

MONITORING OF THE BUDGET EXPENDITURES IN THE PRE-ELECTION AND ELECTION PERIOD

Monthly Report
Monitoring Period: 01.03.2016 to 31.03.2016

Executive Summary of the reporting period findings

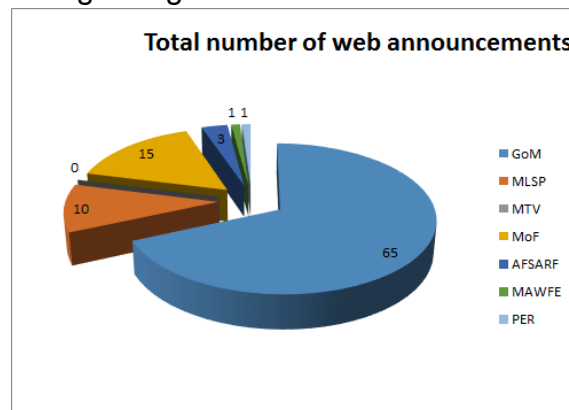
Central Government

Monitoring indicators of the central budget level expenditures

- ✓ The cumulative execution rate of the **Budget deficit**, by February 2016 is 23.5% (almost $\frac{1}{4}$ of the annual planned budget), which is almost 6.8 pp above the expected balanced execution for the concerned period (16.66%). Only in the month of February, the monthly execution rate of the **Budget deficit** has reached 15%.
- ✓ The cumulative execution rate for the budget item **Treasury bills**, by the month of February is, 19.25% of the total annual budget, which is almost 2.5 pp over the expected balanced execution rate of 16.66% for the first two months
- ✓ The **Capital expenditures**, cumulatively by February 2016, have a moderate execution rate of 6.3%, which is way below (almost 10 pp lower execution rate) the expected two months balanced execution of 16.66%.
- ✓ The cumulative execution rate of the **Social aid expenditures** budget item by February 2016 is 13% and is almost 3.5 pp below the expected balanced cumulative monthly execution rate of 16.66%.
- ✓ By February 2016, the budget item **Overall taxes**, is with a cumulative execution rate of 14.7%, which is 2 pp below the expected balanced 16.66%, if the budget item are equally executed each month throughout the year.
- ✓ The cumulative execution rate of the budget item **Administrative fees and fines** by February (although increased compared with January) is 12.6%, which represents a 4 pp lower execution if the budget item is equally executed each month throughout the year.

Public announcements on the websites of the Government and the selected budget users

- ✓ Despite the low number of web announcements on the budget users' web sites, the announcements content is with modest both in qualitative and quantitative information – i.e. the percentage of announced information among all monitored institutions (where there are web announcements/posts) is low.
- ✓ Merely 26% of the Government website's announcements/posts (a budget user which has the highest number of posts during the month, of total of 65 posts) contain financial information concerning the executed/planned investments within the web posts with new investments.
- ✓ Only 9% of the total number of announcements/posts contain analytical elaboration of the planned/implemented activities.
- ✓ A modest portion of the announcements (approximately 11%) of all budget users, which are monitored, contain information regarding the financial sources and the programs/strategies/plans containing the announced or implemented project/activity.
- ✓ Only 4 announcements/posts on the Government's website and 2 announcements on the web site of the Ministry of Finance, contain analytical information within their announcements, while the other budget users' web posts do not contain essential data on the announced subject.
- ✓ Most of the announcements/post of all monitored websites are related to visits, meetings and conferences of the institution officials which occurred during the reporting period.
- ✓ The main target groups of the key budget users' web announcements are predominantly the youth and the unemployed.
- ✓ The Ministry of Transport and Communications and the Ministry of Economy have no announcements in the period, while the PE for State Roads as well as the Ministry of Agriculture, Forestry and Water Economy have one web posts each, and the contents are without financial information and information on the sources for funding the announced activity.



Experiences of the process of acquiring information through the Freedom of information Act-RAPI

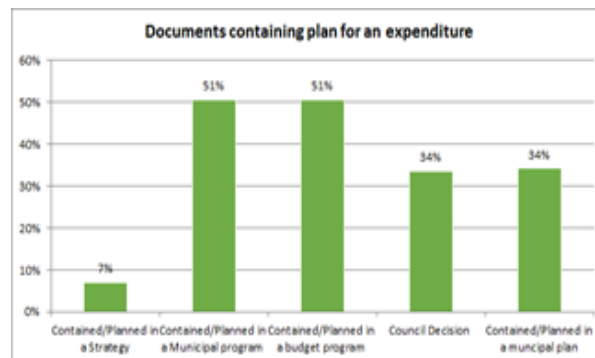
- ✓ There had been 21 requests for access to public information (RAPI) submitted to the Central government, within the monitoring period starting from 01.12.2015 to 30.03.2016, for a total of 17 recorded/announced budget expenditures¹. Out of these: for 12 RAPI there have been timely responses received, within the legally set 30-day period, for 2 RAPI there have been responses after the 30-day period – i.e. delayed responses, for 5 RAPI a response is still awaited for however still within the 30-day period, and for 2 RAPI there are had been no responses.
- ✓ One of the RAPI, (without a reply) was submitted/requested to the **Ministry of Finance**, regarding the project **"Buy a House for Youth."** After a preliminary examination of the official websites of the Ministry of Finance and the Governmental of RM, for the specific project, there were no information and data found in an appropriate strategy, government or ministry program as well as budget program. Thus, the reason for requesting information through RAPI, to which, 2 months after the past legal deadline of 30 days, there is still no response.
- ✓ Out of 14 responses received on the basis of RAPI (of which 12 within the legal timeframe and 2 with a delay): 3 have been appropriately and specifically answered; 2 have been appropriately and specifically answered only for selection of the questions/information requested; while 3 replies have provided vague, unspecific and partial information. For the remaining 6 RAPI, sent to the Government of Macedonia, as an information holder, a reply for forwarding the requests (RAPI) to other state institution has been received.
- ✓ For a total of 8 announcements/posts concerning the Central budget expenditures, answers through RAPI have been received. For these eight expenditures the requested information included: whether the expenditure is contained/planned in a strategy; according to which program have these expenditures are implemented, and whether these expenditures are planned/contained in a budget program. Based on the answers for these 8 expenditures - 5 are planned in all three documents, while for the remaining 3 there have been no specific response obtained or only a partial response has been provided.

¹ for some of the recorded expenditures, two simultaneous requests for public information access have been submitted as the announcements do not clearly indicate the information holder.

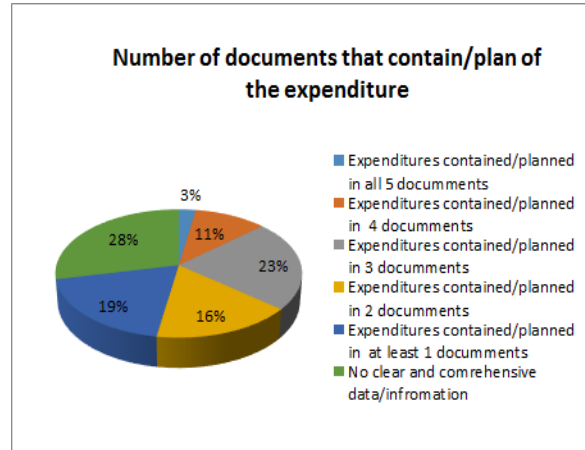
Local government expenditure monitoring

In the current monitoring report the cumulative expenditures from the start of the monitoring 1.1.2016 until 31.3.2016 are recorded.

- ✓ In the overall monitoring period, starting from 01.01.2016 to 31.03.2016, a total of 243 both capital and operating budget expenditures have been noted/recorded, in the 24 municipalities monitored, and for each there has been an additional information requested.
- ✓ Based on the field data form the local monitoring group, a largest number of expenditures (both operating and capital) have been recorded in the municipalities of Ohrid, Strumica and Kumanovo while significantly lower number of expenditures have been identified in the predominantly rural and/or smaller municipalities of Makedonski Brod, Karbinci and Chashka
- ✓ Based on the nature of the expenditures, almost three quarters of the identified expenditures are capital expenditures/investments (73% capital and 27% operating)
- ✓ The major areas of municipal investments, generating capital expenditures, are concerning renovation/reconstruction of kindergartens and schools, followed by road reconstruction and renovation expenditures and reconstruction of water and sewage network systems.
- ✓ Out of the 243 expenditures in the overall monitoring period, 52 are concerning construction of water and sewage network systems, 94 are for road reconstruction, 23 for renovation/reconstruction of kindergartens, schools and 78 in other various categories.
- ✓ **Out of the total number of 243 recorded expenditures, for 158 expenditures there are overall or partial information (i.e. for 35% of the total number of recorded expenditures, there are still no clear and specific information and there are still pending responses on RAPI from the information holders).**



- ✓ Only 7% of the recorded expenditures, with minimum information, are contained/planned within a certain municipal Strategy, 51% of the expenditures are planned/contained in a Municipal program, 51% of the expenditures are planned in an adequate Budget program, while 34% are contained/approved by a Municipal Council Decision, and as many are planned/contained within an annual plan.



- ✓ Only 3% of the recorded expenditures are contained/planned within all five documents (strategy, program, budget program, plan, council decision), 11% of the recorded expenditures are contained/planned within four documents, 23% of the recorded expenditure are contained/planned within three documents, 16% are contained/planned within two documents, and 19% are contained/planned within at least one document. For 28% there are no clear and comprehensive information.