International Budget Project
OPEN BUDGET QUESTIONNAIRE

PERU

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: MS. TAMIKO HASEGAWA
Organization: CENTRO DE INVESTIGACIÓN DE LA UNIVERSIDAD DEL PACIFICO (CIUP)
Address: Av. Salaverry 2020, Jesus Maria
Peru
Telephone: (+511) 219 0100
E-mail: pthasega@maxwell.syr.edu
Internet Website: www.up.edu.pe/ciup
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 ........................................ 9

Section Two: The Executive’s Budget Proposal .................................................10
  Estimates for the Budget Year and Beyond .................................................................. 11
  Estimates for Years Prior to the Budget Year ................................................................. 22
  Comprehensiveness ......................................................................................................... 31
  The Budget Narrative & Performance Monitoring .......................................................... 38
  Additional Key Information for Budget Analysis & Monitoring ......................................... 42

Section Three: The Budget Process........................................................................48
  Executive’s Formulation of the Budget .......................................................................... 49
  Legislative Approval of the Budget .................................................................................. 53
  Executive’s Implementation of the Budget ....................................................................... 58
  Executive’s Year-End Report and the Supreme Audit Institution ...................................... 68
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.”

<table>
<thead>
<tr>
<th>Budget Documents Used in Completing the Questionnaire</th>
<th>Budget Year Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Budget Statement</td>
<td>2005</td>
</tr>
<tr>
<td>Budget Summary</td>
<td>2005</td>
</tr>
<tr>
<td>Executive’s Budget Proposal</td>
<td>2005</td>
</tr>
<tr>
<td>Supporting Budget Documents</td>
<td>2005</td>
</tr>
<tr>
<td>Citizens Budget</td>
<td>Not Available</td>
</tr>
<tr>
<td>Enacted Budget</td>
<td>2005</td>
</tr>
<tr>
<td>In-Year Reports</td>
<td>2005</td>
</tr>
<tr>
<td>Mid-Year Report</td>
<td>2005</td>
</tr>
<tr>
<td>Year-End Report</td>
<td>2004</td>
</tr>
<tr>
<td>Audit Report</td>
<td>2003</td>
</tr>
</tbody>
</table>
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.”

<table>
<thead>
<tr>
<th>Budget Document</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citizens Budget</td>
<td>Not Produced</td>
</tr>
</tbody>
</table>
| In-Year Reports                  | \[http://www.mef.gob.pe/DGAES/btfiscal/BTF49Ago05.pdf](http://www.mef.gob.pe/DGAES/btfiscal/BTF49Ago05.pdf)  
|                                  | \[http://transparencia-economicamef.gob.pe/deuda/](http://transparencia-economicamef.gob.pe/deuda/)  
<table>
<thead>
<tr>
<th>Other Documents</th>
<th>Deuda:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fondos del Estado:</td>
</tr>
<tr>
<td></td>
<td>Estadísticas del proceso presupuestario:</td>
</tr>
<tr>
<td></td>
<td>Glosario:</td>
</tr>
<tr>
<td></td>
<td>Pensiones:</td>
</tr>
<tr>
<td></td>
<td>Revenues / Taxation:</td>
</tr>
<tr>
<td></td>
<td><a href="http://transparenciamef.gob.pe/recaudacion/">http://transparenciamef.gob.pe/recaudacion/</a></td>
</tr>
<tr>
<td></td>
<td><a href="http://www.sunat.gob.pe">http://www.sunat.gob.pe</a></td>
</tr>
<tr>
<td></td>
<td>Transparencia y Acceso:</td>
</tr>
<tr>
<td></td>
<td><a href="http://transparenciamef.gob.pe/recaudacion/">http://transparenciamef.gob.pe/recaudacion/</a></td>
</tr>
<tr>
<td></td>
<td>[[This link goes to Revenues / Taxation information which is a part of Transparencia Economica web site. I suggest to change the link and use the home page address, it shows all the information related to fiscal transparency and access to information issues established by Transparency and Access to Information Law <a href="http://transparenciamef.gob.pe">http://transparenciamef.gob.pe</a>]]</td>
</tr>
<tr>
<td></td>
<td>Adquisiciones:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Relevant Ministries &amp; Departments</th>
<th><a href="http://www.mef.gob.pe/">http://www.mef.gob.pe/</a></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><a href="http://www.pcm.gob.pe/">http://www.pcm.gob.pe/</a></td>
</tr>
<tr>
<td></td>
<td><a href="http://cpn.mef.gob.pe/">http://cpn.mef.gob.pe/</a></td>
</tr>
<tr>
<td></td>
<td><a href="http://www.consucode.gob.pe">http://www.consucode.gob.pe</a></td>
</tr>
<tr>
<td></td>
<td><a href="http://transparenciamef.gob.pe">http://transparenciamef.gob.pe</a></td>
</tr>
<tr>
<td></td>
<td><a href="http://www.sunat.gob.pe">http://www.sunat.gob.pe</a></td>
</tr>
</tbody>
</table>
Table 3. Distribution of Documents Related to the Executive’s Budget Proposal

<table>
<thead>
<tr>
<th>DISTRIBUTION OF BUDGET DOCUMENTS</th>
<th>Pre-budget</th>
<th>Executive’s Budget Proposal</th>
<th>Citizens budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Main document</td>
<td>Budget summary*</td>
<td>Supporting Document 1</td>
</tr>
<tr>
<td>A. Not produced, even for internal purposes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>B. Produced for internal purposes, but not available to the public</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>C. Produced and available to the public, but only on request</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>For the following reports, place “Yes” in the appropriate row below to indicate if the report is:</th>
<th>Pre-budget</th>
<th>Executive’s Budget Proposal</th>
<th>Citizens budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Main document</td>
<td>Budget summary*</td>
<td>Supporting Document 1</td>
</tr>
<tr>
<td>1. The release date is known at least one month in advance</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>2. Advance notification of release is sent to users, media</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>3. Released to public same day as official release to media</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>4. Available on the Internet free of charge</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>5. Free print copies available, limited distribution</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>6. Free print copies available, mass distribution</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>7. Readily available outside capital and/or big cities*</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>8. Written in more than one language</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>9. News conference is held to discuss release</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

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

Mark “Yes” if access by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.
Table 4. Distribution of the Enacted Budget and Other Reports

<table>
<thead>
<tr>
<th>DISTRIBUTION OF ENACTED BUDGET AND OTHER REPORTS</th>
<th>Enacted budget</th>
<th>In-year reports</th>
<th>Mid-year review</th>
<th>Year-end report</th>
<th>Audit report</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A.</strong> Not produced, even for internal purposes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B.</strong> Produced for internal purposes, but not available to the public</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>C.</strong> Produced and available to the public, but only on request</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>D.</strong> Produced and distributed to the public (for example, in libraries, posted on the Internet.)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>For the following reports, place a “Yes” in the appropriate row below to indicate if the report is:</th>
<th>Enacted budget</th>
<th>In-year reports</th>
<th>Mid-year review</th>
<th>Year-end report</th>
<th>Audit report</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The release date is known at least one month in advance</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>2. Advance notification of release sent to users, media</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>3. Released to public same day as official release to media</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>4. Available on the Internet free of charge</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>5. Free print copies available, limited distribution</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>6. Free print copies available, mass distribution</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>7. Readily available outside capital/big cities</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>8. Written in more than one language</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>9. News conference is held to discuss release</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

*Mark “Yes” if access is available by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.
Section Two: The Executive’s Budget Proposal

Notes on abbreviations:
BY = budget year (year for which the budget proposals are being made)
BY+1 = one year beyond the budget year
BY-1 = one year before the budget year
Please mark your answer by placing the appropriate letter in the box to the right of the question. For all answers marked “not applicable/other,” please provide a brief explanation indicating either why the answer choices provided are not applicable or why another response would be more appropriate.

<table>
<thead>
<tr>
<th>The Executive’s Budget Proposal</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimates for the Budget Year and Beyond</td>
<td></td>
</tr>
<tr>
<td>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)?</td>
<td>a</td>
</tr>
<tr>
<td>a. All expenditures are classified by administrative unit.</td>
<td></td>
</tr>
<tr>
<td>b. Expenditures are classified by administrative unit, but some small units are not shown separately.</td>
<td></td>
</tr>
<tr>
<td>c. Expenditures are classified by administrative unit, but a significant number of units are not shown separately.</td>
<td></td>
</tr>
<tr>
<td>d. No expenditures classified by administrative unit are presented.</td>
<td></td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
<td></td>
</tr>
</tbody>
</table>

Citation and/or comment: This information can be found in Annex 5 of the “Proyecto de Ley de presupuesto del sector público para el año fiscal 2005.” In addition, it appears in the supporting budget documentation, entitled “Exposicion de Motivos - Proyecto de Ley de presupuesto del sector público para el año fiscal 2005” (EM).

Regarding the supplementary materials, the supporting budget documentation considered for the case of Peru are the Marco Macroeconómico Multianual (MMM) 2005-2007 Revisado (after the release of the MMM around May, the Central Bank reviews it and the reviewed version is approved by the Council of the Ministries), the Exposición de Motivos, and the Directivas. Questions associated with these documents are questions 1-55.

Peer Reviewer ONE Comment:  

Peer Reviewer TWO Comment:
2. Does the executive’s budget or any supporting budget documentation present expenditures for the budget year that are classified by functional classification?

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

   Citation and/or comment: The information appears on pages 47-50 of “Exposicion de Motivos -Proyecto de Ley de presupuesto del sector público para el año fiscal 2005” (EM).

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:

---

3. Does the executive’s budget or any supporting budget documentation present expenditures for the budget year that are classified by economic classification?

   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).

   Citation and/or comment: This information can be found at the “Proyecto de Ley de presupuesto del sector público para el año fiscal 2005” (Annex 1). In addition, it appears on pages 44-47 of the EM.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:
4. Does the executive’s budget or any supporting budget documentation present expenditures for individual programs for the budget year?
   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).

*Citation and/or comment:* This information can be found in the main document’s Annex 2. In addition, given the definition of the term “program” provided in the guide (page 20): “any level of detail below an administrative unit such as a ministry or department,” this level of detail starts on page 56 of the EM.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

5. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for a multi-year period (at least two years beyond the budget year)?
   a. Yes, multi-year estimates of aggregate expenditure are presented.
   b. No, multi-year estimates of aggregate expenditure are not presented.
   c. Not applicable/other (please comment).

*Citation and/or comment:* This information appears in the “Marco Macroeconómico Multianual 2005-2007” (MMM) and in the “Marco Macroeconómico Multianual Revisado 2005-2007” (MMM Revisado) which establish the main macroeconomics assumptions for the fiscal year and the estimates for the two years beyond the budget year.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
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)?

   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).

Citation and/or comment: The MMM 2005-2007 Revisado provides this information (Annexes A6-A9) for one or more expenditure classification. In practice, the multi-year and disaggregated estimates are not presented for individual programs.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

7. Does the executive’s budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the budget year?

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

Citation and/or comment: The document entitled “Proyecto Ley de equilibrio financiero del presupuesto del sector público para el año fiscal 2005” and its “Exposición de motivos” provide this information. In addition, more information appears on pages 38-41 of the EM.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
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?

   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).

    **Citation and/or comment:** The document entitled “Proyecto Ley de equilibrio financiero del presupuesto del sector público para el año fiscal 2005” and its “Exposición de motivos” provide this information. In addition, more information appears on pages 41-43 of the EM.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

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)?

   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).

    **Citation and/or comment:** The MMM 2005-2007 provides this information on pages 41-43, entitled “Las finanzas públicas en el mediano plazo.”

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
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 MMM 2005-2007 Revisado provides this information (Annexes A6- A7 and A10- A15).

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

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:** The document entitled “Proyecto Ley de endeudamiento del sector público para el año fiscal 2005” and its “Exposición de motivos” provide this information. In addition, more information appears on page 42 of the EM. The MMM 2005-2007 also presents some information on page 44, section “Dinámica de la deuda y sostenibilidad” and in the Annexes A20-A24.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
12. Does the executive’s budget or any supporting budget documentation present interest payments on the debt for the budget year?

   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).

   Citation and/or comment: This information can be found on page 46 of the EM and in the Annexes A20-A24 of the MMM 2005-2007 Revisado.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:

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?

   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).

   Citation and/or comment: Based on the documents mentioned in questions 11 and 12, we concluded that key additional information is presented (for example: interest rates on the debt, domestic and external debt including the organizations involved) but the information is not extensive.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment: A more appropriate response to this question would be “a.” The government presents different sources of information regarding the government debt, not only the information referred to in questions 11 and 12. There are special sites: [http://www.mef.gob.pe/ESPEC/mercado_bonos.php](http://www.mef.gob.pe/ESPEC/mercado_bonos.php) that presents specific detail of public debt and national bonds, and [http://transparencia-economica.mef.gob.pe/deuda/](http://transparencia-economica.mef.gob.pe/deuda/) where a detail of the stock and disbursements can be found, not only at a national but also at a local level.

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

Researcher’s answer to the question was “a.” The MMM 2005-2007 establishes the main macroeconomic assumptions and the estimates for the fiscal year and the two years beyond it. On page 38, it presents an explanation of the Peruvian economic variables in the medium-term and on page 42 there are more details on public finance, debt and sustainability. In addition, Annex A1 simplifies the key macroeconomics assumptions.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: A more appropriate response to this question would be “b.” Even though the MMM is presented and discussed, there is no discussion on what will be done if there is, for instance, an underestimation of growth. Thus, if reliability of the macroeconomic assumptions is taken into account, it should be noticed that in practice, during the last years of surplus (or “bonanza”) a certain excess of caution in the assumptions was shown. If the macroeconomic forecasts underestimate the economic growth, and therefore revenues, there is a lack of debate on the reallocation of those funds. In fact, in the last three years the executive has distributed surplus resources with little public discussion. This adds a lack of transparency to the process due to this excess of carefulness that brings some doubts towards the use of macroeconomic forecasts for political purposes.

IBP Comment: IBP editors chose answer “a” to maintain consistency with the criteria used for selecting answers across countries.
Does the executive’s budget or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget (including expenditures, revenues, and debt)?

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

Citation and/or comment: On page 49, the MMM 2005-2007 presents the section entitled “Sensitivity analysis.” This section explains the impact of two scenarios on the main fiscal variables.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
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).

Citation and/or comment:

**Researcher’s answer to the question was “b.”** On pages 21-22, the guide establishes that “presentation that distinguishes between new and existing policies is important for understanding the budget.” In this sense, the **MMM 2005-2007** presents some information (specifically on pages 41-43) but it could be more extensive. Different scenarios related to taxes, potential commercial treaties, and important investments are not considered.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:** A more appropriate response to this question would be “c.” Some information is presented in the MMM, but there is no document showing the impact of the new policies proposed in the budget. In the “Exposición de motivos” a detail of the programs is provided but not their impact on the budget.

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

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

**Citation and/or comment:** Page 21-22, the guide establishes that “presentation that distinguishes between new and existing policies is important for understanding the budget.” In this sense, the *MMM 2005-2007* presents some information (specifically page 6 and pages 41-43) but it could be more extensive. Different scenarios related to taxes, potential commercial treaties, and important investments are not considered.

**Researcher Response to Peer Reviewer:** While it is true that the impact on revenue is not fully assessed, the impact is discussed and presented in the budget supporting documents. The answer should be “b.”

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:** A more appropriate response to this question would be “c.” Even though some information is presented in the MMM, this document gives the macro-perspective to establish the limit of expenditure that the different units will have. But neither the budget nor other document shows the impact of the new fiscal policies that would affect revenues.

**IBP Comment:** IBP editors chose answer “b” to maintain consistency with the criteria used for selecting answers across countries.
### Estimates for Years Prior to the Budget Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Question</th>
<th>Options</th>
</tr>
</thead>
</table>
| 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)? | a. All expenditures are classified by administrative unit for BY-1.  
   b. Expenditures are classified by administrative unit for BY-1, but some small units are not shown separately.  
   c. Expenditures are classified by administrative unit for BY-1, but a significant number of units are not shown separately.  
   d. No expenditures classified by administrative unit are presented for BY-1.  
   e. Not applicable/other (please comment).  
   | Citation and/or comment: This information can be found at the EM on pages 17-22, in the section entitled “Análisis de la situación del gasto público 2004.” |

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Question</th>
<th>Options</th>
</tr>
</thead>
</table>
| 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).  
   | Citation and/or comment: All expenditures are already classified by administrative unit and economic classification (see questions 18 and 20). Nevertheless, in practice they are not presented by functional classification for the year preceding the budget year (BY-1). |

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:** A more appropriate response to this question would be “a.” Even though the executive’s budget does not include the functional classification, it is possible to find this information in detail at the website: [http://ofi.mef.gob.pe/transparencia/default.aspx](http://ofi.mef.gob.pe/transparencia/default.aspx)

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

   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).

**Citation and/or comment:** This information can be found at the EM on pages 17-22, in the section entitled “Análisis de la situación del gasto público 2004.” In addition, this information appears in the MMM 2005-2007 in Annexes A6-A13.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

---

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)?

   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).

**Citation and/or comment:** That level of detail is not presented. The supporting budget documentation related to the MMM presents the multi-year data but the analysis tend to focus on aggregated information.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:** If the information provided on Internet is taken into account, there is complete detail for prior-year expenditure.

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

   Citation and/or comment: To elaborate on the executive’s budget for the fiscal year 2006, the information taken into account was the actual expenditure up until June 2005, according to an interview with a government official from the DNPP (Dirección Nacional de Presupuesto Público) at the Ministry of Economics and Finance (MEF).

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

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)?

   a. Yes, such prior-year estimates of aggregate expenditure are presented.
   b. No, such prior-year estimates of aggregate expenditure are not presented.
   c. Not applicable/other (please comment).

   Citation and/or comment: The MMM 2005-2007 presents this information on page 27 “Balance del año 2003” and in the Annexes.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
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)?

   a. Yes, such prior-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative).
   b. Yes, such prior-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs.
   c. Yes, such prior-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs.
   d. No, such prior-year estimates are presented for aggregate expenditure only, or they are not presented at all.
   e. Not applicable/other (please comment).

   Citation and/or comment: The MMM 2005-2007 and the MMM 2005-2007 Revisado provides this information (Annexes A6-A9) for one or more expenditure classification but these estimates are not presented for individual programs.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: If the information provided on the Internet is taken into account, there is complete detail for the prior-year expenditure.

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

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?

   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).

   Citation and/or comment: The most recent year presented for which the expenditures reflect actual outcomes is 2003.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
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?

   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).

Citation and/or comment: The information presented is comparable. See comparable tables in the MMM besides others.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

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)?

   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).

Citation and/or comment: The MMM 2005-2007 Revisado provides this information (Annexes A6-A7 and A10-A15).

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
<table>
<thead>
<tr>
<th>28.</th>
<th>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)?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>All non-tax revenues are identified individually for BY-1.</td>
</tr>
<tr>
<td>b.</td>
<td>Non-tax revenues amounting to at least two-thirds of, but not all, non-tax revenue for BY-1 are identified individually.</td>
</tr>
<tr>
<td>c.</td>
<td>Non-tax revenues amounting to less than two-thirds of all non-tax revenues for BY-1 are identified individually.</td>
</tr>
<tr>
<td>d.</td>
<td>No non-tax revenues are identified individually for BY-1.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation and/or comment:** This information can be found in the *MMM 2005-2007 Revisado* Annexes A18-A19.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

<table>
<thead>
<tr>
<th>29.</th>
<th>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)?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>All BY-1 estimates have been updated from the original estimates to reflect six or more months of actual revenue collections.</td>
</tr>
<tr>
<td>b.</td>
<td>All BY-1 estimates have been updated from the original estimates, but reflect less than six months of actual revenue collections.</td>
</tr>
<tr>
<td>c.</td>
<td>Some BY-1 estimates have not been updated from the original estimates to reflect actual revenue collections.</td>
</tr>
<tr>
<td>d.</td>
<td>The BY-1 estimates have not been updated from the original estimates or no BY-1 estimates are presented.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation and/or comment:** To elaborate on the executive’s budget for the fiscal year 2006, the information taken into account was the actual revenue up until June 2005, according to an interview with a government official from the DNPP (*Dirección Nacional de Presupuesto Público*) at the MEF.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
<table>
<thead>
<tr>
<th>Question</th>
<th>Options</th>
<th>Comments</th>
</tr>
</thead>
</table>
| 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)? | 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). | Citation and/or comment: The MMM 2005-2007 presents this information on page 27, “Balance del año 2003” and in Annexes A14-A15.  
**Peer Reviewer ONE Comment:**  
**Peer Reviewer TWO Comment:** |
| 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)? | 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). | Citation and/or comment: See Annexes A14 and A15 of the MMM 2005-2007.  
**Peer Reviewer ONE Comment:**  
**Peer Reviewer TWO Comment:** |
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?

   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).

   Citation and/or comment: The most recent year presented for which the revenues reflect actual outcomes is 2003.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**

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?

   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).

   Citation and/or comment: This information is presented on page 44, section “Dinámica de la deuda y sostenibilidad” and in the Annexes A20-A24 of the MMM 2005-2007 Revisado.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**
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?

   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).

   **Citation and/or comment:** The most recent year presented for which the debt figures reflect actual outcomes is 2003.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
**Comprehensiveness**

35. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on extra-budgetary funds?

   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).

**Citation and/or comment:** According to the guide, this question refers to the government’s fiscal policies that essentially occur outside the central government. In this sense, this information can be found in the EM. Specifically, on page 35, a section begins that relates to the classification of public resources for the fiscal year 2005, including the central government and also the regional and local governments. In addition, on pages 38 and 102 each fund is presented individually. There is more information available outside the central government, as some initiatives develop including the decentralization process and the transparency and responsibility act, and as more Directivas (supporting budget documents) establish the guidelines to provide this information.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:** A more appropriate response to this question would be “c.” The detailed information presented on pages 35 and 38 of the document mentioned above refers to specific funds “inside” the budget. There is clear information regarding extra-budgetary funds on page 102. This information, however, is scarce and does not present important information such as detailed balance sheets, allocations or cash-flow of those funds.

**IBP Comment:** IBP editors chose answer “c” to maintain consistency with the criteria used for selecting answers across countries.
<table>
<thead>
<tr>
<th>36. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on intergovernmental transfers?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Yes, extensive information on intergovernmental transfers is presented, including both a narrative discussion and quantitative estimates.</td>
</tr>
<tr>
<td>b. Yes, information is presented, highlighting key intergovernmental transfers, but some details are excluded.</td>
</tr>
<tr>
<td>c. Yes, some information is presented, but it lacks important details.</td>
</tr>
<tr>
<td>d. No, information on intergovernmental transfers is not presented.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: This information can be found in the EM in Section IV, page 35.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

<table>
<thead>
<tr>
<th>37. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on transfers to public corporations?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Yes, extensive information on transfers to public corporations is presented, including both a narrative discussion and quantitative estimates.</td>
</tr>
<tr>
<td>b. Yes, information is presented, highlighting key transfers to public corporations, but some details are excluded.</td>
</tr>
<tr>
<td>c. Yes, some information is presented, but it lacks important details.</td>
</tr>
<tr>
<td>d. No, information on transfers to public corporations is not presented.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: Review document EM p. 53 and Section V.2. p. 102. There is more information available as some initiatives including the transparency and responsibility act are advanced, and more Directivas (supporting budget documents) establish the guidelines to provide this information.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
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).

Citation and/or comment: This information is not presented in the executive’s budget or any supporting budget document.

Peer Reviewer ONE Comment: A more appropriate response to this question would be “d.”
I have reviewed the EM and MMM and there is no information about quasi-fiscal activities.

Peer Reviewer TWO Comment: A more appropriate response to this question would be “d.”
There is actually no information on quasi-fiscal activities.

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

39. Does the executive's budget or any supporting budget documentation present information on financial assets held by the government?

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).

Citation and/or comment: Review the EM. In practice, some information is presented.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
40. Does the executive's budget or any supporting budget documentation present information on non-financial assets held by the government?

   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).

   **Citation and/or comment:** This information is not presented in the executive’s budget or any supporting budget document.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>41. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on expenditure arrears?</td>
<td>d</td>
</tr>
<tr>
<td>a. Yes, extensive information on expenditure arrears is presented, including both a narrative discussion and quantitative estimates.</td>
<td>d</td>
</tr>
<tr>
<td>b. Yes, information is presented, highlighting key expenditure arrears, but some details are excluded.</td>
<td>d</td>
</tr>
<tr>
<td>c. Yes, some information is presented, but it lacks important details.</td>
<td>d</td>
</tr>
<tr>
<td>d. No, information on expenditure arrears is not presented.</td>
<td>d</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
<td>d</td>
</tr>
</tbody>
</table>

   **Citation and/or comment:** This information is not presented in the executive’s budget or any supporting budget document.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**
42. Does the executive’s budget or any supporting budget documentation present information on contingent liabilities (such as government loan guarantees)?

- 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).

Citation and/or comment: On page 47 of the EM document, only the total amount considered as contingent liabilities appear: S/. 36 millions of Nuevos Soles. But, according to the OECD, the nature of these contingent liabilities, their description and historical information on defaults by category should also be disclosed.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: The response “c” is appropriate, but in the explanation the lack of information seems to be justified. With the modification of the transparency law, “Ley de Prudencia y Transparencia Fiscal,” it is now required to present the contingent liabilities that used to be presented in the whole expenditure figures separately. It is important, though, that there is no clear normative and there is a lack of transparency because these funds are not regulated by now by this new Law.

43. Does the executive’s budget or any supporting budget documentation present information on future liabilities, such as civil service pensions?

- 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).

Citation and/or comment: This information appears on pages 46 and 47 of the EM but it is limited.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
44. Does the executive’s budget or any supporting budget documentation provide details on the sources of donor assistance, both financial and in-kind?

   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).

   Citation and/or comment: Review “Proyecto de ley de presupuesto público” (Annex 2G) and detailed information is also provided for each sector stating on p. 56 of the EM.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**

45. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on tax expenditures?

   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).

   Citation and/or comment: Annex B on page 78 of the document MMM 2005-2007 presents this information.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**
46. Does the executive’s budget or any supporting budget documentation identify all earmarked revenues?

   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).

   Citation and/or comment: This list of governmental funds is presented on pages 39-43 of the EM.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**

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).

   Citation and/or comment: The specific amount dedicated to secret items spending is not available to the public.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**
### The Budget Narrative & Performance Monitoring

<table>
<thead>
<tr>
<th>Question</th>
<th>Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>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?</td>
<td>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. &lt;br&gt; b. Yes, information is presented, highlighting the link between major policy goals and the budget, but some details are excluded. &lt;br&gt; c. Yes, some information is presented, but it lacks important details. &lt;br&gt; d. No, information on the link between the budget and the government’s stated policy goals is not presented. &lt;br&gt; e. Not applicable/other (please comment).</td>
</tr>
<tr>
<td>Citation and/or comment</td>
<td>Available in the MMM 2005-2007 Revisado and in the EM.</td>
</tr>
</tbody>
</table>

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

<table>
<thead>
<tr>
<th>Question</th>
<th>Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>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)?</td>
<td>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. &lt;br&gt; b. Yes, information is presented, highlighting the major policy goals, but some details are excluded. &lt;br&gt; c. Yes, some information is presented, but it lacks important details. &lt;br&gt; d. No, information on the link between the budget and the government’s stated policy goals over a multi-year period is not presented. &lt;br&gt; e. Not applicable/other (please comment).</td>
</tr>
<tr>
<td>Citation and/or comment</td>
<td>Available in the MMM 2005-2007 Revisado.</td>
</tr>
</tbody>
</table>

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
50. Does the executive’s budget or any supporting budget documentation present non-financial data, such as the number of beneficiaries, for expenditure programs?
   a. Non-financial data are presented for all programs.
   b. Non-financial data are presented for programs representing at least two-thirds of, but not all, expenditures.
   c. Non-financial data are presented for programs representing less than two-thirds of expenditure.
   d. No non-financial data are presented.
   e. Not applicable/other (please comment).

   **Citation and/or comment:** The EM document presents non-financial information for certain expenditure programs, for example on p. 102. Nevertheless, it is not thorough.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:** A more appropriate response to this question would be “c.” There is detailed information by unit, but there are just a few programs where some non-financial data is presented.

   **IBP Comment:** IBP editors chose answer “b” 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).

   **Citation and/or comment:** The non-financial data are useful to construct performance indicators but the practice is relatively new to evaluate it.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:** A more appropriate response to this question would be “c.” Even though it is detailed, the limited non-financial data provided is not presented with a comparison or some other tool useful for assessing program performance.

   **IBP Comment:** IBP editors chose answer “b” 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: See the EM document (Exposicion de Motivos), pp. 24-34.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

53. Are the performance indicators sufficiently well designed, such that one can assess whether there has been progress toward meeting policy goals?

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).

Citation and/or comment: Most performance indicators are well designed but the practice is relatively new to evaluate it.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
54. Are performance indicators used in conjunction with performance targets presented in the executive’s budget or any supporting budget documentation?

   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).

   Citation and/or comment: See supporting document EM pp. 24-34. All performance indicators are used in conjunction with performance targets.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

55. Does the executive’s budget or any supporting budget documentation present information on policies (both proposals and existing commitments) in at least the budget year that are intended to benefit directly the country’s most impoverished populations?

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

   Citation and/or comment:

   Researcher’s answer to the question was “b.” Some information appears in the EM pp. 24-25 (Ámbito Social).

   Researcher Response to Peer Reviewer: The existing commitments are reflected in the indicators, cited above. But it is true that there is no explanation of the proposals. It is a judgment call.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: A more appropriate response to this question would be “c.” The information provided is limited to the objectives and performance indicators. There is no explanation of the proposals, the policies or the existing commitments.

IBP Comment: IBP editors chose answer “c” to maintain consistency with the criteria used for selecting answers across countries.
### Additional Key Information for Budget Analysis & Monitoring

*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.*

#### 56. Does the executive make available to the public a description of the tax rate or fee schedule for all revenue sources?

- 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).

Citation and/or comment: [http://transparencia-economica.mef.gob.pe/recaudacion/EM and MMM 2005-2007](http://transparencia-economica.mef.gob.pe/recaudacion)  
Not all the sources present a narrative discussion.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

#### 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: [http://transparencia-economica.mef.gob.pe/recaudacion/EM and MMM 2005-2007](http://transparencia-economica.mef.gob.pe/recaudacion)  
Not all the sources present a narrative discussion.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
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).

Citation and/or comment: Law No 28423: Ley de Endeudamiento del Sector Público para el Ano Fiscal 2005.
Dirección Nacional de Crédito Público:
Portal de Transparencia Economica:
http://transparencia-economica.mef.gob.pe/deuda/
Not all the sources present a narrative discussion.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
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).

Citation and/or comment:

Researcher’s answer to the question was “b.” Law No 28423: Ley de Endeudamiento del Sector Publico para el Ano Fiscal 2005.
Direcccion Nacional de Credito Publico:
Portal de Transparencia Economica:
http://transparencia-economica.mef.gob.pe/deuda/
Not all the sources present a narrative discussion.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: A more appropriate response to this question would be “c.”
There is information on the debt by holder, but not really a detail on the conditions associated with assistance from donor countries.

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

60. Does the executive make available to the public a summary that describes the budget and its proposals?

   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).

Citation and/or comment: According to the guide, the summary should be a “stand-alone document, which could include a budget speech by an official, or a separately published executive summary of the budget”. In the case of Peru, the budget summary is delivered in the form of a speech by the Vice Ministro de Hacienda (Vice Minister of Finance in this administration Mr. Luis Carranza). The presentation and discussion of the budget and its proposals is established by law.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
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?

   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).

   **Citation and/or comment:** Not available.

   **Peer Reviewer ONE Comment:** I agree with the answer, but maybe “not produced” is a better comment.

   **Peer Reviewer TWO Comment:** A more appropriate response to this question would be “b.” Even though there is no clear “citizens budget,” it is possible to find non-technical documents and budget information for a wide audience, at: [http://transparencia-economica.mef.gob.pe/](http://transparencia-economica.mef.gob.pe/)

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

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)?

   a. Yes, thorough definitions of budget terms are provided.
   b. Yes, definitions are provided, but some details are excluded.
   c. Yes, some definitions are provided, but it lacks important details.
   d. No, definitions are not provided.
   e. Not applicable/other (please comment).

   **Citation and/or comment:** [http://www.mef.gob.pe/propuesta/DNPP/glosario.php/](http://www.mef.gob.pe/propuesta/DNPP/glosario.php/)

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**
63. Does the executive make available to the public a summary of the budget process?

   a. Yes, it includes a summary of the budget process that is very informative.
   b. Yes, it includes a summary of the budget process that is somewhat informative.
   c. Yes, but the summary of the budget process is not very informative.
   d. No, it does not include a summary of the budget process.
   e. Not applicable/other (please comment).

   Citation and/or comment: Law No 28411: Ley General del Sistema Nacional de Presupuesto Publico (Title II: Budget Process), Constitución, Directivas.

Peer Reviewer ONE Comment: 

Peer Reviewer TWO Comment: 

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).

   Citation and/or comment: http://www.mef.gob.pe/propuesta/ESPEC/transparencia/cumplimiento27806.php

Peer Reviewer ONE Comment: 

Peer Reviewer TWO Comment: 
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)?

   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.
   d. In practice, no highly disaggregated expenditure information is available.
   e. Not applicable/other (please comment).

   Citation and/or comment: http://transparencia-economica.mef.gob.pe/

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

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: Example: http://ofi.mef.gob.pe/transparencia/pronaa/pronaa.aspx

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
Section Three: The Budget Process
### The Budget Process

<table>
<thead>
<tr>
<th>Executive’s Formulation of the Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>67. How far in advance of the release of the budget is the day of its release known?</td>
</tr>
<tr>
<td>a. The release date is set in permanent law.</td>
</tr>
<tr>
<td>b. The executive announces the release date at least two months in advance.</td>
</tr>
<tr>
<td>c. The executive announces the release date less than two months but more than two weeks in advance.</td>
</tr>
<tr>
<td>d. The executive announces the release date two weeks or less before the release, or makes no announcement.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation and/or comment:** Constitución Política del Peru Directivas.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

| 68. Does the executive release to the public its timetable for its budget preparation process? |
|   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). |

**Citation and/or comment:** Ley General del Sistema Nacional de Presupuesto Directivas

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
69. Does the executive adhere to its timetable for the preparation and release of the budget?

   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).

   Citation and/or comment: In practice, the executive adheres to the dates in its timetable.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

70. Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?

   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).

   Citation and/or comment: My comments are based on the answers of two congressmen and a government official from the MEF. According to a congressman on the Committee of Public Budget (Comité de Presupuesto y Cuenta General de la República) who is a member of the ruling party, the best answer is that the executive does not typically consult with members of the legislature as part of the budget preparation process (“d.”) Nevertheless, the answer of an independent congressman established that the executive holds extensive consultations with a wide range of legislators (“a.”) In addition, a member of the DNPP of the MEF selected “b” as an answer. The option selected corresponds to the weighted assessment of these answers.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
71. Does the executive hold consultations with the public as part of its process of determining budget priorities?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, the executive holds extensive consultations with a wide range of constituencies.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, the executive holds consultations with a range of constituencies, but some key constituencies are excluded.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, the executive holds very limited consultations, involving only a few constituencies.</td>
</tr>
<tr>
<td>d.</td>
<td>No, the executive does not typically consult with the public as part of the budget preparation process.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: By law, the executive promotes a period before the budget’s formulation, programming, which open spaces for the citizens’ participation, but some constituencies are not included.

Peer Reviewer ONE Comment:  

Peer Reviewer TWO Comment:  

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

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

Citation and/or comment: According to the OECD, the pre-budget statement should “encourage debate on budget aggregates, [and] state the government’s long-term economic and fiscal policy objectives and economic and fiscal policy intentions for the forthcoming budget and at least the following two fiscal years. Highlight total level of revenue, expenditure, deficit or surplus and debt.” Given the OECD’s definition, the pre-budget statement of Peru includes the Marco Macroeconomico Multianual 2005-2007 (MMM 2005-2007). Questions associated are questions 72-74. The MMM 2005-2007 and the Directivas are released to the public several months ahead of the start of the budget year (around May-June. The start of the budget year is on January 1st).  

Peer Reviewer ONE Comment:  

Peer Reviewer TWO Comment:  
73. Does the pre-budget statement describe the government’s macroeconomic and fiscal framework?

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a</td>
<td>b</td>
<td>c</td>
<td>d</td>
</tr>
<tr>
<td>a</td>
<td>Yes, an extensive explanation of the government’s fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b</td>
<td>Yes, an explanation is presented, highlighting key aspects of the fiscal and macroeconomic framework, but some details are excluded.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c</td>
<td>Yes, some explanation is presented, but it lacks important details.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d</td>
<td>No, an explanation is not presented, or the executive does not release to the public a pre-budget statement.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e</td>
<td>Not applicable/other (please comment).</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Citation and/or comment: The *MMM 2005-2007* provides this information.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

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>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Yes, an extensive explanation of the government’s budget policies and priorities is presented, including both a narrative discussion and quantitative estimates.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b</td>
<td>Yes, an explanation is presented, highlighting key aspects of the government’s budget policies and priorities, but some details are excluded.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c</td>
<td>Yes, some explanation is presented, but it lacks important details.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d</td>
<td>No, an explanation is not presented, or the executive does not release to the public a pre-budget statement.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e</td>
<td>Not applicable/other (please comment).</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Citation and/or comment: The *MMM 2005-2007* provides this information.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
### Legislative Approval of the Budget

#### 75. How far in advance of the start of the budget year does the legislature receive the budget?

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>The legislature receives the budget at least three months before the start of the budget year.</td>
</tr>
<tr>
<td>b.</td>
<td>The legislature receives the budget at least six weeks, but less than three months, before the start of the budget year.</td>
</tr>
<tr>
<td>c.</td>
<td>The legislature receives the budget less than six weeks before the start of the budget year.</td>
</tr>
<tr>
<td>d.</td>
<td>The legislature does not receive the budget before the start of the budget year.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation and/or comment:** At the end of August (the start of the budget year is on January 1st).

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

#### 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?

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>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.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, hearings are held in which testimony is heard from the executive branch and some constituencies.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, hearings are held in which testimony from the executive branch is heard, but no testimony from the public is heard.</td>
</tr>
<tr>
<td>d.</td>
<td>No, public hearings are not held on the macroeconomic and fiscal framework in which testimony from the executive branch and the public is heard.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation and/or comment:** By law, testimony from executive branch is heard. Nevertheless, no testimony from the public is heard at the hearings.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
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?

   a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the executive branch is heard.
   b. Yes, hearings are held, covering key administrative units, in which testimony from the executive branch is heard.
   c. Yes, a limited number of hearings are held in which testimony from the executive branch is heard.
   d. No, public hearings are not held on the budgets of administrative units in which testimony from the executive branch is heard.
   e. Not applicable/other (please comment).

Citation and/or comment:

**Researcher’s answer to the question was “a.”** According to law, the minister of economics and finance, the prime minister, and other ministries participate in this process.

**Researcher Response to Peer Reviewer:** While the hearings take place, it is true that they are close to the deadlines and do not lead to substantive discussions. I could agree with the answer “c.”

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:** A more appropriate response to this question would be “c.” Even though by law the executive branch participate in the process, in practice, the debate and changes proposed by legislators to the budget are negotiated in informal (and not public) meetings between members of the Budget Committee and the director of the budget office. Usually the committee is ready to present the budget proposal to the legislature very close to the deadline so there is no further time to continue inquiring the executive.

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

- a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the public is heard.
- b. Yes, hearings are held, covering key administrative units, in which testimony from the public is heard.
- c. Yes, a limited number of hearings are held in which testimony from the public is heard.
- d. No, public hearings are not held on the budgets of administrative units in which testimony from the public is heard.
- e. Not applicable/other (please comment).

**Citation and/or comment:** No testimony from the public is heard at the public hearings. See question 76.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

### 79. Do the legislative committees that hold public hearings release reports to the public on these hearings?

- a. Yes, the committees release very informative reports, which include all written testimony presented at the hearings.
- b. Yes, the committees release reports, but some details are excluded.
- c. Yes, the committees release reports, but they are not very informative.
- d. No, the committees do not release reports or do not hold public hearings.
- e. Not applicable/other (please comment).

**Citation and/or comment:** Public hearings are held but the committees do not release reports to the public.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
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?

a. The executive responds to such legislative requests, and it generally provides an appropriate and timely response.

b. The executive responds to such legislative requests, but its responses are sometimes not appropriate or timely.

c. The executive responds to such legislative requests, but its responses are typically not appropriate or timely.

d. The executive responds selectively or ignores such legislative requests.

e. Not applicable/other (please comment).

Citation and/or comment: My comments are based on the answers of two congressmen. According to a congressman on the Committee of Public Budget (Comité de Presupuesto y Cuenta General de la República) who is a member of the ruling party, the best answer is “a.” While the answer by an independent congressman is “b.” The option selected corresponds to the weighted assessment of these answers.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

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: My comments are based on the answers of two congressmen. According to a congressman on the Committee of Public Budget (Comité de Presupuesto y Cuenta General de la República) who is a member of the ruling party, the best answer is “b”. While the answer by an independent congressman is “a.” The option selected corresponds to the weighted assessment of these answers.

“The regulation of the Congress (Reglamento del Congreso) authorizes its members to have this kind of information and keep it under reserve if it is considered secret according to the Ley de Acceso a la Información y Transparencia en la acción del Estado.”

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
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).

   Citation and/or comment: Normally the budget presented by the executive receives modifications. Nevertheless, we can not assure that the legislature has “unlimited authority” to amend the budget. Congress can neither create nor increase public expenditure. If Congress does not pass a budget by the end of November, the executive’s original proposal becomes law for the following year.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment: An additional comment is that the legislature lacks the capacity to amend the budget. In order to make any change to the executive’s budget, Parliament depends on the assistance of the MEF, mainly the DNNP (Budget Office).

83. What is the most detail provided in the appropriation (expenditure budget) approved by the legislature?

   a. The approved budget includes program-level detail.
   b. The approved budget includes departmental totals and some additional details (for instance, sub-department totals or major programs).
   c. The approved budget includes only departmental totals.
   d. The approved budget includes less information than departmental totals.
   e. Not applicable/other (please comment).

   Citation and/or comment: See anexes from law No 28427: Ley del Presupuesto del Sector Publico para el Ano Fiscal 2005.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:
### Executive’s Implementation of the Budget

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>
| **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)? | a. In-year reports on actual expenditure are released at least every month.  
   b. In-year reports on actual expenditure are released at least every quarter.  
   c. In-year reports on actual expenditure are released at least semi-annually.  
   d. In-year reports on actual expenditure are not released.  
   e. Not applicable/other (please comment). |

Citation and/or comment:  
[http://www.mef.gob.pe/propuesta/DGAES/btfiscal/BTF49Ago05.pdf](http://www.mef.gob.pe/propuesta/DGAES/btfiscal/BTF49Ago05.pdf)  

**Peer Reviewer ONE Comment:**  
**Peer Reviewer TWO Comment:**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>
| **85.** What share of expenditure is covered by in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)? | 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). |

Citation and/or comment: In-year reports cover all expenditures.  
[http://www.mef.gob.pe/propuesta/DGAES/btfiscal/BTF49Ago05.pdf](http://www.mef.gob.pe/propuesta/DGAES/btfiscal/BTF49Ago05.pdf)  

**Peer Reviewer ONE Comment:**  
**Peer Reviewer TWO Comment:**
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?

   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).

Citation and/or comment:
http://www.mef.gob.pe/propuesta/DGAES/btfiscal/BTF49Ago05.pdf

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

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

   a. In-year reports on actual revenue collections by source of revenue are released at least every month.
   b. In-year reports on actual revenue collections are released at least every quarter.
   c. In-year reports on actual revenue collections are released at least semi-annually.
   d. In-year reports on actual revenue collections by source of revenue are not released.
   e. Not applicable/other (please comment).

Citation and/or comment:
http://www.mef.gob.pe/propuesta/DGAES/btfiscal/BTF49Ago05.pdf

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
88. What share of revenue is covered by the in-year reports on actual revenue collections?
   a. In-year reports cover the actual revenue collections of all sources of revenue.
   b. In-year reports cover the actual revenue collections of at least two-thirds of, but not all, sources of revenue.
   c. In-year reports cover actual revenue collections of less than two-thirds of revenue sources.
   d. In-year reports on actual revenue collections are not released to the public.
   e. Not applicable/other (please comment).

   Citation and/or comment:
   http://www.mef.gob.pe/propuesta/DGAES/btfiscal/BTF49Ago05.pdf

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**

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?
   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).

   Citation and/or comment:
   http://www.mef.gob.pe/propuesta/DGAES/btfiscal/BTF49Ago05.pdf

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**
90. Does the executive release to the public in-year reports on actual borrowing?

   a. Yes, in-year reports on actual borrowing are released at least every month.
   b. Yes, in-year reports on actual borrowing are released at least every quarter.
   c. Yes, in-year reports on actual borrowing are released at least semi-annually.
   d. No, in-year reports on actual borrowing are not released.
   e. Not applicable/other (please comment).

Citation and/or comment:
http://www.mef.gob.pe/propuesta/DGAES/btfiscal/BTF49Ago05.pdf
http://transparencia-economica.mef.gob.pe/deuda/

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

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?

   a. Yes, extensive information related to the composition of government debt is presented.
   b. Yes, key additional information is presented, but some details are excluded.
   c. Yes, some additional information is presented, but it lacks important details.
   d. No, additional information related to the composition of government debt is not presented, or such in-year reports on borrowing are not released.
   e. Not applicable/other (please comment).

Citation and/or comment:
http://www.mef.gob.pe/propuesta/DGAES/btfiscal/BTF49Ago05.pdf
Direccion Nacional de Credito Publico:
Portal de Transparencia Economico:
http://transparencia-economica.mef.gob.pe/deuda/

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
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)?

   a. Reports are released 1 month or less after the end of the period.
   b. Reports are released 2 months or less (but more than 1 month) after the end of the period.
   c. Reports are released more than 2 months after the end of the period.
   d. In-year reports are not released.
   e. Not applicable/other (please comment).

Citation and/or comment: Last in-year reports:  
http://www.mef.gob.pe/propuesta/INFECO/boletin_transparencia_fiscal.php

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>

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?

   a. Yes, the mid-year review includes an extensive discussion of the economy that includes a revised forecast for the full fiscal year and its effects on the budget.
   b. Yes, the mid-year review includes a discussion of the economy, but it lacks some details.
   c. Yes, the mid-year review includes a discussion of the economy, but it lacks important details.
   d. No, the mid-year review does not include a discussion of the economy, or the executive does not release a mid-year review of the budget.
   e. Not applicable/other (please comment).

Citation and/or comment: The Directiva 009-2005 EF/76.01 (Directiva para la Evaluación Anual de los Presupuestos Institucionales de las Entidades del Gobierno Nacional, Gobiernos Regionales y Gobiernos Locales) establishes new guidelines for the budget evaluation.


Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
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?

a. Yes, the mid-year review includes updated expenditure estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels.

b. Yes, the mid-year review includes updated estimates of expenditure, but some details on why estimates have changed are not provided.

c. Yes, the mid-year review includes updated estimates of expenditure, but important details on why estimates have changed are not provided.

d. No, the mid-year review does not include updated expenditure estimates for the budget year, or the executive does not release a mid-year review of the budget.

e. Not applicable/other (please comment).

Citation and/or comment: The Directiva 009-2005 EF/76.01 (Directiva para la Evaluación Anual de los Presupuestos Institucionales de las Entidades del Gobierno Nacional, Gobiernos Regionales y Gobiernos Locales) establishes new guidelines for the budget evaluation.


Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
95. What is the most detail provided in the mid-year review for expenditures?

a. The mid-year review includes program-level detail for expenditures.
b. The mid-year review includes departmental totals (or functional totals) and some additional details (for instance, sub-department totals or major programs).
c. The mid-year review includes only departmental totals (or functional totals).
d. The mid-year review includes less information than departmental totals (or functional totals) for expenditures, or the executive does not release a mid-year review of the budget.
e. Not applicable/other (please comment).

Citation and/or comment: The Directiva 009-2005 EF/76.01 (Directiva para la Evaluación Anual de los Presupuestos Institucionales de las Entidades del Gobierno Nacional, Gobiernos Regionales y Gobiernos Locales) establishes new guidelines for the budget evaluation.


Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
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?

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).

Citation and/or comment: The Directiva 009-2005 EF/76.01 (Directiva para la Evaluación Anual de los Presupuestos Institucionales de las Entidades del Gobierno Nacional, Gobiernos Regionales y Gobiernos Locales) establishes new guidelines for the budget evaluation.


Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

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)?

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).

Citation and/or comment: The analysis to answer this question was complemented with an interview of a government official, a member of the executive.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
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?

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

Citation and/or comment: CONSUCODE (Consejo Superior de Contrataciones y Adquisiciones del Estado): (www.consucode.gob.pe) http://www.consucode.gob.pe/htmls/consultas/pronuncia_gtn/pronuncia2005.htm
Also see Informe CAD (Ciudadanos al Dia) No27: Transparencia en Contrataciones y Adquisiciones en los Ministerios.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

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).

Citation and/or comment:

Researcher’s answer to the question was “a.” Review Law No 28562: Ley que autoriza crédito suplementario en el presupuesto del sector publico para el ano fiscal 2005.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:** A more appropriate response to this question would be “c.” In practice, it is not likely that the legislature will actually intervene in the decisions of the executive to shift funds. The reason is that the executive has usually already announced the change in the budget. Thus, members of the congress will hardly oppose supplemental demands on the budget that affect specific groups.

**IBP Comment:** IBP editors chose answer “a” to maintain consistency with the criteria used for selecting answers across countries.
100. In most years, how large are supplemental budget requests relative to the size of the original budget?

   a. Supplemental budgets are generally equal to 2 percent or less of the original budget.
   b. Supplemental budgets are generally equal to more than 2 percent, but less than 5 percent, of the original budget.
   c. Supplemental budget are generally equal to more than 5 percent, but less than 10 percent, of the original budget.
   d. Supplemental budget are generally equal to 10 percent or more of the original budget, or insufficient information is available to the public regarding the amount of supplemental budgets.
   e. Not applicable/other (please comment).

Citation and/or comment: The modified budget or PIM (*Presupuesto Inicial Modificado*) corresponds to 10 percent or more of the original budget or PIA (*Presupuesto Inicial Aprobado*) for the fiscal year 2004.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

101. When does the legislature approve the expenditure of contingency funds or other funds for which no specific purpose was identified in the budget?

   a. Expenditures are approved before the funds are expended, or contingency funds or other funds with no specific purposes are not included in the budget.
   b. Expenditures are approved after the funds are expended, but before the end of the fiscal year.
   c. Expenditures are approved after the end of the fiscal year, for example in the next budget.
   d. Such expenditure takes place without legislative approval.
   e. Not applicable/other (please comment).

Citation and/or comment: The analysis to answer this question was complemented with an interview of a government official, a member of the executive.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
### Executive’s Year-End Report and the Supreme Audit Institution

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>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?</td>
<td>b. Reports are released more than 12 months after the end of the fiscal year.</td>
</tr>
<tr>
<td><strong>Citation and/or comment:</strong> The year-end report was released between six and seven months after the end of the fiscal year, on July 2005.</td>
<td></td>
</tr>
</tbody>
</table>

#### Peer Reviewer ONE Comment:

#### Peer Reviewer TWO Comment:

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>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?</td>
<td>a. Yes, all data on actual outcomes have been audited.</td>
</tr>
<tr>
<td><strong>Citation and/or comment:</strong> Year-end report: <a href="http://www.mef.gob.pe/propuesta/DNPP/EvaluacionPresupuestaria.php">http://www.mef.gob.pe/propuesta/DNPP/EvaluacionPresupuestaria.php</a></td>
<td></td>
</tr>
</tbody>
</table>

#### Peer Reviewer ONE Comment:

#### Peer Reviewer TWO Comment:
### 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?

- a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
- c. Yes, some explanation is presented, but it lacks important details.
- d. No, an explanation is not presented, or such a report is not released.
- e. Not applicable/other (please comment).

Citation and/or comment: Year-end report: [http://www.mef.gob.pe/propuesta/DNPP/EvaluacionPresupuestaria.php](http://www.mef.gob.pe/propuesta/DNPP/EvaluacionPresupuestaria.php)

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

### 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)?

- a. The explanation of the differences between the enacted expenditure levels and the actual outcome focuses on the program level.
- b. The explanation focuses on departmental totals (or functional totals) or some lower level of detail (but not the program level in all cases).
- c. The explanation focuses on a higher level of aggregation than departmental totals (or functional totals).
- d. No explanation of the differences is provided, or such a report is not released.
- e. Not applicable/other (please comment).

Citation and/or comment: Program-level detail is not presented.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
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?

   a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
   c. Yes, some explanation is presented, but it lacks important details.
   d. No, an explanation is not presented, or such a report is not released.
   e. Not applicable/other (please comment).

   Citation and/or comment: Year-end report: [http://www.mef.gob.pe/propuesta/DNPP/EvaluacionPresupuestaria.php](http://www.mef.gob.pe/propuesta/DNPP/EvaluacionPresupuestaria.php)

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**

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?

   a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
   c. Yes, some explanation is presented, but it lacks important details.
   d. No, an explanation is not presented, or such a report is not released.
   e. Not applicable/other (please comment).

   Citation and/or comment: The end-year report and the *MMM* provide this explanation.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**
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?

   a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
   c. Yes, some explanation is presented, but it lacks important details.
   d. No, an explanation is not presented, or such a report is not released.
   e. Not applicable/other (please comment).

Citation and/or comment: The Directiva 009-2005 EF/76.01 (Directiva para la Evaluación Anual de los Presupuestos Institucionales de las Entidades del Gobierno Nacional, Gobiernos Regionales y Gobiernos Locales) establishes new guidelines for the budget evaluation.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

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?

   a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
   c. Yes, some explanation is presented, but it lacks important details.
   d. No, an explanation is not presented, or such a report is not released.
   e. Not applicable/other (please comment).

Citation and/or comment: The Directiva 009-2005 EF/76.01 (Directiva para la Evaluación Anual de los Presupuestos Institucionales de las Entidades del Gobierno Nacional, Gobiernos Regionales y Gobiernos Locales) establishes new guidelines for the budget evaluation.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
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?

   a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
   c. Yes, some explanation is presented, but it lacks important details.
   d. No, an explanation is not presented, or such a report is not released.
   e. Not applicable/other (please comment).

Citation and/or comment: The Directiva 009-2005 EF/76.01 (Directiva para la Evaluación Anual de los Presupuestos Institucionales de las Entidades del Gobierno Nacional, Gobiernos Regionales y Gobiernos Locales) establishes new guidelines for the budget evaluation.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
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?

   a. Yes, extensive information on the actual outcome for extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, highlighting key issues, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information is not presented on extra-budgetary funds, or such a report is not released.
   e. Not applicable/other (please comment).

**Citation and/or comment:**

**Researcher’s answer to the question was “b.”** According to the guide, this question refers to the government fiscal policies that essentially occur outside the central government. In this sense, this information can be found in the EM. Specifically, on page 35, a section starts which relates to the classification of public resources for the fiscal year 2005, including the central government and also the regional and local governments. In addition, on page 38 and 102, each fund is presented individually. There is more information available outside the central government as some initiatives advance including the decentralization process and the transparency and responsibility act, and more directivas (supporting budget documents) establish the guidelines to provide this information.

**Researcher Response to Peer Reviewer:** The information exists, but it is not in the year-end report and it is not used for control and evaluation purposes. I agree with “c.”

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:** A more appropriate response to this question would be “c.” The information provided in the executive’s budget is not in practice the information on the outcome for extra-budgetary funds.

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

   a. Final audited accounts are released to the public six months or less after the end of the fiscal year.
   b. Final audited accounts are released 12 months or less (but more than six months) after the end of the fiscal year.
   c. Final audit accounts are released more than 12 months, but within 24 months of the end of the fiscal year.
   d. Final audited accounts are not completed within 24 months after the end of the fiscal year or they are not released to the public.
   e. Not applicable/other (please comment).

   Citation and/or comment: Law No 28411: Ley General del Sistema Nacional de Presupuesto- Art. 49-50.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

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?

   a. All expenditures have been audited and the reports released to the public.
   b. Expenditures representing at least two-thirds of, but not all, expenditure have been audited.
   c. Expenditures representing less than two-thirds of expenditure have been audited.
   d. No expenditures have been audited, or the reports have not been released to the public.
   e. Not applicable/other (please comment).

   Citation and/or comment: The audit report for 2003 is available to the public.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
114. Do year-end audit reports of departmental expenditure that are released to the public include an executive summary?

   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).

Citation and/or comment: The year-end audit reports available to the public do not include an executive summary.

   Peer Reviewer ONE Comment: 
   Peer Reviewer TWO Comment: 

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?

   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).

Citation and/or comment: Constitución Política Ley No 27785: Ley Orgánica del Sistema Nacional de Control y de la Contraloría General de la Republica Decreto Ley No 26162: Ley del Sistema Nacional de Control.

   Peer Reviewer ONE Comment: 
   Peer Reviewer TWO Comment: 

116. Does the Supreme Audit Institution release to the public audits of extra-budgetary funds?

   a. Yes, the SAI releases to the public audits of all extra-budgetary funds.
   b. Yes, the SAI releases audits representing at least two-thirds of, but not all, extra-budgetary funds.
   c. Yes, the SAI releases audits representing less than two-thirds of all extra-budgetary funds.
   d. No, the SAI does not release to the public audits of extra-budgetary funds, or it does not audit such funds.
   e. Not applicable/other (please comment).

Citation and/or comment:

**Researcher’s answer to the question was “a.”** The *Cuenta General de la República* presents information (starting p. 53) that corresponds to the structure proposed by the Ley del Presupuesto del Sector Público Nº 27879 (three groups: “con financiamiento del Tesoro Publico”, “con control presupuestario”, “entidades empresariales”).

**Peer Reviewer ONE Comment:** I agree with the answer, but it is important to mention that the Cuenta General de la Republica is elaborated by the National Accounting Body, but this report is reviewed by the Supreme Audit Institution before presenting to legislature for its approval.

**Peer Reviewer TWO Comment:** A more appropriate response to this question would be “b.” There are some municipal companies (*empresas municipales*) that are not part of the Presupuesto del Sector Publico. Thus, the accountability of those entities is not included in the SAI releases.

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

a. The SAI has full discretion to decide which audits it wishes to undertake.
b. The SAI has significant discretion, but faces some limitations.
c. The SAI has some discretion, but faces considerable limitations.
d. The SAI has no discretion to decide which audits it wishes to undertake.
e. Not applicable/other (please comment).

Citation and/or comment:

**Researcher’s answer to the question was “b.”** The documents mentioned in question 115 indicate the autonomy of this institution, but we can not assure that it has “full discretion” in practice.

**Researcher Response to Peer Reviewer:** In my opinion we cannot say the SAI has full discretion in practice, though it is formally established it should, and the Peer Reviewer’s comment does not justify an answer of “a.”

**Peer Reviewer ONE Comment:** A more appropriate response to this question would be “a.” It is true that SAI has a legal framework to control actions - see Lineamiento de Política para la Formulación del Plan Anual de control de los Organos de Control Institucional [http://www.contraloria.gob.pe/normas_cgr/I_ncontrol/data/RC_331_2003_CG.pdf](http://www.contraloria.gob.pe/normas_cgr/I_ncontrol/data/RC_331_2003_CG.pdf). But, according to that document, 20% of annual resources of internal audit area in public administration agencies (OCI) must be reserved until the year-end attestation audit defined by SAI or the highest authority of the public administration agencies, in coordination with SAI.

“20% deberá ser reservado para efectuar Encargos de Acciones de Control Posterior que en su oportunidad ponga la Contraloría General, o el Titular de la Entidad, previa coordinación con el organismo rector, y otros derivados de la ley o norma expresa”

(page 252507 Normas Legales October 4th, 2003)

The OCI must include the year-end attestation audits in its annual plan which is approved by SAI. The annual plan is only partially released after SAI approval – SAI publishes the list of annual plans approved each year in the official gazette, but not in detail, and only some public administration entities releases them on their web pages.

The Sistema de Auditoría Gubernamental (SAGU) – an on-line system created and administrated by SAI – is an internal system to assess the performance of OCI annual plan implementation, but there is no access for the public. There is no evidence or public document that defines and explains which criteria is used by SAI to establish the year-end attestation audits.

**Peer Reviewer TWO Comment:**

**IBP Comment:** IBP editors chose answer “b” to maintain consistency with the criteria used for selecting answers across countries.
118. Who determines the budget of the Supreme Audit Institution?

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>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.</td>
</tr>
<tr>
<td>b.</td>
<td>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.</td>
</tr>
<tr>
<td>c.</td>
<td>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.</td>
</tr>
<tr>
<td>d.</td>
<td>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.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: Law No 27785: Ley Organica del Sistema Nacional de Control y de la Contraloría General de la Republica.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

119. Does a committee of the legislature view and scrutinize the audit reports?

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, all audit reports are scrutinized.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, most audit reports are scrutinized.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, some audit reports are scrutinized.</td>
</tr>
<tr>
<td>d.</td>
<td>No, audit reports are not scrutinized.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: My comments are based on the answers of two congressmen. According to a congressman on the Committee of Public Budget (Comité de Presupuesto y Cuenta General de la República) who is part of the ruling party the best answer is “a.” While the answer of an independent congressman is “c.” The option selected corresponds to the weighted assessment of these answers.

“Although there is a congressional committee with that function (Comision de Fiscalización y Contraloría del Congreso), it does not mean that it has the obligation to review all audit reports. The Contraloría General de la Republica has the legal responsibility to respond to any requirement of the Committee.”

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
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?

   a. Yes, the executive reports publicly on what steps it has taken to address audit findings.
   b. Yes, the executive reports publicly on most audit findings.
   c. Yes, the executive reports publicly on some audit findings.
   d. No, the executive does not report on steps it has taken to address audit findings.
   e. Not applicable/other (please comment).

   Citation and/or comment: For example, Resolución Directorial No 051-2003-EF-76.01

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:** One of the main argument for this is that there is a lack of interest from both the executive and the legislative to make the reports available.

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: There is no report that tracks actions taken by the executive to address audit recommendations.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**
122. Are audit reports related to national security and other secret programs provided to the legislature (or relevant committee)?

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, legislators are provided with detailed audit reports related to national security and other secret programs.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, legislators are provided audit reports on secret items, but some details are excluded.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, legislators are provided audit reports on secret items, but they lack important details.</td>
</tr>
<tr>
<td>d.</td>
<td>No, legislators are not provided audit reports on secret items, or secret programs are not audited (please specify).</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: Based on the answers of two congressmen. According to a congressman on the Committee of Public Budget (Comité de Presupuesto y Cuenta General de la República) who is part of the ruling party, the best answer is “b.” While the complemented answer by an independent congressman is “a.” The option selected corresponds to the weighted assessment of these answers.

Peer Reviewer ONE Comment:  

Peer Reviewer TWO Comment:  

GLOSSARY:

- **EM =** *Exposicion de Motivos - Proyecto de Ley de presupuesto del sector público para el año fiscal 2005.*

GOVERNMENT OFFICIALS (Interviews used as references):

- July 4\textsuperscript{th} 2005. Received answers for Questions 70, 80, 81, 119 and 122 from a member of the legislature. Also member of the Comité de Presupuesto Público y Cuenta General de la República.
- October 2\textsuperscript{nd} 2005. Received answers for Questions 70, 80, 81, 119 and 122 from another member of the legislature.