with those policies.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "a." The MTEF and the institutional MTEF's present the link between the proposed budget and policy goals, including the budget year as well as two years beyond the budget year. (See:

[http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007 \(file: mediano plazo.pdf\)](http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007(file:mediano_plazo.pdf))

[http://www.oafe.hacienda.gob.ni/oafe/PDF/oafe/Estudios/Marco Presupuestario de Mediano Plazo 2007_09.pdf](http://www.oafe.hacienda.gob.ni/oafe/PDF/oafe/Estudios/Marco_Presupuestario_de_Mediano_Plazo_2007_09.pdf)

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

<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> <ol 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> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html, Título II Presupuesto General de la República (Presupuesto por Ministerio)</p> <p><u>Comment:</u> The information of the Ministries only includes goals (many incomplete) for the budget year, and the autonomous and decentralized entities do not include any goals at all. As it was mentioned in Question 48, this government has not stated clearly its policies and plans for the future during 2007.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “a.” Same explanation as in question 48.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “c” consistent with the researcher’s observation regarding the lack of detailed information.</p>	<p>C</p>
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<p>50. Does the executive’s budget or any supporting budget documentation present non-financial data, such as the number of beneficiaries, for expenditure programs?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html Título I Presupuesto por Institución http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/D_10_01_MIDEF.pdf http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/G_01_41_INJ.pdf http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/D_04_01_CSJ.pdf</p> <p><u>Comment:</u> Some Ministries have information about the amount of people that they would assist, but not all.</p> <p><u>Peer Reviewer One Comment:</u> I consider the answer to be correct, but I would suggest modifying the comment by referring to Ministries such as the Health and Education Ministries, where beneficiaries are mentioned for some of the programs. If the current examples are to be left, it would be convenient to place the link in the citation because it is confusing for the reader.</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “a.” Same explanation as in question 48 (see indicators and goals by institutions/programs).</p> <p><u>IBP Comment:</u> IBP editors chose answer, “c” consistent with the researcher’s response.</p>	<p>C</p>
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<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> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html Título I Presupuesto por Institución</p> <p><u>Comment:</u> AS it has been mentioned, there are not data for all the institutions. Second, the data presented are not used to report on the execution of the funds, and less of all to evaluate the performance. There is no report of the accomplishment of the goals. As a result is hard to evaluate the performance with the non-financial data presented in the budget. See comments to MTSF on Question 18, 23 and 27</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “c.” The MTEF was introduced in the budget 2006, with the purpose of establishing a medium term and results oriented budgeting. Even though important progress is observed, it is still an ongoing project and non-financial data still do not provide all the inputs for assessing program performance. At the end of 2007 a new module was introduced in the SIGFA (a computerized financial and administrative system) for monitoring physical indicators, and for the budget 2009 formulation process a cost methodology has been introduced which would allow to assess program performance in a better way.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “c” consistent with the researcher’s response.</p>	<p>C</p>
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<p>52. Does the executive's budget or any supporting budget documentation contain performance indicators for expenditure programs?</p> <ol 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> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html Título I Presupuesto por Institución</p> <p><u>Comment:</u> The Ministries and entities included in the General Budget do not present performance indicators for the expenditure programs. The Law 550 orders that in the Medium Term Strategic Framework (MSTF) indicators should be included, but for the Budget 2007 the MTSF is not included as part of the Budget documents. See comments on this issue in questions 18, 23, 27 and others</p> <p><u>Peer Reviewer One Comment:</u> I consider the answer to be suitable, but it is confusing to mention the example of the Family Ministry because it seems that it is quoted as an exception when it is not. In the economic classification by program for this Ministry a brief summary of the institutional policy, of its general goals and strategic guidelines is done..</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "a." Same explanation as in question 50.</p> <p><u>IBP Comment:</u> IBP editors chose answer, "c" consistent with the researcher's observations.</p>	<p>C</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> <ol style="list-style-type: none"> All performance indicators are well designed. Most performance indicators are well designed. Some performance indicators are well designed, but most are not. No programs have performance indicators, or they are not well designed. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html Título I Presupuesto por Institución</p> <p><u>Comment:</u> Same as in Question 52</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> A more appropriate response to this question would be “c.” Same explanation as in question 51.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” consistent with the researcher’s response.</p>	d
<p>54. Are performance indicators used in conjunction with performance targets presented in the executive’s budget or any supporting budget documentation?</p> <ol style="list-style-type: none"> All performance indicators are used in conjunction with performance targets. Most performance indicators are used in conjunction with performance targets. Some performance indicators are used in conjunction with performance targets, but most are not. No performance indicators are used in conjunction with performance targets. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html Título I Presupuesto por Institución</p> <p><u>Comment:</u> Same as in Question 52</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “a.” Same explanation as in question 50.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “c” consistent with the researcher’s response.</p>	c

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?

- a. Yes, extensive information on policies intended to alleviate poverty is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting the impact of key policies intended to alleviate poverty, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on policies intended to alleviate poverty is not presented.
- e. Not applicable/other (please comment).

Citation:

Presupuesto General de la República 2007

<http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html> Título I

Presupuesto por Institución

(See Detalle del gasto en Pobreza

http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/E_11_Detalle_ERP.pdf and

Asignación del Alivio HIPC al gasto en pobreza

http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/E_25_Alivio_HIPC.pdf)

Comment:

In the past, there was a Strategy to Reduce Poverty and a National Development that guided the governmental programs, although it was not clearly reflected in the Budget, or the budgeted entities only indicated these policies in a very concise way. In 2007 PGR, as in the past there is information on the amount of money that is assigned to reduce poverty, according to the definition of the World Bank but there is little information about the impact of key policies on reducing poverty, and as it has been mentioned in previous questions, there is little information on the plans and policies of this government to reduce poverty.

In conclusion, there is less information available in Budget 2007 than in previous documents.

Also see comments on Questions 18, 23, 27 and others in relation to MTSF and its relative value as planning or evaluation tool for public policies.

Peer Reviewer One Comment: I consider the answer as appropriate, but I suggest moving the link to the poverty budget and the allocation of the HIPC's relief to the subsection of the citation, because leaving it in the comment confuses the reader.

Peer Reviewer Two Comment: A more appropriate response to this question would be "a." The MTEF document, in its chapters 3, 4 and 5, present information on this issue. See:

[http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007_\(file:mediano_plazo.pdf\)](http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007_(file:mediano_plazo.pdf))

http://http://www.oafe.hacienda.gob.ni/oafe/PDF/oafe/Estudios/Marco_Presupuestario_de_Mediano_Plazo_2007_09.pdf

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

C

Additional Key Information for Budget Analysis & Monitoring	
<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>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> <p>a. Yes, extensive information on tax rates, fees, royalties and other revenues sources is presented, including both a narrative discussion and quantitative estimates.</p> <p>b. Yes, information is presented, highlighting the rates and fees for major revenue sources, but some details are excluded.</p> <p>c. Yes, some information is presented, but it lacks important details.</p> <p>d. No, information is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Legislación vigente http://www.dgi.gob.ni/interna.php?sec=41/ Sistema Arancelario Centroamericano http://www.dga.gob.ni/sac01.cfm</p> <p><u>Comment:</u> The information on the rates is available in the Tributary Legislation and is compiled in the web page of the General Direction of Internal Revenues. The information on Customs is available in the section on customs tariffs. There have been some problems for the charges of different public services that are not well informed or publicly available and had led to different forms of corruption or misuse of the funds.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<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"> Yes, a detailed analysis of the distribution of the tax burden is presented, including both a narrative discussion and quantitative estimates. Yes, an analysis is presented, highlighting key aspects of the distribution, but some details are excluded. Yes, some analysis is presented, but it lacks important details. No analysis on the distribution of the tax burden is presented. Not applicable/other (please comment). <p><u>Citation:</u> General Direction of Internal Revenue http://www.dgi.gob.ni/ Estadística de Recaudación por sector http://www.dgi.gob.ni/interna.php?sec=96</p> <p><u>Comment:</u> There is no information on this issue. There is only information on the kind of tax that is producing what resources or which sector is paying the taxes, but is not too accurate, since what is recorded is who brings the payment, not who actually is paying the taxes. For example, the Revenue Office classifies as “major contributors” those businesses and enterprises that collect taxes from the public when they sell their products, such as the rum and tobacco producers, independently of what they really pay. The same situation applies to banks and bank owners.</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> A more appropriate response to this question would be “b.” The budget execution reports provide a general description of the distribution of the tax burden. See: www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp</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>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"> 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. 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 IFI assistance is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Banco Central Carta de Intención de Nicaragua con el FMI, Agosto 2007 http://www.bcn.gob.ni/publicaciones/acuerdos/Carta_de_Intencion_FMI_2007.pdf</p> <p><u>Comment:</u> There have been some improvements on the access to information about the agreements especially with the IMF in a more expedite way, but this information is not included in the National Budget documents. And still no information is available, the extent of the conditionalities or its implications related to the National Budget or the approval of new laws.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<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> Desglose de Donaciones y Préstamos 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/E_07_Desglose_Especif.pdf</p> <p>Ayuda Memoria Apoyo Presupuestario Reunión Anual 2007 http://www.hacienda.gob.ni/hacienda/gap2007/Apoyo_Presupuestario2007_Firmado24-07-2007.pdf</p> <p><u>Comment:</u> There is information on the amount of funds that will be available from donor countries or from loans in the Budget documents, but there is not full information on the conditions. There is some information available on the Web page of the Ministry of Finance, but according some of the participants in the meetings not all the information is included, especially some of the issues where there are differences or difficulties between donors and national government. The same thing happens with the agreements or discussions with other donors that do not provide Budget support, but support to specific sectors or programs. Starting</p>	c

<p>in 2007, with the of government of the FSLN and the opening or strengthening of relations with Venezuela, Iran and Libya, the government has signed publicly a series of commercial and cooperation agreements that are not known and have not undergone the established procedures to be approved by the National Assembly and be included in the National Budget. This situation is particularly serious in the case of oils supplies provided by Venezuela under the ALBA agreement. .See more details in Question 1 and Annex 1</p> <p><u>Peer Reviewer One Comment:</u> It would be convenient to clarify what ALBA is, either through a brief explanation or through the description of the abbreviation because not all the readers know the agreement.</p> <p><u>Peer Reviewer Two Comment:</u></p>	
<p>60. Does the executive make available to the public a summary that describes the budget and its proposals?</p> <p>a. Yes, it provides a summary that is very informative. b. Yes, it provides a summary that is somewhat informative. c. Yes, but the summary is not very informative. d. No, it does not provide a summary. e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> The Government does not present a Budget Summary independent of the Budget. It presents an Exposition of the Motivation for the proposal to the National Assembly as part of the General Budget Proposal. Besides, this "Exposición de Motivos" disappeared in 2007 once the Budget for this year was approved in March. This question is answered differently than in the past, due to some changes in the way the government deals with the "Exposición de Motivos," but also due to a change in the perspective from the researcher.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "a." The budget documents include a budget summary called "Exposición de Motivos," which is submitted to the Parliament along with the budget law proposal. See : http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007 (file:A_01_ExpMotivos.pdf)</p> <p><u>IBP Comment:</u> IBP editors chose answer, "d" consistent with the researcher's response.</p>	<p>d</p>

<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> <p>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> <p><u>Citation:</u></p> <p><u>Comment:</u> In the review of documents, such material has not been found. The Exposicion de Motivos mentioned by the reviewer is taken out once the Budget is approved, and does not qualify as Citizens Budget.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “c.” As explained in 60, the budget summary “Exposición de Motivos,” which is a more descriptive and not a technical document, could serve this purpose, but it is not called a “citizens budget,” that is why I qualify this response as “c.”</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” consistent with the researcher’s response.</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> <p>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> <p><u>Citation:</u></p> <p><u>Comment:</u> There has not been found a Glossary in the documentation reviewed</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>63. Do citizens have the right <i>in law</i> to access government information, including budget information?</p> <ol style="list-style-type: none"> Yes, the right has been codified into law, and citizens are generally able in practice to obtain government information, including budget information. 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. 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. No, the right to access government information has not been codified into law, or this right does not include access to budget information. Not applicable/other (please comment). <p><u>Citation:</u> Law 621, Ley de Acceso a la Información Pública http://www.violetachamorro.org.ni/docs/LAIP_2007.pdf?PHPSESSID=e759491e5f1828d36fd6026b20e891f4</p> <p><u>Comment:</u> The right to access government information, including budget information is included in several laws, including the Constitution (Art. 66 and 131), the Law 550 of Financial Administration and Budget Regime, Art 23, and more recently with the approval of the Law of Access to Public Information, Law 621 approved on May 16th 2007, and to be enacted six months later (November 16th). But this has not produced so far a major access to information, especially because this government has a secrecy policy toward the citizens. A good example of this policy is that despite the fact that the Law of Access was due to start on November 2007, there have not been any attempts to produce its statute for its application, or any changes in the government structures to enforce its application. Even more there have been sanctions, including firing several high and medium level functionaries - Ministers, Vice Ministers and others - for providing information to the media.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	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> <ol style="list-style-type: none"> In practice, highly disaggregated information is available to the public for all programs except those considered related to national security or military intelligence. In practice, highly disaggregated information is available to the public for programs representing at least two-thirds of, but not all, expenditures. In practice, highly disaggregated information is available to the public for programs representing less than two-thirds of expenditures. In practice, no highly disaggregated expenditure information is available. Not applicable/other (please comment). <p><u>Citation:</u></p>	C

Comment:

In the recent past years, in the Executive branch there was a general disposition of providing broader financial information than the one included in the National Budget, the problem was more with the other branches of the State such as the National Assembly, the Supreme Electoral Council and the Supreme Court. But during year 2007, that situation has covered also the executive branch. The media have covered extensively this situation of lack of information due to the policy of the Presidency.

Several Ministerial web pages included in the past Budget and expenditures information, but now they only information about 2006 at the most, not for the current year. There have been informal request for this information that have not been answered. It is not known if there have been formal request and how have they been answered.

The Ministry of Finance has some access to the executed budget by Ministry, but when you try to access the details of each Ministry you are not allowed.

In conclusion, the situation has deteriorated in comparison with 2005-6.

One thing is the information of the projection of expenditures included in the Budget, and another is the access to actual expenditures.

See also the comments included in Question 1, 18 and 23 in relation to MTSF.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be “a.”

Institutional MTEF’s present financial and non-financial information by programs. See: [http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007](http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/ppresupuesto2007(file: mediano plazo.pdf)) (file: mediano plazo.pdf)

http://www.oafe.hacienda.gob.ni/oafe/PDF/oafe/Estudios/Marco_Presupuestario_de_Mediano_Plazo_2007_09.pdf

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

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?

- 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.
- 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.
- c. In practice, highly disaggregated non-financial information is available to the public for programs representing less than two-thirds of expenditures.
- d. In practice, no highly disaggregated non-financial expenditure information is available.
- e. Not applicable/other (please comment).

Citation:

Comment:

As has been mentioned in prior questions, the policy of information from this government is more oriented to secrecy and no dissemination than during the previous government. On different occasions, the media have requested information about programs, expenditures and decisions, and the answer has been silence or declarations of ignorance from the top authorities, or to send the journalist or the person that is enquiring for the information to the Office of the First Lady and Secretary of Communication.

The reviewer is referring to projected information, not to the actual execution. See also Questions 1, 18 and 23 among others.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "a."

Same explanation as in 64.

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

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> <ol style="list-style-type: none"> The release date is set in permanent law. The executive announces the release date at least two months in advance. The executive announces the release date less than two months but more than two weeks in advance. The executive announces the release date two weeks or less before the release, or makes no announcement. Not applicable/other (please comment). <p><u>Citation:</u> Law 550, Ley de Administración Financiera y Régimen Presupuestario (See Gobierno de Nicaragua, La Gaceta year CIX, N° 167, Monday 29/08/05 or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley%20550.%20Ley%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf) Art. 35</p> <p><u>Comment:</u> The law 550 clearly states that the Executive should present the proposal of the Annual General Budget of the Republic (PGR) to the National Assembly at the latest on October 15th each year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<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> <ol style="list-style-type: none"> Yes, a detailed timetable is released to the public. Yes, a timetable is released, but some details are excluded. Yes, a timetable is released, but it lacks important details. No, a timetable is not issued to the public. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda</p> <p><u>Comment:</u> In the documentation reviewed, there is no information available on this matter. This information has not been given to the Ministries and other budgeted entities, until the second semester of this year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<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> www.hacienda.gob.ni/hacienda</p> <p><u>Comment:</u> See comment Question 67</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></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. 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> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html Título I Presupuesto por Institución</p> <p><u>Comment:</u> During the preparation of the Budget, the Executive only holds work sessions with members of the Legislative Assembly to deal with their own budget, but not to talk about the General Budget. As in the past, the priorities were defined based on the agreements with the IMF and the Budget Support Group, mostly in an inertial way using the allocations of previous years, despite the fact that the Government declares that their priorities are different from previous governments, especially in relation to the poor. A good example has been the relevance of the Internal Debt in comparison to Health, Production and Education that have lower allocations.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<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"> a. Yes, the executive holds extensive consultations with a wide range of constituencies. b. Yes, the executive holds consultations with a range of constituencies, but some key constituencies are excluded. c. Yes, the executive holds very limited consultations, involving only a few constituencies. d. No, the executive does not typically consult with the public as part of the budget preparation process. e. Not applicable/other (please comment). <p><u>Citation:</u> Web page of the National Council of Economic and Social Planning (CONPES) http://www.conpes.org.ni/</p> <p><u>Comment:</u> In general, there has not been any kind of consultation with citizens' groups about the General Budget. In the past, the existence and functioning of the National Council of Economic and Social Planning (CONPES) gave some formal space for the participation of citizens groups, with different limitations, but it existed. During 2007, CONPES has not been functioning at all, since the President has not opened it, and has not made clear who the members are. In the past years, there was a Commission to do the follow-up to the Budget. In the new structure, it disappeared (See http://www.conpes.org.ni/Estructura%20Organizativa.html) as a permanent space.</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>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> Ministerio de Hacienda http://www.hacienda.gob.ni/hacienda/</p> <p><u>Comment:</u> The executive does not produced any formal preliminary document with this information, as it is established in the Good Practices for Budget Transparency defined by the OCDE. In recent years, through CONPES, the Government presented some information in advance, but this year it had presented none.</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> <ol style="list-style-type: none"> Yes, an extensive explanation of the government’s fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key aspects of the fiscal and macroeconomic framework, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. Not applicable/other (please comment). <p><u>Citation:</u> Ministerio de Hacienda http://www.hacienda.gob.ni/hacienda/ Banco Central http://www.bcn.gob.ni</p> <p><u>Comment:</u> The executive does not disseminate any formal document with this information, although the Central Bank produces some information (See http://www.bcn.gob.ni/publicaciones/prensa/conferenciaagosto07.pdf) but it is not widely distributed, and it is not a formal document. Besides this information is not linked to the National Budget</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> Ministerio de Hacienda http://www.hacienda.gob.ni/hacienda/</p> <p><u>Comment:</u> The executive does not release any formal document with this information.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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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> Law 550, Ley de Administración Financiera y Régimen Presupuestario (See Gobierno de Nicaragua, La Gaceta year CIX, N° 167, Monday 29/08/05 or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley%20550.%20Ley%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf)</p> <p><u>Comment:</u> The Assembly receives the budget two and a half months prior to the start of the budget year. They receive it Oct. 15th at the latest, and have until December 15th (the last official day of legislation) to approve it.</p> <p><u>Peer Reviewer One Comment:</u> I would add to the comment, to clarify that the Ministry of Finance and Public Credit tables the Budget proposal on October 15 at the very latest, and the MPs of the Legislative Assembly legislate until December 15 of the same year, when the legislature is closed, deadline to approve any law on that year. Then it starts again on the following year, on January 10. In various consecutive years the budget had not been approved on the same year, which has caused the implementation of what is called, by the Law 550, “Provisional Budget”</p> <p><u>Peer Reviewer Two Comment:</u></p>	b

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?

- 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).

Citation:

Asamblea Nacional <http://asamblea.gob.ni/>
Banco Central, Presidente del Banco comparece ante Asamblea Nacional
<http://www.bcn.gob.ni/publicaciones/prensa/parlamento.pdf>

Comment:

There is the Economic and Budget Commission of the National Assembly, with presence of the political parties that are part of the National Assembly. This year, there have not been public hearings about the macroeconomic and fiscal framework included in the Budget. There was the approval of the 2007 General Budget in March, and then an important reform to the annual budget in September, but there was no public hearing or any meeting with Ministry of Finance or the Central Bank to discuss the framework. There has only one meeting with the President of the Central Bank to discuss the evolution of the agreements with the IMF (See Banco Central, Presidente del Banco comparece ante Asamblea Nacional <http://www.bcn.gob.ni/publicaciones/prensa/parlamento.pdf> and Presentación del Presidente BCN ante la Asamblea Nacional http://www.bcn.gob.ni/publicaciones/prensa/PEF_parlamento.pdf)

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

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> <ul style="list-style-type: none"> a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the executive branch is heard. b. Yes, hearings are held, covering key administrative units, in which testimony from the executive branch is heard. c. Yes, a limited number of hearings are held in which testimony from the executive branch is heard. d. No, public hearings are not held on the budgets of administrative units in which testimony from the executive branch is heard. e. Not applicable/other (please comment). <p><u>Citation:</u> Asamblea Nacional, Calendario de Actividades http://www.asamblea.gob.ni/index.php?option=com_extcalendar&Itemid=29</p> <p><u>Comment:</u> The Executive’s Proposal of the General Budget is posted right after its presentation to the National Assembly on October 15th of each year, but once it is approved by the Assembly it is taken down, generally around December 15th. But there were no public hearings, and the public was not allowed in those meetings with Ministers</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>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> <p>a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the public is heard.</p> <p>b. Yes, hearings are held, covering key administrative units, in which testimony from the public is heard.</p> <p>c. Yes, a limited number of hearings are held in which testimony from the public is heard.</p> <p>d. No, public hearings are not held on the budgets of administrative units in which testimony from the public is heard.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Asamblea Nacional, Calendario de Actividades http://www.asamblea.gob.ni/index.php?option=com_extcalendar&Itemid=29</p> <p><u>Comment:</u> The Budget and Economic Commission invited some Ministries to express their opinion in the discussion and approval of the PGR and its reforms this year (March), but there was no presence or even access from the public, and the possibility of giving a testimony or an opinion was not contemplated. This information has been gathered through a systematic follow up to the Calendar of activities of the Budget Commission through the year. In past legislations, the Economic Commission of the National Assembly had spaces exclusively for civil organizations to express their views, as well as some opportunities to participate in presentations by the Ministries. But this was not the case in 2007.</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>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> Asamblea Nacional http://www.asamblea.gob.ni</p> <p><u>Comment:</u> The Commissions do not release any kind of formal report. In some cases, the members speak to the media about the content of the hearings, but not always. And in any case, there is no official statement.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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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?

- 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.
- 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.
- c. Not applicable/other (please comment).

Citation:

La Prensa, Murillo quita C\$11 millones

<http://www.laprensa.com.ni/archivo/2007/febrero/01/noticias/politica/170804.shtml>

La Prensa, Asamblea demanda conocer acuerdos

<http://www.laprensa.com.ni/archivo/2007/febrero/01/noticias/politica/170879.shtml>

El Nuevo Diario, Publicidad para culto a la personalidad

<http://impreso.elnuevodiario.com.ni/2007/07/23/nacionales/54465>

Interview with members of IEEPP and documentation related to security issues in their web page www.iepp.org

Comment:

As it has been mentioned, in Nicaragua the secret items are not so much related to security or military issues, but to political issues, such as the agreements with certain countries or the use of public funds for personal publicity by the President. According to researchers dedicated to the follow security issues, the problem in the case of these issues is that the information is global and does not allow verifying its transparency and some important details.

In different occasions, members of parliament and the Economic Commission had requested the government information related to the Venezuelan Cooperation and especially, in relation to the oil supplies and the debt resulting. The President has promised to provide that information, but there is none available.

See comments on Question 1

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be “a.”

Law 550, in its article 36, authorizes the committee for economic affairs of the Parliament to request the executive any kind of information related to the budget document; and effectively, that is how it happens during the process of political debate around the budget.

IBP Comment: IBP editors chose answer, “b” consistent with the researcher’s response.

b

<p>80. Does the legislature have authority <i>in law</i> to amend the budget presented by the executive?</p> <ul style="list-style-type: none"> a. Yes, the legislature has unlimited authority <i>in law</i> to amend the budget. b. Yes, the legislature has authority <i>in law</i> to amend the budget, with some limitations. c. Yes, the legislature has authority <i>in law</i> to amend the budget, but its authority is very limited. d. No, the legislature does not have any authority <i>in law</i> to amend the budget. e. Not applicable/other (please comment). <p><u>Citation:</u> Constitución Política de la República de Nicaragua, Art. 112 y Art. 138, inciso 6) Law 550, Ley de Administración Financiera y Régimen Presupuestario (See Gobierno de Nicaragua, La Gaceta year CIX, N° 167, Monday 29/08/05 or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley%20550.%20Ley%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf) Art. 38.</p> <p><u>Comment:</u> The Political Constitution of Nicaragua establishes in the article 112 (modified in 1995) "The National Assembly could modify the Project of Budget sent by the President of the Republic, but can create extraordinary expenditures only by law and creating and establishing, at the same time, the resources to finance them." And the law 550 includes a consistent mandate in article 38 (Translation of the researcher). The Assembly can modify the Budget, but not the total amount without showing where would the funds come from. As it has been mentioned in the past, the agreements with the IMF drastically reduce the possibility of important modifications.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
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<p>81. What is the most detail provided in the appropriation (expenditure budget) approved by the legislature?</p> <ol style="list-style-type: none"> The approved budget includes program-level detail. The approved budget includes departmental totals and some additional details (for instance, sub-department totals or major programs). The approved budget includes only departmental totals. The approved budget includes less information than departmental totals. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la República 2007 http://www.hacienda.gob.ni/hacienda/ppresupuesto2007/main.html Título I Presupuesto por Institución</p> <p><u>Comment:</u> The problem is that the programs usually are too general and do not provide enough information about its content.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
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> Ministerio de Hacienda Informes de Ejecución Presupuestaria http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp Law 550, Ley de Administración Financiera y Régimen Presupuestario (See Gobierno de Nicaragua, La Gaceta year CIX, N° 167, Monday 29/08/05 or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley%20550.%20Ley%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf) Art 65 and 68</p> <p><u>Comment:</u> The Ministry of Finance produces quarterly reports and one Settlement Report. These reports are given to the National Assembly one month after the end of the period. The Settlement Report should be given to the National Assembly March 31st the latest.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<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> <ul style="list-style-type: none"> a. Yes, in-year reports cover all expenditures. b. Yes, in-year reports cover at least two-thirds, but not all, of expenditures. c. Yes, in-year reports cover less than two-thirds of expenditures. d. No in-year reports are released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Ministerio de Hacienda y Crédito Público, Presupuesto del gasto http://www.consultaciudadana.gob.ni/consulta/totalPresupuesto.jsp</p> <p><u>Comment:</u> The information covers all the administrative units, but not all the expenditures due to problems in the accounting of the administrative units, according to Ministry of Finance. But the limitations of the reports are not only related to this. More important at this stage is the lack of inclusion of major portion of the income related to Venezuelan and other sources of Cooperation, as mentioned above. See Comment on Question 1.</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>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> Ministerio de Hacienda Informes de Ejecución Presupuestaria http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp</p> <p><u>Comment:</u> The in-year reports have information by administrative unit and by program. The Law 550 does not establish the level of detail that these reports must contain. But it does say that the reports should be made by the General Budget Direction of the Ministry of Finance and they should include a technical opinion on the operational efficiency of the units, taking into account the obtained physical and economical results. This is not done. The reports only include information about the revenues and expenditures.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<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> Ministerio de Hacienda Informes de Ejecución Presupuestaria http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp</p> <p><u>Comment:</u> The comparisons are made with the enacted budget, not with previous years.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

86. How often does the executive release to the public in-year reports on actual revenue collections by source of revenue?

- 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).

Citation and/or comment:

Ministerio de Hacienda <http://www.hacienda.gob.ni/hacienda/>

Dirección General de Ingresos <http://dgi.gob.ni/>

Dirección General de Aduanas <http://www.dga.gob.ni/index.cfm?var=true>

There are three quarterly reports and the Settlement Report that include this information. Internal Revenue Direction publishes monthly reports on its Revenues, and the kind of tax that it comes from. The General Direction of Customs (DGA) does not present any information on this issue in their Web page.

It has been said that although information is released to the public, the technical language used limits the real access for the general public.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be “a.”

The Internal Revenue Direction (DGI) publishes on its website revenue collection by source and month; and the same does the General Direction of Customs (DGA).

See: [www.dgi.gob.ni/interna.php?sec\)=101](http://www.dgi.gob.ni/interna.php?sec)=101)

www.dga.gob.ni/estadisticag01.cfm?varid=229

IBP Comment: IBP editors chose answer, “b” consistent with the researcher’s response.

b

87. What share of revenue is covered by the in-year reports on actual revenue collections?

- 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).

Citation:

Ministerio de Hacienda <http://www.hacienda.gob.ni/hacienda/>

Dirección General de Ingresos <http://dgi.gob.ni/>

Dirección General de Aduanas <http://www.dga.gob.ni/index.cfm?var=true>

La Prensa, C\$486.7 millones para cambios al presupuesto

http://www.laprensa.com.ni/archivo/2007/septiembre/13/noticias/economia/215300_print.shtml

Comment:

Different well known independent economists, led by Adolfo Acevedo, have been declaring that the miscalculation on the projected revenues for the year from the Ministry of Finance continues in the same levels signaled in the past, around 10% of the total. This miscalculation led to a reform to the Annual 2007 Budget introduced by the Executive including in September around an additional 3% of revenues result of taxes and it presented a second proposal of reform a few days later, to use additional revenues.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be “a.”

In year reports cover actual revenue collections, as it mandated by law 550. The underestimation problem mentioned by the researcher refers to an issue different from the coverage of the reports; if at the end of every reporting period the outcome is higher than the original estimations, and if that information is presented in the reports (as it occurs), then the reports cover all actual revenue collection (estimated and non-estimated). The important point is that all revenues effectively collected are reported. See:http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp

IBP Comment: IBP editors chose answer, “b” consistent with the researcher’s response.

b

<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> <ul style="list-style-type: none"> a. Yes, comparisons are made for all revenue sources. b. Yes, comparisons are made for at least two-thirds of, but not all, revenue sources. c. Yes, but comparisons are made for less than two-thirds of revenue sources. d. No, comparisons are not made, or no in-year reports are released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Ministerio de Hacienda Informes de Ejecución Presupuestaria http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp</p> <p><u>Comment:</u> The comparisons are made with the original estimate for the period, not for previous years.</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>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> Ministerio de Hacienda Informes de Ejecución Presupuestaria http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp Banco Central, Informes de Deuda Trimestral http://www.bcn.gob.ni/publicaciones/deuda/trimestral/</p> <p><u>Comment:</u> In the in-year reports of the Ministry of Finance and the final report, there is information about amounts paid for public debt both external and internal, but there is no information related to the composition or the principal amounts of the debt. The Central bank provides quarterly information about the Public Debt; these reports are also sent to the National Assembly. However, as it has been mentioned in past reports, these documents do not reflect the level of net internal borrowing. This is only presented at an aggregate level and not in detail, and does not incorporate the details on the debt that the Central Bank transfers to the Central Government. Recently, the situation with the Energetic Agreement of ALBA, the Agreements with Iran and other that include debt that is not been reported at all, with officials providing contradictory statements for the reasons not to, despite what the public and official agreement states.</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>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> <p>a. Yes, extensive information related to the composition of government debt is presented.</p> <p>b. Yes, key additional information is presented, but some details are excluded.</p> <p>c. Yes, some additional information is presented, but it lacks important details.</p> <p>d. No, additional information related to the composition of government debt is not presented, or such in-year reports on borrowing are not released.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Ministerio de Hacienda Informes de Ejecución Presupuestaria http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp Banco Central, Informes Trimestrales de Deuda Pública http://www.bcn.gob.ni/publicaciones/deuda/trimestral/</p> <p><u>Comment:</u> The In year reports are produced by the Central Bank. But they are not linked to the Budget. In the Budget Reports there is some information provided in relation with the service of Public Debt and fees, but only on the amounts paid (See Ministerio de Hacienda Informes de Ejecución Presupuestaria http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp, Report January - March 2007, pages 80 and 81)</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> A more appropriate response to this question would be “a.” This information is prepared and presented by the Central Bank in its quarterly reports on public debt with the detailed suggested in this question, which is valid for this question according to the guide for this questionnaire (page 44, second paragraph). The Central Bank has been the institution responsible for managing debt issues. See: www.bcn.gob.ni/publicaciones/deuda/trimestral</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” consistent with the peer reviewer’s response.</p>	<p>a</p>
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<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> Law 550, Ley de Administración Financiera y Régimen Presupuestario (See Gobierno de Nicaragua, La Gaceta year CIX, N° 167, Monday 29/08/05 or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley%20550.%20Ley%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf) Art. 66</p> <p><u>Comment:</u> The Law 550 requires that in-year reports are given to the National Assembly 30 days after the end of the quarter. Usually, they are given a few days later, and published after that. In general, they are published less than two months after the end of the period, but more than 30 days.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>b</p>
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<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> <ol style="list-style-type: none"> 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. Yes, the mid-year review includes a discussion of the economy, but it lacks some details. Yes, the mid-year review includes a discussion of the economy, but it lacks important details. 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. Not applicable/other (please comment). <p><u>Citation:</u> Ministerio de Hacienda Informes de Ejecución Presupuestaria http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp Law 550, Ley de Administración Financiera y Régimen Presupuestario (See Gobierno de Nicaragua, La Gaceta year CIX, N° 167, Monday 29/08/05 or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley%20550.%20Ley%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf) Arts. 65</p> <p><u>Comment:</u> The Ministry of Finance does not prepare a mid year review of the Budget, only quarterly reports with little analysis and even less discussion to the changes in the economic outlook since the approval of the Budget. The Law 550 does not require the Ministry to present a mid year review, but it does require a technical analysis on the evolution and the efficiency of the institutions, that is not done in the quarterly reports.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
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<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> <ol style="list-style-type: none"> 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. Yes, the mid-year review includes updated estimates of expenditure, but some details on why estimates have changed are not provided. Yes, the mid-year review includes updated estimates of expenditure, but important details on why estimates have changed are not provided. 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. Not applicable/other (please comment). <p><u>Citation:</u> Ministerio de Hacienda Informes de Ejecución Presupuestaria http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp Law 550, Ley de Administración Financiera y Régimen Presupuestario (See Gobierno de Nicaragua, La Gaceta year CIX, N° 167, Monday 29/08/05 or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley%20550.%20Ley%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf)</p> <p><u>Comment:</u> Same as Question 92</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>94. What is the most detail provided in the mid-year review for expenditures?</p> <ol style="list-style-type: none"> The mid-year review includes program-level detail for expenditures. The mid-year review includes departmental totals (or functional totals) and some additional details (for instance, sub-department totals or major programs). The mid-year review includes only departmental totals (or functional totals). 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. Not applicable/other (please comment). <p><u>Citation:</u> Ministerio de Hacienda Informes de Ejecución Presupuestaria http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp Law 550, Ley de Administración Financiera y Régimen Presupuestario (See Gobierno de Nicaragua, La Gaceta year CIX, N° 167, Monday 29/08/05 or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley%20550.%20Ley%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf)</p> <p><u>Comment:</u> Same as Question 92</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<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> <ol 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> Ministerio de Hacienda Informes de Ejecución Presupuestaria http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp Law 550, Ley de Administración Financiera y Régimen Presupuestario (See Gobierno de Nicaragua, La Gaceta year CIX, N° 167, Monday 29/08/05 or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley%20550.%20Ley%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf)</p> <p><u>Comment:</u> Same as Question 92. The Quarterly reports do not include any updates on revenue estimates.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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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 *minimal* level specified in law or regulation)?

10. Yes, the executive seeks approval from the legislature before shifting funds between administrative units.
11. Yes, the executive gives prior notification to the legislature before shifting funds, giving the legislature an opportunity to block or modify the proposed adjustment.
12. Yes, the executive seeks legislative approval, but only after the shift of funds has been implemented.
13. 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).
14. Not applicable/other (please comment).

Citation:

Law 550, Ley de Administración Financiera y Régimen Presupuestario (See Gobierno de Nicaragua, La Gaceta year CIX, N° 167, Monday 29/08/05 or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley%20550.%20Ley%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf) Art. 55

Comment:

The Law 550 establishes in Art. 55 that all shifts in budget allocations between administrative units should be informed quarterly by the Ministry of Finance to the Assembly and establishes some limitations for this reallocation. But in practice, the executive continues to make transfers without informing previously, and sometimes without informing at all.

See Comment to question 1

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be “a.” Article 51 of law 550 states that only the Parliament can authorize modifications to the budget. Article 55 refers to changes that the Ministry of Finance can make to the budget of an institution, to reallocate resources within the same institution.

IBP Comment: IBP editors chose answer, “d” consistent with the researcher’s response. IBP editors note that the question is focused on what occurs in practice.

d

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:

La Prensa México detiene fondos para carretera

<http://www.laprensa.com.ni/archivo/2006/noviembre/22/noticias/nacionales/>

La Prensa. Tramo a Guasaule era más barato

<http://www.laprensa.com.ni/archivo/2006/enero/21/nacionales/nacionales-20060121-09.html>

La Prensa Más rarezas con Kamusi

<http://www.laprensa.com.ni/archivo/2007/septiembre/18/noticias/nacionales/216172.shtml>

C

Comment:

There are some important exceptions; one of them is that the funds from external sources are not subject to the national budget law, so the provisioning complies with the specific conditions of each agreement signed with the donor. In 2006, there were several debates about the poor quality of the construction of a major highway, done with some support from external donors, that included the Mexican Government in the North of the country. And more recently, in September 2007 there were important denounces about irregularities involving the signature of a contract of the Nicaraguan Energy Agency with an inexistent company in Panama to buy electric energy.

See also Comment to Question 1

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

<p>98. When does the legislature typically approve supplemental budgets?</p> <ul 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> Law 550, Ley de Administración Financiera y Régimen Presupuestario (See Gobierno de Nicaragua, La Gaceta year CIX, N° 167, Monday 29/08/05 or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley%20550.%20Ley%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf) Art. 52</p> <p><u>Comment:</u> The Law 550 establishes that all project of modification should be presented to the National Assembly for its discussion and approval. If the funds are from earmarked revenues (Art. 53) it should be incorporated to the General Budget of Expenditures and the Ministry of Finance should inform monthly to the National assembly and the General Auditing of the Republic. It does not say that it should be previously approved. There has been a change since the last time this Questionnaire was applied in 2005, because the application of Law 550. There are still some occasions when the Executive acts before the approval of the National Assembly, but the reports of this and the complaints about it have been few. But more important could be what has been happening with the funds from Venezuela and others. See Comment to Question 1.</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>99. In most years, how large are supplemental budget requests relative to the size of the original budget?</p> <ul 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> Ministerio de Hacienda Informes de Ejecución Presupuestaria http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp</p> <p><u>Comment:</u> In general, the complementary request is between 2 and 5%. In 2007, the request of Reform for the Annual Budget approved in September by the Assembly was of 2.7% of the total original Budget. One problem is that the webpage of the Ministry of Finance does not publish the details of the Reform.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>b</p>
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100. When does the legislature approve the expenditure of contingency funds or other funds for which no specific purpose was identified in the budget?

- 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).

Citation:

Ministerio de Hacienda Informes de Ejecución Presupuestaria
http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp
Law 550, Ley de Administración Financiera y Régimen Presupuestario (See Gobierno de Nicaragua, La Gaceta year CIX, N° 167, Monday 29/08/05 or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley%20550.%20Ley%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf) Art. 39, 52 and 56

Comment:

The level of contingency funds in the Annual Budget is low in the last Budgets. In the Law 550, Art. 56 it is established that in case of disasters, wars, generalized internal conflicts or epidemics, the executive by Decree will be authorized to execute the funds allocated for contingency that cannot be higher than 1% (Art.39). If the amount is not enough, there should be a request of reform, as happened this year as a result of a hurricane. It is also established in the Law that the use of the contingency funds should be informed to the National Assembly not more than 15 days later than the President authorized it (Art. 52)

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be “a.”

With the approval of the budget proposal, the Parliament authorizes a contingency item, which can be used by the executive by decree (according to articles 39 and 56 of law 550, where a description of contingency is presented). If contingencies resources approved by the Parliament are not enough, the President could submit to the Parliament an emergency request to reform the budget. In any case, contingency funds should be first approved by the Parliament.

BP Comment: IBP editors chose answer, “d” consistent with the researcher’s response. IBP editors note that the question focuses on the requirement for subsequently parliamentary approval of contingency funding spending after the contingency fund has been initially approved by the legislature in the annual budget.

d

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"> a. The report is released six months or less after the end of the fiscal year. b. The report is released 12 months or less (but more than six months) after the end of the fiscal year. c. The report is released more than 12 months after the end of the fiscal year. d. The executive does not release a year-end report. e. Not applicable/other (please comment). <p><u>Citation:</u> Law 550, Ley de Administración Financiera y Régimen Presupuestario (See Gobierno de Nicaragua, La Gaceta year CIX, N° 167, Monday 29/08/05 or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley%20550.%20Ley%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf) Art. 67 and 68 Ministerio de Hacienda Informes de Ejecución Presupuestaria http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp</p> <p><u>Comment:</u> According to what is established in the Law 550, art. 67 and 68, the executive has to release its annual report to the Assembly before the end of the first quarter of the following year. This year, the Executive sent the Settlement Report of 2006 to the Assembly at the end of the second quarter of the year, in April. The release to the public was done some days after, but the precise date is not available.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	C

<p>102. In the year-end report have the data on the actual outcomes been audited?</p> <ul style="list-style-type: none"> a. Yes, all data on actual outcomes have been audited. b. At least two-thirds, but not all, of the data on actual outcomes have been audited. c. Less than two-thirds of the data on actual outcomes have been audited. d. None of the data on actual outcomes has been audited, or a year-end report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Ministerio de Hacienda Informes de Ejecución Presupuestaria http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp Law 550, Ley de Administración Financiera y Régimen Presupuestario (See Gobierno de Nicaragua, La Gaceta year CIX, N° 167, Monday 29/08/05 or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley%20550.%20Ley%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf)</p> <p><u>Comment:</u> The Annual Report does not mention if the expenditures are audited. In general, there is no external audit. It is only done when funds come from external cooperation and the donor requires it, but this information is not public, nor is included in the annual report of the Controllers Office. The Law 550 in Art. 138 requires that the General Controller of the Republic (CGR) should release a verdict on the auditing of the Financial Balance Sheets to the National Assembly and the Ministry of Finance at the latest on September 30 (9 months) after the end of the budgetary exercise. Nonetheless, there is no public report or reference that this has ever been done.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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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?

- 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).

Citation:

Law 550, Ley de Administración Financiera y Régimen Presupuestario (See Gobierno de Nicaragua, La Gaceta year CIX, N° 167, Monday 29/08/05 or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley%20550.%20Ley%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf) Art. 67, 68 and 69

Ministerio de Hacienda Informes de Ejecución Presupuestaria
http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp

Comment:

The Annual reports include some explanations on the changes, but not on the under-executed funds and what will happen with them (See for example Informe de Liquidación 2006, pages 18 to 22). These funds some times are an important portion of the total (up to 20%)

See also Comment to Question 1

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be “a.”

The annual budget execution reports explain the differences between enacted levels and actual outcomes; therefore, provide an answer to this question. The report 2006 (pages 18 to 22), in effect presents an explanation on the main causes of under-execution, related mainly to capital expenditures, and that explanation directly answer the question. The same is valid for the report 2007. The under-execution of funds has averaged less than 10% of the total funds in the last 6 years.

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

C

<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> <ol style="list-style-type: none"> The explanation of the differences between the enacted expenditure levels and the actual outcome focuses on the program level. The explanation focuses on departmental totals (or functional totals) or some lower level of detail (but not the program level in all cases). The explanation focuses on a higher level of aggregation than departmental totals (or functional totals). No explanation of the differences is provided, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Ministerio de Hacienda Informes de Ejecución Presupuestaria, Informe de Liquidación 2006 http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp</p> <p><u>Comment:</u> There are some explanations of the differences, but not enough to understand them. Sometimes they are limited to describe what happened in general, but not what has been done or why the programs have not been developed. See for example Informe de Liquidación 2006 page 20. The explanations are too global.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	C
<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> <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> Ministerio de Hacienda Informes de Ejecución Presupuestaria, Informe de Liquidación 2006 http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp</p> <p><u>Comment:</u> Despite several reforms to the Annual Budget 2006 to include the additional funds product of taxes(the last of them on December 2006), at the end there was an additional collection of 5% in the Revenue Tax, and there is no explanation why there is such difference (See pages 10 and 11 Informe de Ejecución Presupuestaria 2006).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	C

<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> <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> Ministerio de Hacienda Informes de Ejecución Presupuestaria, Informe de Liquidación 2006 http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp Law 550, Ley de Administración Financiera y Régimen Presupuestario (See Gobierno de Nicaragua, La Gaceta year CIX, N° 167, Monday 29/08/05 or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley%20550.%20Ley%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf) Art 66 and 67.</p> <p><u>Comment:</u> There is no explanation or mention to the macroeconomic forecast and its evolution during the year included in the Year-end report. The Law 550 does not establish any requirement in relation to this information.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
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<p>107. Does the year-end report explain the difference between the original estimates of non-financial data and the actual outcome?</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> Law 550, Ley de Administración Financiera y Régimen Presupuestario (See Gobierno de Nicaragua, La Gaceta year CIX, N° 167, Monday 29/08/05 or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley%20550.%20Ley%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf) Ministerio de Hacienda Informes de Ejecución Presupuestaria 2007 http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp</p> <p><u>Comment:</u> There is no explanation in the Year-end report. The information collected in the report is mostly financial. There is no mention to the goals proposed or the differences with the original estimates. The Law 550 does not specify what should be included in the Year-end report.</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> <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> Ministerio de Hacienda Informes de Ejecución Presupuestaria, Informe de Liquidación 2006 http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp</p> <p><u>Comment:</u> There is no information on the performance indicators, goals and actual outcomes in the Year-end Report. Actually, there is no mention at all to this indicators</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<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> <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> Ministerio de Hacienda Informes de Ejecución Presupuestaria, Informe de Liquidación 2006 http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp</p> <p><u>Comment:</u> There is no explanation. There is only some description of the evolution, without any reasoning (See Informe de Liquidación 2006, pages 28-30). There was a specific report on the National Development Plan that included the Reduction of Poverty up to 2005, made in November 2006, but this is not the Budget documents, or was sent to the National Assembly with the Year-end Report (See Informe de Avance 2005 del Plan Nacional de Desarrollo http://www.secep.gob.ni/sinasid/documentos/IV%20Informe%20Avance%20PND%202005%20_Nov%202006_.pdf).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
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<p>110. Does the year-end report present the actual outcome for extra-budgetary funds?</p> <ol style="list-style-type: none"> Yes, extensive information on the actual outcome for extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key issues, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information is not presented on extra-budgetary funds, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Ministerio de Hacienda Informes de Ejecución Presupuestaria, Informe de Liquidación 2006 http://www.hacienda.gob.ni/hacienda/drpresupuesto_informes.jsp</p> <p><u>Comment:</u> As it has been mentioned above, in this last year especially there is an important portion of the revenues not shown in any of the official documents, including of course the year end report.</p> <p><u>Peer Reviewer One Comment:</u> I would comment that these funds appear neither in the Executive’s proposal, nor in the approved document, much less in the Budgetary Payment Report..</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” consistent with the researcher’s response.</p>	d
<i>The Independence and Performance of the Supreme Audit Institution</i>	

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?

- 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).

Citation:

Law 550, Ley de Administración Financiera y Régimen Presupuestario (See Gobierno de Nicaragua, La Gaceta year CIX, N° 167, Monday 29/08/05 or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley%20550.%20Ley%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf) Art. 138

Comment:

According to Law 550, the Art. 138 requires that the General Controller of the Republic (CGR) should release a verdict on the auditing of the Financial Balance Sheets to the National Assembly and the Ministry of Finance at the latest on September 30 (9 months) after the end of the budgetary exercise. Nonetheless, there is no public report or reference that this has ever been done prior to Budget 2005. The CGR does not have the capacity to certify and control the accounts of all the ministries and entities. Usually it only carries out audits when there are complaints or there are specific political interests from one of the major political parties. As a result, most of the funds are not audited at all, and when they are they are not made public.

The situation is similar to what it was in 2005, although enough time has pass to make effective the Law 550, with no evidence of it happening.

At the end of 2007, the CGR published Audit reports for different Ministries, but there was no global Audit or Global Report of these Audits.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be “c.” The first audit to a general budget was practiced to budget 2005, by the Comptroller’s Office (CGR), and released to the public by around third quarter 2007 approximately. The audit encompassed almost all institutions of central government and other branches of the State. See:

www.cgr.gob.ni/servicios/filerep/archivos/Informes

IBP Comment: IBP editors chose answer, “d” consistent with the researcher’s response which notes that the reports were not released to the public before September 29, 2007.

d

<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> <ol style="list-style-type: none"> All expenditures have been audited and the reports released to the public. Expenditures representing at least two-thirds of, but not all, expenditure have been audited. Expenditure representing less than two-thirds of expenditure have been audited. 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. Not applicable/other (please comment). <p><u>Citation:</u> Law 550, Ley de Administración Financiera y Régimen Presupuestario (See Gobierno de Nicaragua, La Gaceta year CIX, N° 167, Monday 29/08/05 or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley%20550.%20Ley%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf) Art. 138</p> <p><u>Comment:</u> Same as Question 111</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “b.” Same explanation as in question 111.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” consistent with the researcher’s response.</p>	d
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<p>113. Does the annual audit report(s) that is released to the public include an executive summary?</p> <ol style="list-style-type: none"> The annual audit report(s) includes one or more executive summaries summarizing the report's content. 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. Not applicable/other (please comment). <p><u>Citation:</u> Contraloría General de la República http://cgr.gob.ni/</p> <p><u>Comment:</u> There is no such report. See Comment to Question 111</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "a." It includes an executive summary of ten pages. See: www.cgr.gob.ni/servicios/filerep/archivos/Informes www.cgr.gob.ni/servicios/filerep/default.sap</p> <p><u>IBP Comment:</u> IBP editors chose answer, "b" consistent with the researcher's response.</p>	b
<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> <ol style="list-style-type: none"> 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. No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature. Not applicable/other (please comment). <p><u>Citation:</u> Contraloría General de la República http://cgr.gob.ni/ Constitucion Política de la República, article 138, 9, Art. 154, and 156</p> <p><u>Comment:</u> According to the Constitution, the National Assembly appoints the 5 members of Superior Council of the Controllers Office for a period of 5 years, but there is nothing explicit about their removal. In legal matters, things should be undone the same way they are done, so the National Assembly should be the only with power to remove any member of the Superior Council of CGR.</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. b. Yes, the SAI releases audits representing at least two-thirds of, but not all, extra-budgetary funds. c. Yes, the SAI releases audits representing less than two-thirds of all extra-budgetary funds. 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. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Contraloría General de la República http://cgr.gob.ni/</p> <p><u>Comment:</u> No such reports are released or produced.</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> <p>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> <p><u>Citation:</u></p> <p><u>Comment:</u> The SAI has enough formal and legal power to decide which audits to undertake, but it does not have the technical capacity nor the political will to do so, except when it involves political benefits for one of the traditional parties that appointed the 5 members of the Superior Council of CGR - the Constitutional Liberal Party and the Frente Sandinista de Liberación Nacional, today in power.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<p>117. Who determines the budget of the Supreme Audit Institution?</p> <ol 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></p> <p><u>Comment:</u> The SAI presents its demands to the Executive branch. The Ministry of Finance is in charge of defining the General Budget and has the power with the President to define the budget of the CGR. Sometimes they carry on meetings with the CGR to find out their needs, but the decision for the proposal lies on the Executive. Finally, the National Assembly approves the amount, usually without changing it, or meeting the demands of the SAI. The allocation of funds for the CGR has been always less than their request. But the CGR has international support from different agencies and institutions as the World Bank, the Interamerican Development Bank and others.</p> <p><u>Peer Reviewer One Comment:</u> I would add to the comment that the granted amount is lower than the one requested by the controlling agent. The amount does not suffice all the institution's needs, especially those related to the audits on the budget execution. In other matters, it is relevant to say that the Controllershship receives considerable funds from international institutions such as the Inter American Development Bank for several projects.</p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>
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<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"> The SAI employs designated staff, and the staffing levels are broadly consistent with the resources the SAI needs to fulfill its mandate. The SAI employs designated staff, but the staffing levels are a cause of some constraints to the SAI in fulfilling its mandate. The SAI employs designated staff, but the staffing levels pose a significant constraint on the SAI in fulfilling its mandate. The SAI does not employ designated staff for auditing of the security sector, or does not undertake audits of the security sector. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> Same comment as Question 111</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<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> <ol style="list-style-type: none"> Yes, the SAI maintains mechanisms of communication with the public, and received more than 100 communications from the public during the past year. 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. 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. No, the SAI does not maintain any formal mechanisms of communication with the public. Not applicable. <p><u>Citation:</u></p> <p><u>Comment:</u> Formally, the CGR has a mechanism to communicate with the public, but it is not well known to the public. The results in the past to communicating with the CGR have not been good. The CGR has taken years to respond, and in one case (request of the Coordinator Civil to evaluate the CENIS - a type of public bond) the resolution came after the time to investigate and punish the responsible functionaries had pass. So the resolution was useless.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c

<p>120. Does a committee of the legislature view and scrutinize the audit reports?</p> <ol 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> According to Law 550, the Audit reports should go to the National Assembly, but so far, the CGR has not given any report to be scrutinized.</p> <p><u>Peer Reviewer Comment:</u> I would add that, even though the National Assembly has a General Directorate of Analysis and Follow up of the Public Expenditure, coordinated by the Commission of Production, Economy and Budget, this entity does not receive any audit report from the Controllership. This directorate is cited in the Organic Law of the Legislative Power (Law No. 606, article 67). The link is http://legislacion.asamblea.gob.ni/Normaweb.nsf/(\$All)/0A22EEE06E37FA0B062572A000707A4D?OpenDocument</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “a.” The CGR has sent the audit report to the Parliament, specifically, to the committee for economic affairs, according to law 550.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” consistent with the researcher’s response that no report has been issued to scrutinize during the period under review (prior to September 28, 2007).</p>	d
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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?

- 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).

Citation:

Comment:

The executive has not taken any steps to address audit recommendations. In the few cases when audit reports have been produced, there has not been a serious answer from the executive to take care of the proven facts. Also, in the past high ranking employees have taken advantage of other laws to avoid responding or have sought protection before the courts for not responding to requests of information from the CGR.

The Law requires that the results are made public, but it doesn't always happen. There are only some specific audit reports, but there is no information anywhere to what were the steps taken, if any.

Peer Reviewer Comment: I would add that the General Controllershship of the Republic's Law establishes that it is mandatory to publish the result of the investigations and other documents emitted by it (article 10 on the attributions of the controlling entity)

<http://www.cgr.gob.ni/Servicios/filerep/archivos/Contraloria%20compendio.PDF>

In the webpage of the Controllershship there are reports on some audits performed to specific institutions on budgetary allocations for 2006. These were carried out and published in 2007. I provide the link to see examples

<http://www.cgr.gob.ni/Servicios/filerep/listarc.asp?area=11&aread=Informes%20de%20Auditorias>

Peer Reviewer Two Comment:

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

d

<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></p> <p><u>Comment:</u> The CGR does not present any report on this issue.</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>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></p> <p><u>Comment:</u> It is not known that there have been audits to the security sector done by the CGR. The National Assembly has not made any request in this direction. Up to the third quarter of 2007, there were no such reports available. At the end of the year (after the end of the analyzed period here) the CGR published the Audit Reports of the Budget 2005 for the Ministry of Defense, Internal Security and the Police.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “a.” Reports of all audited institutions are provided to the Parliament, and have been released to the public, including reports for the ministry of defense, interior ministry and police. See: www.cgr.gob.ni/services/filerep/archivos/Informes</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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Additional Comments:

Please use this section to add any additional comments.

Researcher Additional Comments:

ANNEX 1

ENERGY AGREEMENT ON ALBA BETWEEN VENEZUELA AND NICARAGUA
(Fragment)

<http://www.alternativabolivariana.org/modules.php?name=News&file=article&sid=1805>

FOURTH: This Agreement shall have the following financial scheme:

- Fifty percent (50%) of the bill will be paid in a period of ninety (90) days with an interest rate of 2% per year and the remaining fifty percent (50%) will be paid in a period of twenty three (23) years plus two (2) extra years, with an interest rate of two percent (2%) per year.

- Of the fifty percent (50%) financed, the mixed Enterprise, mentioned in article number ONE or the branch of PDVSA which has been chosen for supplying, will take on twenty five percent (25%). Once the operational and financial costs have been deducted, this share will be allocated to the ALBA Fund ninety days after the bill has been prepared, which will be used to finance infrastructure works, social projects and others in the Republic of Nicaragua.

- The remaining twenty five percent (25%) of the financed fifty percent (50%) will be taken on by the Republic of Nicaragua.

The bill of the sales to the mixed Enterprise mentioned in article number ONE will be calculated based on the prices referenced by the international market. In all cases the Government of the Bolivarian Republic of Venezuela reserves the right to deliver to the destination port, for which the credit will only cover the amount of the product's value (FOB-VZLA) and the transportation costs must be paid in one exhibition.

FIFTH The interest and capital amortization payments of the debts acquired by the Republic of Nicaragua can be made through commercial compensation mechanisms, when requested by the Bolivarian Republic of Venezuela.