

**International Budget Partnership
OPEN BUDGET QUESTIONNAIRE
Nicaragua, September 2009**

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Section One: The Availability of Budget Documents

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

Budget Documents Used in Completing the Questionnaire	
	Budget Year Used
Pre-Budget Statement	Not Available
Budget Summary	Not Available
Executive's Budget Proposal	2009
Supporting Budget Documents	2009
Citizens Budget	Not Available
Enacted Budget	2009
In-Year Reports	2009
Mid-Year Report	Not Available
Year-End Report	2008
Audit Report	2007

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

Budget Document	Full Title, Date, and Internet Link
Pre-Budget Statement	Not produced
Budget Summary	Not produced
Executive's Budget Proposal	<p>Proyecto de ley del presupuesto 2009 [Draft Budget Law], http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/index.html presented on Oct. 15 2008, and available around the same time.</p> <p>The proposals of Budget Reforms are not available previous to its approval.</p>
Budget Document One in Support of the Executive's Budget Proposal	<p>Medium Term Planning Framework</p> <p>http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/index.html, available on 2009, months after the Budget proposal was presented at the National Assembly. The exact date is not possible to be determined.</p>
Budget Document Two in Support of the Executive's Budget Proposal	Not produced
Budget Document Three in Support of the Executive's Budget Proposal	Not produced
Citizens Budget	Not produced
Enacted Budget	<p>Presupuesto General de la Republica 2009 [2009 General Budget of the Republic],</p> <p>http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html, it was public after the approval in April 2009</p>
In-Year Reports	<p>Informe de ejecucion presupuestaria Enero - Marzo 2009 [Budget Execution Report, Jan-March 2009], http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/INFORME_ENERO-MARZO-2009.pdf, made available on May 2009.</p> <p>Informe de Ejecución Presupuestaria Enero Junio 2009 [Budget Execution Report, Jan-June 2009], http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/INFORME%20PRESUP_ENERO_JUNIO_2009.pdf made available on August 2009</p>

Mid-Year Review	<p>Not produced.</p> <p>There is only a financial report of the expenditures during the first six months, but there is no comprehensive actualization or a prognosis of the results of the fiscal year. It does not fulfill any of the requirements of Best Practices form OECD</p>
Year-End Report	<p>Informe de liquidacion del presupuesto general de la republica 2008 [Report on Liquidation of the 2008 General Budget of the Republic], http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/Informe_liquidacion_2008.pdf, available on April 2009. The Annual Report is not presented in the same way as the Annual Budget. It does not include the report of the amounts used by program.</p>
Audit Report	<p>A single Audit Report is not produced, but the SAI produces audits of the individual administrative units. The Annual Liquidation Report is not fully audited by the General Comptrollers´Office. There are only Audit reports of some institutions or of some projects done in 2007. There are reports of individual institutions for 2007 http://www.cgr.gob.ni/cgr/index.php?option=com_docman&task=view&gid=192&Itemid=53</p>
Other Documents	
Relevant Ministries & Departments	<p>Ministerio de Hacienda y Credito Publico http://www.hacienda.gob.ni/hacienda/ Presidencia de la República de Nicaragua http://www.presidencia.gob.ni/ Banco Central de Nicaragua http://www.bcn.gob.ni/ Asamblea Nacional de Nicaragua (Congreso) http://www.asamblea.gob.ni/ Direccion general de ingreso http://www.dgi.gob.ni/ Direccion general de aduana http://www.dga.gob.ni/ Contraloria general de la republica http://www.cgr.gob.ni/</p>

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

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

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

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

Table 4. Distribution of the Enacted Budget and Other Reports

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

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

Section Two: The Executive's Budget Proposal

Notes on abbreviations:

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

BY+1 = one year beyond the budget year

BY-1 = one year before the budget year

Note 1: The Open Budget Survey research process was carried out over a 12-month period and the final version of the Open Budget Questionnaires reflect decisions made after multiple rounds of discussions between Survey researchers, peer reviewers, and the International Budget Partnership (IBP) (in several countries these decisions also considered comments received from governments). When peer reviewers or governments agreed with the answers provided by researchers, they often provided no comment. Thus for many questions, the section in the questionnaire that should contain peer reviewer comments is left blank. However, if the government did not provide any comments to a question (because it did not dispute the answer), the section within the questionnaire that is meant to reflect government comments specifies the answer that the government agreed with (by default).

Since the IBP continued its discussions with the researchers even after receiving peer reviewer and government comments, for some questions these discussions resulted in a mutual decision to change the answers, even if the peer reviewers and governments agreed with the original answer provided by the researcher. Such changes may have happened as a result of:

1. A more consistent application of the Survey methodology;
2. New information identified by the researcher or by IBP that had a bearing on the answer for a particular question; or
3. Decisions made to ensure cross-country comparability of answers.

For more information on these changes for any question please write to info@internationalbudget.org.

The Executive's Budget Proposal	
Estimates for the Budget Year and Beyond	
<p>1. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by administrative unit (that is, by ministry, department, or agency)?</p> <ol style="list-style-type: none"> All expenditures are classified by administrative unit. Expenditures are classified by administrative unit, but some small units are not shown separately. Expenditures are classified by administrative unit, but a significant number of units are not shown separately. No expenditures classified by administrative unit are presented. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/D_01_Clasif_Institucional.pdf</p> <p><u>Comment:</u> Even though all administrative units are included, it has been admitted by the government and it is included in the Report of Official External Aid written by the Central Bank that there are almost US\$453 million coming from the Venezuelan and ALBA aid that are not included in the National Budget. A significant portion of it is spent by the Government. This is equivalent to 33% of the National Budget, so it affects government finances in terms of transparency, though they are off-budget funds. Besides, the funds that are given as transfer to units in the executive and public enterprises are not classified administratively.</p> <p><u>Researcher Response to this Question was "a"</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> The comment above is correct, but the problem with the Venezuelan and ALBA aid is that even when the Government has signed with the republic of Venezuela an agreement that said that resources from ALBA constitute public debt, the Government has convinced International Monetary Fund (IMF) that these resources are private debt. In this regard, IMF Staff welcomes the publication of the second report on the use and sources of official assistance (http://www.bcn.gob.ni/publicaciones/eventuales/informes_especiales/Informe%20de%20cooperacion%20oficial%20externa.pdf), and efforts to strengthen monitoring of an increasing share of aid channeled to the private sector. IMF Staff has stressed that authorities will need to be vigilant that financing under the auspices of ALBA does not generate a contingent obligation to the public sector.</p> <p><u>IBP Comment:</u> IBP editors chose answer "a" consistent with peer reviewer comment and to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the <i>Guide to the Open Budget Questionnaire</i>.</p>	a

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:

http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/E_13_Clasificacion%20_Funcional.pdf

Comment:

Information is presented, though it does not follow international standards. The funds that are transfers are not classified by function.

Researcher Response to this Question was "b"

Peer Reviewer One Comment: A more appropriate response to this question would be "a." Ministry budget allocations are presented in functional categories. The allocations indicate what the money will be used for. For example, the Budget of the Ministry of Education (MINED) is divided into functions: elementary education, secondary education, literacy, etc.

http://www.hacienda.gob.ni/hacienda/presupuesto2009/D_13_03_MINED.pdf

Also, the Budget of the Supreme Electoral Council is another example of this: citizens' voter ID cards, services for political parties, etc.

http://www.hacienda.gob.ni/hacienda/presupuesto2009/D_05_03_CSE.pdf

Peer Reviewer Two Comment: The functional classification of the expenditures is almost in line with international standards. The public budget has to follow the classification that IMF presents in the Government Finance Statistics Manual (GFSM) 2001 (see page 76 in the following link: <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf>). In this regard, the public budget omits the "environmental protection" in its functional classification.

IBP Comment: IBP editors chose answer "b," consistent with peer reviewers' comments.

b

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:

http://www.hacienda.gob.ni/hacienda/presupuesto2009/E_01_Balance_Presup.pdf
http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/E_16_Presupuesto_Gasto.pdf

Comment:

Researcher Response to this Question was "a"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "b", because the economic classification of the public budget that Ministry of Finances (MHCP) makes follows the methodology of the old Government Finance Statistics Manual (GFSM) 1986 made by International Monetary Fund (IMF). Currently, IMF works with the GFSM 2001 (see page 63 in the following link:

<http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf>). For more information see page 177 in the following link:

<http://www.bcn.gob.ni/publicaciones/eventuales/index.html?&val=2#>)

On the other hand, the authorities of MHCP are in a process of adjusting the public budget to the most recently GFSM, which have a lot of modifications. It is important to mention that IMF assesses the performance of public finances in Nicaragua with the 1986 Manual.

IBP Comment: IBP editors chose answer "b" consistent with peer reviewers' comment.

b

<p>4. Does the executive's budget or any supporting budget documentation present expenditures for individual programs for the budget year?</p> <ul style="list-style-type: none"> a. Program-level data are presented for all expenditures. b. Program-level data are presented for at least two-thirds of, but not all, expenditures. c. Program-level data are presented, but for less than two-thirds of expenditures. d. No program-level data are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/E_08_Detalle_Programas.pdf</p> <p><u>Comment:</u></p> <p><u>Researcher Response to this Question was "b"</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be "a." The budgets of the ministries and other government agencies show expenditures by program with a specific number assigned to each, and corresponding to functions. In addition to the example cited above by the researcher, the ministries' programs are presented in the General Budget of the Republic. For example, program 015 of MINED [Ministry of Education] corresponds to Literacy and Adult Education. http://www.hacienda.gob.ni/hacienda/presupuesto2009/D_13_03_MINED.pdf Another example can be taken from the Ministry of Health (MINSa), which presents allocations by program. Program 014 of the MINSa is Health Outreach and Promotion. Additionally, for each ministry, details are shown for all projects belonging to each program.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>IBP Comment:</u> IBP editors chose answer "b," consistent with peer reviewer One's comment, though not for all the expenditures.</p>	b
<p>5. In the executive's budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for a multi-year period (at least two years beyond the budget year)?</p> <ul style="list-style-type: none"> a. Yes, multi-year estimates of aggregate expenditure are presented. b. No, multi-year estimates of aggregate expenditure are not presented. c. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/E_05_Desgloce_Espec.pdf</p> <p><u>Comment:</u> There are some aggregate level of expenditures presented in the Medium Term Planning Framework, but this is not always presented with the Budget Proposal. It does not cover all the expenditures.</p> <p><u>Researcher Response to this Question was "b"</u></p>	a

<p>Peer Reviewer One Comment: A more appropriate response to this question would be "a." The Medium Term Budget Framework (MPMP) 2009-2012 attached to the Draft 2009 General Budget of the Republic (PGR 2009), presented estimates of aggregate level expenditures. The Draft 2009 General Budget of the Republic was accessible to the public on the web page of the Ministry of the Finance since late October 2008 until December 2009. As of today's date, only the Approved 2009 Budget is accessible and it does not include the respective MPMP. In view of the fact the MPMP was accessible to the public during the discussion and approval period of the budget, and throughout 2009, I believe that such document should be considered as available to the public; for unknown reasons, it is not available in 2010. However, the MPMPs for prior years <i>and</i> for 2010-2013 are available.</p> <p>Peer Reviewer Two Comment: A more appropriate response to this question would be "a", because the question refers to the aggregate level of expenditure. The Medium Term Planning Framework 2009-2012 presents the expenditures estimates by its aggregate economic classification for the period 2009-2012.</p> <p>IBP Comment: IBP editors are aware that there is a disagreement between the researcher and the two peer reviewers on the timing in release of the Medium Term Policy Framework 2009-2012. The researcher could not find the document on the website of the Ministry of Finance when she was completing the questionnaire. However, both peer reviewers state that this document was posted on the website of the Ministry of Finance well in advance of the enactment of the budget in April 2009. As per the Open Budget Survey methodology, as long as the document was made available on the website of the Ministry of Finance during the same period as the other budget documents, it can be considered as publicly available. And this seems to be the case since it was used by a few research organizations, such as FUNIDES in December 2008 http://funides.com/documentos/coyuntura/2008/IVtrim/Funides_CE_IV_Trimes_tre_2008.pdf on Chapter 1, page 11. Accordingly, IBP consider the Medium Term Policy Framework as a publicly available document and decided to use the contents of this document to answer relevant questions. Therefore, consistent with both peer reviewers' comments, IBP editors chose answer "a."</p>	
<p>6. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover a multi-year period (for at least two years beyond the budget year)?</p> <ol style="list-style-type: none"> Yes, multi-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative). Yes, multi-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs. 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. No, multi-year estimates are presented for aggregate expenditure only, or they are not presented at all. 	C

e. Not applicable/other (please comment).

Citation:

http://www.hacienda.gob.ni/hacienda/presupuesto2009/C_01.pdf

Example in MTFP:

http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/F_4_14_MGMP_MINSA.pdf

Comment:

As it was mentioned, there are some multi-year estimates presented in the MTFP, but this is not always presented. For 2009, it was presented after the budget proposal. Besides, this MTFP does not include multi-year estimates for all expenditures, as it could be seen in the example.

Researcher Response to this Question was "d"

Peer Reviewer One Comment: A more appropriate response to this question would be "b." The Medium Term Budget Framework (MPMP) has been presented as an annex to the Draft General Budget of the Republic (PGR) since 2006, and the document is accessible on the web page of the Ministry of Finance from one to two weeks subsequent to the date that the Finance Ministry submits the Draft PGR to the National Assembly. Over time, estimates for more and more public entities have been added. As I mentioned in the comment to the previous question, the 2009-2012 MPMP attached to the Draft 2009 PGR was available from October to December 2009. For some reason, it was not available as of January, which was the date that the Finance Ministry's web page was modified.

Peer Reviewer Two Comment: A more appropriate response to this question would be "c", because the Medium Term Planning Framework (MTPF) 2009-2012 presents the estimates expenditures by economic classification and the expenditures by program of 19 institutions of Central Government and 14 decentralized institutions for the period 2009-2012. Besides, even though the MTPF was presented after the budget proposal, the budget wasn't approved until April 2009, so the different sectors of civil society had a few time for read it and try to discuss it with the National Assembly.

IBP Comment: As explained in question 5, IBP editors consider the Medium Term Policy Framework as a publicly available document and decided to use the contents of this document to answer relevant questions. Therefore, consistent with both peer reviewers' comments and to maintain consistency of assumptions across countries, IBP editors chose answer "c."

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:

http://www.hacienda.gob.ni/hacienda/presupuesto2009/E_02_Ing_por_Uni_Rec.pdf

http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/C_01_INGRESOS.pdf

Comment:

Researcher Response to this Question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A comment about this question is that the classification of revenue that Government presents in the budget is very aggregate in comparison with the level of disaggregation that IMF suggest in the Government Finance Statistics Manual (GFSM) 2001 (for more information see page 49 in the following link:

<http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf>

IBP Comment: IBP editors chose answer "c" consistent with peer reviewer two's comment and the following link presented by the researcher:

www.hacienda.gob.ni/hacienda/ppresupuesto2009/C_01_INGRESOS.pdf

C

<p>8. Does the executive's budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the budget year?</p> <ul style="list-style-type: none"> a. All sources of non-tax revenue are identified individually. b. Sources of non-tax revenue amounting to at least two-thirds of, but not all, non-tax revenues are identified individually. c. Sources of non-tax revenues amounting to less than two-thirds of all non-tax revenue are identified individually. d. No sources of non-tax revenues are identified individually. e. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/E_05_Desgloce_Espec.pdf Bnaco Central de Nicaragua, Informe de Cooperación Oficial Externa 2008 [Central Bank of Nicaragua, Report on Official External Cooperation 2008], pages 20 and 21</p> <p><u>Comment:</u> The issue in Nicaragua is the amounts that are managed outside the Budget, especially related to funds coming from Venezuela and funds resulting from the ALBA oil agreement. These funds to the sum of US\$457 millions according to the Nicaragua Central Bank (BCN), and to US \$ 600 million according to non-official sources. Only 0.8% of these funds - according to the Central Bank - were included in the General Budget. The rest was managed outside and it corresponds to more that 31% of the total General Budget, according to BCN.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Idem Question 1 and 7.</p>	<p>b</p>
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<p>9. In the executive's budget or any supporting budget documentation, are estimates of the aggregate level of revenue presented for a multi-year period (at least two years beyond the budget year)?</p> <p>a. Yes, multi-year estimates of aggregate revenue are presented. b. No, multi-year estimates of aggregate revenue are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/E_01_Balance_Presup.pdf</p> <p><u>Comment:</u> Idem question 8.</p> <p><u>Researcher Response to this Question was "b"</u></p> <p><u>Peer Reviewer One Comment:</u> The most appropriate response to this question is "a." The Medium Term Budget Framework (MPMP) presents estimates at the aggregate level of revenue for multi-annual periods. It is not possible, as I mentioned above, to gain access to the 2009-2012 MPMP, but it is possible for the other MPMPs, of which provide earlier examples.</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "a", because the question refers to the aggregate level of revenue. The Medium Term Planning Framework 2009-2012 presents the estimates revenue by tax revenues and non-tax revenues for the period 2009-2012</p> <p><u>IBP Comment:</u> As explained in question 5, IBP editors consider the Medium Term Policy Framework as a publicly available document, and decided to use the contents of this document to answer relevant questions. Therefore, consistent with both peer reviewers' comments, IBP editors chose answer "a."</p>	<p>a</p>
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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:

http://www.hacienda.gob.ni/hacienda/presupuesto2009/E_02_Ing_por_Uni_Rec.pdf

http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/PRESUPUESTO_DE_MEDIANO_PLAZO.pdf

Comment:

The MTPF includes some multi-year estimates of revenues, but only aggregate. Besides, as it has been mentioned before, the MTPF is not always produced. For 2009, it was presented after the Budget Proposal was released.

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "b", because the Medium Term Planning Framework 2009-2012 presents the revenue estimates by tax revenues and non-tax revenues for the period 2009-2012.

IBP Comment: As explained in question 5, IBP editors consider the Medium Term Policy Framework as a publicly available document and decided to use the contents of this document to answer relevant questions. Therefore, consistent with peer reviewer two's comment, IBP editors chose answer "b."

b

<p>11. Does the executive's budget or any supporting budget documentation present data on the total government debt outstanding for the budget year?</p> <p>a. Yes, the data reflect the outstanding debt both at the start of the budget year and at the end of the budget year (and thereby reflect the net borrowing requirement of the budget).</p> <p>b. Yes, the data reflect the outstanding debt at the end of the budget year.</p> <p>c. Yes, the data reflect the outstanding debt at the start of the budget year.</p> <p>d. No, data on the outstanding debt are not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/E_03_Detalle_Pag_Int.pdf; http://www.hacienda.gob.ni/hacienda/presupuesto2009/E_04_Detalle_Pag_Ext.pdf; http://www.hacienda.gob.ni/hacienda/presupuesto2009/C_01.pdf http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/D_23_aa_2_SERV_DEUDA.pdf</p> <p><u>Comment:</u> The Executive's Budget Proposal includes some details about the service of the debt that should be paid during the year, but does not present the debt situation (its total or its composition).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>12. Does the executive's budget or any supporting budget documentation present interest payments on the debt for the budget year?</p> <p>a. Yes, interest payments on the debt are presented.</p> <p>b. No, interest payments on the debt are not presented.</p> <p>c. Not applicable/other (please comment).</p> <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/E_03_Detalle_Pag_Int.pdf; http://www.hacienda.gob.ni/hacienda/presupuesto2009/E_04_Detalle_Pag_Ext.pdf http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/D_23_aa_2_SERV_DEUDA.pdf</p> <p><u>Comment:</u> See Question 11</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>13. Does the executive's budget or any supporting budget documentation present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, currency denomination of the debt, or whether it is domestic and external debt) for the budget year?</p> <p>a. Yes, extensive information related to the composition of government debt is presented.</p> <p>b. Yes, key additional information is presented, but some details are excluded.</p> <p>c. Yes, some additional information is presented, but it lacks important details.</p> <p>d. No, additional information related to the composition of government debt is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/E_03_Detalle_Pag_Int.pdf; http://www.hacienda.gob.ni/hacienda/presupuesto2009/E_04_Detalle_Pag_Ext.pdf</p> <p><u>Comment:</u> See question 12</p> <p><u>Researcher Response to this Question was "c"</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>IBP Comment:</u> IBP editors chose answer "d" to maintain consistency of assumptions in selecting answers across countries. See also question 11.</p>	d
<p>14. Does the executive's budget or any supporting budget documentation present the macroeconomic forecast upon which the budget projections are based?</p> <p>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.</p> <p>b. Yes, the macroeconomic forecast is discussed and most of the key assumptions are stated explicitly, but some details are excluded.</p> <p>c. Yes, there is some discussion of the macroeconomic forecast (and/or the presentation of key assumptions), but it lacks important details.</p> <p>d. No, information related to the macroeconomic forecast is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/PLAN_NACIONAL_DE_DESARROLLO_HUMANO.pdf http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/MARCO_FISCAL_DE_MEDIANO_PLAZO.pdf</p>	C

Comment:

The MTPF of 2009 includes some information, but it was presented after the Budget Proposal. Besides, it does not include macroeconomic forecast, only the situation for 2008.

Researcher Response to this Question was "d"

Peer Reviewer One Comment: The most appropriate response to this question is "c." The introductory explanation of the Draft 2009 Budget submitted on October 15, 2008, presents the macroeconomic assumptions upon which budget preparation was based, in addition to the main policies. The Draft 2009 Budget was accessible on the web page of the Finance Ministry from October 2008 to December 2009.

In the introductory explanation [*Exposición de Motivos*], assumptions regarding nominal annual average exchange rates, crawling peg exchange rates, expected economic growth, accumulated inflation rate. A more detailed explanation is presented in the 2009-2012 Medium Term Budget Framework (MPMP). As can be verified using the web links to the 2009 Draft Budget, access is only available to the Enacted Budget and not to the Draft document.

Peer Reviewer Two Comment: A more appropriate response to this question would be "b," because the Medium Term Planning Framework 2009-2012 presents the macroeconomic forecast (2009-2012) for the main economic indicators (real GDP growth, inflation, exchange rate, external current account deficit, international reserves, Central Government balance, investment and savings). It also includes the disaggregation of the nominal and real Gross Domestic Product (GDP) by economic activity and demand, and the balance of payments for 2009-2012. However, even when the MTPF presents this data, the document does not present an extensive discuss of the macroeconomic forecast and the economic policy of Nicaragua for the medium term.

IBP Comment: As explained in question 5, IBP editors consider the Medium Term Policy Framework as a publicly available document, and decided to use the contents of this document to answer relevant questions. Therefore, to maintain consistency of assumptions across countries, IBP editors chose answer "c."

<p>15. Does the executive's budget or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget (including expenditures, revenues, and debt)?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/MARCO_FISCAL_DE_MEDIANO_PLAZO.pdf</p> <p><u>Comment:</u> Same as for question 14.</p> <p><u>Researcher Response to this Question was "d"</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "c," because the document explains that the objective of the fiscal policy was made taking into account the macroeconomic assumptions.</p> <p><u>IBP Comment:</u> IBP editors chose answer "d" to maintain consistency of assumptions across countries.</p>	<p>d</p>
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<p>16. Does the executive's budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect expenditures?</p> <ul style="list-style-type: none"> a. Yes, extensive information on the impact of policy proposals on expenditures is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the impact of key policy proposals on expenditures, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on the impact of policy proposals on expenditures is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html</p> <p><u>Comment:</u></p> <p><u>Researcher Response to this Question was "d"</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question is "c." Aspects pertaining to expenditure policy are discussed in the <i>Exposición de Motivos</i> of the Draft Budget, which is available to the public on the internet.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>IBP Comment:</u> IBP editors chose answer "d" to maintain consistency of assumptions across countries.</p>	<p>d</p>
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<p>17. Does the executive's budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect revenues?</p> <ol style="list-style-type: none"> Yes, extensive information on the impact of policy proposals on revenues is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting the impact of key policy proposals on revenues, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on the impact of policy proposals on revenues is not presented. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/MARCO_FISCAL_DE_MEDIANO_PLAZO.pdf</p> <p><u>Comment:</u> Idem Question 14</p> <p><u>Researcher Response to this Question was "d"</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question is "c." Aspects pertaining to revenue policy are discussed in the <i>Exposición de Motivos</i> of the Draft Budget, which is available to the public through the internet.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>IBP Comment:</u> IBP editors chose answer "d" to maintain consistency of assumptions across countries.</p>	<p>d</p>
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Estimates for Years Prior to the Budget Year	
<p>18. Does the executive's budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by administrative unit (that is, by ministry, department, or agency)?</p> <ol style="list-style-type: none"> All expenditures are classified by administrative unit for BY-1. Expenditures are classified by administrative unit for BY-1, but some small units are not shown separately. Expenditures are classified by administrative unit for BY-1, but a significant number of units are not shown separately. No expenditures classified by administrative unit are presented for BY-1. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html</p> <p><u>Comment:</u> The General Budget of the Republic does not present data for preceding years, only for the budget year.</p> <p><u>Researcher Response to this Question was "d"</u></p> <p><u>Peer Reviewer One Comment:</u> The most appropriate response to this question would be "b." The 2009-2012 Medium Term Budget Framework (MPMP) presented a table 'Budget Credits' with expenditures for BY-1 by administrative unit. However, no detail on allocations and subsidies is provided.</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "b," because the Medium Term Planning Framework 2009-2012 presents the expenditures for 2006 and 2007, and the estimates expenditures for 2008.</p> <p><u>IBP Comment:</u> As explained in question 5, IBP editors consider the Medium Term Policy Framework as a publicly available document, and decided to use the contents of this document to answer relevant questions. Therefore, consistent with both peer reviewers' comments, IBP editors chose answer "b."</p>	b

<p>19. Does the executive's budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by functional classification?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html</p> <p><u>Comment:</u> Idem Question 18</p> <p><u>Researcher Response to this Question was "d"</u></p> <p><u>Peer Reviewer One Comment:</u> The most appropriate response to this question is "a." Expenditures for BY-1 by functional classification are presented in the statistical annexes of the 2009-2012 MPMP [Medium Term Budget Framework].</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>IBP Comment:</u> As explained in question 5, IBP editors consider the Medium Term Policy Framework as a publicly available document, and decided to use the contents of this document to answer relevant questions. Therefore, consistent with both peer reviewers' comments, IBP editors chose answer "a."</p>	<p>a</p>
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<p>20. Does the executive's budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by economic classification?</p> <ul style="list-style-type: none"> a. All expenditures are classified by economic classification for BY-1, and the categorization is compatible with international standards. b. All expenditures are classified by economic classification for BY-1, but the categorization is not compatible with international standards. c. Some, but not all, expenditures are classified by economic classification for BY-1. d. No expenditures classified by economic classification are presented for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html</p> <p><u>Comment:</u> Idem Question 18</p> <p><u>Researcher Response to this Question was "d"</u></p> <p><u>Peer Reviewer One Comment:</u> The most appropriate response to this question is "a." Expenditures for BY-1 by economic classification are presented in the statistical annexes of the 2009-2012 MPMP [Medium Term Budget Framework.</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "c," because the Medium Term Planning Framework 2009-2012 presents the aggregate expenditures by economic classification for 2006 and 2007, and the estimates expenditures for 2008. However, the MTPF does not present the economic classification of the Central Government institutions and the entities decentralized.</p> <p><u>IBP Comment:</u> As explained in question 5, IBP editors consider the Medium Term Policy Framework as a publicly available document, and decided to use the contents of this document to answer relevant questions. Therefore, in light of peer reviewers' comments, and to maintain consistency of assumptions across countries, IBP editors chose answer "c."</p>	<p>C</p>
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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:

<http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html>

Comment:

Idem Question 18

b

Researcher Response to this Question was "d"

Peer Reviewer One Comment: The most appropriate response to this question is "b." The 2099-2012 Medium Term Budget Framework not only presents expenditure forecasts by program for each ministry for the following years, but also for BY-1, in the section called Medium Term Sectoral Framework. However, it still does not include some government institutions.

Peer Reviewer Two Comment:

IBP Comment: As explained in question 5, IBP editors consider the Medium Term Policy Framework as a publicly available document, and decided to use the contents of this document to answer relevant questions. Therefore, in light of peer reviewer one's comment, IBP editors chose answer "b."

<p>22. In the executive's budget or any supporting budget documentation, how many months of actual data are reflected in the expenditure estimates of the year prior to the budget year (BY-1)?</p> <ul style="list-style-type: none"> a. All BY-1 estimates have been updated from the original enacted levels to reflect six or more months of actual expenditure. b. All BY-1 estimates have been updated from the original enacted levels, but reflect less than six months of actual expenditure. c. Some BY-1 estimates have been updated from the original enacted levels to reflect actual expenditure. d. The BY-1 estimates have not been updated from the original enacted levels, or no BY-1 estimates are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html</p> <p><u>Comment:</u> Idem Question 18</p> <p><u>Researcher Response to this Question was "d"</u></p> <p><u>Peer Reviewer One Comment:</u> The most appropriate response is "a."</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>IBP Comment:</u> As explained in question 5, IBP editors consider the Medium Term Policy Framework as a publicly available document, and decided to use the contents of this document to answer relevant questions. Therefore, to maintain consistency of assumptions across countries, IBP editors chose answer "a."</p>	<p>a</p>
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<p>23. In the executive's budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?</p> <p>a. Yes, such prior-year estimates of aggregate expenditure are presented.</p> <p>b. No, such prior-year estimates of aggregate expenditure are not presented.</p> <p>c. Not applicable/other (please comment).</p> <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html http://www.hacienda.gob.ni/hacienda/presupuesto2009/D_02_Asign_Su bvenciones.pdf</p> <p><u>Comment:</u> Idem Question 18</p> <p><u>Researcher Response to this Question was "b"</u></p> <p><u>Peer Reviewer One Comment:</u> The most appropriate response is "a." Estimates of total expenditures for BY-2 are presented in the statistical annexes of the MPMP [Medium Term Budget Framework]. They cover BY2008 and BY2007.</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "a", because the Medium Term Planning Framework 2009-2012 presents the aggregate level of expenditures for 2006 and 2007.</p> <p><u>IBP Comment:</u> As explained in question 5, IBP editors consider the Medium Term Policy Framework as a publicly available document, and decided to use the contents of this document to answer relevant questions. Therefore, consistent with both peer reviewers' comments, IBP editors chose answer "a."</p>	<p>a</p>
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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)?
- Yes, such prior-year expenditure estimates are presented for all individual programs and for one or more expenditure classification (such as functional, economic, or administrative).
 - Yes, such prior-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs.
 - Yes, such prior-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs.
 - No, such prior-year estimates are presented for aggregate expenditure only, or they are not presented at all.
 - Not applicable/other (please comment).

Citation:

<http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html>
http://www.hacienda.gob.ni/hacienda/presupuesto2009/D_02_Asign_Su bvenciones.pdf

Comment:

Idem Question 18

Researcher Response to this Question was "d"

Peer Reviewer One Comment: The most appropriate response is "a." Estimates of expenditures for BY-2 are presented in greater detail in the statistical annexes of the MPMP [Medium Term Budget Framework]. They cover both BY2007 and BY 2008.

Peer Reviewer Two Comment:

IBP Comment: As explained in question 5, IBP editors consider the Medium Term Policy Framework as a publicly available document, and decided to use the contents of this document to answer relevant questions. Therefore, consistent with peer reviewer one's comment and with question 21, IBP editors chose answer "b."

b

<p>25. In the executive's budget or any supporting budget documentation, what is the most recent year presented for which all expenditures reflect actual outcomes?</p> <ul style="list-style-type: none"> a. Two years prior to the budget year (BY-2). b. Three years prior to the budget year (BY-3). c. Before BY-3. d. No actual data for all expenditures are presented in the budget or supporting budget documentation. e. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html http://www.hacienda.gob.ni/hacienda/presupuesto2009/E_01_Balance_Presup.pdf</p> <p><u>Comment:</u> Idem Question 18</p> <p><u>Researcher Response to this Question was "d"</u></p> <p><u>Peer Reviewer One Comment:</u> The most appropriate response is "a." Information on execution for BY-2 (2007) is presented.</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "a," because the Medium Term Planning Framework 2009-2012 presents the aggregate level of expenditures for 2006.</p> <p><u>IBP Comment:</u> As explained in question 5, IBP editors consider the Medium Term Policy Framework as a publicly available document, and decided to use the contents of this document to answer relevant questions. Therefore, consistent with both peer reviewers' comments, IBP editors chose answer "a."</p>	<p>a</p>
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<p>26. Are the expenditure estimates for the years prior to the budget year adjusted, as needed, to be comparable with the budget-year estimates in terms of classification and presentation?</p> <ul style="list-style-type: none"> a. Yes, prior-year data are always adjusted to be comparable to the budget year data. b. Yes, in most cases, prior-year data are adjusted to be comparable. c. Yes, in some cases, prior-year data are adjusted to be comparable, but significant deviations between prior-year and budget-year classifications exist. d. No, prior-year data are not adjusted to be comparable, or no prior-year estimates are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html http://www.hacienda.gob.ni/hacienda/presupuesto2009/E_01_Balance_Presup.pdf</p> <p><u>Comment:</u> Idem Question 18</p> <p><u>Researcher Response to this Question was “d”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “a,” because the Medium Term Planning Framework 2009-2012 presents the aggregate level of expenditures for 2006, 2007 and estimates of 2008.</p> <p><u>IBP Comment:</u> IBP editors chose answer “d” to maintain the consistency of assumptions across countries.</p>	<p>d</p>
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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:

<http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html>
http://www.hacienda.gob.ni/hacienda/presupuesto2009/C_01.pdf
http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/MARCO_FISCAL_DE_MEDIANO_PLAZO.pdf

Comment:

Idem Question 18. The MTPF includes some information related to aggregates of tax revenues for BY-2 and estimates for BY-1, but as it has been mentioned, MTPF was not presented at the same time of the budget proposal, and it does not identify the different sources, just the kind of tax

C

Researcher Response to this Question was "d"

Peer Reviewer One Comment: The most appropriate response is "c." Tax revenues for BY-1 are presented to a certain level of detail in the 2009-2012 MPMP [Medium Term Budget Framework], which is attached to the draft General Budget of the Republic. Although this information was available during 2009 on the web page of the Finance Ministry, currently it is not, and this can be verified by clicking on the link cited above by the researcher.

http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/MARCO_FISCAL_DE_MEDIANO_PLAZO.pdf

Peer Reviewer Two Comment:

IBP Comment: As explained in question 5, IBP editors consider the Medium Term Policy Framework as a publicly available document, and decided to use the contents of this document to answer relevant questions. Therefore, consistent with peer reviewer one's comment, IBP editors chose answer "c."

28. Does the executive's budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the year preceding the budget year (BY-1)?

- a. All non-tax revenues are identified individually for BY-1.
- b. Non-tax revenues amounting to at least two-thirds of, but not all, non-tax revenue for BY-1 are identified individually.
- c. Non-tax revenues amounting to less than two-thirds of all non-tax revenues for BY-1 are identified individually.
- d. No non-tax revenues are identified individually for BY-1.
- e. Not applicable/other (please comment).

Citation:

<http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html>
http://www.hacienda.gob.ni/hacienda/presupuesto2009/E_05_Desgloce_Espec.pdf
http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/MARCO_FISCAL_DE_MEDIANO_PLAZO.pdf

Comment:

THE MTPF includes some estimates of the total of non tax revenues, but not all. See also Question 27 and prior.

C

Researcher Response to this Question was "d"

Peer Reviewer One Comment: The most appropriate response is "c." Tax revenues for BY-1 are presented to a certain level of detail in the 2009-2012 MPMP [Medium Term Budget Framework], which is attached to the draft General Budget of the Republic. Although this information was available during 2009 on the web page of the Finance Ministry, it is no longer available at this time, and this can be verified when clicking on the link cited above by the researcher.

Peer Reviewer Two Comment:

IBP Comment: As explained in question 5, IBP editors consider the Medium Term Policy Framework as a publicly available document, and decided to use the contents of this document to answer relevant questions. Therefore, consistent with peer reviewer one's comment, IBP editors chose answer "c."

<p>29. In the executive's budget or any supporting budget documentation, how many months of actual data are reflected in the revenues estimates of the year prior to the budget year (BY-1)?</p> <ul style="list-style-type: none"> a. All BY-1 estimates have been updated from the original estimates to reflect six or more months of actual revenue collections. b. All BY-1 estimates have been updated from the original estimates, but reflect less than six months of actual revenue collections. c. Some BY-1 estimates have not been updated from the original estimates to reflect actual revenue collections. d. The BY-1 estimates have not been updated from the original estimates or no BY-1 estimates are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html http://www.hacienda.gob.ni/hacienda/presupuesto2009/C_01.pdf http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/MARCO_FISCAL_DE_MEDIANO_PLAZO.pdf</p> <p><u>Comment:</u> The Executive's Budget does not include actual data of revenues estimates. The MTPF includes some estimates, but it does not report how many months it includes. See also question 27, in relation to MTPF</p> <p><u>Researcher Response to this Question was "d"</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>IBP Comment:</u> IBP editors chose answer "a" to maintain consistency of assumptions in selecting answers across countries. See question 22.</p>	<p>a</p>
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<p>30. In the executive's budget or any supporting budget documentation, are estimates of the aggregate level of revenues presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?</p> <p>a. Yes, such prior-year estimates of aggregate revenue are presented. b. No, such prior-year estimates of aggregate revenue are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/MARCO_FISCAL_DE_L_DE_MEDIANO_PLAZO.pdf</p> <p><u>Comment:</u> Idem Question 29</p> <p><u>Researcher Response to this Question was "b"</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be "a." The 2009-2012 Medium Term Budget Framework presented total revenue estimates for BY-2. http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/MARCO_FISCAL_DE_MEDIANO_PLAZO.pdf</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "a," because the Medium Term Planning Framework 2009-2012 presents the aggregate level of revenue for 2006, 2007.</p> <p><u>IBP Comment:</u> As explained in question 5, IBP editors consider the Medium Term Policy Framework as a publicly available document, and decided to use the contents of this document to answer relevant questions. Therefore, consistent with both peer reviewers' comment, IBP editors chose answer "a."</p>	<p>a</p>
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<p>31. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?</p> <ul style="list-style-type: none"> a. Yes, such prior-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax). b. Yes, such prior-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue. c. Yes, such prior-year estimates are presented, but only for some individual sources of revenue. d. No, such prior-year estimates are presented for aggregate revenue only, or they are not presented at all. e. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/MARCO_FISCAL_DE_MEDIANO_PLAZO.pdf</p> <p><u>Comment:</u> The Executive's budget does not present such information. The MTPF includes actual revenues for BY-2 and BY-3, but only for aggregate revenues. See also Question 27 for MTPF</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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<p>32. In the executive's budget or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?</p> <ul style="list-style-type: none"> a. Two years prior to the budget year (BY-2). b. Three years prior to the budget year (BY-3). c. Before BY-3. d. No actual data for all revenues are presented in the budget or supporting budget documentation. e. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/MARCO_FISCAL_DE_MEDIANO_PLAZO.pdf</p> <p><u>Comment:</u> Same as for questions 30 and 31</p> <p><u>Researcher Response to this Question was "d"</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be "a." The Medium Term Budget Framework presents actual revenue outcome for BY-2.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>IBP Comment:</u> As explained in question 5, IBP editors consider the Medium Term Policy Framework as a publicly available document, and decided to use the contents of this document to answer relevant questions. Therefore, consistent with peer reviewer one's comment, IBP editors chose answer "a."</p>	<p>a</p>
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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:

<http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html>

http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/MARCO_FISCAL_DE_MEDIANO_PLAZO.pdf

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

<http://www.laprensa.com.ni/archivo/2007/julio/14/noticias/economia/203252.shtml>

Banco Central de Nicaragua, Informe de Cooperación Externa Oficial 2008

<http://www.bcn.gob.ni/publicaciones/nicaragua/cooperacion2008.pdf>

Comment:

The Executive's budget includes information about the debt's service, but not the composition or the amounts. Here, we see again the problem related to Venezuela and ALBA's Oil agreement "cooperation," since according to the Agreement part of the "cooperation" is in form of loan under concessional conditions. Nonetheless, this is not included in the General Budget or in the details about debts. See also question 11.

Researcher Response to this Question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: See comment in question 1.

IBP Comment: IBP editors chose answer "b" to maintain consistency of assumptions across countries.

b

<p>34. In the executive's budget or any supporting budget documentation, what is the most recent year presented for which the debt figures reflect actual outcomes?</p> <ul style="list-style-type: none"> a. Two years prior to the budget year (BY-2). b. Three years prior to the budget year (BY-3). c. Before BY-3. d. No actual data for government debt are presented in the budget or supporting budget documentation. e. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/MARCO_FISCAL_DE_MEDIANO_PLAZO.pdf http://www.alternativabolivariana.org/modules.php?name=News&file=article&sid=1805 http://www.laprensa.com.ni/archivo/2007/julio/14/noticias/economia/203252.shtml Banco Central de Nicaragua, Informe de Cooperación Externa Oficial 2008 http://www.bcn.gob.ni/publicaciones/nicaragua/cooperacion2008.pdf</p> <p><u>Comment:</u> See Question 33 and 11.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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Comprehensiveness	
<p>35. Does the executive's budget or any supporting budget documentation present information for at least the budget year on extra-budgetary funds?</p> <ol style="list-style-type: none"> Yes, extensive information on extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key extra-budgetary funds, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on extra-budgetary funds is not presented. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html</p> <p><u>Comment:</u> See question 33</p> <p><u>Researcher Response to this Question was "d"</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "c", because executive's budget presents the aggregate economic classification of each public enterprise, organs and entities decentralized, state financial institutions, and other autonomous organs of state.</p> <p><u>IBP Comment:</u> IBP editors chose answer "d" to maintain consistency of assumptions across countries.</p>	d

<p>36. Does the executive's budget or any supporting budget documentation present information for at least the budget year on intergovernmental transfers?</p> <ul style="list-style-type: none"> a. Yes, extensive information on intergovernmental transfers is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key intergovernmental transfers, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on intergovernmental transfers is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Anexo III Presupuesto 2009 [Annex III, Budget 2009]. http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html http://www.hacienda.gob.ni/hacienda/presupuesto2009/E_02_Ing_por_Uni_Rec.pdf</p> <p><u>Comment:</u> There have been different media reports on intergovernmental transfers and funds that are not registered in the National Budget. One of the most known cases is the related to National Social Security Institute that has given US\$ 20 million to the Central Government for National Reserves and Payment Balance, and other US\$ 20 million to buy medicines for the Ministry of Health</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> An additional comment is that IMF Staff has stressed the need to strengthen current investment norms, including those to ensure that recent INSS investments (e.g. purchase of shares of pharmaceutical companies) are in line with international best practices.</p>	<p>C</p>
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<p>37. Does the executive's budget or any supporting budget documentation present information for at least the budget year on transfers to public corporations?</p> <ol style="list-style-type: none"> Yes, extensive information on transfers to public corporations is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key transfers to public corporations, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on transfers to public corporations is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Anexo III, Presupuesto 2009 [Annex III, Budget 2009]. http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html http://www.hacienda.gob.ni/hacienda/presupuesto2009/E_02_Ing_por_Uni_Rec.pdf</p> <p><u>Comment:</u> All the transfers are presented. There has been different reports in the media about transfers to the National Oil Company, PETRONIC from different public institutions, that are not registered in the Budget or the in-year reports. PETRONIC is the biggest public enterprise, and one of the most questioned since it is the channel to Venezuelan aid.</p> <p><u>Peer Reviewer One Comment:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/G_03_01_CORREO.pdf</p> <p><u>Peer Reviewer Two Comment:</u></p>	C
<p>38. Does the executive's budget or any supporting budget documentation present information for at least the budget year on quasi-fiscal activities?</p> <ol style="list-style-type: none"> Yes, extensive information on quasi-fiscal activities is presented, including both a narrative discussion and, where possible, quantitative estimates. Yes, information is presented, highlighting key quasi-fiscal activities, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on quasi-fiscal activities is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto por ingresos y rubros [by revenue and budget lines] http://www.hacienda.gob.ni/hacienda/presupuesto2009/C_01.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>39. Does the executive's budget or any supporting budget documentation present information on financial assets held by the government?</p> <ul style="list-style-type: none"> a. Yes, extensive information on financial assets is presented, including a listing of the assets, a discussion of their purpose, and an estimate of their market value. b. Yes, information is presented, highlighting key information, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on financial assets is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la Republica [General Budget of the Republic] 2009. http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>40. Does the executive's budget or any supporting budget documentation present information on non-financial assets held by the government?</p> <ul style="list-style-type: none"> a. Yes, extensive information on non-financial assets is presented, including a listing of the assets, and (where possible) an estimate of their market value. b. Yes, information is presented, highlighting key information, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on non-financial assets is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la Republica 2009. http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>41. Does the executive's budget or any supporting budget documentation present information for at least the budget year on expenditure arrears?</p> <ol style="list-style-type: none"> Yes, extensive information on expenditure arrears is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key expenditure arrears, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on expenditure arrears is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la Republica 2009. http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html</p> <p><u>Comment:</u> The budget does not reflect the arrears. Recently, there have been different</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>42. Does the executive's budget or any supporting budget documentation present information on contingent liabilities (such as government loan guarantees)?</p> <ol style="list-style-type: none"> Yes, extensive information on contingent liabilities is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key contingent liabilities, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on contingent liabilities is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la Republica 2009. http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>43. Does the executive's budget or any supporting budget documentation present information on future liabilities, such as civil service pensions?</p> <ul style="list-style-type: none"> a. Yes, extensive information on future liabilities is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key future liabilities, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on future liabilities is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la Republica 2009. http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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<p>44. Does the executive's budget or any supporting budget documentation provide details on the sources of donor assistance, both financial and in-kind?</p> <ul style="list-style-type: none"> a. All sources of donor assistance are identified individually. b. At least two-thirds of, but not all, sources of donor assistance, are identified individually. c. Less than two-thirds of sources of donor assistance are identified individually. d. No sources of donor assistance are identified individually. e. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la Republica 2009. http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html presupuesto donaciones y prestamos http://www.hacienda.gob.ni/hacienda/presupuesto2009/E_05_Desgloce_Espec.pdf Banco Central de Nicaragua, Informe de Cooperación Oficial Externa 2008 http://www.bcn.gob.ni/publicaciones/nicaragua/cooperacion2008.pdf</p> <p><u>Comment:</u> As mentioned earlier, the cooperation coming from Venezuela and from the ALBA Oil Agreement are not registered. Annual reports of different ministries mentioned the importance of Venezuelan Aid, but their budgets and their expenses reports do not officially publish the information. According to the Central Bank, the cooperation from Venezuela for 2008 (US\$357 million) is similar to the total amount of donor assistance (US\$ 359.1 million)</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Same as for question 1.</p>	<p>C</p>
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<p>45. Does the executive's budget or any supporting budget documentation present information for at least the budget year on tax expenditures?</p> <ol style="list-style-type: none"> Yes, extensive information on tax expenditures is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key tax expenditures, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on tax expenditures is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto 2009/ingresos tributarios [tax revenue] http://www.hacienda.gob.ni/hacienda/presupuesto2009/C_01.pdf</p> <p><u>Comment:</u></p> <p><u>Researcher Response to this Question was "c"</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be "d" because the Budget Proposal does not present information about tax expenditures.</p> <p><u>IBP Comment:</u> IBP editors chose answer "d" to maintain consistency of assumptions across countries.</p>	d
<p>46. Does the executive's budget or any supporting budget documentation identify all earmarked revenues?</p> <ol style="list-style-type: none"> All earmarked revenues are identified individually. At least two-thirds of, but not all, earmarked revenues are identified individually. Less than two-thirds of earmarked revenues are identified individually. No earmarked revenues are identified individually. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto 2009/ingresos tributarios [tax revenue] http://www.hacienda.gob.ni/hacienda/presupuesto2009/C_01.pdf http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/E_11_Rentase_DE.pdf</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	C

<p>47. What percentage of expenditure in the budget year is dedicated to spending on secret items relating to, for instance, national security and military intelligence?</p> <ol style="list-style-type: none"> One percent or less of expenditure is dedicated to secret items. Three percent or less, but more than one percent, of expenditure is dedicated to secret items. Eight percent or less, but more than three percent, of expenditure is dedicated to secret items. More than eight percent of expenditure is dedicated to secret items, or the percentage is not available to the public. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General de la Republica 2009. http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html http://www.unanleon.edu.ni/presupuesto2009/Anteproyecto%20presupuesto%20de%20Nicaragua%202009/A_01_ExpoMotivos.pdf Informe de Cooperación Externa Oficial 2008 http://www.bcn.gob.ni/publicaciones/nicaragua/cooperacion2008.pdf</p> <p><u>Comment:</u> The total amount dedicated to the Army included in the National Budget is equivalent to 3%. There are other expenditures dedicated to secret items, but they are usually covered with funds coming from Venezuelan Aid through the Presidency. It is not possible to estimate the amount or the percentage, but as it has been mentioned in question 33, Venezuela and ALBA´s Aid managed outside the national budget sums to more than 31% of 2008 total national budget. There is no report of what is done with those funds.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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The Budget Narrative & Performance Monitoring	
<p>48. Does the executive's budget or any supporting budget documentation explain how the proposed budget is linked to government's stated policy goals, by administrative unit (or functional category), for the budget year?</p> <ol style="list-style-type: none"> Yes, extensive information on the link between the budget and the government's stated policy goals, by administrative unit (or functional category) is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting the link between major policy goals and the budget, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on the link between the budget and the government's stated policy goals is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto 2009/por instituciones [by institution] http://www.hacienda.gob.ni/hacienda/presupuesto2009/D_01_Clasif_Institucional.pdf Presupuesto 2009/ asignaciones y subvenciones [allocations and subsidies] http://www.hacienda.gob.ni/hacienda/presupuesto2009/D_02_Asign_Subvenciones.pdf</p> <p><u>Comment:</u></p> <p><u>Researcher Response to this Question was "c"</u></p> <p><u>Peer Reviewer One Comment:</u> The most appropriate response to this question is "b." The budget allocations by ministry, in addition to itemizing the amounts by program, also specify the goals for each allocation – goals which are taken from sectoral plans. The budget of the Ministry of Health (MINSa) and the Ministry of Education (MINED) exemplify this. http://www.hacienda.gob.ni/hacienda/presupuesto2009/D_13_03_MINED.pdf</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>IBP Comment:</u> IBP editors chose answer "c" to maintain consistency of assumptions across countries.</p>	C
<p>49. Does the executive's budget or any supporting budget documentation explain how the proposed budget is linked to government's stated policy goals for a multi-year period (for at least two years beyond the budget year)?</p> <ol style="list-style-type: none"> 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. Yes, information is presented, highlighting the major policy goals, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on the link between the budget and the government's 	C

stated policy goals over a multi-year period is not presented.
e. Not applicable/other (please comment).

Citation:

Presupuesto 2009/por instituciones [by institution]

http://www.hacienda.gob.ni/hacienda/presupuesto2009/D_01_Clasif_Institucional.pdf

Presupuesto 2009/ asignaciones y subvenciones [allocations & subsidies]

http://www.hacienda.gob.ni/hacienda/presupuesto2009/D_02_Asign_Subvenciones.pdf

pdf

Presupuesto 2009/plan de nacional de desarrollo humano [national plan for human development]

http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/PLAN_NACIONAL_DE_DESARROLLO_HUMANO.pdf

Comment:

During the first quarter of the year, when the 2009 budget was approved, the MTFP had not been presented. The MTFP includes some information about the policies, but it was not available during the discussion of the Budget. During this year, two major budget reforms have been approved. A third one is coming at the end of September, but there has not been any link between those changes and policy goals nor with multi-year projections.

Researcher Response to this Question was "c"

Peer Reviewer One Comment: The most appropriate response to this question is "b." Since 2006, the documents of the Medium Term Budget Framework (MPMP) have been attached to the Draft General Budget of the Republic (PGR), and are submitted to the National Assembly on October 15 each year. These documents are made available to the public via the Finance Ministry's web page between two and three weeks later.

The first MPMP included very few institutions of the State; while the MPMP attached to the 2009 PGR (Draft Budget) includes more than 50 state entities, with their respective multi-annual budgets. In addition to budget estimates, the principal goals by entity and their link to the sectoral plans and the National Human Development Plan (PNDH) are presented.

Peer Reviewer Two Comment:

IBP Comment: IBP editors chose answer "c" to maintain consistency of assumptions across countries.

<p>50. Does the executive's budget or any supporting budget documentation present non-financial data, such as the number of beneficiaries, for expenditure programs?</p> <ul style="list-style-type: none"> a. Non-financial data are presented for all programs. b. Non-financial data are presented for programs representing at least two-thirds of, but not all, expenditures. c. Non-financial data are presented for programs representing less than two-thirds of expenditure. d. No non-financial data are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General [General Budget] 2009 http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html Por institucion [by institution] See for example: http://www.hacienda.gob.ni/hacienda/presupuesto2009/D_04_03_CSJ.pdf http://www.hacienda.gob.ni/hacienda/presupuesto2009/D_03_03_AN.pdf http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/D_12_03_MIFI C.pdf http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/D_13_03_MINE D.pdf</p> <p><u>Comment:</u> Ministries such as Health, Family, Natural Resources, and Education (equivalent to about 40% of the Budget) include non-financial data as beneficiaries in general, but not for the different programs. Not all ministries have non-financial data.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>
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<p>51. Are the non-financial data presented useful for assessing how an expenditure program is performing?</p> <ul style="list-style-type: none"> a. The non-financial data are very useful for assessing program performance. b. The non-financial data are mostly useful for assessing program performance. c. The non-financial data are somewhat useful for assessing program performance. d. No non-financial data are provided or they are not useful for assessing program performance. e. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General 2009 http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html See for example: http://www.hacienda.gob.ni/hacienda/presupuesto2009/D_04_03_CSJ.pdf http://www.hacienda.gob.ni/hacienda/presupuesto2009/D_03_03_AN.pdf http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/D_13_03_MINE D.pdf http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/D_12_03_MIFI C.pdf See also for the relevance http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/Informe_liquidacion_2008.pdf</p> <p><u>Comment:</u> The In-Year and the Annual Expenditures Reports do not make reference to the non financial data. Not all the ministries divulge information on what happened with the non financial data. The non-financial data are very broad and general which makes it hard to use them to evaluate the performance.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>
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<p>52. Does the executive's budget or any supporting budget documentation contain performance indicators for expenditure programs?</p> <ol style="list-style-type: none"> Performance indicators are presented for all programs. Performance indicators are presented for programs representing at least two-thirds of, but not all, expenditures. Performance indicators are presented for programs representing less than two-thirds of expenditures. No performance indicators are presented. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General 2009 http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/Informe_liquidacion_2008.pdf</p> <p><u>Comment:</u> See Questions 50 and 51</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	C
<p>53. Are the performance indicators sufficiently well designed, such that one can assess whether there has been progress toward meeting policy goals?</p> <ol style="list-style-type: none"> All performance indicators are well designed. Most performance indicators are well designed. Some performance indicators are well designed, but most are not. No programs have performance indicators, or they are not well designed. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General 2009 http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html</p> <p><u>Comment:</u> Some of the indicators are too broad or general and they do not allow for a good assessment. Besides, not all the institutions have performance indicators. See also questions 50 and 51.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	C

<p>54. Are performance indicators used in conjunction with performance targets presented in the executive's budget or any supporting budget documentation?</p> <ul style="list-style-type: none"> a. All performance indicators are used in conjunction with performance targets. b. Most performance indicators are used in conjunction with performance targets. c. Some performance indicators are used in conjunction with performance targets, but most are not. d. No performance indicators are used in conjunction with performance targets. e. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto General 2009 http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html</p> <p><u>Comment:</u> See questions 50 and 51. There are no performance targets in most of the indicators included in the non-financial information.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>
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<p>55. Does the executive's budget or any supporting budget documentation present information on policies (both proposals and existing commitments) in at least the budget year that are intended to benefit directly the country's most impoverished populations?</p> <ol style="list-style-type: none"> Yes, extensive information on policies intended to alleviate poverty is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting the impact of key policies intended to alleviate poverty, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on policies intended to alleviate poverty is not presented. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/E_10_Detalle_ERP_FF.pdf</p> <p><u>Comment:</u> Since Nicaragua has been in the Highly Indebted and Impoverished Countries (HIPC) Initiative, there is a section in the Budget dedicated to Poverty Reduction Expenditures, but it is not very detailed section. It usually includes an important percentage of expenditures that are not related to poverty reduction.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> During the last years Nicaragua has benefited with two external debt reliefs. First, the country reached the decision point of the Heavily Indebted Poor Countries (HIPC) Initiative in January 2004 and then obtained the Multilateral Debt Relief Initiative (MDRI) in 2006. In this regard, these resources are supposed to be designated to poverty reduction expenditure. However, the problem with this kind of expenditure is that, although the Government has successfully completed the process of reclassification of public expenditure (including the poverty reduction expenditure), the poverty reduction current expenditure for 2009 represents the 24.2% of the GDP and the 7.9% of the GDP for poverty reduction capital spending. The Government does not make efforts to reverse this situation in the short term, in order to provide more capital resources to education, health, energy and infrastructure production projects that the Government has prioritized.</p>	C
<p>Additional Key Information for Budget Analysis & Monitoring</p>	
<p><i>Please note that the questions in this section ask about information that is generally available to the public. The information need not be included in the executive's budget proposal or supporting documents, but may be found in other documents issued by the executive.</i></p>	

<p>56. Does the executive make available to the public a description of the tax rate or fee schedule for all revenue sources, including commercial projects involving the private sector?</p> <ol style="list-style-type: none"> Yes, extensive information on tax rates, fees, royalties and other revenues sources is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting the rates and fees for major revenue sources, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Legislación Vigente [current legislation in force] http://www.dgi.gob.ni/interna.php?sec=41/ Sistema Arancelario Centroamericano http://www.dga.gob.ni/sac01.cfm</p> <p><u>Comment:</u> During the last two fiscal years, there has been a regression. There is information about tax rates, since it is include in the Tax Laws, but royalties and other revenue sources are not always clear. The access to information with the current government is a major problem. Web sites do not have current information and past information has been taken down. The Central Bank's website is an exception. It has the most trustworthy and updated information.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	C
<p>57. Does the executive make available to the public an analysis of the distribution of the tax burden?</p> <ol style="list-style-type: none"> Yes, a detailed analysis of the distribution of the tax burden is presented, including both a narrative discussion and quantitative estimates. Yes, an analysis is presented, highlighting key aspects of the distribution, but some details are excluded. Yes, some analysis is presented, but it lacks important details. No analysis on the distribution of the tax burden is presented. Not applicable/other (please comment). <p><u>Citation:</u> Dirección General de Ingresos Internos [General Directorate for Internal Revenue] http://www.dgi.gob.ni</p> <p><u>Comment:</u> There is no public official analysis of the distribution of the tax burden. The data available are old and they do not fully portrait the distribution.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>58. Does the executive make available to the public an explanation of the conditions associated with assistance from international financial institutions (IFI)?</p> <ol style="list-style-type: none"> Yes, extensive information on conditions associated with IFI assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality. Yes, information is presented, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on conditions associated with IFI assistance is not presented. Not applicable/other (please comment). <p><u>Citation:</u> http://www.bcn.gob.ni/publicaciones/acuerdos/Carta_de_Intencion_FMI_2007.pdf</p> <p><u>Comment:</u> There is some information shared by the Central Bank and by some of the IFIS, such as the IMF. Other and from other institutions is not easily available. And usually it takes a period of time to make it public.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> During the last two years, the Government has published three reports on the use and sources of official assistance during 2007, 2009 and first semester of 2009 (http://www.bcn.gob.ni/publicaciones/eventuales/informes_especiales), however, these documents only contain general information about the assistance of IFI's to Nicaragua.</p>	C
<p>59. Does the executive make available to the public an explanation of the conditions associated with assistance from donor countries?</p> <ol style="list-style-type: none"> Yes, extensive information on conditions associated with donor country assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality. Yes, information is presented, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on conditions associated with donor country assistance is not presented. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/E_06_Desgloce_Deficit.pdf http://www.bcn.gob.ni/publicaciones/nicaragua/cooperacion2008.pdf</p> <p><u>Comment:</u> There is some information available about the conditions of the IMF, and traditional bilateral donors, but not of all institutions or of all donors. The most relevant case is the one of Venezuela and ALBA, as it has been mentioned before. See question 33.</p>	C

<p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Also see the comment of question 1.</p>	
<p>60. Does the executive make available to the public a summary that describes the budget and its proposals?</p> <p>a. Yes, it provides a summary that is very informative. b. Yes, it provides a summary that is somewhat informative. c. Yes, but the summary is not very informative. d. No, it does not provide a summary. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/A_01_ExpoMotivos.pdf</p> <p><u>Comment:</u> There is no budget summary. It is not produced. There is a expansive explanation include in the Executive ´s Proposal, but it is not a summary.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>61. Does the executive publish a "citizens budget" or some non-technical presentation intended for a wide audience that describes the budget and its proposals?</p> <p>a. Yes, it publishes a citizens budget that is very informative. b. Yes, it publishes a citizens budget that is somewhat informative. c. Yes, but the citizens budget is not very informative. d. No, it does not publish a citizens budget. e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> The government does not produce a citizens budget.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>62. Does the executive make available to the public non-technical definitions of terms used in the budget and other budget-related documents (for instance, in a glossary)?</p> <ul style="list-style-type: none"> a. Yes, thorough definitions of budget terms are provided. b. Yes, definitions are provided, but some details are excluded. c. Yes, some definitions are provided, but it lacks important details. d. No, definitions are not provided. e. Not applicable/other (please comment). <p><u>Citation:</u> See http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/index.html</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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63. Do citizens have the right *in law* to access government information, including budget information?
- Yes, the right has been codified into law, and citizens are generally able in practice to obtain government information, including budget information.
 - Yes, the right has been codified into law, but it is sometimes not possible for citizens in practice to obtain government information, including budget information.
 - Yes, the right has been codified into law, but it is frequently or always impossible in practice to obtain access to government information, including budget information.
 - No, the right to access government information has not been codified into law, or this right does not include access to budget information.
 - Not applicable/other (please comment).

Citation:

Constitución Política de la República, Art. 52 - Right to petition, denounce or criticism, Art. 150 - Attributions of the President, 13) the Creation of a Citizens ´ Council to advise the President on Budget, economic and social policies.

La Ley 621, Ley de Acceso a la Información Pública [Law 621, Law on Access to Public Information]

http://www.violetachamorro.org.ni/docs/LAIP_2007.pdf?PHPSESSID=e759491e5f

1828d36fd6026b20e891f4 1828d36fd6026b20e891f4

Comment:

With the current government, the access to information is more difficult than in the past, because of its secrecy policy, despite the approval of the Law of Access to Public Information. The government is not responsive to the demands.

Researcher Response to this Question was "c"

Peer Reviewer One Comment: A more appropriate response to this question is "b." I concur with the assertion of the researcher that it is more difficult to gain access to public information with the current administration. However, it is not impossible. One can still gain access to public information, but less readily than in the past.

Peer Reviewer Two Comment:

IBP Comment: IBP editors chose answer "c" to maintain consistency of assumptions across countries.

C

64. Are citizens able in practice to obtain financial information on expenditures for individual programs in a format that is more highly disaggregated than that which appears in the executive's budget proposal if they request it (for example, from a ministry or agency)?

- 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:

<http://www.hacienda.gob.ni/hacienda/libros.jsp>

Comment:

See Question 63. There is some level of disaggregation in the Reports from the Ministry of Finances, but as it has been mentioned, the aid from Venezuela and from the ALBA Oil Agreement that represent over 31% of the total Budget and almost 100% of the other cooperation is not included (See Question 33). Prior to 2007, the different Ministries had budget and expenditures information with some level of detail, but since this President took office, that information has not been updated or was taken out, declaring that it was going to be updated, but it has not happened in 32 months.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

d

<p>65. Are citizens able in practice to obtain non-financial information related to expenditures (for example, number of beneficiaries, number of persons employed by the program, etc.) for individual programs in a format that is more highly disaggregated than that which appears in the executive's budget proposal if they request it from a ministry or agency?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u></p> <p><u>Comment:</u> See Questions 33, 63 and 64.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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Section Three: The Budget Process

The Budget Process	
Executive's Formulation of the Budget	
<p>66. How far in advance of the release of the budget is the day of its release known?</p> <ol style="list-style-type: none"> The release date is set in permanent law. The executive announces the release date at least two months in advance. The executive announces the release date less than two months but more than two weeks in advance. The executive announces the release date two weeks or less before the release, or makes no announcement. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Leyes/Ley_550.pdf La Ley 550, Ley de Administración Financiera y Régimen Presupuestario [Law of Financial Administration and Budget Rules] (See the Official Gazette of the Government of Nicaragua: Gobierno de Nicaragua, La Gaceta año, N° 167, Monday 29/08/05 or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley%20550.%20Ley%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf) Art. 35</p> <p><u>Comment:</u> Law 550 clearly establishes that the Executive must submit the draft Annual General Budget of the Republic (PGR) to the National Assembly no later than October 15 of each year, but the exact dates are not known in advance. The executive does not publicize the exact date.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> An additional comment is that the Government usually sends the budget proposal in the day of deadline established by the Law.</p>	a

<p>67. Does the executive release to the public its timetable for preparation of the executive's budget proposal (that is, a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the ministry of finance or what ever central government agency is in charge of coordinating the budget's formulation)?</p> <p>a. Yes, a detailed timetable is released to the public. b. Yes, a timetable is released, but some details are excluded. c. Yes, a timetable is released, but it lacks important details. d. No, a timetable is not issued to the public. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda</p> <p><u>Comment:</u> The Executive does not make public the time table for the preparation of the budget 's proposal.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>68. Does the executive adhere to its timetable for the preparation and release of the budget?</p> <p>a. The executive adheres to the dates in its timetable. b. The executive adheres to most of the key dates in its timetable. c. The executive has difficulty adhering to most of the dates in its timetable. d. The executive does not adhere to the dates in its timetable, or it does not release to the public its timetable. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda</p> <p><u>Comment:</u> See question 67.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>69. Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?</p> <ul style="list-style-type: none"> a. Yes, the executive holds extensive consultations with a wide range of legislators. b. Yes, the executive holds consultations with a range of legislators, but some key members are excluded. c. Yes, the executive holds very limited consultations, involving only a few members of the legislature. d. No, the executive does not typically consult with members of the legislature as part of the budget preparation process. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The executive does not consult with anybody outside the government, except sometimes with the IMF.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> The legislators who usually participate in the budget consultation process are those belonging to the ruling party, but not all of them. This participation is unknown to the public. On the other hand, the Government only discusses with IMF about fiscal policy, especially regarding the floor on the combined public sector overall balance, the ceiling on central government primary expenditure; the floor on poverty-related expenditures of the Central Government; tax reforms, and public financial management.</p>	<p>d</p>
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<p>70. Does the executive hold consultations with the public as part of its process of determining budget priorities?</p> <ul style="list-style-type: none"> a. Yes, the executive holds extensive consultations with a wide range of constituencies. b. Yes, the executive holds consultations with a range of constituencies, but some key constituencies are excluded. c. Yes, the executive holds very limited consultations, involving only a few constituencies. d. No, the executive does not typically consult with the public as part of the budget preparation process. e. Not applicable/other (please comment). <p><u>Citation:</u> Presupuesto general de la republica 2009 http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html</p> <p><u>Comment:</u> Prior to 2007, the Executive presented the Budget Proposal to the National Council for Social and Economic Planning (CONPES), which is comprised by representatives of different social and economical sectors. This government, however, dissolved CONPES and eliminated any process of dialogue with members out of their party.</p> <p><u>Researcher Response to this Question was “d”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “c,” because the Government only discusses the budget priorities with the Councils of Citizen Power (CPC), which currently replaces the National Council for Social and Economic Planning (CONPES). The CPC is an organization of the ruling party. The problem with this kind of organization is that it’s the governmental strategy for citizen participation. It only includes its members and excludes civil society members, the private sector, NGO’s, universities, etc.</p> <p><u>IBP Comment:</u> IBP editors chose answer “d” to maintain consistency of assumptions across countries.</p>	<p>d</p>
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<p>71. When does the executive release a pre-budget statement to the public?</p> <ul style="list-style-type: none"> a. The executive releases a pre-budget statement at least four months in advance of the start of the budget year. b. The executive releases a pre-budget statement at least two months (but less than four months) in advance of the start of the budget year. c. The executive releases a pre-budget statement, but it is released less than two months before the start of the budget year. d. The executive does not release a pre-budget statement. e. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>72. Does the pre-budget statement describe the government's macroeconomic and fiscal framework?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the government's fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key aspects of the fiscal and macroeconomic framework, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. e. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda</p> <p><u>Comment:</u> There is no pre-budget statement.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>73. Does the pre-budget statement describe the government’s policies and priorities that will guide the development of detailed estimates for the upcoming budget?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the government’s budget policies and priorities is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key aspects of the government’s budget policies and priorities, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. e. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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Legislative Approval of the Budget	
<p>74. How far in advance of the start of the budget year does the legislature receive the budget?</p> <ol style="list-style-type: none"> The legislature receives the budget at least three months before the start of the budget year. The legislature receives the budget at least six weeks, but less than three months, before the start of the budget year. The legislature receives the budget less than six weeks before the start of the budget year. The legislature does not receive the budget before the start of the budget year. Not applicable/other (please comment). <p><u>Citation:</u> La Ley 550, Ley de Administración Financiera y Régimen Presupuestario [Law 550, Law of Financial Administration and Budget Rules] (See the Official Gazette of the Government of Nicaragua: Gobierno de Nicaragua, La Gaceta año, N° 167, Monday 29/08/05 or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley%20550.%20Ley%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf), Art. 35.</p> <p><u>Comment:</u> According to the law, the legislature receives the Executive's Budget Proposal on October 15th at the latest, two and a half months prior to the start of the Budget Year on January 1st.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<p>75. Does a legislative committee (or committees) hold public hearings on the macroeconomic and fiscal framework presented in the budget in which testimony from the executive branch and the public is heard?</p> <ul style="list-style-type: none"> a. Yes, public hearings are held on the macroeconomic and fiscal framework in which testimony is heard from the executive branch and a wide range of constituencies. b. Yes, hearings are held in which testimony is heard from the executive branch and some constituencies. c. Yes, hearings are held in which testimony from the executive branch is heard, but no testimony from the public is heard. d. No, public hearings are not held on the macroeconomic and fiscal framework in which testimony from the executive branch and the public is heard. e. Not applicable/other (please comment). <p><u>Citation:</u> Asamblea Nacional [National Assembly] http://asamblea.gob.ni</p> <p><u>Comment:</u> According to the usual procedures, the Economic and Budget Commission of the National Assembly has a month to study and consult the Executive’s Proposal. In the last two years, this has not been done. The discussion in the Commission has been poor. The Budget has been approved as a result of political compromises between the major parties and not an analysis and discussion of the Budget.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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<p>76. Do legislative committees hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the executive branch is heard?</p> <ul style="list-style-type: none"> a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the executive branch is heard. b. Yes, hearings are held, covering key administrative units, in which testimony from the executive branch is heard. c. Yes, a limited number of hearings are held in which testimony from the executive branch is heard. d. No, public hearings are not held on the budgets of administrative units in which testimony from the executive branch is heard. e. Not applicable/other (please comment). <p><u>Citation:</u> http://www.asamblea.gob.ni/index.php?option=com_extcalendar&Itemid=29&extmode=cal</p> <p><u>Comment:</u> The Economic and Budget Commission has the option, although in the last two years, there has been little discussion about the Executive’s Proposal. The Ministers have not been called to testify. In the past, when it happened, public was able to participate only if invited by a Committee member. See also Question 75.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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<p>77. Does a legislative committee (or committees) hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the public is heard?</p> <ol style="list-style-type: none"> Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the public is heard. Yes, hearings are held, covering key administrative units, in which testimony from the public is heard. Yes, a limited number of hearings are held in which testimony from the public is heard. No, public hearings are not held on the budgets of administrative units in which testimony from the public is heard. Not applicable/other (please comment). <p><u>Citation:</u> http://www.asamblea.gob.ni/index.php?option=com_extcalendar&Itemid=29&extmode=cal</p> <p><u>Comment:</u> See questions 75 and 76. When the hearings happen, only congress members are allowed to participate or ask questions. The public is not allowed to participate nor ask questions.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>78. Do the legislative committees that hold public hearings release reports to the public on these hearings?</p> <ol style="list-style-type: none"> Yes, the committees release very informative reports, which include all written testimony presented at the hearings. Yes, the committees release reports, but some details are excluded. Yes, the committees release reports, but they are not very informative. No, the committees do not release reports or do not hold public hearings. Not applicable/other (please comment). <p><u>Citation:</u> Asamblea Nacional [National Assembly] http://asamblea.gob.ni</p> <p><u>Comment:</u> See questions 75 and 76. When public hearings happen, there are no reports released.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

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

- a. Yes, the appropriate legislative committee or members of the legislature is provided extensive information on all spending on secret items, which includes detailed, line item descriptions of all expenditures.
- b. No, the legislature is provided information on spending on secret items, but some details are excluded, or some categories are presented in an aggregated manner, or the legislature is provided no information on secret items.
- c. Not applicable/other (please comment).

Citation:

Radio station: *Radio La Primerisima*,

<http://www.rlp.com.ni/noticias/general/45598>

Confidencial, [http://www.confidencial.com.ni/2009-](http://www.confidencial.com.ni/2009-634/enCaliente_634.html)

[634/enCaliente_634.html](http://www.confidencial.com.ni/2009-634/enCaliente_634.html)

Trinchera de la noticia

http://www.trinchera.com.ni/archivo/2009/enero/enero_26/portada.html

Comment:

The legislature is not to demanding of information. See questions 75 and 76.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

b

<p>80. Does the legislature have authority <i>in law</i> to amend the budget presented by the executive?</p> <p>a. Yes, the legislature has unlimited authority <i>in law</i> to amend the budget.</p> <p>b. Yes, the legislature has authority <i>in law</i> to amend the budget, with some limitations.</p> <p>c. Yes, the legislature has authority <i>in law</i> to amend the budget, but its authority is very limited.</p> <p>d. No, the legislature does not have any authority <i>in law</i> to amend the budget.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Constitución Política de la República de Nicaragua, Art. 112 y 138, inciso 6) La Ley 550, Ley de Administración Financiera y Régimen Presupuestario (See the Official Gazette of the Nicaraguan Government, La Gaceta año CIX, N ° 167, de lunes 29/08/05 o http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley_20550.20Ley%%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf) Art.38</p> <p><u>Comment:</u> The Assembly has the authority to amend the law (Law 550, Art. 38), but not to increase the total amount of the Budget, without including the new sources of revenue.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>b</p>
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<p>81. What is the most detail provided in the appropriation (expenditure budget) approved by the legislature?</p> <ol style="list-style-type: none"> The approved budget includes program-level detail. The approved budget includes departmental totals and some additional details (for instance, sub-department totals or major programs). The approved budget includes only departmental totals. The approved budget includes less information than departmental totals or the approved budget is not released to the public. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/presupuesto2009/index.html</p> <p><u>Comment:</u> The approved budget includes some details, but it does not have program-level details.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>
<p>Executive's Implementation of the Budget</p>	
<p>82. How often does the executive release to the public in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</p> <ol style="list-style-type: none"> In-year reports on actual expenditure are released at least every month. In-year reports on actual expenditure are released at least every quarter. In-year reports on actual expenditure are released at least semi-annually. In-year reports on actual expenditure are not released. Not applicable/other (please comment). <p><u>Citation:</u> www.hacienda.gob.ni/informes</p> <p><u>Comment:</u> There are quarterly in-year reports published by the Ministry of Finance.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>b</p>

<p>83. What share of expenditure is covered by in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</p> <ul style="list-style-type: none"> a. Yes, in-year reports cover all expenditures. b. Yes, in-year reports cover at least two-thirds, but not all, of expenditures. c. Yes, in-year reports cover less than two-thirds of expenditures. d. No in-year reports are released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Informe de ejecucion presupuestaria Enero - Marzo 2009, http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/INFORME_ENERO-MARZO-2009.pdf, made available on May 2009. Informe de Ejecución Presupuestaria Enero Junio 2009, http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/INFORME%20PRESUP_ENERO_JUNIO_2009.pdf made available on August 2009</p> <p><u>Comment:</u> See Question 33. The reports include, in general, what is included in the budget. The problem in the case of Nicaragua is off-budget expenditures, as the Venezuelan and ALBA Oil Agreement Funds, that sum to a third fo the Budget.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> See comment to Question 1</p>	<p>b</p>
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<p>84. What is the most detail provided in the in-year reports on actual expenditures organized by <i>administrative unit</i>?</p> <ol style="list-style-type: none"> The in-year reports on actual expenditures organized by administrative unit contain program-level detail. The in-year reports on actual expenditures organized by administrative unit contain departmental totals and some additional details (for instance, sub-department totals or major programs). The in-year reports on actual expenditures organized by administrative unit contain only departmental totals. The in-year reports on actual expenditures organized by administrative unit are not released to the public, not produced, or contain less information than departmental totals. Not applicable/other (please comment). <p><u>Citation:</u> Informe de ejecucion presupuestaria Enero - Marzo 2009, http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/INFORME_ENERO-MARZO-2009.pdf, made available on May 2009. Informe de Ejecución Presupuestaria Enero Junio 2009, http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/INFORME%20PRESUP_ENERO_JUNIO_2009.pdf made available on August 2009</p> <p><u>Comment:</u></p> <p><u>Researcher Response to this Question was “c”</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response would be “b.” In the budget execution reports, one can identify details of allocations by institution, program and projects in Charts 11 and 11A (break-down of execution of capital expenditure, projects and others). Chart 12 shows details of expenditure executed by program, and investment projects by institution. Table 16 specifies the details of execution of Debt Relief funds and Chart 19 shows details of execution of programs and projects linked to poverty reduction. http://www.hacienda.gob.ni/documentos/presupuesto/informes/2009</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>IBP Comment:</u> IBP editors chose answer “c” to maintain consistency of assumptions across countries.</p>	<p>C</p>
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<p>85. Do the in-year reports released to the public compare actual year-to-date expenditure with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?</p> <ul style="list-style-type: none"> a. Yes, comparisons are made for all expenditures. b. Yes, comparisons are made for at least two-thirds, but not all, of expenditures. c. Yes, but comparisons are made for less than two-thirds of expenditures. d. No, comparisons are not made, or no in-year reports are released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Informe de ejecucion presupuestaria Enero - Marzo 2009, http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/INFORME_ENERO-MARZO-2009.pdf, made available on May 2009. Informe de Ejecución Presupuestaria Enero Junio 2009, http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/INFORME%20PRESUP_ENERO_JUNIO_2009.pdf made available on August 2009 http://www.hacienda.gob.ni/documentos/presupuesto/informes</p> <p><u>Comment:</u> The comparisons are made with the enacted budget, but not with prior years.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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<p>86. How often does the executive release to the public in-year reports on actual revenue collections by source of revenue?</p> <ol style="list-style-type: none"> In-year reports on actual revenue collections by source of revenue are released at least every month. In-year reports on actual revenue collections are released at least every quarter. In-year reports on actual revenue collections are released at least semi-annually. In-year reports on actual revenue collections by source of revenue are not released. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> http://www.dgi.gob.ni/ http://www.dgi.gob.ni/interna.php?sec=98 http://www.dgi.gob.ni/interna.php?sec=101 http://www.dga.gob.ni/Estadweb/Web_Estadisticas_I_Trimestre_2009.pdf http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/INFORME%20PRESUP_ENERO_JUNIO_2009.pdf Until 2007, monthly reports of the internal revenue were released regularly. Since then, the publication has been irregular. Besides, actual revenues collections are sub-calculated every year to have money available at the end of the year and have a budget reform to benefit some government institutions.</p> <p><u>Researcher Response to this Question was “b”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>IBP Comment:</u> IBP editors chose answer “b” to maintain consistency with the assumptions used in selecting answers across countries. See: http://www.hacienda.gob.ni/documentos/presupuesto/informes</p>	<p>b</p>
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87. What share of revenue is covered by the in-year reports on actual revenue collections?

- a. In-year reports cover the actual revenue collections of all sources of revenue.
- b. In-year reports cover the actual revenue collections of at least two-thirds of, but not all, sources of revenue.
- c. In-year reports cover actual revenue collections of less than two-thirds of revenue sources.
- d. In-year reports on actual revenue collections are not released to the public.
- e. Not applicable/other (please comment).

Citation:

<http://www.dgi.gob.ni/>

<http://www.dgi.gob.ni/interna.php?sec=98>

<http://www.dgi.gob.ni/interna.php?sec=101>

http://www.dga.gob.ni/Estadweb/Web_Estadisticas_I_Trimestre_2009.pdf

http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/INFORME%20PRESUP_ENERO_JUNIO_2009.pdf

Comment:

See question 86.

Researcher Response to this Question was “b”

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

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

<http://www.hacienda.gob.ni/documentos/presupuesto/informes>

b

88. Do the in-year reports released to the public compare actual year-to-date revenue collections with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

- 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:

<http://www.dgi.gob.ni/>

<http://www.dgi.gob.ni/interna.php?sec=98>

<http://www.dgi.gob.ni/interna.php?sec=101>

http://www.dga.gob.ni/Estadweb/Web_Estadisticas_I_Trimestre_2009.pdf

http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/INFORME%20PRESUP_ENERO_JUNIO_2009.pdf

b

Comment:

See Question 86. In the case of Customs (import and exports) taxes, there is a comparison between first trimesters of 2009 and 2008. There is no comparison with the estimates included in the 2009 Budget.

Researcher Response to this Question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: I agree with the answer because the in-year reports released to the public do not contain a comparison between the actual year-to-date revenue collections with either estimate for that period or the same period in the previous year.

IBP Comment: IBP editors chose answer "b" in light of the information available in the in-year report.

<p>89. Does the executive release to the public in-year reports on actual borrowing?</p> <ul style="list-style-type: none"> 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). <p><u>Citation:</u> Banco Central de Nicaragua, Informe de Deuda Pública II Trimestre 2009 [Central Bank of Nicaragua, Report on Public Debt Second Quarter 2009] http://www.bcn.gob.ni/publicaciones/deuda/trimestral/Reporte_deuda_II_Trim_2009.pdf</p> <p><u>Comment:</u> The Central Bank produces a quarterly report on Public Debt. This report is not including the debt resulting from Venezuelan and ALBA Oil Agreement. Despite the language of the Agreements, the government is declaring that these funds are part of deals between private partners, although from Venezuela it is a public entity (Petroleos de Venezuela - PDVSA). The amount resulting from these agreements is very important.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> See comment to Question 1.</p>	<p>b</p>
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<p>90. Do in-year reports released to the public on actual borrowing present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, and currency denomination of the debt) for the budget year?</p> <ul style="list-style-type: none"> a. Yes, extensive information related to the composition of government debt is presented. b. Yes, key additional information is presented, but some details are excluded. c. Yes, some additional information is presented, but it lacks important details. d. No, additional information related to the composition of government debt is not presented, or such in-year reports on borrowing are not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Banco Central de Nicaragua, Informe de Deuda Pública II Trimestre 2009 [Central Bank of Nicaragua, Report on Public Debt Second Quarter 2009] http://www.bcn.gob.ni/publicaciones/deuda/trimestral/Reporte_deuda_II_Trim_2009.pdf</p> <p><u>Comment:</u> See Question 89. The Report includes rates, duration and other for the debt acquired during the reported period and some information about past debts.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> The report of Central Bank does not include the interest rates on the debt.</p>	<p>C</p>
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91. For in-year reports on actual expenditure released to the public by the executive, how much time typically elapses between the end of the reporting period and when the report is released (e.g., are quarterly reports released less than 4 weeks after the end of the quarter)?
- Reports are released 1 month or less after the end of the period.
 - Reports are released 2 months or less (but more than 1 month) after the end of the period.
 - Reports are released more than 2 months after the end of the period.
 - In-year reports are not released.
 - Not applicable/other (please comment).

Citation:

http://www.bcn.gob.ni/publicaciones/deuda/trimestral/Reporte_deuda_II_Trim_2009.pdf

Comment:

Researcher Response to this Question was "b"

Peer Reviewer One Comment: A more appropriate response to this question would be "c." The question refers to Budget execution reports (actual outcome of expenditure) during the year and not to reports on debt, which the link cited above by the researcher refers to. The quarterly budget execution reports are available to the public approximately three months after the conclusion of the period that they refer to. For example, the first report of the year, which includes actual outcome of expenditure for January to March period, is available to the public in June. The final report, which should cover January to December 2009, will be available by March 2010.

<http://www.hacienda.gob.ni/documentos/presupuesto/informes/2009>

Peer Reviewer Two Comment:

IBP Comment: IBP editors chose answer "c," in light of peer reviewer one comment, and to maintain consistency of assumptions across countries.

C

<p>92. Does the executive release to the public a mid-year review of the budget that discusses the changes in economic outlook since the budget was enacted?</p> <ul style="list-style-type: none"> a. Yes, the mid-year review includes an extensive discussion of the economy that includes a revised forecast for the full fiscal year and its effects on the budget. b. Yes, the mid-year review includes a discussion of the economy, but it lacks some details. c. Yes, the mid-year review includes a discussion of the economy, but it lacks important details. d. No, the mid-year review does not include a discussion of the economy, or the executive does not release a mid-year review of the budget. e. Not applicable/other (please comment). <p><u>Citation:</u> Informe de Ejecución Presupuestaria Enero Junio 2009, http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/INFORME%20PRESUP_ENERO_JUNIO_2009.pdf made available on August 2009</p> <p><u>Comment:</u> There is only a financial report of the expenditures during the first six months, but there is no comprehensive actualization or a prognosis of the results of the fiscal year. It does not fulfill any of the requirements of Best Practices from OECD. It is not a review, only another in-year report</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
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<p>93. Does the executive release to the public a mid-year review of the budget that includes updated expenditure estimates for the budget year underway?</p> <ol style="list-style-type: none"> Yes, the mid-year review includes updated expenditure estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels. Yes, the mid-year review includes updated estimates of expenditure, but some details on why estimates have changed are not provided. Yes, the mid-year review includes updated estimates of expenditure, but important details on why estimates have changed are not provided. No, the mid-year review does not include updated expenditure estimates for the budget year, or the executive does not release a mid-year review of the budget. Not applicable/other (please comment). <p><u>Citation:</u> Informe de Ejecución Presupuestaria Enero Junio 2009, http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/INFORME%20PRESUP_ENERO_JUNIO_2009.pdf made available on August 2009</p> <p><u>Comment:</u> See Question 92</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>94. What is the most detail provided in the mid-year review for expenditures?</p> <ol style="list-style-type: none"> The mid-year review includes program-level detail for expenditures. The mid-year review includes departmental totals (or functional totals) and some additional details (for instance, sub-department totals or major programs). The mid-year review includes only departmental totals (or functional totals). The mid-year review includes less information than departmental totals (or functional totals) for expenditures, or the executive does not release a mid-year review of the budget. Not applicable/other (please comment). <p><u>Citation:</u> Informe de Ejecución Presupuestaria Enero Junio 2009, http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/INFORME%20PRESUP_ENERO_JUNIO_2009.pdf made available on August 2009</p> <p><u>Comment:</u> See Question 92. It includes the same kind of information of the first quarter report.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>95. Does the executive release to the public a mid-year review of the budget that includes updated revenue estimates for the budget year underway?</p> <ol style="list-style-type: none"> 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. Yes, the mid-year review includes updated estimates of revenue, but some details on why estimates have changed are not provided. Yes, the mid-year review includes updated estimates of revenue, but important details on why estimates have changed are not provided. 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. Not applicable/other (please comment). <p><u>Citation:</u> Informe de Ejecución Presupuestaria Enero Junio 2009, http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/INFORME%20PRESUP_ENERO_JUNIO_2009.pdf made available on August 2009 Budget Execution Report January June 2009,</p> <p><u>Comment:</u> See Question 92. The quarter reports do not include any estimates of revenue for the budget year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>96. Does the executive seek input from the legislature when the executive shifts funds between administrative units (except when the amounts are below a certain <i>minimal</i> level specified in law or regulation)?</p> <ol style="list-style-type: none"> Yes, the executive seeks approval from the legislature before shifting funds between administrative units. Yes, the executive gives prior notification to the legislature before shifting funds, giving the legislature an opportunity to block or modify the proposed adjustment. Yes, the executive seeks legislative approval, but only after the shift of funds has been implemented. No, the executive shifts funds between administrative units without seeking input from the legislature, or the amount allowed under the law or by regulation is significantly large enough to undermine public scrutiny and accountability (please describe arrangements below). Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/Informe_liquidacion_2008.pdf "Ortega Refoma el Presupuesto por Decreto" [Ortega Amends the Budget by Decree] http://www.laprensa.com.ni/archivo/2008/diciembre/27/noticias/nacionales/302914.shtml</p> <p><u>Comment:</u></p>	b

There have been several cases of shifting of funds without any input from the legislature. The most significant case was a reform to the National Budget made by the President by decree, violating the Constitution and the Law 550, Law of Budget Regime and Financial Administration, during the last 3 days of 2008. Several important shifts and modifications in different institutions were made. Those institutions had already closed for the holidays. Among the institutions that received funds was the SAI, which undermine further its independence to evaluate or sanction the presidential decision.

Researcher Response to this Question was “d”

Peer Reviewer One Comment: A more appropriate response to this question would be “b.” The executive can only transfer funds by means of a Law amending the Enacted Budget, which must be approved by the legislature (Law 550, Art. 51). The amending law can be introduced by the executive as an emergency measure, in which case the legislature can accept the emergency measure and not pass it on to the respective amendment proposal committee. In 2009 there were two budget amendments, one in June and the other in October, and both were approved by the Legislature. It has been noted, however, that during the amendment approval procedures the discussion quality is usually poor and there is almost no review of proposals. Specifically, for BY 2009, amendments included significant cuts to anti-poverty expenditures from key ministries such as the Ministry of Health (MINSA). Even though the examples referred to by the researcher constitute an anomaly, which compromised transparency and violated the provisions of the Law 550, the 2009 amendments were carried out according to law.

http://www.oafe.hacienda.gob.ni/oafe/PDF/oafe/leyes/Ley_de_Administracion_Financiera_y_Regimen_Presupuestario.pdf

Peer Reviewer Two Comment:

IBP Comment: IBP editors chose answer “b” in light of peer reviewer one comment and to maintain consistency of assumptions across countries.

97. During the past year, have there been credible reported instances in which the procurement of goods and services has not followed an open and competitive process in practice?

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

Citation:

IEEPP [IEEPP [Institute for Strategic Studies and Public Policy], "Contrataciones sin control"[Procurement out of Control] <http://ieepp.org/documentos/inv-trans.php>
El Nuevo Diario, "Otro Ministro Constructor" [Another 'Building' Minister] <http://impreso.elnuevodiario.com.ni/2008/05/22/nacionales/76879>
"Millonadas a Tecnosa" [Millions to Tecnosa] <http://impreso.elnuevodiario.com.ni/2008/05/23/nacionales/76951>
"Fondos INSS a Tecnosa" [INSS Funds to Tecnosa] <http://www.elnuevodiario.com.ni/especiales/17369>
"¿Quién construyó, quién las garantiza y quién las repartirá?" [Who built them, who will secure them and who will distribute them?] <http://www.elnuevodiario.com.ni/nacionales/24592>

Comment:

According to an independent investigation, based on reports from SAI during 2007 and 2008, the government spent over US\$351 million without following an open and competitive process, approved by the SAI. Apart from this incident, there have been several reports in the media of contracts given to members of the official party and relatives of the President, after not following a procurement process. Despite information in the media.

Peer Reviewer One Comment:

Peer Reviewer Two Comment: An additional comment is that IMF Staff has stressed the need to strengthen current investment norms, including ensuring that recent INSS investments (e.g. purchase of shares of pharmaceutical companies) are in line with international best practices.

C

<p>98. When does the legislature typically approve supplemental budgets?</p> <ol style="list-style-type: none"> Supplemental budgets are approved before the funds are expended, or the executive rarely proposes a supplemental budget (please specify). Supplemental budgets are approved after the funds are expended, or the executive implements supplemental budgets without ever receiving approval from the legislature (please specify). Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/Informe_liquidacion_2008.pdf "Ortega Reforma el presupuesto por decreto" [Ortega Amends Budget by Decree], http://www.laprensa.com.ni/archivo/2008/diciembre/27/noticias/nacionales/302914.shtml</p> <p><u>Comment:</u> There are modifications to the budget every year. Lately, there have been more cuts and transfers than supplements. Nonetheless, part of those reforms have been done prior to the approval from the National Assembly or with out receiving any approval. See Question 96 for more details.</p> <p><u>Researcher Response to this Question was "b"</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be "a." Budget increases are introduced through a proposed law amending the Enacted Budget, which the National Assembly must approve. As the researcher mentioned, budget amendments include cuts, increases, or reallocations, rather than supplemental budget.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>IBP Comment:</u> IBP editors chose answer "a" in light of peer reviewer one comment and to maintain consistency of assumptions across countries.</p>	<p>a</p>
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<p>99. In most years, how large are supplemental budget requests relative to the size of the original budget?</p> <ul style="list-style-type: none"> a. Supplemental budgets are generally equal to 2 percent or less of the original budget. b. Supplemental budgets are generally equal to more than 2 percent, but less than 5 percent, of the original budget. c. Supplemental budget are generally equal to more than 5 percent, but less than 10 percent, of the original budget. d. Supplemental budget are generally equal to 10 percent or more of the original budget, or insufficient information is available to the public regarding the amount of supplemental budgets. e. Not applicable/other (please comment). <p><u>Citation:</u> http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/Informe_liquidacion_2008.pdf "Ortega Refoma el presupuesto por decreto" [Ortega Amends Budget by Decree] http://www.laprensa.com.ni/archivo/2008/diciembre/27/noticias/nacionales/302914.shtml</p> <p><u>Comment:</u> The reforms for 2008 were equal to 2.6% of variation, according to the Year-End Report. The reforms for 2009 will be bigger as a result of the economical crisis and the confrontation between the government with the donors as a result of the electoral fraud in November 2008.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> In 2009, The Government made a reform to the budget twice, and the increase in the deficit of Central Government was US\$117 millions in comparison with the enacted budget.</p>	<p>b</p>
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<p>100. When does the legislature approve the expenditure of contingency funds or other funds for which no specific purpose was identified in the budget?</p> <ul style="list-style-type: none">a. Expenditures are approved before the funds are expended, or contingency funds or other funds with no specific purposes are not included in the budget.b. Expenditures are approved after the funds are expended, but before the end of the fiscal year.c. Expenditures are approved after the end of the fiscal year, for example in the next budget.d. Such expenditure takes place without legislative approval.e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> See Question 33 and Question 96.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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Executive's Year-end Report and the Supreme Audit Institution	
<p>101. How long after the end of the budget year does the executive release to the public a year-end report that discusses the budget's actual outcome for the year?</p> <ol style="list-style-type: none"> The report is released six months or less after the end of the fiscal year. The report is released 12 months or less (but more than six months) after the end of the fiscal year. The report is released more than 12 months after the end of the fiscal year. The executive does not release a year-end report. Not applicable/other (please comment). <p><u>Citation:</u> Informes de Ejecución y Liquidación http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/La Ley 550, Ley de Administración Financiera y Régimen Presupuestario [Law on Financial Administration and Budget Rules] (See Official Gazette of the Nicaraguan Government, La Gaceta año CIX, N ° 167, monday 29/08/05, or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley 20550.20Ley%%20de%20administracion%20financiera%20y%20de%20regimen%20presu.pdf) Art.67 and 68</p> <p><u>Comment:</u> Law 550 establishes on Articles 67 and 68 that the Year-End report has to be given to the National Assembly, at the latest 90 days after the ending of the fiscal year on March 31st. Usually the executive follows the requirements.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>102. In the year-end report have the data on the actual outcomes been audited?</p> <ul style="list-style-type: none"> a. Yes, all data on actual outcomes have been audited. b. At least two-thirds, but not all, of the data on actual outcomes have been audited. c. Less than two-thirds of the data on actual outcomes have been audited. d. None of the data on actual outcomes has been audited, or a year-end report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Informes de Ejecución y Liquidación http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/La Ley 550, Ley de Administración Financiera y Régimen Presupuestario (See the Official Gazette of the Nicaraguan Government, La Gaceta año CIX, N ° 167, monday 29/08/05 or http://www.dgpsa.gob.ni/biblioteca/biblioteca_archivos/442/Ley 20550.20Ley%%20de%%20administracion%%20financiera%%20y%%20de%%20regimen%%20presu.pdf) Art.67 and 68</p> <p><u>Comment:</u> The Year-End Report is produced, but it is not audited. According to Law 550, Art. 68, The General Comptrollers Office should review the report and send their comments to the First Secretary of the National Assembly prior to the presentation of the Minister of Finance to the Plenary. This does not happen. The report is sent with out auditing it.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
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<p>103. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Informes de Ejecución y Liquidación http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/</p> <p><u>Comment:</u> In different occasions, independent economists cautioned civil society about a common practice of the government of undercalculating the revenues resulting from taxes to be able to modify the budget toward the end of the year. The government presents the next year's proposal without much discussion. This continues to happen, although the effect of the global economic crisis has affected the revenues from taxes. At the same time, some of the modifications both in financial and non-financial data are not always included. Again, we face here the situation related to Venezuelan and ALBA Oil Agreement Funds not included in the Budget, nor in the Year End report. The different ministries and public institutions emphasize the importance of Venezuelan Aid in their Annual Reports.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>
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<p>104. What level of detail is the focus of the explanation of the differences between the enacted levels and the actual outcome for expenditures presented in the year-end report?</p> <ol style="list-style-type: none"> The explanation of the differences between the enacted expenditure levels and the actual outcome focuses on the program level. The explanation focuses on departmental totals (or functional totals) or some lower level of detail (but not the program level in all cases). The explanation focuses on a higher level of aggregation than departmental totals (or functional totals). No explanation of the differences is provided, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Informes de Ejecución y Liquidación http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/</p> <p><u>Comment:</u> See Question 103. The explanations focus on the global levels of the institutions, at the most</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> An additional comment is that the Government does not present the changes made during the year for each program of the public institutions.</p>	C
<p>105. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key differences, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Informes de Ejecución y Liquidación http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/</p> <p><u>Comment:</u> See Question 103. The explanations are more descriptions than real explanations, especially in relation to revenues. We need to take into account what independent economists have been observing in the last years.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	C

<p>106. Does the year-end report explain the difference between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key differences, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Informes de Ejecución y Liquidación http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/</p> <p><u>Comment:</u> See question 103 and 106. There is more a description than real explanations.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>
<p>107. Does the year-end report explain the difference between the original estimates of non-financial data and the actual outcome?</p> <ol style="list-style-type: none"> Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key differences, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Informes de Ejecución y Liquidación http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/</p> <p><u>Comment:</u> There are no explanations of those differences and there is non financial information only for a few institutions in the year-end reports.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> This situation will change in the short run. As a part of the new structural benchmarks for 2009-2010 under the Poverty Reduction and Growth Facility (PRGF II), the Government has agreed with the IMF that at the end of March 2010 to publish a monthly report monitoring the physical execution of the public investment program.</p>	<p>d</p>

<p>108. Does the year-end report explain the difference between the original performance indicators and the actual outcome?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Informes de Ejecución y Liquidación http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/</p> <p><u>Comment:</u> There are no explanations of those differences, and there are performance information only for a few institutions in the Year-End reports.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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109. Does the year-end report explain the difference between the enacted level of funds intended to benefit directly the country's most impoverished populations and the actual outcome?

- 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:

Informes de Ejecución y Liquidación

[http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/Informe de Liquidación 2008](http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/Informe_de_Liquidacion_2008)

http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/Informe_liquidacion_2008.pdf page 24

Comment:

There are very few details included in the differences. The report includes the total amounts and the foreign aid used for poverty reduction, as well as some of the activities, but there is no explanation of the differences.

d

Researcher Response to this Question was "d"

Peer Reviewer One Comment: A more appropriate response to this question would be "c." The major differences in the programs aimed at poverty reduction, at least the flagship programs, are explained or justified in the Liquidation Report. Pages 23-25.

http://www.hacienda.gob.ni/documentos/presupuesto/informes/2008/Informe_liquidacion_2008.pdf/view

Peer Reviewer Two Comment:

IBP Comment: IBP editors chose answer "d" to maintain consistency of assumptions across countries.

<p>110. Does the year-end report present the actual outcome for extra-budgetary funds?</p> <ul style="list-style-type: none"> a. Yes, extensive information on the actual outcome for extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key issues, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information is not presented on extra-budgetary funds, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Informes de Ejecución y Liquidación http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/Informe de Liquidación 2008 http://www.hacienda.gob.ni/hacienda/PDF/Presupuesto/Informes/Informe_liquidacion_2008.pdf</p> <p><u>Comment:</u> There is no information on extra-budgetary funds in the Year-End report.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
<p>The Independence and Performance of the Supreme Audit Institution</p>	

111. How long after the end of the fiscal year are the final annual expenditures of national departments audited and (except for secret programs) released to the public?

- 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:

Contraloría General de la República, Informe de Gestión 2008 [Office of the Comptroller General of the Republic, Performance Report 2008], page 24

Interviews with different congressmen during July and August 2009.

Comment:

The General Comptrollers Office audits some of the institutions included in the General Budget, but not the Budget as a whole. The Annual Report of the CGR does not mention such activity. The National Assembly has no knowledge of any of those audits, although the Law 550 asks for those audits.

C

Peer Reviewer One Comment: The most appropriate response to this question is "c." The audit reports have been made available to the public since 2007. More than 12 months elapse before they are released, but this delay does not go beyond 24 months. The 2008 audit report is accessible online. The Office of the Comptroller General of the Republic (CGR) has been auditing the General Budget of the Republic (PGR) since 2005; however, the audits are not comprehensive, as they do not cover all institutions or programs, even though institutional efforts have been made to make them more inclusive.

Peer Reviewer Two Comment: An additional comment is that the CGR does not make an effective accountability of the public finances. The annual report of the CGR is only an annual report of activities of the institution where they list the institutional achievements, the number of audits undertaken and completed, and the number of citizen complaints. The Comptroller does not issue analysis, criteria and comments on macroeconomic issues, special issues and implications of budget implementation in government policies in Nicaragua. Furthermore, although the CGR (through the Bureau of Public Debt) makes an analysis of the sustainability of public debt and its burden on the national economy, this analysis is not available to the public.

IBP Comment: IBP editors chose "c" based on peer reviewer one's comment.

112. Two years after the completion of a fiscal year, what percentage of annual expenditures has been audited and (except for secret programs) the report(s) released to the public?

- a. All expenditures have been audited and the reports released to the public.
- b. Expenditures representing at least two-thirds of, but not all, expenditure have been audited.
- c. Expenditure representing less than two-thirds of expenditure have been audited.
- d. No expenditures have been audited, the reports have not been released to the public, or was released more than 24 months after the end of the fiscal year.
- e. Not applicable/other (please comment).

Citation:

<http://www.cgr.gob.ni/>

Reports of Audits

http://www.cgr.gob.ni/cgr/index.php?option=com_docman&task=cat_view&gid=192&Itemid=53

Comment:

There are audits of some institutions or of some programs of those institutions, but there is no report or audit done for the expenditures of the Budget. Of those audits done, the reports take a long time and they are only made public after been approved by the Superior Council made by 5 men chosen by the two major parties. Their appointments are based mostly on partisan reasons, and not technical experience or aptitude. They act mostly following the party interests.

Peer Reviewer One Comment: The most appropriate response to this question is "c." The Office of the Comptroller General of the Republic (CGR) has been auditing the General Budget of the Republic (PGR) since 2005. However, the audits are not comprehensive, as they do not cover all institutions or programs, even though institutional efforts have been made to make them more comprehensive.

Peer Reviewer Two Comment:

IBP Comment: IBP editors chose "c" based on peer reviewer one's comment.

C

<p>113. Does the annual audit report(s) that is released to the public include an executive summary?</p> <ul style="list-style-type: none"> a. The annual audit report(s) includes one or more executive summaries summarizing the report's content. b. No, the audit report(s) does not include an executive summary, or such reports are not released to the public, or was released more than 24 months after the end of the fiscal year. c. Not applicable/other (please comment). <p><u>Citation:</u> http://www.cgr.gob.ni/Reports of Audits http://www.cgr.gob.ni/cgr/index.php?option=com_docman&task=cat_view&gid=192&Itemid=53 Annual Reports of CGR to the National Assembly http://www.cgr.gob.ni/cgr/index.php?option=com_docman&task=cat_view&gid=61&Itemid=53</p> <p><u>Comment:</u> They are no annual audit reports released to the public. There are annual reports of what the CGR has done during the previous year, but not and audit report.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> See comment to Question 111</p> <p><u>IBP Comment:</u> IBP editors chose "a" since the published reports have an executive summary.</p>	<p>a</p>
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<p>114. Must a branch of government other than the executive (such as the legislature or the judiciary) give final consent before the head of the Supreme Audit Institution (SAI) can be removed from office?</p> <p>a. Yes, the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before they are removed.</p> <p>b. No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature.</p> <p>c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Constitucion Política de Nicaragua, Art. 154, 155, 156 Ley 681, Ley Orgánica de la Contraloría General de la República, Art. 21 and 22 http://www.cgr.gob.ni/cgr/index.php?option=com_docman&Itemid=53</p> <p><u>Comment:</u> Once there is a formal denunciation and investigation, the legislative power can remove the members of the Superior Council of the Comptrollers Office. There needs to be one or more of the causes of removal stated in the Law 681.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
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<p>115. Does the Supreme Audit Institution release to the public audits of extra-budgetary funds?</p> <ol style="list-style-type: none"> a. Yes, the SAI releases to the public audits of all extra-budgetary funds. b. Yes, the SAI releases audits representing at least two-thirds of, but not all, extra-budgetary funds. c. Yes, the SAI releases audits representing less than two-thirds of all extra-budgetary funds. d. No, the SAI does not release to the public audits of extra-budgetary funds, or it does not audit such funds, or such a report was released more than 24 months after the end of the fiscal year. e. Not applicable/other (please comment). <p><u>Citation:</u> http://www.cgr.gob.ni/Reports of Audits http://www.cgr.gob.ni/cgr/index.php?option=com_docman&task=cat_view&gid=73&Itemid=53 Annual Reports of CGR to the National Assembly http://www.cgr.gob.ni/cgr/index.php?option=com_docman&task=cat_view&gid=61&Itemid=53</p> <p><u>Comment:</u> The CGR does not audit extra-budgetary funds. See Questions 111, 112, and 113.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> See comment to Question 111</p>	<p>d</p>
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116. Beyond the established year-end attestation audits, does the Supreme Audit Institution (SAI) have *the 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:

Constitucion Política de Nicaragua, Art. 154, 155, 156
Ley 681, Ley Orgánica de la Contraloría General de la República, Art. 7
http://www.cgr.gob.ni/cgr/index.php?option=com_docman&Itemid=53
http://www.cgr.gob.ni/cgr/index.php?option=com_docman&task=cat_vie w&gid=136&Itemid=53

Comment:

The SAI has the power, but faces considerable limitations related to political will and to the strong political ties of the members of the Superior Council (See Question 112). Due to its partisan affiliations, the decisions have be made with an agreement between the two parties. No audits are conducted if the decision may affect some member or interest from one of those parties.

b

Researcher Response to this Question was "c"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: The CGR [Office of the Comptroller General] has control over all institutions (public and private) subject to the budget system. The CGR carries out audits of compliance (legality), management, financial, and efficiency (operational). The CGR is running a program to audit any public institution randomly chosen, but it takes into account certain criteria such as whether the institution has been audited recently or not. It also takes into account the immediate results of previous audits and the largest amount spent by institutions. This audit program is extended to citizen complaints and requests from senior members of the public institutions. These audits are conducted by units of the CGR and contracted independent audit firms.

IBP Comment: IBP editors chose answer "b" because we are assessing what should happen by law rather than what happens in practice.

<p>117. Who determines the budget of the Supreme Audit Institution?</p> <ol style="list-style-type: none"> a. The budget of the SAI is determined by the legislature or judiciary (or some independent body), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate. b. The budget of the SAI is determined by the executive, and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate. c. The budget of the SAI is determined by the legislature or judiciary (or some independent body), but the funding level is not consistent with the resources the SAI needs to fulfill its mandate. d. The budget of the SAI is determined by the executive, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate. e. Not applicable/other (please comment). <p><u>Citation:</u> Ley 681, Ley Orgánica de la Contraloría General de la República, Art. 8 http://www.cgr.gob.ni/cgr/index.php?option=com_docman&Itemid=53</p> <p><u>Comment:</u> The National Assembly (legislature) is in charge of approving all the budgets, including the SAI, following the proposal of the Executive. The amounts do not cover the needs to fulfill its mandate, especially the one related to the Audit of the General Budget, according to members of the Superior Council of SAI</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> The CGR has functional and administrative autonomy with the budget ceiling set by the National Assembly, but the amount budgeted annually for CGR limits their ability to effectively monitor the national budget. The minimum amount that CGR has requested for its operation is at least 1% of the projected amount of tax revenue in the General Budget Law. With that amount of financial resources, the CGR could make a greater number of audits to the General Budget of the Republic annually.</p>	C
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<p>118. Does the Supreme Audit Institution employ designated staff for undertaking audits of the central government agencies pertaining to the security sector (military, police, intelligence services)?</p> <ol style="list-style-type: none"> The SAI employs designated staff, and the staffing levels are broadly consistent with the resources the SAI needs to fulfill its mandate. The SAI employs designated staff, but the staffing levels are a cause of some constraints to the SAI in fulfilling its mandate. The SAI employs designated staff, but the staffing levels pose a significant constraint on the SAI in fulfilling its mandate. The SAI does not employ designated staff for auditing of the security sector, or does not undertake audits of the security sector. Not applicable/other (please comment). <p><u>Citation:</u> Resolutions on Audits Reports of the CGR http://www.cgr.gob.ni/cgr/index.php?option=com_docman&task=cat_view&gid=73&Itemid=53 Audit Reports of the CGR http://www.cgr.gob.ni/cgr/index.php?option=com_docman&task=cat_view&gid=37&Itemid=53</p> <p><u>Comment:</u> The SAI does not have reports of audits done on the security sector. There is only one of Construction Project of the National Police in 2005.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>119. Does the Supreme Audit Institution maintain formal mechanisms of communication with the public to receive complaints and suggestions to assist it in determining its audit program (that is, to identify the agencies, programs, or projects it will audit)?</p> <ol style="list-style-type: none"> Yes, the SAI maintains mechanisms of communication with the public, and received more than 100 communications from the public during the past year. Yes, the SAI maintains mechanisms of communication with the public, and received less than 100 but more than ten communications from the public during the past year. Yes, the SAI maintains mechanisms of communication with the public but it receives very little (less than ten) or no information from the public on potential subjects for audit. No, the SAI does not maintain any formal mechanisms of communication with the public. Not applicable. <p><u>Citation:</u> http://www.cgr.gob.ni Reports of Citizens´ Denounces http://www.cgr.gob.ni/cgr/index.php?option=com_docman&task=cat_view&gid=41&Itemid=53&limitstart=10 Requirements for Citizens´ Denounces http://www.cgr.gob.ni/cgr/index.php?option=com_content&view=article</p>	d

&id=52&Itemid=54

Comment:

The CGR has a mechanism to receive complaints from the public, but there is no other formal mechanism of direct communication with the public on potential subjects for audit. They receive some complaints, but according to their reports of resolutions, in most cases, their decision is to disregard the complaints. One of the requirements is to present clear evidence of what has been denounced and its sources.

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: A more appropriate response to this question would be "b" because the last report of activities (2008) of the CGR shows that the institution received and processed 79 denounces of citizens (see page 49 of http://www.cgr.gob.ni/cgr/index.php?option=com_docman&task=doc_download&gid=1425&Itemid=53). The CGR has an appropriate record of the number of citizen complaints received, which are captured in six cities heads of departments and autonomous regions. However, even though there is this mechanism, the Court of Appeal and the Supreme Court hamper the effectiveness of complaints. There is a serious backlog caused by the restraint from the Presidency of the Republic. He has not ordered the Minister of Finance to collect fines from former public officials. In summary, the political issue limits the effectiveness of complaints addressed to the CGR. The CGR could advance and have more effectiveness in their control by allowing citizens to make complaints through the Internet.

IBP Comment: IBP editors chose answer "d" to maintain consistency of assumptions across countries.

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

- a. Yes, all audit reports are scrutinized.
- b. Yes, most audit reports are scrutinized.
- c. Yes, some audit reports are scrutinized.
- d. No, audit reports are not scrutinized.
- e. Not applicable/other (please comment).

Citation:

Comment:

See question 111. The legislature only receives the audit reports requested by the National Assembly, after approved by the Superior Council. See also Question 112

Peer Reviewer One Comment:

Peer Reviewer Two Comment: See comment to Question 111.

d

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

<p>123. Are audit reports of the annual accounts of the security sector (military, police, intelligence services) and other secret programs provided to the legislature (or relevant committee)?</p> <ul style="list-style-type: none"> a. Yes, legislators are provided with detailed audit reports related to the security sector and other secret programs. b. Yes, legislators are provided audit reports on secret items, but some details are excluded. c. Yes, legislators are provided audit reports on secret items, but they lack important details. d. No, legislators are not provided audit reports on secret items, or secret programs are not audited (please specify). e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> See question 118. There are no audit reports on secret items or secret programs, or any audit report on the annual accounts of the security sector done by the CGR.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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