

International Budget Project
OPEN BUDGET QUESTIONNAIRE

MEXICO

October 2005

International Budget Project
Center on Budget and Policy Priorities
820 First Street, NE
Suite 510
Washington, DC 20002
www.internationalbudget.org

This questionnaire was completed by:

Name:	JORGE ROMERO LEON
Organization:	FUNDAR, CENTRO DE ANALISIS E INVESTIGACION
Address:	Mr. Leon: 120 Clifton Place Brooklyn, NY 11238 United States of America
	FUNDAR: Popotla 96-5 Tizapán-San Angel México DF
Telephone:	Mr. Leon: (+917) 723 0221 FUNDAR: (+5255) 55 95 26 43
E-mail:	jorgeromeroleon@yahoo.com; fundar@fundar.org.mx
Internet Website:	www.fundar.org.mx

International Budget Project OPEN BUDGET QUESTIONNAIRE MEXICO

Section One: The Availability of Budget Documents	4
Table 1. Budget Year of Documents Used in Completing the Questionnaire	5
Table 2. Internet Links for Key Budget Documents.....	6
Table 3. Distribution of Documents Related to the Executive’s Budget Proposal.....	8
Table 4. Distribution of the Enacted Budget and Other Reports	10
Section Two: The Executive’s Budget Proposal	12
Estimates for the Budget Year and Beyond.....	13
Estimates for Years Prior to the Budget Year.....	24
Comprehensiveness.....	34
The Budget Narrative & Performance Monitoring.....	43
Additional Key Information for Budget Analysis & Monitoring	50
Section Three: The Budget Process.....	59
Executive’s Formulation of the Budget	60
Legislative Approval of the Budget.....	65
Executive’s Implementation of the Budget.....	71
Year End Report and the Supreme Audit Institution	82

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	NA
Budget Summary	2005
Executive's Budget Proposal	2006
Supporting Budget Documents	2006
Citizens Budget	NA
Enacted Budget	2005
In-Year Reports	2004, 2005
Mid-Year Report	2004, 2005
Year-End Report	2004
Audit Report	2003

Table 2. Internet Links for Key Budget Documents

Please provide the Internet link for the document, or indicate one of these three answers: “Not Produced,” “Produced but Not Available to the Public,” “Publicly Available, but Not on the Internet.”

Budget Document	Website
Pre-Budget Statement	Not Produced, (issued late due to newly implemented budgeting reforms)
Budget Summary	http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2005/index.html
Executive's Budget Proposal	http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2005/index.html (2005) http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2006/index.html (2006)
Supporting Budget Documents	http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2005/index.html (2005) http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2006/index.html (2006) http://www.shcp.gob.mx/docs/pe2005/criterios/cgpe_2005.pdf (2005)
Citizens Budget	Not Produced
Enacted Budget	http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/pef/2005/index.html
In-Year Reports	http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/intrim205.pdf http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/trime_anexos_205.pdf
Mid-Year Review	http://www.shcp.sse.gob.mx/contenidos/contabilidad_gubernamental/temas/informe_ava_nces/2005/index.html
Year-End Report	http://www.shcp.sse.gob.mx/contenidos/contabilidad_gubernamental/temas/informe_cuenta_publica/2004/index.html
Audit Report	http://www.asf.gob.mx/trans/Doctos/IR2003PRES.pdf http://www.asf.gob.mx/trans/Doctos/Resumenejec03.pdf http://www.asf.gob.mx/trans/informes/ir2003i/Indice/Ejecutivo.htm http://www.asf.gob.mx/trans/informes/ir2003i/Indice/iGeneral.htm
Other Documents	Enacted Budget (PEF) 2005 http://www.gobernacion.gob.mx/dof/2004/diciembre/dof_20-12-2004_Vespertino.pdf Information on government trustfunds http://www.shcp.sse.gob.mx/contenidos/shcp/comunicados/documentos/comunicado_055_2005.pdf Information on government trustfunds http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/anexo_fideicomisos.pdf Income Information (required by the legislature in 2005 budget) http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/comunicado_art_29_lif_2005_art_31_sat.pdf Development bank Information (required by the legislature in 2005 budget)

	<p>http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/estudio_art_31_lif_version_final.pdf</p> <p>Development Bank sites for annual reports (Nafin, Bancomext): www.banobras.gob.mx</p> <p>Fiscal expenditures, 2005 and 2006 (required by the legislature in 2005 budget) http://www.shcp.sse.gob.mx/contenidos/shcp/comunicados/documentos/gf_2005.pdf And explanation http://www.shcp.sse.gob.mx/contenidos/shcp/comunicados/documentos/comunicado_46_2005.pdf</p> <p>Year end report press release http://www.shcp.sse.gob.mx/contenidos/shcp/comunicados/documentos/comunicado_045_2005.pdf</p> <p>Income Law 2005 http://www.shcp.gob.mx/docs/pe2005/ingresos/pe_2005_li.pdf http://www.shcp.gob.mx/docs/pe2005/ingresos/pe_2005_li_motiv.pdf</p> <p>Income Law 2006 http://www.shcp.sse.gob.mx/contenidos/shcp/programa_economico/documentos/LIF_2006_FORMATEADA_0905-2.pdf</p>
Relevant Ministries & Departments	<p>http://www.shcp.gob.mx http://www.shcp.sse.gob.mx http://www.asf.gob.mx/asf.htm http://www.ifai.org.mx/</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	Additional Document 2	
A. Not produced, even for internal purposes	Yes (issued late)					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	Yes	Yes	Yes	
<i>For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them? For each characteristic, mark "Yes" if yes, "No" if no, or "NA" if Not Available.</i>						
	Pre-budget	Executive's Budget				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Additional Document 2	
1. The release date is known at least one month in advance	NA	Yes	Yes	Yes	Yes	NA
2. Advance notification of release is sent to users, media	NA	No	No	No	No	NA
3. Released to public same day as official release to media	NA	Yes	Yes	Yes	Yes	NA
4. Available on the Internet free of charge	NA	Yes	Yes	Yes	Yes	NA
5. Free print copies available, limited distribution	NA	Yes	Yes	Yes	Yes	NA
6. Free print copies available, mass distribution	NA	No	No	No	No	NA
7. Readily available outside capital and/or big cities*	NA	Yes	Yes	Yes	Yes	NA
8. Written in more than one language	NA	No	No	No	No	NA
9. News conference is held to discuss release	NA	No	No	No	No	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.

***Peer Reviewer TWO Comment:** The answer to the questions regarding budget documents and if they are “Readily available outside the capital and/or big cities,” should be “No” across the board. Only 10% of Mexico’s population has access to internet and this is much lower outside of the capital and/or big cities. Print copies of the budget are not widely distributed. The executive proposal is by no means “readily available” to the common citizen who lives outside of the large cities

Researcher Response to Peer Reviewer: I am not sure where the 10% figure comes from, and although I agree in substance with the point it remains a fact that anyone wishing to consult the budget can do so. Most organizations working with the budget can do so and so can most interested parties.

Table 4. Distribution of the Enacted Budget and Other Reports

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

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

***Peer Reviewer TWO Comment:** The answer to the questions regarding budget documents and if they are “Readily available outside the capital and/or big cities,” should be “No” across the board. Only 10% of Mexico’s population has access to internet and this is much lower outside of the capital and/or big cities. Print copies of the budget are not widely distributed. The executive proposal is by no means “readily available” to the common citizen who lives outside of the large cities

Researcher Response to Peer Reviewer: I am not sure where the 10% figure comes from, and although I agree in substance with the point it remains a fact that anyone wishing to consult the budget can do so. Most organizations working with the budget can do so and so can most interested parties.

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> <p style="margin-left: 40px;">a. All expenditures are classified by administrative unit.</p> <p style="margin-left: 40px;">b. Expenditures are classified by administrative unit, but some small units are not shown separately.</p> <p style="margin-left: 40px;">c. Expenditures are classified by administrative unit, but a significant number of units are not shown separately.</p> <p style="margin-left: 40px;">d. No expenditures classified by administrative unit are presented.</p> <p style="margin-left: 40px;">e. Not applicable/other (please comment).</p> <p><u>Citation and/or comment:</u> All the expenditures are presented in the budget by administrative unit and include detailed analytical information on the type of expenditure of each administrative unit.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>
<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> <p style="margin-left: 40px;">a. All expenditures are classified by functional classification, and the categorization is compatible with international standards.</p> <p style="margin-left: 40px;">b. All expenditures are classified by functional classification, but the categorization is not compatible with international standards.</p> <p style="margin-left: 40px;">c. Some, but not all, expenditures are classified by function.</p> <p style="margin-left: 40px;">d. No expenditures classified by function are presented.</p> <p style="margin-left: 40px;">e. Not applicable/other (please comment).</p> <p><u>Citation and/or comment:</u> The expenditure is disaggregated by functional classification in the executive summary, which is presented as the <i>Exposición de Motivos del Proyecto de Presupuesto</i>.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u> Also see Tomo VII.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>

<p>3. Does the executive’s budget or any supporting budget documentation present expenditures for the budget year that are classified by economic classification?</p> <ul style="list-style-type: none"> a. All expenditures are classified by economic classification, and the categorization is compatible with international standards. b. All expenditures are classified by economic classification, but the categorization is not compatible with international standards. c. Some, but not all, expenditures are classified by economic classification. d. No expenditures classified by economic classification are presented. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> The <i>Exposición de Motivos del Proyecto de Presupuesto</i> disaggregates the expenditure by economic classification.</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: Also see Tomo VII.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>
<p>4. Does the executive’s budget or any supporting budget documentation present expenditures for individual programs for the budget year?</p> <ul style="list-style-type: none"> a. Program-level data are presented for all expenditures. b. Program-level data are presented for at least two-thirds of, but not all, expenditures. c. Program-level data are presented, but for less than two-thirds of expenditures. d. No program-level data are presented. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p>Researcher’s response to this question was “b.” Almost all expenditure is presented by program with two exceptions: expenditures in national security are not disaggregated, and expenditures exerted by public companies and entities are not presented by program, since the planning and programming of these entities is coordinated, but not determined, by the sectorial secretariats or governmental agencies.</p> <p>Researcher Response to Peer Reviewer: The expenditure allotted for States is not all tied to programs. The part that is expended by programs is duly reported. The answer “b” is in line with the IBP guide and international standards. The answer should be “b.”</p> <p>Peer Reviewer ONE Comment: A more appropriate response to this question would be “c”, if you add transfers to state level government and municipalities (Ramo 28 y 33), budget funds for savings and loans (IPAB), provisions for public servant salaries increases (ramo 23), etc. On the other hand, National Security might be assumed as a program in itself.</p> <p>Peer Reviewer TWO Comment:</p> <p>IBP Comment: IBP editors chose answer “b” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">b</div>

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)?
- Yes, multi-year estimates of aggregate expenditure are presented.
 - No, multi-year estimates of aggregate expenditure are not presented.
 - Not applicable/other (please comment).

b

Citation and/or comment:

Researcher's response to this question was "b." One of the great deficiencies of the budget in Mexico is that it does not include multi-year forecasts or anything similar to a medium term budget framework. In 2005 and 2006, for example, not even *aggregated* expenditure data for subsequent years is presented. The only information presented is the forecasts of growth of the economy and GDP as well as the financial requirements of the public sector in the General Criteria of Economic Policy (also as a percentage of GDP). In 2005 and 2006 only some items of expenditure (such as the requirements for programs of support to debtors) have incorporated multi-year forecasts. See *Exposición de Motivos* of the PEF in http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2005/temas/expo_motivos/34cep.pdf
In 2006, see http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2006/temas/expo_motivos/34rg.pdf

Researcher Response to Peer Reviewer. The mentioned "requirements" are not aggregate spending levels. They are fiscal requirement needs expressed usually in terms of percentage of GDP. The answer is "b."

Peer Reviewer ONE Comment: A more appropriate response to this question would be "a", considering that the question refers to aggregate expenditure; as rightly pointed out, "the information presented is the financial requirements of the public sector in the General Criteria of Economic Policy (also as a percentage of GDP)," which in fact allow to figure aggregate expenditure; furthermore, the New Budget Law assumes balanced budgets.

Peer Reviewer TWO Comment:

IBP Comment: IBP editors chose answer "b" to maintain consistency with the criteria used for selecting answers across countries.

<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> <ul 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 and/or comment:</u> In Mexico there is no medium term budget framework or anything similar. See comment in the previous answer.</p> <p><u>Researcher Response to Peer Reviewer:</u> The answer of “b” is warranted because some programs do have this analysis, though by no means most. In regards to the new law, it was enacted in 2005 and will only go into effect for 2007, so it does not apply to this analysis. And where it does, for example multi-year information, it leaves much to be desired--it is not up to par with international standards or IMF best practices.</p> <p><u>Peer Reviewer ONE Comment:</u> I suggest reconsidering the comment given the new Budget Law approved in 2006.</p> <p><u>Peer Reviewer TWO Comment:</u> A more appropriate response to this question would be “c,” precisely because of the absolutely correct analysis included in the citation to question 5.</p> <p><u>IBP Comment:</u> IBP editors chose to keep answer “b” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">b</div>
<p>7. Does the executive’s budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the budget year?</p> <ul style="list-style-type: none"> 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). <p><u>Citation and/or comment:</u></p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>

<p>8. Does the executive’s budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the budget year?</p> <ul style="list-style-type: none"> a. All sources of non-tax revenue are identified individually. b. Sources of non-tax revenue amounting to at least two-thirds of, but not all, non-tax revenues are identified individually. c. Sources of non-tax revenues amounting to less than two-thirds of all non-tax revenue are identified individually. d. No sources of non-tax revenues are identified individually. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p>Researcher Response to Peer Reviewer: I agree with the opacity of trusts, but the information is only partly related. All sources of non-tax revenue are reported in the <i>Ley de Ingresos</i> and considered in the budget presentation. Recently, some trusts have been identified that are under-reported or are treated as private trusts, but this information is still being assessed and should not be considered for the answer.</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A specific citation would be useful here. A more appropriate response to this question would be probably be “b”, given the opacity of the large number of “fideicomisos” (trusts) managed by the Mexican government.</p> <p>IBP Comment: IBP editors chose to keep answer “a” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>
<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> <ul style="list-style-type: none"> 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><u>Citation and/or comment:</u> Neither in 2005 nor in 2006 is aggregate or detailed information presented for later years.</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment:</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>

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)?

- 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).

Citation and/or comment: The multi-year revenue estimates are not presented.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

d

11. Does the executive's budget or any supporting budget documentation present data on the total government debt outstanding for the budget year?

- a. Yes, the data reflect the outstanding debt both at the start of the budget year and at the end of the budget year (and thereby reflect the net borrowing requirement of the budget).
- b. Yes, the data reflect the outstanding debt at the end of the budget year.
- c. Yes, the data reflect the outstanding debt at the start of the budget year.
- d. No, data on the outstanding debt are not presented.
- e. Not applicable/other (please comment).

Citation and/or comment:

Researcher's response to this question was "a." This information is not part of the budget; however it is available, accessible and generally used to discuss the budget by legislators as well as by civil society.

Although in the *Criterios Generales de Política Económica* the information is included only as percentage of the GDP, not in current amount, the information is available and can be found with ease in the Secretariat of Finance's webpage. In addition, this information is included in the quarterly reports on the situation of the public finances and the debt. The last quarterly report (2nd trimester of 2005), released to the public a month before the Budget Proposal of 2006, for example, includes information on the balance of the net internal and external debt. See <http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/intrim205.pdf>

Researcher Response to Peer Reviewer: I agree with the assessment. The information that is not part of the budget or supporting budget documentation should not be considered for the answer, but where it exists we do indicate it and link to it.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: A more appropriate response to this question would be probably be "d", although this depends on a judgment call by IBP. The IBP guide explicitly states that "supporting budget documents" are "documents that are directly linked to the budget, and are issued by the executive at the same time that it presents its proposal to the legislature...Please do not use information that the executive or the Central Bank may release at other times of the year." The fact that the semestral reports on the situation of the debt is used by legislators and civil society does not mean that these are actually part of the executive budget proposal.

IBP Comment: IBP editors chose answer "d" to maintain consistency with the criteria used for selecting answers across countries.

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 and/or comment:</u> Information on interest payments on the debt is presented in detail and by type of funding.</p> <p>Researcher Response to Peer Reviewer: In contrast to Question 11, this information is included in the budget itself. The answer is “a.”</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: “B” could also be an answer. Depends on IBP judgment. See comment on question 11.</p> <p>IBP Comment: IBP editors chose to keep answer “a” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>
<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 and/or comment:</u></p> <p>Researcher’s response to this question was “a.” The information is not part of the budget, but it is available, accessible and generally it is useful to discuss the budget.</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: “D” could also be an answer. Depends on IBP judgment. See comment on question 11.</p> <p>IBP Comment: IBP editors chose answer “d” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>

14. Does the executive's budget or any supporting budget documentation present the macroeconomic forecast upon which the budget projections are based?

- a. Yes, an extensive discussion of the macroeconomic forecast is presented, and key assumptions (such as inflation, real GDP growth, unemployment rate, and interest rates) are stated explicitly.
- b. Yes, the macroeconomic forecast is discussed and most of the key assumptions are stated explicitly, but some details are excluded.
- c. Yes, there is some discussion of the macroeconomic forecast (and/or the presentation of key assumptions), but it lacks important details.
- d. No, information related to the macroeconomic forecast is not presented.
- e. Not applicable/other (please comment).

Citation and/or comment: In the *Criterios Generales de Política Económica*.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

a

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

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

c

Citation and/or comment: Although the impact of the macroeconomic variables is discussed, this discussion is not a sensitivity analysis. Important details related to the impact of the economic growth on revenues are omitted, for example, beyond what common sense would suggest. Different macroeconomic assumptions are not included, only a determined set of assumptions, based on which a single estimation of income and expenditures are presented. See CGPE 2006 in http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2006/temas/criterios/criterios.pdf

Additionally, it is a fact that estimations have turned out to be mistaken, either because the price of petroleum was underestimated, the growth of the economy was over estimated or the impact of the economy on revenues was overestimated. In 2004, for example, the estimation of the ISR was far from the real revenues, which has never been exhaustively explored, neither in 2004 or later, by the Secretariat of Finance. Collections were 16 thousand 316 million or 5.4% less of what was expected, which is an important variation, and the explanation of the Secretariat of Finance was minimal. In any case, the executive never takes up again, nor explains the errors committed in its estimations of the impact of the economic variables in subsequent years, which causes its information to be less reliable and more limited. For the very different results of 2004 and sparing explanation of Secretary of Finance see Public Account 2004, Income Policy, in http://www.shcp.sse.gob.mx/contenidos/contabilidad_gubernamental/temas/informe_cuenta_publica/2004/documentos/r0/r02d10.pdf

Researcher Response to Peer Review: The answer is “c.” Omissions are important.

Peer Reviewer ONE Comment: A more appropriate response to this question would be “b.” If one considers macroeconomic assumptions the following: interest rates, economic growth and forecast changes in GDP, inflation rates and international oil prices.

Peer Reviewer TWO Comment:

IBP Comment: IBP editors chose to keep answer “c” to maintain consistency with the criteria used for selecting answers across countries.

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?

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

d

Citation and/or comment: The government does not present the necessary information to promote an informed debate on the changes in the public policy. It is not even clearly distinguished which are new proposals and which are existing policies. This is one of the main deficiencies of the Mexican budgetary process, and generally, its implications are negative for the negotiation and discussion of the budget by legislators, who do not have either information or the analytical tools necessary to discriminate between the different programs and the public policy actions.

Only when it is about an important change, for example the Popular Health Insurance, are new policies *mentioned*. However, not even when the Popular Health Insurance was approved and almost 4 billion of pesos allocated, where more than two paragraphs dedicated (two paragraphs!) to the new program in the *exposición de motivos*. It is not surprising that the modifications of the legislative reduced the amount budgeted for the Popular Insurance by more than 90%. See Budget Proposal for 2004 in

http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2004/index.html

Specially the summary at the beginning, in relation to the functional classification of the Expenditure, in

http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2004/temas/expo_motivos/em03.pdf.

Peer Reviewer ONE Comment: A more appropriate response to this question would be “c.” The comments themselves acknowledge that some information –although insufficient- is presented; refer to “exposición de motivos.”

Peer Reviewer TWO Comment:

IBP Comment: IBP editors chose to keep answer “d” to maintain consistency with the criteria used for selecting answers across countries.

<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 and/or comment:</u> Very summarized information is included in the <i>Exhibición de Motivos de la Ley de Ingresos</i>, and with a little more detail in the miscellaneous fiscal (which is the sum of the reforms to diverse fiscal laws which the executive presents with its proposal of the Law of Income). However, this information is not a detailed analysis of the impact of the new proposals. The clearest example of the deficiency of the information presented in the Law of Income and other documents that accompany it was given in 2004, when a new Law of Tax to the Rent was approved along with other important measures.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 20px; height: 20px; margin: auto;">c</div>
Estimates for Years Prior to the Budget Year	
<p>18. Does the executive’s budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by administrative unit (that is, by ministry, department, or agency)?</p> <ol style="list-style-type: none"> All expenditures are classified by administrative unit for BY-1. Expenditures are classified by administrative unit for BY-1, but some small units are not shown separately. Expenditures are classified by administrative unit for BY-1, but a significant number of units are not shown separately. No expenditures classified by administrative unit are presented for BY-1. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> In the <i>Exposición de Motivos del Proyecto de Presupuesto</i>, by units and by function. By units in the “general view of public expenditure” of the exposition of motives, in: http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/pppf/2006/temas/expo_motivos/em01.pdf.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 20px; height: 20px; margin: auto;">a</div>

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?

- a. All expenditures are classified by functional classification for BY-1, and the categorization is compatible with international standards.
- b. All expenditures are classified by functional classification for BY-1, but the categorization is not compatible with international standards.
- c. Some, but not all, expenditures are classified by function for BY-1.
- d. No expenditures classified by function are presented for BY-1.
- e. Not applicable/other (please comment).

a

Citation and/or comment: By function, in the first part of *exposición de motivos*. See http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2006/temas/expo_motivos/em03.pdf.

Researcher Response to Peer Reviewer: The guidelines and criteria form answering “a” do not include crossing different forms of classification. Though I agree that is desirable, the answer is “a.”

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: A more appropriate response to this question would be “b.” Functional classifications are not crossed with administrative classifications, thus not giving a full picture of spending in BY-1.

IBP Comment: IBP editors chose to keep answer “a” to maintain consistency with the criteria used for selecting answers across countries.

<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 and/or comment:</u> In the first part of <i>exposición de motivos</i>, “economic classification of expenditure.” See: http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2006/temas/expo_motivos/em02.pdf.</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “b.” Economic classifications are not crossed with administrative classifications, thus not giving a full picture of spending in BY-1.</p> <p>IBP Comment: IBP editors chose to keep answer “a” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>
<p>21. Does the executive’s budget or any supporting budget documentation present expenditures for individual programs for the year preceding the budget year (BY-1)?</p> <ul style="list-style-type: none"> a. Program-level expenditure data are presented for all expenditures for BY-1. b. Program-level expenditure data are presented for at least two-thirds of, but not all, expenditures for BY-1. c. Program-level expenditure data are presented, but for less than two-thirds of expenditures for BY-1. d. No program-level expenditure data are presented for BY-1. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p>Researcher’s response to this question was “d.”</p> <p>Researcher Response to Peer Reviewer: I agree with the assessment. Some programs (very few) do have this analysis in the budget presentation. The answer should be “c.”</p> <p>Peer Reviewer ONE Comment: A more appropriate response to this question would be “c.” <i>Exposición de motivos</i> refers to increases to some programs.</p> <p>Peer Reviewer TWO Comment:</p> <p>IBP Comment: IBP editors chose answer “c” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">c</div>

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)?

- a. All BY-1 estimates have been updated from the original enacted levels to reflect six or more months of actual expenditure.
- b. All BY-1 estimates have been updated from the original enacted levels, but reflect less than six months of actual expenditure.
- c. Some BY-1 estimates have been updated from the original enacted levels to reflect actual expenditure.
- d. The BY-1 estimates have not been updated from the original enacted levels, or no BY-1 estimates are presented.
- e. Not applicable/other (please comment).

a

Citation and/or comment: However, the actual expenditure is not distinguished from estimates. Only in the quarterly reports and, since 2005 in the mid-year report ("Informe de Avance de Gestión") is the real amount implemented presented. In <http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/intrim205.pdf> http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/trime_anexos_205.pdf and http://www.shcp.sse.gob.mx/contenidos/contabilidad_gubernamental/temas/informe_avances/2005/documentos/sectorpublico/d00s01.pdf

Researcher Response to Peer Reviewer: The answer is "a." Although it is not clearly stated in the budget documents, budget estimates are based on at least six months of actual expenditure. This may change when the budget is presented in September, according to the new Law, but it has not yet.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: The citation itself suggests that the answer should be "d." This question is precisely about the difference between the "real ejercido" and the "proyectado".

IBP Comment: IBP editors chose to keep answer "a" to maintain consistency with the criteria used for selecting answers across countries.

<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.</p> <p>b. No, such prior-year estimates of aggregate expenditure are not presented.</p> <p>c. Not applicable/other (please comment).</p> <p><u>Citation and/or comment:</u> The budget does not include the information for AP-2, but for the year 2000. For some strange reason, the programmable expenditure (associate to programs) by functional classification is presented for AP-2, but neither total net expenditure nor the expenditure by economic classification is presented for the same period. See http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2006/temas/expo_motivos/em03.pdf.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>
<p>24. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?</p> <p>a. Yes, such prior-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative).</p> <p>b. Yes, such prior-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs.</p> <p>c. Yes, such prior-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs.</p> <p>d. No, such prior-year estimates are presented for aggregate expenditure only, or they are not presented at all.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation and/or comment:</u> It is presented some information disaggregated for AP-2, but not global information. There are other inconsistencies, however there is information on some important programs for BY-2. Only for the functional classification, and only for the programmable expenditure (associated to programs). See comment of previous question.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>

<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> <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 expenditures are presented in the budget or supporting budget documentation. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p>Researcher’s response to this question was “a.” The information is not include in the budget, however it is available and accessible in other sources (quarterly reports, mainly).</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “d.” Once again the question of whether the quarterly reports count as “supporting budget documents.” See comment on question 11.</p> <p>IBP Comment: IBP editors chose answer “d” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
<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 and/or comment:</u></p> <p>Researcher’s response to this question was “a.”</p> <p>Researcher Response to Peer Reviewer: The questions (26 and 22) are unrelated. Data are adjusted for inflation and usually presented in the same way so as to make changes in public policy and/or programs comparable across the years. Yet on second glance, I think a more warranted answer is “b” especially considering that sometimes the information for program changes is not thus thoroughly explained.</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A citation would be useful here. A more appropriate answer would be “c,” as noted by the researchers themselves in their comment on question 22.</p> <p>IBP Comment: IBP editors chose answer “b” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>

<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> <ul 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 and/or comment:</u></p> <p>Researcher’s response to this question was “a.” The information is not included in the budget, however it is available and accessible in other sources (quarterly reports, mainly).</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “d.” Once again the question of whether the quarterly reports count as “supporting budget documents.” See comment on Question 11.</p> <p>IBP Comment: IBP editors chose answer “d” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">d</div>
<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 and/or comment:</u></p> <p>Researcher’s response to this question was “a.” The information is not include in the budget, however it is available and accessible in other sources (quarterly reports, mainly).</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “d.” Once again the question of whether the quarterly reports count as “supporting budget documents.” See comment on question 11.</p> <p>IBP Comment: IBP editors chose answer “d” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">d</div>

<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 and/or comment:</u></p> <p>Researcher’s response to this question was “a.” However, the amount of real revenues observed is not specified. This information can be found only in quarterly reports and the mid-year report.</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: The citation itself suggests that the answer should be “d.” This question is precisely about the “monto de ingreso real.”</p> <p>IBP Comment: IBP editors chose answer “d” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
<p>30. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of revenues presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?</p> <ul style="list-style-type: none"> a. Yes, such prior-year estimates of aggregate revenue are presented. b. No, such prior-year estimates of aggregate revenue are not presented. c. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p>Researcher’s response to this question was “a.” The information is not include in the budget, however it is available and accessible in other sources (quarterly reports, mainly).</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “b.” Once again the question of whether the quarterly reports count as “supporting budget documents.” See comment on question 11.</p> <p>IBP Comment: IBP editors chose answer “b” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>

<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 and/or comment:</u></p> <p>Researcher’s response to this question was “a.” The information is not include in the budget, however it is available and accessible in other sources (quarterly reports, mainly).</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “d.” Once again the question of whether the quarterly reports count as “supporting budget documents.” See comment on question 11.</p> <p>IBP Comment: IBP editors chose answer “d” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
<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 and/or comment:</u></p> <p>Researcher’s response to this question was “a.” The information is not include in the budget, however it is available and accessible in other sources (quarterly reports, mainly).</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “d.” Once again the question of whether the quarterly reports count as “supporting budget documents.” See comment on question 11.</p> <p>IBP Comment: IBP editors chose answer “d” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>

<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> <ul style="list-style-type: none"> a. Yes, extensive information is presented on the level and composition of government debt for the year preceding the budget year. b. Yes, information on the level of debt is presented, but some important details about the composition of the debt are excluded. c. Yes, but only information on the level of debt is presented. d. No, information related to the government debt for BY-1 is not presented. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p>Researcher’s response to this question was “b.” The information is not include in the budget, however it is available and accessible in other sources (quarterly reports, mainly).</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “d.” Once again the question of whether the quarterly reports count as “supporting budget documents.” See comment on question 11.</p> <p>IBP Comment: IBP editors chose answer “d” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
<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> <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 government debt are presented in the budget or supporting budget documentation. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p>Researcher’s response to this question was “a.” The information is not include in the budget, however it is available and accessible in other sources (quarterly reports, mainly).</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “d.” Once again the question of whether the quarterly reports count as “supporting budget documents.” See comment on question 11.</p> <p>IBP Comment: IBP editors chose answer “d” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>

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> <ul style="list-style-type: none"> a. Yes, extensive information on extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key extra-budgetary funds, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on extra-budgetary funds is not presented. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p><u>Researcher’s response to this question was “b.”</u></p> <p><u>Researcher Response to Peer Reviewer:</u> In regards Peer Reviewer TWO’s comment, here I must agree that the recent information on the unreliability and opacity of government trust funds warrants an answer of “c”. I suggest “c” is a more appropriate answer. See also comments to Question 38.</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,” given the high level of opacity with regard to government “fidecomisos” (trusts). The analyst also should be clearer about what his “experience” has been.</p> <p><u>IBP Comment:</u> IBP editors chose answer “c” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>

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).

c

Citation and/or comment:

Researcher's Response to this question was "b." Specifically, information related to *the ministración* (distribution) calendars (*when* the resources will be transferred) is excluded as well as information related to the excess income and the way in which the dependencies can use those resources. Although the information exists, in the memos and offices of the Secretariat of Finance, it is not integrated into the Budget or in the economic package.

Researcher Response to Peer Reviewer: Upon further consideration, I agree with PR TWO's assessment. The answer should be "c."

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: A more appropriate response to this question would be "c." The two important problems pointed out by the analyst (timing and extra oil income) are not "some details", but are "important details." Funds for the states are often delayed for political reasons and the distribution of extra income is highly opaque.

IBP Comment: IBP editors chose answer "c" to maintain consistency with the criteria used for selecting answers across countries.

37. Does the executive's budget or any supporting budget documentation present information for at least the budget year on transfers to public corporations?

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

Citation and/or comment: Specifically, information related to the own incomes of the public companies is excluded, as well as the information related to the use of exceeding funds when the companies generate their own incomes. See comment of the previous answer.

Researcher Response to Peer Reviewer: The information is not presented in the budget or budget documents, in exhaustive terms, for all public corporations. Hence "c" is warranted –e.g. the information for Liconsa, Diconsa and other subsidy providing public enterprises, which are incorporated to and coordinated by Federal Agencies, is by no means exhaustive. The answer is "c."

Peer Reviewer ONE Comment: A more appropriate response to this question would be "a." The information is available in the "informes trimestrales" posted on the public corporations sites (i.e., ley de transparencia, obligaciones de transparencia, informes trimestrales).

Peer Reviewer TWO Comment:

IBP Comment: IBP editors chose to keep answer "c" to maintain consistency with the criteria used for selecting answers across countries.

c

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

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

c

Citation and/or comment: Although the programs of more important subsidies are detailed, there are some quasi-fiscal activities, specially related to *trusts* and subsidies to the agricultural production that do not have the sufficient level of detail for an informed discussion. This was the reason for reforms to the Budget of Expenditures and the Law of Incomes in 2005, by which it was required to the Secretariat of Finance to inform on the state and character of several trusts. This information was presented in compliance to this mandate, but it has not been incorporated formally in the economic package of 2006. For information on trust see:

http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/anexo_fideicomisos.pdf

For information on the "Banca de Desarrollo" see:

http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/estudio_art_31_1if_version_final.pdf

Additionally there is more information that is not included, and that it is just starting to be released to the public (as a result of the information related to the fiscal credits reported, also under explicit order of the Legislative in the Law of Incomes, in http://www.shcp.sse.gob.mx/contenidos/shcp/comunicados/documentos/gf_2005.pdf).

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: In agreement, but this comment should also be included as an explanation for the answer to Question 35, where it is even more relevant.

<p>39. Does the executive's budget or any supporting budget documentation present information on financial assets held by the government?</p> <ul style="list-style-type: none"> a. Yes, extensive information on financial assets is presented, including a listing of the assets, a discussion of their purpose, and an estimate of their market value. b. Yes, information is presented, highlighting key information, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on financial assets is not presented. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> As part of the <i>Criterios Generales de Política Económica (General Criteria for Economic Policy)</i>, without many details. Especially for the public companies such as, CFE (electricity), PEMEX (Petroleum) and IMSS (Seguridad Social), these financial and non-financial assets, represent important amounts. Nevertheless, they are not presented in detail in the budget, although the information exists in each dependency with different degrees of accessibility. See, for example, the information of the origin of the PEMEX resources (in a single page) in the budget, in http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2006/temas/tomos/18/r18_tzz_oar.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>
<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, a discussion of their purpose, 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 and/or comment:</u> See the comments for the previous answer.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>

<p>41. Does the executive's budget or any supporting budget documentation present information for at least the budget year on expenditure arrears?</p> <ul style="list-style-type: none"> a. Yes, extensive information on expenditure arrears is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key expenditure arrears, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on expenditure arrears is not presented. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> This information is presented in the documents on debt of the previous fiscal year (ADEFAS), though the information is not disaggregated or detailed. The amounts, however, are generally small, and the detail can be obtained in other official documents.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>
<p>42. Does the executive's budget or any supporting budget documentation present information on contingent liabilities (such as government loan guarantees)?</p> <ul style="list-style-type: none"> a. Yes, extensive information on contingent liabilities is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key contingent liabilities, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on contingent liabilities is not presented. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> The information is detailed in the quarterly report so it affects the investment projects deferred in the registry of the expenditure (or <i>Pidiregas</i>). However, in some cases, like pensions, general information is included but it omits important details. In order to see the brief treatment of this subject in 2006, refer to the General Criteria of Economic Policy, which reduces the discussion to a general proposal of reform and they only include the increase of the expenditure of the next years as a portion of the GDP. In: http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2006/temas/criterios/criterios.pdf (mainly in pp. 77-78 y 129-130).</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>

<p>43. Does the executive’s budget or any supporting budget documentation present information on future liabilities, such as civil service pensions?</p> <ul style="list-style-type: none"> a. Yes, extensive information on future liabilities is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key future liabilities, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on future liabilities is not presented. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> See comment of question 42.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>
<p>44. Does the executive’s budget or any supporting budget documentation provide details on the sources of donor assistance, both financial and in-kind?</p> <ul style="list-style-type: none"> a. All sources of donor assistance are identified individually. b. At least two-thirds of, but not all, sources of donor assistance, are identified individually. c. Less than two-thirds of sources of donor assistance are identified individually. d. No sources of donor assistance are identified individually. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> The amount of grants is very small, when they exist. However, they can not be identified individually in the budget.</p> <p><u>Peer Reviewer ONE Comment:</u> Donor information, translated as “acreedor” o “donante de fondos para el presupuesto,” is available, although not in budget documentation.</p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>

<p>45. Does the executive's budget or any supporting budget documentation present information for at least the budget year on tax expenditures?</p> <ul style="list-style-type: none"> a. Yes, extensive information on tax expenditures is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key tax expenditures, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on tax expenditures is not presented. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> The information already exists; it was generated as a result of the legislative discussion of the Law of Income 2005. However, although the executive generated the information in accordance with his legal obligation, it did not integrate it into Budget 2006. The information (without much detail of the legal bases and justification of the fiscal credits) can be found in: http://www.shcp.sse.gob.mx/contenidos/shcp/comunicados/documentos/gf_2005.pdf.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
<p>46. Does the executive's budget or any supporting budget documentation identify all earmarked revenues?</p> <ul style="list-style-type: none"> a. All earmarked revenues are identified individually. b. At least two-thirds of, but not all, earmarked revenues are identified individually. c. Less than two-thirds of earmarked revenues are identified individually. d. No earmarked revenues are identified individually. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> Only specific expenditures are presented for some sources of revenue, such as the IMSS and PEMEX, and some fees that are transferred to the local government. However, detailed information of the allocation of these funds is not included, though it exists.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>

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?

- a. One percent or less of expenditure is dedicated to secret items.
- b. Three percent or less, but more than one percent, of expenditure is dedicated to secret items.
- c. Eight percent or less, but more than three percent, of expenditure is dedicated to secret items.
- d. More than eight percent of expenditure is dedicated to secret items, or the percentage is not available to the public.
- e. Not applicable/other (please comment).

a

Citation and/or comment: The amounts destined for national security are smaller in comparison with other countries. Although the Secretariat of the Defense has a budget of 25 billion pesos, for example, to "national security" only 1,197 million pesos are allocated, whereas to the Secretary of State another 1,160.5 million is allocated, for a total of 2,357 million of pesos to the sub-function "national security." Additionally, more of 90% of this expenditure is allocated to personnel services, which makes it still more difficult its indiscriminate use (this represents less than 1% of the expenditure). For the rest, there are no reserved allocations in practice in Mexico.

Researcher Response to Peer Reviewer: Budget allocation as a whole is public, but the expenditure for the National Security Center is not broken down, and it is difficult to know what it is allotted to specifically. It is, for all intents and purposes, "secret" spending. The answer should be "a."

Peer Reviewer ONE Comment: A more appropriate response to this question would be "e." There is no budget allocation to secret items. Budget allocation to National Security is public, as illustrated in the comment.

Peer Reviewer TWO Comment:

IBP Comment: IBP editors chose to keep answer "a" to maintain consistency with the criteria used for selecting answers across countries.

The Budget Narrative & Performance Monitoring

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?

- a. Yes, extensive information on the link between the budget and the government's stated policy goals, by administrative unit (or functional category) is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting the link between major policy goals and the budget, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on the link between the budget and the government's stated policy goals is not presented.
- e. Not applicable/other (please comment).

c

Citation and/or comment: The indicators and goals presented are generally deficient and of little utility to evaluate the performance of public management. Consider, for example, the following indicator of the federal government, which is meant to evaluate the function of the government and the promotion of the democratic values and the civic culture: calculate "actions of promotion which contributes to political development made multiplied by 100 then divided by the number of actions of promotion which to contribute to political development programmed." The indicator is laughable, but it is also applied to evaluate how the Executive fulfills human rights obligations, for example. And there are still worse. The relation between the Executive authorities and Legislature is evaluated measuring the "strategic legislative Issues approved first multiplied by 100 then divided by the number of strategic legislative issues presented." This indicator is not only easy to manipulate, but also it does not say anything regarding the ability or capacity of the government to promote an agenda, does not distinguish between different types of "strategic issues", nor establishes the bases to know what is strategic or not. (see, for these specific indicators, the section of goals of the Secretariat of Interior, in

http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2006/temas/tomos/04/r04_mp.pdf). If we took as an example the case of popular health insurance, already mentioned above, to which operational resources were cut around 90% the year it was approved (2004) and we evaluate it with this indicator, it would be a success, because the budget as a whole was approved, which is clearly ridiculous. As if that were not enough, the indicators have been only associated to institutional activities and responsible units, whereas the basis of the budget is the programs. This entails a serious disconnection between budgeting (done by program) and evaluation (by responsible unit), that could even arguably contravene the laws of the country, which clearly establish that *programs* are the basis of budgeting (in the Accounting and Public Federal Expenditure Law, available at <http://www.cddhcu.gob.mx/leyinfo/pdf/61.pdf>).

This probably will not be solved if the Supreme Auditing of the Federation does not pronounce itself regarding this issue, which will not occur until the revision of the Public Account of 2004 that the SAF should present in March of the next year. In the meantime, the performance evaluation in Mexico is a fiction.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

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)?

- 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).

Citation and/or comment: This information is only included in the budget of the current year.

Researcher Response to Peer Reviewer: The information presented does not cover multiple years. The answer is "d."

Peer Reviewer ONE Comment: A more appropriate response to this question would be "c." That is the main purpose of the document: "Exposición de Motivos."

Peer Reviewer TWO Comment:

IBP Comment: IBP editors chose to keep answer "d" to maintain consistency with the criteria used for selecting answers across countries.

d

50. Does the executive's budget or any supporting budget documentation present non-financial data, such as the number of beneficiaries, for expenditure programs?

- a. Non-financial data are presented for all programs.
- b. Non-financial data are presented for programs representing at least two-thirds of, but not all, expenditures.
- c. Non-financial data are presented for programs representing less than two-thirds of expenditure.
- d. No non-financial data are presented.
- e. Not applicable/other (please comment).

c

Citation and/or comment: Information of this type is included for some "priority" programs like the Program of Human Development Opportunities or other programs to support the agricultural areas. However, non-financial information is not presented for all programs. See, as an example, the information of Opportunities of 2006 in http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2006/temas/expo_motivos/01pe.pdf

There is data and non-financial information on the goals and coverage indicators, but the existing universe is generally not specified. Although the information exists and it is easily accessible in the web pages of the Secretariats and dependencies or in the government reports, it is not associated to expenditure, and if we add the poor design of the indicators, it is hard to evaluate the impact of the expenditure. The exceptions are the programs of Sedesol and Agriculture.

Researcher Response to Peer Reviewer: This has only recently been resolved by the Institute governing access to Public Information, but it was not the case in 2005. In addition, not all data is included, and not all relevant programs (e.g. education, health spending) include non-financial information. Only what the government deems "priority programs." The answer is "c."

Peer Reviewer ONE Comment: A more appropriate response to this question would be "a." The information is to be posted on the Internet of every agency that gives subsidies; the Federal Transparency Law mandates on article 7 that the number and list of beneficiaries is public, so the information is available on every agency's site with subsidies programs. See also the mandate for publicity on beneficiaries of social programs in the Budget Decree (Presupuesto de Egresos de la Federación).

Peer Reviewer TWO Comment:

IBP Comment: IBP editors chose to keep answer "c" to maintain consistency with the criteria used for selecting answers across countries.

51. Are the non-financial data presented useful for assessing how an expenditure program is performing?

- 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).

c

Citation and/or comment: The non-financial data is, in general, useful to evaluate the performance of the implemented programs, when the indicators are well designed and presented. The non-financial data is useful particularly in the programs aimed to fight poverty and some other health programs. But the rest, like the support to agriculture or public security, include information that is not always useful. See comments in question 48, and see as an example, the information of the goals of the Secretariat of Agriculture in

http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2006/temas/tomos/08/r08_mp.pdf

A persistent problem is the use of indicators that measure the "activities performed" as a percentage of the programmed activities, so that if few activities are programmed, the fulfillment of the goal is easier. Another problem is the disconnect between the indicator and the goal. The indicator of the goal "To promote sustainable development and improvement of the quality of life for more vulnerable rural communities...", for example, is an index that measures the agreements signed from the agreements programmed (and the goal for 2006 is of 15 agreements, in *ibid.* p. 3). Why 15 agreements? Who knows. Do they really serve to promote the sustainable development? It is impossible to determine it with this indicator. So, although the goals exist, there is no real, serious evaluation of the public expenditure. The rest, nevertheless, since the goals have not been linked to the programs, there is no connection between the goals, still where they exist, and the programs that regulate the government actions.

Researcher Response to Peer Reviewer: The answer is "c." Information is public and available, as I acknowledge, but it is not very useful. See my comment on why it is not useful, with examples and sources.

Peer Reviewer ONE Comment: A more appropriate response to this question would be "a." The information is public and available, see previous comment.

Peer Reviewer TWO Comment: In complete agreement.

IBP Comment: IBP editors chose to keep answer "c" to maintain consistency with the criteria used for selecting answers across countries.

52. Does the executive's budget or any supporting budget documentation contain performance indicators for expenditure programs?

- 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).

Citation and/or comment: There are performance indicators, however they are NOT associated to the programs, but to the responsible units and institutional activities. See comments in question 48. If they are considered as valid, then the answer should be "b."

Researcher Response to Peer Review: I couldn't agree more. The indicators are not strictly tied to programs. But IBP guidelines for answering have a broad understanding of what constitutes a "program" so that the answer of "b" is warranted. Furthermore, most expenditure allowing for it does have indicators, so "b" is more warranted than "c." It is a judgment call.

Peer Reviewer ONE Comment: A more appropriate response to this question would be "d." No performance indicators are presented in a way that they could be related to programs.

Peer Reviewer TWO Comment: A more appropriate response to this question would be "c." As the analyst has pointed out in his/her comments to the above questions, the indicators that do exist are profoundly insufficient and most of them do not really "count" as "performance indicators" at all.

IBP Comment: IBP editors chose to keep answer "b" to maintain consistency with the criteria used for selecting answers across countries.

b

<p>53. Are the performance indicators sufficiently well designed, such that one can assess whether there has been progress toward meeting policy goals?</p> <ul style="list-style-type: none"> a. All performance indicators are well designed. b. Most performance indicators are well designed. c. Some performance indicators are well designed, but most are not. d. No programs have performance indicators, or they are not well designed. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> See comments of questions 48-51, above.</p> <p><u>Researcher Response to Peer Reviewer:</u> Some indicators are well designed. Especially for poverty reduction programs. Let us not be (overzealous) ‘throw the baby away with bathwater’/ The answer is “c.”</p> <p><u>Peer Reviewer ONE Comment:</u> A more appropriate response to this question would be “d.” Same reasons as above.</p> <p><u>Peer Reviewer TWO Comment:</u></p> <p><u>IBP Comment:</u> IBP editors chose to keep answer “c” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>
<p>54. Are performance indicators used in conjunction with performance targets presented in the executive’s budget or any supporting budget documentation?</p> <ul style="list-style-type: none"> a. All performance indicators are used in conjunction with performance targets. b. Most performance indicators are used in conjunction with performance targets. c. Some performance indicators are used in conjunction with performance targets, but most are not. d. No performance indicators are used in conjunction with performance targets. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> However, there can be a disconnect between the goals and the indicator. Additionally, the “goals” in several cases are not specified. See comments to question 51.</p> <p><u>Peer Reviewer ONE Comment:</u> A more appropriate response to this question would be “d.” Same reasons as above.</p> <p><u>Peer Reviewer TWO Comment:</u></p> <p><u>IBP Comment:</u> IBP editors chose answer “b” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>

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).

b

Citation and/or comment: The information is provided separated in http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2006/temas/expo_motivos/01pe.pdf

Detailed information relative to each Secretariat involved (Social Development, Health, Education and Agriculture) in

http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2006/index.html

In the information by sector or administrative unit.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

Additional Key Information for Budget Analysis & Monitoring	
<p><i>Please note that the questions in this section ask about information that is generally available to the public. The information need not be included in the executive's budget proposal or supporting documents, but may be found in other documents issued by the executive.</i></p>	
<p>56. Does the executive make available to the public a description of the tax rate or fee schedule for all revenue sources?</p> <ol style="list-style-type: none"> a. Yes, extensive information on tax rates and fee schedules is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the rates and fees for major revenue sources, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information is not presented. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> Specially the base of calculation for the estimations of income when the Law of Income and the General Criteria of Economic Policy is presented. See, for example, the documents that the congress required to the Secretariat of Finance, to have a better perspective of the base of calculation of income and the impact of the tax rates.</p> <p>http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/comunicado_art_29_lif_2005_art_31_sat.pdf</p> <p>http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/estudio_art_31_lif_version_final.pdf</p> <p>http://www.shcp.sse.gob.mx/contenidos/shcp/comunicados/documentos/gf_2005.pdf (DEAD LINK)</p> <p>This information was NOT included in the economic package 2006, where the explanation of motives of the Law of Income is still a non-detailed narration of 5 pages stating only the general estimations.</p> <p>http://www.shcp.sse.gob.mx/contenidos/shcp/programa_economico/documentos/LIF_2006_FORMATEADA_0905-2.pdf</p> <p><u>Researcher Response to Peer Reviewer:</u> The reason the answer is “c” is that the information is incomplete (no basis for the calculations are explicitly incorporated), and that it was demanded by the legislators, after which there was no follow-up. In my assessment, the answer should be “c.” The fact that the link for one of these documents is now DEAD shows how much enthusiasm the Finance ministry has for divulging this information.</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”, since this section is not about what is explicitly included in the executive budget, but about other documents issued by the executive.</p> <p><u>IBP Comment:</u> IBP editors chose to keep answer “c” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>

57. Does the executive make available to the public an analysis of the distribution of the tax burden?

- a. Yes, a detailed analysis of the distribution of the tax burden is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, an analysis is presented, highlighting key aspects of the distribution, but some details are excluded.
- c. Yes, some analysis is presented, but it lacks important details.
- d. No analysis on the distribution of the tax burden is presented.
- e. Not applicable/other (please comment).

Citation and/or comment: An analysis of the distribution of the tax burden was performed in 2005 by explicit requirement of the legislature, but details are excluded and it is not incorporated in the discussion of the economic pack. See http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/comunicado_art_29_lif_2005_art_31_sat.pdf

Researcher Response to Peer Reviewer: The analysis was presented *ex-professo* and has not been updated since. This makes it an extraordinary case rather than the norm. In my assessment, the answer should be “d.”

Peer Reviewer ONE Comment: A more appropriate response to this question would be “b.” The comment points out precisely that analysis is presented; actually, there is a legal mandate to do so.

Peer Reviewer TWO Comment:

IBP Comment: IBP editors chose to keep answer “d” to maintain consistency with the criteria used for selecting answers across countries.

d

58. Does the executive make available to the public an explanation of the conditions associated with assistance from international financial institutions (IFI)?

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

b

Citation and/or comment:

Researcher's response to this question was "c." Though the provided information is for small amounts, we know that there exists expenditure associated to loans that should be disaggregated.

This information is not presented in the budget. See, as an example, the approval note of a multi-year loan of more than 200 million of dollars from the World Bank to Mexico, reported by the WB in

<http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20637199~pagePK:34370~piPK:34424~theSitePK:4607,00.html>

It is impossible to find this information in the budget.

Researcher Response to Peer Reviewer: I agree some information exists, somewhere, though it is not presented or explicitly "made available to the public" in any way or form, unless the information is requested formally. The answer should be "b."

Peer Reviewer ONE Comment: A more appropriate response to this question would be "b." The question refers to availability to the public, which is the case. Wrongly, the 5 options refer to "presentation to the public." The information has been requested and made available to the public. IFI loans to Mexican government is not secret, in any case, it needs previous approval by Congress and regular reports by government.

Peer Reviewer TWO Comment: A more appropriate response to this question would be "c," since this section is not about what is explicitly included in the executive budget, but about other documents issued by the executive.

IBP Comment: IBP editors chose answer "b" to maintain consistency with the criteria used for selecting answers across countries.

59. Does the executive make available to the public an explanation of the conditions associated with assistance from donor countries?

- a. Yes, extensive information on conditions associated with donor country assistance is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on conditions associated with donor country assistance is not presented.
- e. Not applicable/other (please comment).

b

Citation and/or comment:

Researcher's response to this question was "d." Though the provided information is for small amounts, we know that there exists expenditure associated to loans that should be disaggregated.

Researcher's response to Peer Reviewer: In light of comment, "b" might be more appropriate.

Peer Reviewer ONE Comment: A more appropriate response to this question would be "a." Same criteria as above. The information is public, and although it might not be "presented to the public," it cannot be classified.

Peer Reviewer TWO Comment:

IBP Comment: IBP editors chose answer "b" to maintain consistency with the criteria used for selecting answers across countries.

<p>60. Does the executive make available to the public a summary that describes the budget and its proposals?</p> <ul style="list-style-type: none"> 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><u>Citation and/or comment:</u> Yes, in the exposition of motives of the Budget, in three parts. See http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2006/temas/expo_motivos/em01.pdf http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2006/temas/expo_motivos/em02.pdf http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2006/temas/expo_motivos/em03.pdf</p> <p>The deficiencies are the absence of a normative medium term budget framework and the relation between the general criteria of the economic policy and the budget, in a more specific way.</p> <p><u>Peer Reviewer ONE Comment:</u> It is the one of the primary purposes of the document called “Exposición de motivos.”</p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>
<p>61. Does the executive publish a “citizens budget” or some non-technical presentation intended for a wide audience that describes the budget and its proposals?</p> <ul style="list-style-type: none"> a. Yes, it publishes a citizens budget that is very informative. b. Yes, it publishes a citizens budget that is somewhat informative. c. Yes, but the citizens budget is not very informative. d. No, it does not publish a citizens budget. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>

<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> <ol style="list-style-type: none"> Yes, thorough definitions of budget terms are provided. Yes, definitions are provided, but some details are excluded. Yes, some definitions are provided, but it lacks important details. No, definitions are not provided. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p>Researcher Response to Peer Reviewer: The document cited does not include non-technical definitions and it is certainly not intended for the public. The answer is “d.” The Ministry of Finance has in fact been taking off-line some very useful documents and sites it had there before 2000.</p> <p>Peer Reviewer ONE Comment: A more appropriate response to this question would be “a.” Information is fully available in different documents regarding the budget, particularly “las normas para el ejercicio del presupuesto.”</p> <p>Peer Reviewer TWO Comment:</p> <p>IBP Comment: IBP editors chose to keep answer “d” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">d</div>
<p>63. Does the executive make available to the public a summary of the budget process?</p> <ol style="list-style-type: none"> Yes, it includes a summary of the budget process that is very informative. Yes, it includes a summary of the budget process that is somewhat informative. Yes, but the summary of the budget process is not very informative. No, it does not include a summary of the budget process. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p>Researcher’s response to this question was “c.” Although the summary exists, is not public knowledge. The interaction of the Executive generally occurs with the legislative, and never, or almost never, with the citizens. When there have been important modifications (for example, to the system of performance evaluation), it was not until the budget was elaborated that the Executive reported the change.</p> <p>Researcher Response to Peer Reviewer: This question refers to a summary of the process, not the budget. The answer is “d.”</p> <p>Peer Reviewer ONE Comment: A more appropriate response to this question would be “b.” See “expocisión de motivos” of the new budget law, very informative and available on Internet (both Congress and Executive site).</p> <p>Peer Reviewer TWO Comment:</p> <p>IBP Comment: IBP editors chose answer “d” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">d</div>

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

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

b

Citation and/or comment:

Researcher’s response to this question was “a.” The access to information is guaranteed by law, with exceptions, and it is regulated by the “Instituto Federal de Acceso a la Información Pública” (IFAI); This institute has a high profile, and has performed an important roll in the last years, particularly in what is relative the information on resources from the bank rescue and public trusts. See <http://www.ifai.org.mx/>

Researcher Response to peer Review: It is a judgment call. I tend to agree with the peer reviewer, so I would agree changing to “b.”

Peer Reviewer ONE Comment: See the changes noted in the comment section above.

Peer Reviewer TWO Comment: A more appropriate response to this question would be “b.” Mexico’s freedom of information law includes a special exemption which makes confidential all information which may “harm economic or financial stability.” This had permitted the finance ministry to hold large amounts of important information secret and thereby block budget accountability.

IBP Comment: IBP editors chose answer “b” to maintain consistency with the criteria used for selecting answers across countries.

65. 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)?

b

- a. In practice, highly disaggregated information is available to the public for all programs except those considered related to national security or military intelligence.
- b. In practice, highly disaggregated information is available to the public for programs representing at least two-thirds of, but not all, expenditures.
- c. In practice, highly disaggregated information is available to the public for programs representing less than two-thirds of expenditures.
- a. In practice, no highly disaggregated expenditure information is available.
- b. Not applicable/other (please comment).

Citation and/or comment:

Researcher's response to this question was "a." Nevertheless there continues to be reluctance and institutional rejection to the access of information. For the rest, it is still to be seen how the structure of the budget by programs will be after this administration, since the programs do not seem to be the base of the budgeting as they are not either of the evaluation, with some exceptions.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: A more appropriate response to this question would be "b." Mexico's freedom of information law includes a special exemption which makes confidential all information which may "harm economic or financial stability". This had permitted the finance ministry to hold large amounts of important information secret and thereby block budget accountability.

IBP Comment: IBP editors chose answer "b" to maintain consistency with the criteria used for selecting answers across countries.

66. 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 and/or comment: Through the IFAI. See comments of questions 64-65.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

b

Section Three: The Budget Process

The Budget Process	
Executive's Formulation of the Budget	
<p>67. How far in advance of the release of the budget is the day of its release known?</p> <ul style="list-style-type: none"> a. The release date is set in permanent law. b. The executive announces the release date at least two months in advance. c. The executive announces the release date less than two months but more than two weeks in advance. d. The executive announces the release date two weeks or less before the release, or makes no announcement. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	a
<p>68. Does the executive release to the public its timetable for its budget preparation process?</p> <ul style="list-style-type: none"> a. Yes, a detailed timetable is released to the public. b. Yes, a timetable is released, but some details are excluded. c. Yes, a timetable is released, but it lacks important details. d. No, a timetable is not issued to the public. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> There is no "timetable" <i>per se</i>, however the information of the calendar and stages is available to the public, although it is not distributed. In addition, the process is complicated, like the manual and memos of the Secretariat of Finance, reason why it is very difficult to have a clear sense of the budgetary process even by consulting the sources and documents of the Secretariat. See http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/lineamientos/2006/index.html</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	c

<p>69. Does the executive adhere to its timetable for the preparation and release of the budget?</p> <ul style="list-style-type: none"> a. The executive adheres to the dates in its timetable. b. The executive adheres to most of the key dates in its timetable. c. The executive has difficulty adhering to most of the dates in its timetable. d. The executive does not adhere to the dates in its timetable, or it does not release to the public its timetable. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>
<p>70. Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?</p> <ul style="list-style-type: none"> a. Yes, the executive holds extensive consultations with a wide range of legislators. b. Yes, the executive holds consultations with a range of legislators, but some key members are excluded. c. Yes, the executive holds very limited consultations, involving only a few members of the legislature. d. No, the executive does not typically consult with members of the legislature as part of the budget preparation process. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> It is not until the budget is presented to the Congress that the dependencies of the executive consider and incorporate the legislators in the discussion.</p> <p><u>Peer Reviewer ONE Comment:</u> There is no doubt there are meetings with members of the Budget Committee in the House, but it is hard to document it.</p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>

<p>71. Does the executive hold consultations with the public as part of its process of determining budget priorities?</p> <ul 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 and/or comment:</u></p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
---	---

72. When does the executive release a pre-budget statement to the public?

- a. The executive releases a pre-budget statement at least four months in advance of the start of the budget year.
- b. 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.
- c. The executive releases a pre-budget statement, but it is released less than two months before the start of the budget year.
- d. The executive does not release a pre-budget statement.
- e. Not applicable/other (please comment).

d

Citation and/or comment: The date, in this year, was September 5. The established date in the Constitution is September 8th. It is released with the budget, so there is not, as such, a preliminary document. Before, the *Criterios Generales de Política Económica* CGPE were released with anteriority.

Researcher Response to the Peer Reviewer: I did not explain the situation correctly in the comment, so let me clarify: In 2005, the Pre-budget document was turned in at practically the same time, but in a separate document, because it was a transition year. The rule had been that the CGPE were presented at least one month before the budget, in October-November. With the new Law (enacted in March 2006), the CGPE will be presented with the budget, but a new budget document, equivalent to the pre-budget document, will be presented April 1st. There is some inconsistency in the requirements, but the document is foreseen in the law, so it is to be expected that a pre-budget document will continue to exist. The answer now would be “a.” I chose “b” to reflect the practice up to 2005.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: A more appropriate response to this question would be “d” (or “e”?), since there is no formal “pre-budget statement.” The information about the economic forecast and how the budget fits into this perspective is included with the budget itself, four months before the beginning of the fiscal year.

IBP Comment: IBP editors chose to keep answer “d” to maintain consistency with the criteria used for selecting answers across countries. The questions on this questionnaire (unless a legal requirement is specifically referred to) are intended to reflect what happens in practice, rather than what may be a requirement in law. IBP editors chose “d” to reflect the concurrent release of the pre-budget statement in 2005, due to the fact that it was a transition year.

<p>73. Does the pre-budget statement describe the government’s macroeconomic and fiscal framework?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the government’s fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key aspects of the fiscal and macroeconomic framework, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> Particularly, the bases of the income calculations are excluded. See the CGPE in http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2006/temas/criterios/criterios.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p> <p><u>IBP Comment:</u> Please see comment to Question 72.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
---	---

<p>74. 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> <ol style="list-style-type: none"> Yes, an extensive explanation of the government’s budget policies and priorities is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key aspects of the government’s budget policies and priorities, 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 and/or comment:</u></p> <p>Researcher’s response to this question was “b.” The general criteria incorporate a description of the policy of expenditure that does not link the expenditure with the priorities nor it present significant variations (when there are) in the budget. The document follows a rigid structure and formulation with little variation every year. See http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/ppef/2006/temas/criterios/criterios.pdf</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment: A more appropriate response to this question would be “c,” for the reasons pointed out by the analyst. These are “important details.”</p> <p>IBP Comment: IBP editors chose answer “d” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">d</div>
Legislative Approval of the Budget	
<p>75. How far in advance of the start of the budget year does the legislature receive the budget?</p> <ol style="list-style-type: none"> The legislature receives the budget at least three months before the start of the budget year. The legislature receives the budget at least six weeks, but less than three months, before the start of the budget year. The legislature receives the budget less than six weeks before the start of the budget year. The legislature does not receive the budget before the start of the budget year. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> The budget is released three months before the start of the budget year. The predicted date in the Constitution is September 8. See http://www.cddhcu.gob.mx/leyinfo/pdf/1.pdf</p> <p>Peer Reviewer ONE Comment:</p> <p>Peer Reviewer TWO Comment:</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>

76. 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 and/or comment: It is established by the Constitution. With few exceptions most of the hearings where the fiscal panorama is discussed are not open to the public, or they are but there is no dissemination of the dates and issues to be discussed. For the rest, though, the hearings of this kind are few, since the budget is considered at the same time as the summary of the government report, which occupies the majority of the legislative activities during September and October.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: A more appropriate response to this question would be “c.” As the analyst correctly notes, the public at large is not informed or invited to participate in discussing the budget. The “public” hearings are mandated by law, but they are really just among friends or colleagues of the congressmen. For all intents and purposes the public is not “heard” by Congress.

IBP Comment: IBP editors chose to keep answer “b” to maintain consistency with the criteria used for selecting answers across countries.

b

<p>77. Do legislative committees hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the executive branch is heard?</p> <ol style="list-style-type: none"> Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the executive branch is heard. Yes, hearings are held, covering key administrative units, in which testimony from the executive branch is heard. Yes, a limited number of hearings are held in which testimony from the executive branch is heard. No, public hearings are not held on the budgets of administrative units in which testimony from the executive branch is heard. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> Generally, when significant modifications are being looked at or when the dependencies seek to promote new programs, they meet with the legislative committees. But these hearings and their dissemination are limited.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>
<p>78. Does a legislative committee (or committees) hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the public is heard?</p> <ol style="list-style-type: none"> Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the public is heard. Yes, hearings are held, covering key administrative units, in which testimony from the public is heard. Yes, a limited number of hearings are held in which testimony from the public is heard. No, public hearings are not held on the budgets of administrative units in which testimony from the public is heard. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p><u>Researcher’s response to this question was “d.”</u> Generally, when there are hearings of this kind, they are not public or the date and content of the hearing are not previously released to public.</p> <p><u>Peer Reviewer ONE Comment:</u> A more appropriate response to this question would be “c.” Public hearings with organized and civil society group and become increasingly common, although few are held with the House Congress Committee. They focus on specific programs budget allocation. There are press reports on them.</p> <p><u>Peer Reviewer TWO Comment:</u></p> <p><u>IBP Comment:</u> IBP editors chose answer “c” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>

<p>79. Do the legislative committees that hold public hearings release reports to the public on these hearings?</p> <ol style="list-style-type: none"> Yes, the committees release very informative reports, which include all written testimony presented at the hearings. Yes, the committees release reports, but some details are excluded. Yes, the committees release reports, but they are not very informative. No, the committees do not release reports or do not hold public hearings. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> Even when there are public hearings, legislative information on them is null. See as an example the deficient pages of the legislative committees linked to the budget, the Finance and Public Credit, in http://www.diputados.gob.mx/comisiones59legislatura/shcp/index.htm and the Budget and Public Account, in http://www.diputados.gob.mx/comisiones59legislatura/presupuesto/index.htm</p> <p><u>Peer Reviewer ONE Comment:</u> The meetings describe above are currently covered by the media; but I would not be sure there are press official reports on them.</p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
<p>80. Does the executive present more details or provide a better explanation of any budget proposal, if members of the legislature (including from minority parties) request such information?</p> <ol style="list-style-type: none"> The executive responds to such legislative requests, and it generally provides an appropriate and timely response. The executive responds to such legislative requests, but its responses are sometimes not appropriate or timely. The executive responds to such legislative requests, but its responses are typically not appropriate or timely. The executive responds selectively or ignores such legislative requests. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> This was evident in 2003 and 2004, when important reforms that were not carried out because of the bad relationship between the Executive and legislative were promoted.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>

81. Is the legislature (or the appropriate legislative committee) given information for the budget year on the spending of secret items relating to, for instance, national security and military intelligence?

- a. Yes, the legislature is provided extensive information on all spending on secret items.
- b. Yes, the legislature is provided information on spending on secret items, but some details are excluded.
- c. Yes, the legislature is provided some information on spending on secret items, but it lacks important details.
- d. No, the legislature is provided no information on secret items.
- e. Not applicable/other (please comment).

Citation and/or comment:

Researcher's response to this question was "e." It has never been requested, plus the amounts associated to "secret" expenditure are not significant. (Since 1997, there is no allocation for secret budget items).

Researcher Response to Peer Reviewer: PR ONE means the legally allowed item-line for "secret" spending, but I am making reference to undisclosed budget allocations for security spending. Of course the money is disclosed in general, it has to be. It is allocated to CISEN, the National Security Center. What is undisclosed is what the Center does with that money, hence its "secrecy." Since no one has required detailed information of that spending (quite small), I opted for "e," as it may be the case that an audit is allowed. But in general, Congress is not given that information to begin with, so I now believe "d" is warranted. It is a judgment call.

Peer Reviewer One Comment: See the note in the comment section above.

Peer Reviewer TWO Comment: A more appropriate response to this question would be "d." The amounts are small, but the legislature is definitely not informed as to their use. The fact that Congress has never requested it does not mean that it would be handed over if it were requested.

IBP Comment: IBP editors chose answer "d" to maintain consistency with the criteria used for selecting answers across countries.

d

82. Does the legislature have authority to amend the budget presented by the executive?

- a. Yes, the legislature has unlimited authority to amend the budget.
- b. Yes, the legislature has authority to amend the budget, with some limitations.
- c. Yes, the legislature has authority to amend the budget, but its authority is very limited.
- d. No, the legislature does not have any authority to amend the budget.
- e. Not applicable/other (please comment).

c

Citation and/or comment: The fact that the authority of the Legislative to amend the budget is limited was endorsed this year by a constitutional controversy that the Supreme Court of Justice of the Nation solved with certain ambiguity. Although the resolution of the court on the constitutional controversy 109/2004 mandates that the Executive provide the legislators with its comments on the budget, which reinforces the Ability of the Executive to veto the budget and mandates that the legislators must consider the comments, the Court is silent on the faculties of the legislators. In fact, it was specifically decided to avoid the matter. Although the webpage of the SCJN publishes sentences, it does with certain irregularity. See <http://www.scjn.gob.mx>. For an informative brief of the sentence, see <http://www.jornada.unam.mx/2005/05/18/003n1pol.php>. The complete sentence in a website that is not the SCJN, is

<http://estadis.eluniversal.com.mx/graficos/sentencia.htm> (DEAD LINK)

The most important matter, relative to the limits of the Legislative to modify the budget, continues being a legal void. It will require a controversy that accuses the attribution of functions that do not correspond to one of the powers so that the Court pronounces on the matter, which could happen, if there is no change to the legal frame, in the next years. However, independent of this controversy, it is important to note that the power of the Executive to program and to assign resources to its programs is difficult to offset on the part of the Legislative. Although the legislators make modifications, generally they are made based on adjustments in the forecasts of income and cuts to the established programs, but the Legislators cannot create a new program, since this depends on the actions of the Executive (in addition to which the Law establishes clearly that the programs derive from the exercise of planning of the Executive, and not of the Legislative). Some of the "created" programs by the legislators in 2004 that were not planned to spend resources, spent resources (this is the case of the "Concurrent Special Program", to which they destined more than 5 billion pesos in 2004, which ended being implemented, although it is difficult to know how the expenditure was specifically adjusted. See the report of Public Account 2004, in

http://www.shcp.sse.gob.mx/contenidos/contabilidad_gubernamental/temas/informe_cuenta_publica/2004/documentos/g08/g0800t05.pdf). Nevertheless, in 2005 a part of the resources (which were subject to the controversy mentioned above) are still frozen. We will see if they are spent, but this will not happen but until CP 2005, in the middle of 2006. (For a brief description of the discussions that these resources generated in the last Report of September 13, see

<http://www.jornada.unam.mx/2005/09/14/010n1pol.php>). A formal resolution in the matter of attributions is evidently necessary. In addition, it is necessary that the committees be actively involved and throughout the year, during the formulation and the budgetary exercise, and not only during the stage of discussion and legislative approval. Otherwise, the legislators have neither the resources nor the faculty to make important modifications. For this, a very different scheme of participation is necessary from the one that exists at the moment.

Researcher response to Peer Reviewer: The legal ability to override the veto is not important for my answer. The limits are enormous even if the veto can be overridden. Please read the comments and source. As to whether there have been "significant" changes – the largest reallocation amounted to almost 2.7 % of the Budget, in 2002. This is NOT significant.

Peer Reviewer ONE Comment: A more appropriate response to this question would be "b." The legislature has the authority to amend the budget (which it has done every year significantly since 1997), but the modifications have to be acceptable to the president, who has the power to veto the proposed changes.

Peer Reviewer TWO Comment: See the changes noted in the comment section above. "(Dead Link)" was inserted in the comment section above.

IBP Comment: IBP editors chose to keep answer "c" to maintain consistency with the criteria used for selecting answers across countries.

<p>83. 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 and/or comment:</u> Subsequently, the Secretariat of Finance has published the modifications in the programmatic allocation. See http://www.shcp.sse.gob.mx/contenidos/presupuesto_egresos/temas/pef/2005/index.html</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">b</div>
Executive's Implementation of the Budget	
<p>84. 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 and/or comment:</u> The reports with greater detail, especially on information related to the cuts and exceeding funds, are released quarterly. To see the monthly reports, see http://www.shcp.gob.mx/eofp/portada.html</p> <p>The last quarterly report in: http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/intrim205.pdf http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/trime_anexos_205.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>

<p>85. 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 and/or comment:</u> Though they are not specified by program.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>
<p>86. 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> <ul style="list-style-type: none"> a. Yes, comparisons are made for all expenditures. b. Yes, comparisons are made for at least two-thirds, but not all, of expenditures. c. Yes, but comparisons are made for less than two-thirds of expenditures. 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 and/or comment:</u></p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>
<p>87. How often does the executive release to the public in-year reports on actual revenue collections by source of revenue?</p> <ul style="list-style-type: none"> a. In-year reports on actual revenue collections by source of revenue are released at least every month. b. In-year reports on actual revenue collections are released at least every quarter. c. In-year reports on actual revenue collections are released at least semi-annually. d. In-year reports on actual revenue collections by source of revenue are not released. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u></p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>

<p>88. What share of revenue is covered by the in-year reports on actual revenue collections?</p> <ul style="list-style-type: none"> a. In-year reports cover the actual revenue collections of all sources of revenue. b. In-year reports cover the actual revenue collections of at least two-thirds of, but not all, sources of revenue. c. In-year reports cover actual revenue collections of less than two-thirds of revenue sources. d. In-year reports on actual revenue collections are not released to the public. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> The last quarterly report in: http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/intrim205.pdf http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/trime_anexos_205.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>
<p>89. 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 and/or comment:</u> The last quarterly report in: http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/intrim205.pdf http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/trime_anexos_205.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>

<p>90. 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 and/or comment:</u> Monthly, in http://www.shcp.gob.mx/eofp/portada.html But the higher level of detail is released in the quarterly reports. The last quarterly report in: http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/intrim205.pdf http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/trime_anexos_205.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>
<p>91. 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> <ol style="list-style-type: none"> Yes, extensive information related to the composition of government debt is presented. Yes, key additional information is presented, but some details are excluded. Yes, some additional information is presented, but it lacks important details. No, additional information related to the composition of government debt is not presented, or such in-year reports on borrowing are not released. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> Only in quarterly reports in http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/intrim205.pdf http://www.shcp.sse.gob.mx/contenidos/shcp/informacion/documentos/trime_anexos_205.pdf (pp. 49 ff.)</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>

<p>92. 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> <ol style="list-style-type: none"> Reports are released 1 month or less after the end of the period. Reports are released 2 months or less (but more than 1 month) after the end of the period. Reports are released more than 2 months after the end of the period. In-year reports are not released. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> Generally 45 days after the quarter or month being reported.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>
<p>93. 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 and/or comment:</u> The information is not included in the mid-year report that presents much detail and other types of information. However, the information is included the second quarterly report, that complements the “Informe de Avance de Gestión.”</p> <p>In spite of this, the analysis of mid-year review is an important document with very valuable information; however, it does not include or explain changes in the economic forecasts. See http://www.shcp.sse.gob.mx/contenidos/contabilidad_gubernamental/temas/informe_avances/2005/index.html</p> <p>And http://www.shcp.sse.gob.mx/contenidos/contabilidad_gubernamental/temas/informe_avances/2005/documentos/sectorpublico/d00s01.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>

<p>94. 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 and/or comment:</u> In http://www.shcp.sse.gob.mx/contenidos/contabilidad_gubernamental/temas/informe_avances/2005/documentos/sectorpublico/d00s01.pdf Pp. 24 ff.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>
<p>95. 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 and/or comment:</u> This is an addition in 2005, since a database has been incorporated that even accounts for the accomplishment of goals. In http://www.shcp.sse.gob.mx/contenidos/contabilidad_gubernamental/temas/informe_avances/2005/index.html Menu “banco de información”, especially “Ejercicio Funcional Programático económico” for each unit.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>

<p>96. Does the executive release to the public a mid-year review of the budget that includes updated revenue estimates for the budget year underway?</p> <ul style="list-style-type: none"> a. Yes, the mid-year review includes updated revenue estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels. b. Yes, the mid-year review includes updated estimates of revenue, but some details on why estimates have changed are not provided. c. Yes, the mid-year review includes updated estimates of revenue, but important details on why estimates have changed are not provided. d. No, the mid-year review does not include updated revenue estimates for the budget year, or the executive does not release a mid-year review of the budget. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> In http://www.shcp.sse.gob.mx/contenidos/contabilidad_gubernamental/temas/informe_avances/2005/documentos/sectorpublico/d00s01.pdf However, the information exists and is available in the quarterly reports.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>
--	---

<p>97. Does the executive seek input from the legislature when the executive shifts funds between administrative units (except when the amounts are below a certain level, as specified in law or regulation)?</p> <ol style="list-style-type: none"> a. Yes, the executive seeks approval from the legislature before shifting funds between administrative units. b. Yes, the executive advises the legislature before shifting funds, giving the legislature an opportunity to block or modify the proposed adjustment. c. Yes, the executive seeks legislative approval, but only after the shift of funds has been implemented. d. No, the executive shifts funds between administrative units without seeking input from the legislature. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> Almost never are there important transfers between different dependencies. Generally, modifications are made when there are exceeding revenues or when the income is insufficient. The executive only informs the legislative when there are important modifications. This is stipulated by articles 22 and 23 of the decree of the PEF, in http://www.gobernacion.gob.mx/dof/2004/diciembre/dof_20-12-2004_Vespertino.pdf P. 19 ff (the decree is not available in the web pages of the SHCP, but only in the one of DOF, from the constitutional controversy pointed out before).</p> <p>Although the budget establishes that the executive must inform to the legislature when there are cuts by more than 15 billion pesos, generally the executive reallocates exceeding resources without requiring the approval of the legislative, although these reassignments can or not be "transferences." The transferences in strict sense are few, and the lack of capacity of the legislative in this case is more related to the discretion of the Executive to make adjustments, with certain limits, than to its capacity for "funding" some headings with resources of other units.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">d</div>
--	---

<p>98. 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?</p> <ol style="list-style-type: none"> 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). <p><u>Citation and/or comment:</u></p> <p><u>Researcher’s response to this question was “b.”</u> Some examples are the reallocations of resources in the National Lottery, widely known, or the monitoring of the assigned resources to PRÓVIDA by the Secretariat of Health, that have proven to be badly implemented. For information of this case, see the report of Fundar in http://www.fundar.org.mx</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”. These cases are very important and they are not the only ones. But they are not the norm in procurement practices for the federal government.</p> <p><u>IBP Comment:</u> IBP editors chose answer “c” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>
--	---

99. When does the legislature typically approve supplemental budgets?

- 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).

b

Citation and/or comment: Although the adjustments and modifications to the budget technically are not complementary budgets, they represent important amounts, and the legislative only participates during the discussion, when padlocks are established in the way excess resources are assigned. In 2004, the adjustments were equivalent to 9.2%, and in 2005 it is anticipated that they are around 8%.

See results 2004 in the Public Account 2004, Policy of Expenditure, in

http://www.shcp.sse.gob.mx/contenidos/contabilidad_gubernamental/temas/informe_cuenta_publica/2004/documentos/r0/r02d15.pdf

In addition, to the margin of exceeding oil incomes, the Executive has total freedom to reallocate resources without informing to the Legislative as long as its exceeding funds generated by the dependencies that reallocates them and that are not contemplated in the padlock of the oil income, whose exceeding funds (this year) were destined to investment expenses. Consider as an example in 2004, when more than 152 thousand 100 million pesos were spent over what was budgeted, of which less than half is contemplated in the supposed padlock that determines the reallocation of the oil income. See Public Account 2004, Policy of Expenditure in http://www.shcp.sse.gob.mx/contenidos/contabilidad_gubernamental/temas/informe_cuenta_publica/2004/documentos/r0/r02d15.pdf

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

<p>100. In most years, how large are supplemental budget requests relative to the size of the original budget?</p> <ol style="list-style-type: none"> Supplemental budgets are generally equal to 2 percent or less of the original budget. Supplemental budgets are generally equal to more than 2 percent, but less than 5 percent, of the original budget. Supplemental budget are generally equal to more than 5 percent, but less than 10 percent, of the original budget. 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. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> In 2004, the adjustments were equivalent to 9.2%, and in 2005 it is estimated that they will be around 8%. See results in Public Account 2004, Policy of Expenditure in http://www.shcp.sse.gob.mx/contenidos/contabilidad_gubernamental/temas/informe_cuenta_publica/2004/documentos/r0/r02d15.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>
<p>101. When does the legislature approve the expenditure of contingency funds or other funds for which no specific purpose was identified in the budget?</p> <ol style="list-style-type: none"> Expenditures are approved before the funds are expended, or contingency funds or other funds with no specific purposes are not included in the budget. Expenditures are approved after the funds are expended, but before the end of the fiscal year. Expenditures are approved after the end of the fiscal year, for example in the next budget. Such expenditure takes place without legislative approval. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> See comment of question 97, above.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u> Agree with the response, but it is not clear how this relates to question 97.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>

Year End Report and the Supreme Audit Institution	
<p>102. How long after the end of the budget year does the executive release to the public a year-end report or another document that discusses the budget's actual outcome for the year?</p> <ol style="list-style-type: none"> Reports are released six months or less after the end of the fiscal year. Reports are released 12 months or less (but more than six months) after the end of the fiscal year. Reports are released more than 12 months after the end of the fiscal year. The executive does not release a year-end report. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> It is established in the Law of the Supreme Auditing of Federation, in article 8, in http://www.cddhcu.gob.mx/leyinfo/pdf/37.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">a</div>
<p>103. In the year-end report, or another document released to the public by the executive (please specify below), have the data on the actual outcomes been audited?</p> <ol style="list-style-type: none"> Yes, all data on actual outcomes have been audited. At least two-thirds, but not all, of the data on actual outcomes have been audited. Less than two-thirds of the data on actual outcomes have been audited. None of the data on actual outcomes has been audited, or a year-end report is not released. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> Generally the audits, when they are made, are not integrated to the Public Account until the period of its revision by Supreme Audit of Finance. As indicated by the Secretariat, most of these audits are preventive, and aim to eliminate obstacles to the expenditure implementation. Between September of 2004 and September of 2005, for example, 43 internal audits concluded, and other 14 began. It was considered that there was responsibility by the officers in 14 cases for the management of 800 billion pesos. Although the proportion of the budget audited is not indicated is evidently smaller, far less than a third.</p> <p>See the <i>5º Informe de Labores</i> of the SFP in http://www.funcionpublica.gob.mx/doctos/informe05/informeSFP05.pdf pp. 82 ff.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">c</div>

<p>104. Does the year-end report, or another document released to the public by the executive (please specify below), explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key differences, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or such a report is not released. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> Especially when the estimates of income are too moderate, the information is not always exhaustive. Similarly, explanations are omitted when there are important under-spent amounts, or it makes reference to memos and decrees not easily available to explain the transferences and cuts.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>
<p>105. 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, or another document released to the public by the executive (please specify below)?</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 and/or comment:</u> In the Public Account, Policy of Expenditure, in http://www.shcp.sse.gob.mx/contenidos/contabilidad_gubernamental/temas/informe_cuenta_publica/2004/index.html In the menu of “Banco de Información”, especially in the section ‘Analysis of the Programmatic Budget Executed.’</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>

<p>106. Does the year-end report, or another document released to the public by the executive (please specify below), 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 and/or comment:</u> In the Public Account, Policy of Income, in http://www.shcp.sse.gob.mx/contenidos/contabilidad_gubernamental/temas/informe_cuenta_publica/2004/documentos/r0/r02d10.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">b</div>
<p>107. Does the year-end report, or another document released to the public by the executive (please specify below), 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 and/or comment:</u> Information is presented in the sources mentioned in the comments to questions 105 and 106, but only for variations in the price of petroleum or important economic variations that affect the budgetary income. Nevertheless, it is not explained why the forecast varied, with some exceptions, it is only mentioned that there was a variation and consequently an explanation of how it affected incomes and expenditures is presented. In general, the Executive is almost always mistaken in the estimations of growth of the GDP, budgetary revenues and the price of petroleum, and it does not render accounts of why there is that much variation.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">c</div>

<p>108. Does the year-end report, or another document released to the public by the executive (please specify below), 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 and/or comment:</u> Non-financial information is not so well presented as the budgetary information in the Public Account, especially in relation to the difference between the original estimations and the results.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>
<p>109. Does the year-end report, or another document released to the public by the executive (please specify below), 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 and/or comment:</u></p> <p><u>The researcher marked the answer as “b.”</u> The explanation leaves much to desire, but it should be highlighted that the Public Account 2004 includes a special section for the goals and indicators presented in the same terms as the Budget of Expenditures. In http://www.shcp.sse.gob.mx/contenidos/contabilidad_gubernamental/temas/informe_cuenta_publica/2004/index.html In the menu “Banco de Información”, in the section of “Análisis del Cumplimiento de las Metas Presupuestarias.” Given the bad design of a significant portion of the indicators, the goals are almost always fulfilled. See comments to questions 48-51, above.</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 profound weakness of the performance indicators does not allow for an adequate evaluation of differences between projections and compliance of program impact.</p> <p><u>IBP Comment:</u> IBP editors chose answer “c” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>

<p>110. Does the year-end report, or another document released to the public by the executive (please specify below), 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 and/or comment:</u> Yes, in the relevant section of the units in charge of the programs. In 2004, for the Secretariat of Social Development, in http://www.shcp.sse.gob.mx/contenidos/contabilidad_gubernamental/temas/informe_cuenta_publica/2004/documentos/g20/g2000t05.pdf</p> <p>It should be pointed out, however, that some details of the programs that subsidize milk and provision, operated by public companies (Diconsa y Liconsa) do not have the same level of explanation and detail.</p> <p>In 2004, for example, for DICONSA it is explained an under-execution of the budget, but it is not detailed the causes of the under-execution, in Public Account 2002, in http://www.shcp.sse.gob.mx/contenidos/contabilidad_gubernamental/temas/informe_cuenta_publica/2004/documentos/g20/g2002x05.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>
<p>111. Does the year-end report, or another document released to the public by the executive (please specify below), 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 and/or comment:</u> The information of extra-budgetary funds is not detailed as the rest of the information in the Public Account.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>

<p>112. How long after the end of the fiscal year are the final expenditures of national departments audited and (except for secret programs) released to the public?</p> <ol style="list-style-type: none"> Final audited accounts are released to the public six months or less after the end of the fiscal year. Final audited accounts are released 12 months or less (but more than six months) after the end of the fiscal year. Final audit accounts are released more than 12 months, but within 24 months of the end of the fiscal year. Final audited accounts are not completed within 24 months after the end of the fiscal year or they are not released to the public. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> March 31 of the following year to the budget exercise, according to what it is established in the article 30 of the Law of Supreme Prosecution of the Federation, in http://www.cddhcu.gob.mx/leyinfo/pdf/37.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>
<p>113. Two years after the completion of a fiscal year, what percentage of expenditure has been audited and (except for secret programs) the reports 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. Expenditures representing less than two-thirds of expenditure have been audited. No expenditures have been audited, or the reports have not been released to the public. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> According to the report, 338 audits were made, from which 24 were of Performance, 249 of Regularity and Financial Fulfillment, 56 of Special Reasons and 9 of Monitoring. Source: Executive brief of the Report of the Public Account made by the Supreme Auditing of the Federation, in http://www.asf.gob.mx/trans/Doctos/Resumenejec03.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u> The Supreme Federal Auditor is vastly under funded and by no means covers two-thirds of the budget.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">c</div>

<p>114. Do year-end audit reports of departmental expenditure that are released to the public include an executive summary?</p> <ul style="list-style-type: none"> a. All of these audit reports include an executive summary. b. Most of these reports include an executive summary. c. Some of these reports include an executive summary. d. None of these audit reports include an executive summary, or such reports are not released to the public. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> In the Report of Results of the Review and Supreme Prosecution of the Public Account 2003, in http://www.asf.gob.mx/prensa/msg.htm And http://www.asf.gob.mx/trans/Doctos/Resumenejec03.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>
<p>115. 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> <ul style="list-style-type: none"> a. Yes, the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before they are removed. b. No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature. c. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> See Law of Supreme Oversight of the Federation, in http://www.cddhcu.gob.mx/leyinfo/pdf/37.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>

<p>116. Does the Supreme Audit Institution release to the public audits of extra-budgetary funds?</p> <ol style="list-style-type: none"> Yes, the SAI releases to the public audits of all extra-budgetary funds. Yes, the SAI releases audits representing at least two-thirds of, but not all, extra-budgetary funds. Yes, the SAI releases audits representing less than two-thirds of all extra-budgetary funds. No, the SAI does not release to the public audits of extra-budgetary funds, or it does not audit such funds. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> Yes, when they are performed. The diverse units and sectors, including energy, health, tourism and others. See http://www.asf.gob.mx/trans/informes/ir2003i/Indice/Auditorias.htm</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">a</div>
<p>117. Beyond the established year-end attestation audits, does the Supreme Audit Institution (SAI) have discretion in law to undertake those audits it may wish to?</p> <ol style="list-style-type: none"> The SAI has full discretion to decide which audits it wishes to undertake. The SAI has significant discretion, but faces some limitations. The SAI has some discretion, but faces considerable limitations. The SAI has no discretion to decide which audits it wishes to undertake. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> Especially after the Court's resolution that limits the time in which the SAI can undertake audits, in response to the Constitutional controversy 91-2003, unfortunately. See the own answer of the SAI in the Sentence, in http://www.asf.gob.mx/prensa/bop270605.pdf</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u></p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">b</div>

118. Who determines the budget of the Supreme Audit Institution?

- 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).

Citation and/or comment:

Researcher's response to this question was "a."

Researcher Response to Peer Reviewer: Some SAI complaints regarding funding and abilities have recently surfaced, warranting a change to "c." I agree.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: A more appropriate response to this question would be "c". The ASF is vastly under funded and can only carry out around 300 audits a year.

IBP Comment: IBP editors chose answer "c" to maintain consistency with the criteria used for selecting answers across countries.

c

<p>119. Does a committee of the legislature view and scrutinize the audit reports?</p> <ul style="list-style-type: none"> a. Yes, all audit reports are scrutinized. b. Yes, most audit reports are scrutinized. c. Yes, some audit reports are scrutinized. d. No, audit reports are not scrutinized. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> Although in theory all information on audits is examined, the information of the Commission of Monitoring and the Commission of Budget and Public Account have proven to be a little unsophisticated. Still, there is no opinion or report of the revision of the Public Account 2003.</p> <p><u>Researcher Response to Peer Review:</u> I am familiar with these reviews, and disagree. These are not highly sophisticated reviews. In addition, they are highly irregular, contingent on the legislature, and not a constant. The answer should be “b.”</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 “Unidad de Evaluación y Control” of Comisión de Vigilancia annually issues highly sophisticated reviews of ASF performance both immediately after the release of the <i>Informe</i> and during the following months.</p> <p><u>IBP Comment:</u> IBP editors chose to keep answer “b” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">b</div>
<p>120. Does the executive make available to the public a report on what steps it has taken to address audit recommendations or findings that indicate a need for remedial action?</p> <ul style="list-style-type: none"> a. Yes, the executive reports publicly on what steps it has taken to address audit findings. b. Yes, the executive reports publicly on most audit findings. c. Yes, the executive reports publicly on some audit findings. d. No, the executive does not report on steps it has taken to address audit findings. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> Although the information is public, it is not widely disseminated to the public.</p> <p><u>Peer Reviewer ONE Comment:</u></p> <p><u>Peer Reviewer TWO Comment:</u> Also the information is not very detailed.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: auto; display: flex; align-items: center; justify-content: center;">c</div>

121. 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?

- 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).

Citation and/or comment:

Researcher's response to this question was "b." Generally these decisions are informed by the SAI itself in their reports and bulletins.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: A more appropriate response to this question would be "c." The Auditor usually limits itself to informing whether its recommendations have been "solventados" or not without any further explanation or detail. Just about all recommendations are mysteriously "resolved" each year. The Auditor also rarely actually punishes or brings charges against public servants.

IBP Comment: IBP editors chose to keep answer "b" to maintain consistency with the criteria used for selecting answers across countries.

b

<p>122. Are audit reports related to national security 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 national security 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 and/or comment:</u> Although there have not been such audits, they can be undertaken in conformity with the current legal framework.</p> <p><u>Researcher Response to Peer Review:</u> Answer “d” indicates that no audits are taking place. The answer is “d.”</p> <p><u>Peer Reviewer ONE Comment:</u> A more appropriate response to this question would be “e.” If there haven’t been any of those audits –as rightly pointed out- it is a matter of non applicability.</p> <p><u>Peer Reviewer TWO Comment:</u></p> <p><u>IBP Comment:</u> IBP editors chose to keep answer “d” to maintain consistency with the criteria used for selecting answers across countries.</p>	<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">d</div>
---	---

Additional Peer Reviewer ONE Comment

I recommended a brief addendum giving the recent approval and enactment of a new budget law at the federal level.

Researcher Response to Peer Reviewer:

On March 30th 2006, a new *Budget and Fiscal Responsibility Law* was enacted in Mexico. The new Law is a broad ranging law governing key aspects of the budget process, and it entails important changes for the process in Mexico and the characteristics of the Budget. The Law is the culmination of more than 5 year of work in the Lower and Upper chambers of Congress across two legislatures, and the end result has some important advantages. Most notably, it institutionalizes and formalizes the distribution of outstanding resources resulting from oil and other windfalls. It provides legislators more time to discuss, and negotiate the Budget, and it establishes a zero-deficit policy that will be hard to unsettle each year. It establishes key parameters to govern resource allocation during the exercise, and consequently it may help (that is yet to be determined) curtail the Government's discretion and abuse of its authority to re-allocate resources exceeding those foreseen by the budget at the start of the year. On the negative side, although it establishes criteria and parameters for results-oriented budget and the incorporation of effective performance indicators, there is no fundamental change to the actions already underway, which have proven most inefficient for effectively allocating resources and establishing useful, reliable, performance indicators. These will still depend on the professionalism of the government agencies, which has so far been lacking, and are wholly at the discretion of authorities with no incentives to effectively measure performance. In addition, although nominally the law creates a medium term expenditure framework in reality the information required for that framework and the usage it foresees will not create the incentives and dynamic intended by the MTEF. The incorporation of a requirement for multiyear information that is not broken down into agencies, functions or programs; nor expenditure in general nor even revenue makes this attempt at establishing a medium term outlook mere window dressing. Much remains to be done to change the system of incentives, checks and balances that will create a real medium-term concern and effective legislative control of the Budget.

For the law see

www.diputados.gob.mx/LeyesBiblio/doc/LFPRA.doc