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Sustainability Of Fiscal Imbalances In Nepal

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INTRODUCTION

Nepal opened up to the outside world only after the overthrow of Rana autocracy in the early 1950s. Following the ushering in of democracy in 1951, Nepal began to make concerted efforts to put the country on the path of economic growth and development. In the process, Nepal launched the planned economic development process since 1956. So far, eight five-year plans have already been completed and the Ninth plan is underway. Active fiscal policy is the integral part of planned economic development. In this context, it is worth noting that Nepal formulated budget for the first time in 1951. Since then, the Nepalese government commenced to bring out the budget every year. In order to accelerate the process of economic growth, government has been bringing out a deficit budget, especially so since 1970s. But there are issues relating to the fiscal deficit. The prominent one is the issue of fiscal sustainability. The paper examines the issue of fiscal sustainability in the context of Nepal.

TYPES OF FISCAL IMBALANCES

The goverment mobilizes revenues from various sources. Total revenue can be decomposed into tax revenue and non-tax revenue. Similarly, goverment incurs expenditure on various heads that can be broken down into current expenditure and capital expenditure. Whenever government's total revenue exactly covers the total expenditure, the budget is said to be balance. Such a scenario seldom occurs in reality. It is more so in the developing countries. Fiscal imbalances occur whenever government revenue falls short of its total expenditure. There are various types of fiscal imbalances. Generally, following three types are the most common occurrences. These are (i) converntional deficit, (ii) primary deficit and (iii) revenue deficit. The revenue deficit, which is also known as current fiscal deficit is defined as current revenue minus current expenditure. This means that the government current revenue is insufficient to meet its current expenditure. This type of imbalance suggests that government borrows even to meet its current expenditure. This means that the government current revenue is insufficient to meet its current expenditure. This type of imbalance suggests that government borrows even to meet its current expenditure. This type of imbalance suggests that government

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borrows even to meet its current expenditure. The current fiscal deficit is often used to measure the government dis-saving. Thus, this shows the government's contribution to the total savings of the economy. As it is difficult to distinguish current expenditure and capital expenditure, this concept has limitations. The primary deficit is obtained when interest payments are deducted from the conventional deficit. In other words, primary deficit results when government revenue falls short of government total expenditure net of interest payments. Primary deficit is also known as non-interest deficit. Conventional deficit, which is known as fiscal deficit, occurs when total revenue falls short of government total expenditure. In other words, fiscal deficit indicates government's total borrosings if there are no receipts from government divestment.

There are distinct implications of three sets of fiscal imbalances. Revenue deficit implies that government is borrowing even for its current consumption expenditure. Primary deficit helps measure the current fiscal policy stance of the government because it removes the effects of previous deficits on the budget. The primary deficit measures the discretionary budgetary stance by excluding the non-discretionary variable, i.e. interest payments on the stock of public debt. The interest payments are predetermined by the size of previous deficits (Blejer and Cheasty 1991.) It has also implication for measuring the impact of current actions on government's net indebtedness and sustainability of budget deficit (World Bank 1988). Fiscal deficit implies government's total borrowing requirement. It indicates the addition to total debt stock of the government.

There Macroeconomic Aspects Of Fiscal Imbalances

There are three aspects of fiscal imbalances. The first aspect of fiscal imbalance is its impact on aggregate demand. The second aspect is the sources of deficit financing. The third aspect is the issue of sustainability of fiscal deficit. The main focus of the study is the last dimension of the fiscal deficit. Nonetheless, the former two aspects are also invariably linked with the last dimension of the fiscal deficit. Hence, the former two aspects are also discussed briefly so as to reinforce the issue of fiscal sustainability.

Impact on Aggregate Demand

Keynes highlighted this aspect of fiscal deficit. In fact, Keynes provided an analytical framework of macroeconomic effects of fiscal deficit (Fischer and Easterly 1990). This does not mean that in the pre-Keynesian period fiscal deficit did not occur. Government did resort to fiscal deficit especially during the war period used to be balanced from the surpluses generated during the period of peacetime. Hence, over the period the government budget would be balanced. Clearly, deficit posed no problem of unsustainability. Therefore, there were no discussions on budget deficit and issue of fiscal sustainability did not feature prominently in the pre-

Keynesian period. It is also clear that for the classicists, deficit would occur only during the wartime, which could be balanced from the surpluses in the peacetime. So, classicists could not visualize the rationale and role of fiscal deficit during the economic recession. Keynes argued that the deficit being the component of aggregate demand could help to lift the economy from the morass of recession. In this context, Keynes also argued that there was no need to have a balance budget during the period of recession. The impact of fiscal deficit on aggregate demand can be elucidated with the help of the following national income identity.

$$AD = A = Y = C + I + G \quad \ldots\ldots\ldots\ldots \quad (I)$$

Where, AD = aggregate demand (expenditure),

A = domestic absorption (expenditure),

Y = national income,

C = private consumption expenditure

I = private sector investment expenditure

G = government expenditure

If the economy is closed, identity (1) can be used to explian the impact of fiscal deficit on aggregate demand that equals domestic absorption. Other things remaining the same, an increase in fiscal deficit helps expand government expenditure (i.e. G), which, in turn, boosts aggregate demand. For the open economy, identity (1) can be augmented as below:

$$AD = Y = C + I + G + (X - M) \quad \ldots\ldots\ldots\ldots\ldots\ldots \quad (2)$$

Where, X = exports,

M = imports

Identity (2) has net export term in the form of (X - M) on the right hand side of it. This shows that in an open economy, apart from private consumption expenditure, private investment expenditure and government expenditure, net external expenditure, i.e. net exports, also affects aggregate demand.

During the recessionary period, there exists an excess capacity in the economy. In such a situation, an increase in fiscal deficit helps expand aggregate demand, which in turn helps utilize the existing excess capacity in the economy. This means that output increases when fical deficit increases. It is worth noting that prices are assumed to remain fixed in the Keynesian analysis. Thus, according to the Keynesian framework, fiscal deficit becomes the powerful instrument in the hands of authorities to augment the aggregate demand during the recession.

Most of the developing countries practised the Keynesian framework to enhance economic growth through the deficit financing during 1960s,

1970s, 1980s and even 1990s. The argument is that even though there may not be the case of "excess capacity" as that of developed countries, developing countries have unutilized natural as well as human resources. They lack capital to exploit such resources. Private sector is not well developed to tap the investment opportunities. So, government can help to utilize such resources by resorting to deficit financing. However, experiences suggest that deficit financing does not necessarily lead to economic growth. Developing countries suffer from various types of bottlenecks. Moreover, developmental projects take relatively longer period to complete in developing countries. As a result, aggregate supply is not generally responsive to increases of aggregate demand induced by rising fiscal deficit. The consequences of fiscal deficit are thus (a) rising inflation, (b) increased nominal interest rate (c) crowding out of private sector investment which lowers economic growth and (d) worsening of balance of payments with increased potential crisis in exchange rate.

Sources of Financing

A deficit in the budget is financed in four ways. These are grouped as (a) printing of money (POM), (b) drawing down international reserves (DR), (c) foreign borrowing (FB) and, (d) domestic borrowing (DB). Symbolically, this can be written as :

$$GBR = POM + DB + FB + DR \quad \ldots\ldots\ldots\ldots\ldots\ldots (3)$$

Where, GBR = government borrowing requirement or budget deficit.

Sources-wise, the budget deficit is financed from domestic and foreign sources through the (a) central bank, (b) domestic sources other than central bank, and (c) abroad. The study of sources of financing is important, for it helps understand corresponding macroeconomic effects of various sources of financing. The analysis of sources of financing also sheds light on the issue of sustainability or unsustainability of fiscal imbalance. Each of these sources of financing is associated with at least one macroeconomic imbalance. For instance, let us take the central bank financing of budget deficit, which is nothing but the printing of money. This source of financing has a direct implication for inflation. This means that as the level of printing of money increases so does the level of prices. Increased level of deficit financing through this route results in price rises, which cannot be sustained over time. Similarly, take the case of deficit financing from domestic borrowing other than the central lbank. This source of financing is associated with higher level of domestic interest rate and crowding out of private investment, which has the implication for lower level of economic growth. This is so because government investment is considered relatively inefficient compared to the private sector investment. Deficit financing by drawing down of international reserves is linked with balance of payments crisis. International reserves will be

depleted if excessive use of it is made. In the process, balance of payments and exchange rate crises are inevitable. Large scale of foreign borrowing leads to debt crisis.

Sustainability of Fiscal Imbalances

Fiscal imbalances can be defined as sustainable if the current policy stance is sustainable if the current policy stance is sustainable over an indefinite period of future and it does not violate solverncy constraints. In other words, this means that the continuation of the current fiscal policy stance does not require a drastic policy shift or does not push the country into a crisis. The sustainability of fiscal position also refers to the fact that large fiscal adjustments are not likely to be required to meet public debt obligation (Bascund and Rozin 1997).

In order to expound the sustainability issue of fiscal imbalance, let us first begin with the concept of conventional balance or deficit. Conventional balance is the difference between government total revenue and expenditure. Symbolically,

CD = GR = GE ... (4)

Where, CD = conventional deficit,

GR = government revenue,

GE = government expenditure

The conventional deficit can be disaggregated into the (i) primary deficit

(PD) and (ii) interest expenditure (IE) ... (5)

In order to derive primary deficit, identity (5) can be written as :

PD = CD - IE ... (6)

Identity (6) tells us that the primary deficit is the conventional deficit less interest expenditure. The issue of sustainability is discussed with the help of the primary deficit. The main reason in doing so is that the government borrowing in the past must be repaid at some point of time in future by generating primary surpluses. It means that the government can not keep on borrowing indefinitely. At some point of time, the government must generate surplus to repay its past debt. It implies that the government must have primary surplus at some point of time. As such, the government can run conventional deficit indefinitely but there has to be primary surplus at the end to cover at least part of current debt (Blejer and Cheasty 1991).

METHODOLOGY FOR THE CALCULATION OF FISCAL SUSTAINABILITY

The methodology used for the calculation of fiscal sustainability is rather simple. It takes four variables into account. These variables are (i)

primary surplus or deficit (ii) real interest rate on government debt, (iii) real growth rate and (iv) the magnitude of government debt stock. In order to construct a fiscal sustainability condition, primary surplus/deficit is expressed as a ration of GDP. Likewise, debt stock is also expressed as a ratio of GDP. The following is the sustainability criterion derived from the study of Fisher, S. and Easterly, W., (1990) Adedeji, O., (2000) and, Barth, R., and Hemphill W., (2000)

Primary surplus/GDP = (real interest rate - real growth rate)* debt stock/GDP i.e.,

$ps = (r - g)\, d \ldots (7)$

Or

$Ps - (r - g)\, d = 0 \ldots (8)$

Where, ps/pd = primary surplus/primary deficit as ratio of GDP,

r = (the weighted average real interest rate) = real domestic interest rate* (domestic debt stock/total debt stock) + real foreign rate* (foreign debt stock/total debt stock),

g = real growth rate,

d = total debt stock as ratio of GDP

If fiscal imbalances are to be sustainable, other things remaining the same, primary deficit as percent of GDP must be falling or primary surplus as percent of GDP must be rising. The underpinning of this is that the government must attempt to reduce its primary deficit or generate surplus over time to repay the past borrowings.

The second variable associated with the fiscal sustainability issue is real interest rate that the government pays on its debt stock. The governmetn can borrow from two sources (i) domestic and (ii) foreign. The interest rate may vary on domestic borrowing and foreign borrowing. In order to get a single interest rate, the following procedure is adopted. First, nominal interest rate on foreign debt is ascertained. Then relevant foreign inflation rate is chosen. By simply differencing nominal foreign interest rate from foreign inflation rate, foreign real interest rete is derived. Second, government raises domestic debt by issuing various debt instruments with respective interest rates. By applying respective interest rates on various domestic debt instruments, a weighted domestic interest rate is obtained. By differencing a weighted domestic nominal interest rate from domestic inflation rate, real domestic interest rate is obtained. Third, summing up the domestic real interest rate times the domestic debt and foreign real interest rate times the foreign debt stock arrives at a weighted average real interest rate.

The third variable is the real growth rate. The basic philosophy of borrowing is that borrowing is not harmful so long as returns on invested, borrowed, funds are higher than the interest liabilities on borrowings.

Returns on investment of borrowed funds are approximated by real growth rate. If real growth rate and the government revenue grow faster than real interest rate, it will remain sustainable even if there is deficit in primary balance.

The fourth factor is the country's debt stock as percent of GDP. This summary index is also crucial for analyzing the fiscal sustainability issue. If the ratio is rising, this means that the debt stock is rising faster than the real GDP growth. This indicates two things. First, borrowed fund is utilized less efficiently and less productively. Second, government is borrowing more and more every year. Thus, a rising debt to GDP ratio signifies unstainability of fiscal imbalances over time. On the other hand, even if the level of the ratio is high, if it is constant or falling, it will indicate the sustainability of fiscal deficit over time.

Against the background of above discussion, the following sustainability criterion is applied for the study.

$ps-(r-g)\,d > o \ldots (9)$

According to the criterion, if $ps-(r-g)\,d < o$, the fiscal imbalances are unsustainable. This means that primary surplus if any, is not sufficient to cover the rate of growth of the overall debt stock. On the other hand, even if there is primary deficit but such deficit as proportion of GDP is falling and the real interest rate is also falling in relation to real growth rate, the country would be heading towards fiscal sustainability.

SUSTAINABILITY OF FISCAL IMBALANCES IN NEPAL

This section has two parts. The first part discusses the calculation of the sustainability criterion from the time series data between 1990 through 2001. The second part interprets the results obtained by using the sustainability criterion.

Calculation Of Sustainability Criterion

In order to ascertain the sustainability of fiscal imbalances in Nepal the criterion (9) is used for the study. The first element of the criterion is the primary surplus as percent of GDP. The fiscal data of period 1990 through 2001 show that Nepal has a deficit in the primary balance. Deducting interest payments both on domestic and foreign debt stock from overall fiscal deficit derives the primary balance. Once the absolute figure is obtained, it is easy to convert it into a percent of GDP.

The second element is the weighted average real interest rate. In order to calculate weighed average real interest rate, first weighted average nominal interest rate is to be derived. There are again two elements in the weighted average nominal interest rate, (i) foreign weighted average nominal interest rate and (ii) domestic weighted average nominal interest rate. A heroic assumption is made with respect to the foreign interest rate.

It is assumed that all foreign borrowings are from one single source and such borrowings carry a uniform interest rate i.e. LIBOR rate. Domestic debt stock is divided into two parts: (i) treasury bills and (ii) all other domestic debt other than treasury bills. In the case of treasury bills, annual weighted average auction treasury bills rates are applied. For other domestic debt stock, interest rate is approximated by the highest development bond rate. The respective shares of treasury bills and other domestic debt are derived from the total domestic debt and, respective interest rates are applied to obtain weighted average interest rates. Second, to derive real interest rate on both foreign and domestic debt stocks, foreign inflation rate is approximated from CPI of industrialized countries and domestic inflation from CPI of Nepal. Simply differencing LIBOR from industrial countrie's CPI based inflation rate and domestic interest rate from Nepal's CPI based infalation rate, weighted average real foreign and domestic interest rates are obtained.

The third element is the real GDP growth rate, which is approximated by real GDP at factor cost. The fourth variable is total debt stock, which includes both domestic and foreign components.

Tabel 1

Sustainability Of Fiscal Deficit In Nepal

Indicator	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Primary surplus as percent of GDP	-6.95	-7.74	-5.98	-5.44	-4.52	-3.39	4.16	-3.82	-4.84	-4.25	-3.52	-4.64
Real interest rate Foreign	2.32	1.55	0.75	0.65	2.53	2.91	2.75	3.21	3.34	3.33	2.57	2.31
Real interest rate-Domestic	-0.25	0.05	-2.21	0.30	0.31	0.51	0.40	0.64	0.54	0.08	0.95	1.01
W. Avg. Real Interest Rate	1.95	1.56	-1.89	0.78	2.74	3.53	3.30	3.58	3.67	2.85	2.57	3.57
Fore debt as percent of GDP	36.91	51.24	48.94	52.87	53.22	53.82	53.49	49.0	55.64	51.75	52.18	50.03
Dom. debt as percent of GDP	14.72	18.0	16.03	15.40	15.99	15.27	14.30	13.31	13.26	15.17	14.87	14.85
Total Idebt as percent of GDP	51.63	69.20	64.97	68.27	69.21	69.08	67.79	62.31	68.89	66.92	67.05	64.88
Real GDP Growth	4.92	6.44	4.62	3.29	7.90	2.87	5.70	4.77	3.44	4.49	6.44	5.80
Sustainability Criterion	-5.42	-4.36	-1.75	-3.73	-0.96	-3.85	-2.53	-3.08	-5.00	-3.15	-3.33	-4.71

Source : MOF, Economic Survey, NRB *Quarterly Economic Bulletin*, IMF, *International Financial Statistics* of Reference Year.

Interpretation Of Results

Nepal began to borrow both domestically and internationally since 1960s. By 1990s, it is natural to expect a higher economic growth rate and with that an increased rate of revenue generation. The expected result would have been a surplus in primary balance. Table 1 shows that primary balance remained deficit throughout the 1990s, let alone offsetting past deficits with current surpluses in primary balances. However, we find a reduction in primary deficit as perecent of GDP in recent years compared to the deficit in early 1990s.

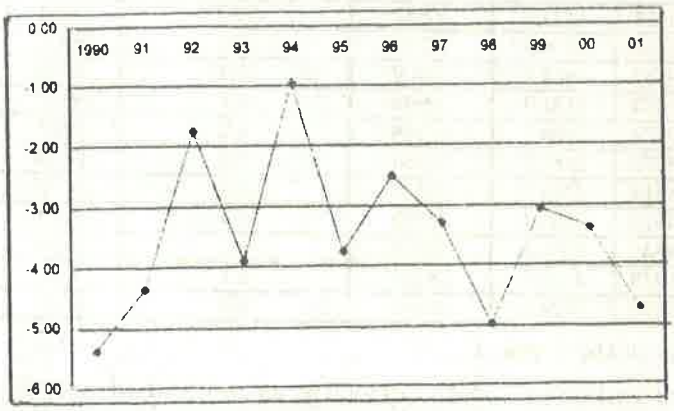
It is also evident that foreign real interest rate is higher compared to the domestic real interest rate. It is mainly because of higher inflation rate in Nepal compared to foreign inflation rate. This shows that in real terms domestic borrowing is cheaper than that of foreign borrowing. If we were to include costs arising from currency depreciation, the costs of foreign borrowing would far exceed that of domestic borrowing. However, this does not mean that the government should resort to domestic borrowing heavily. It is also clear that weighted average real interest rate is increasing in recent times mainly induced by rising trend of foreign real interest rate. It is worth noting one caveat that Nepal's most of loans are concessional. In actuality, the interest liability on foreign debt would be much less than that of derived by using LIBOR. Hence, LIBOR, which has been used for the study, my overstate interest liability on foreing debt. Nevertheless, the idea of using LIBOR for the study is that returns on borrowed funds if can exceed at least LIBOR rate the external borrowing will be sustainable in the end. Nonetheless, the sustainability criterion suggests that foreign aid is not efficiently used in Nepal. This calls for a serious thinking on the importance of foreign direct investment to replace the less efficient aid flow.

In the case of debt stock, domestic debt as percent of GDP has nearly saturated during the study period, which was 14.7 percent of GDP in 1990, remained at 14.85 percent in 2001. On the other hand, foreing debt as percent of GDP has increased from 36.9 percent in 1990 to 50.0 percent in 2001. There are spikes in between mainly because of episodes of ucrrency depreciation. The performance of the economy has rather been erratic. On an average, the growth rate of the Nepalese economy hovered around 5 percent during the study period.

When the fiscal sustainability criterion, i.e. ps-(r-g) d> o, is applied for Neapl, fiscal imbalanc appears to be unsustainable (Table 1, Graph 1). In this regard, three observations can be made. First, if fiscal imbalance were to be sustainable, the criterion should have obtained a positive number in any year during the study period. This is particularly important if we are to make a static analysis. Second, even if it is not positive, the trend of the criterion should have been upward if fiscal imbalances were to be sustainable. We do not notice this either. Third, on the other hand, we find some erratic improvement now and then. Hence, in totality, we can

say that the fiscal imbalances have remained unsustainable during the study period.

Graph 1
Fiscal Sustainability Criterion



Source : Prepared by the Author Based on Table 1.

This shows that (i) Nepal has not so far achieved a surplus in primary balance, (ii) GDP growth has not exceeded real interest rate on debt stock significantly and (iii) debt stock as percent of GDP has not fallen significantly. This implies that if Nepal does not register a substantial real GDP growth, the current fiscal stance cannot be continued. If the recent budgetary situations such as internal loans which increased to as high as 2.8 percent of GDP in the fiscal year 2000/01 from an average of 1.5 percent of GDP in the preceding years, government overdraft from the Nepal Rastra Bank stood as high as Rs. 5.57 billion in the current year which is the highest annual overdraft so far, security and socio-political environment are any signposts, the country is likely to face fiscal crisis in the near future. In that eventuality, Nepal will have to undergo a drastic fiscal restructuring.

Other Indicators Of Fiscal Sustainability

To some extent fiscal imbalances and external imbalances are closely linked. Given the private setor savings investment gap, any increase in fiscal imbalances is reflected in the current account balance of a country. In a way, current account imbalances mirror the fiscal imbalances. For this reason also, it is appropriate to analyze the foreign debt servicing and current account balance to supplement the sustainability criterion discussed above. Table 2 shows the foreign debt servicing as percent of export of goods and services for Nepal from 1990 through 2000. Similarly, Table 2 also contains the current account balance as percent of GDP.

Table 2
External Account

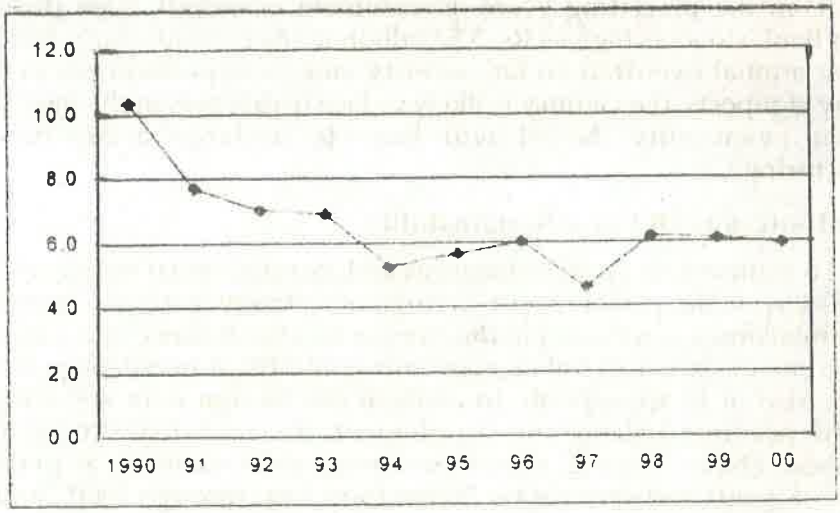
FY	GDP	Foreign Debt Servicing	Export of Goods and Services	Debt Servicing as % of Export of Goods and Services	Current Account Balance	Current Account as % of GDP
1990	103416	1123.6	10887	10.3	-7644	-7.4
1991	120370	1086.5	14226	7.6	-9500	-7.9
1992	149487	1664.9	23909	7.0	-10074	-6.7
1993	171474	2131.9	30948	6.9	-9972	-5.8
1994	199272	2488.7	47548	5.2	-8027	-4.0
1995	219175	2984.7	53084	5.6	-11786	-5.4
1996	248913	3304.3	55405	6.0	-21542	-8.7
1997	280513	3349.4	73853	4.5	-16508	-5.9
1998	300845	4201.2	68659	6.1	-15188	-5.0
1999	341978	4745.5	78150	6.1	235	0.1
2000	379655	5321.4	90161	5.9	-5627	-1.5

Source : As of the Table 1.

Of the two indicators, debt servicing as percent of export of goods and services has remained far below of 10 percent during the study period (Table 2, Graph 2). The current account balance as percent of GDP shows that there is an improvement in the sustainability of the current account (Table 2, Graph 3). On top of it, current account happened to be surplus, albeit, low in 1999. This indicates that ther ehas been limited private sector investment on the one hand and increased private remittances from abroad on the other.

Graph 2

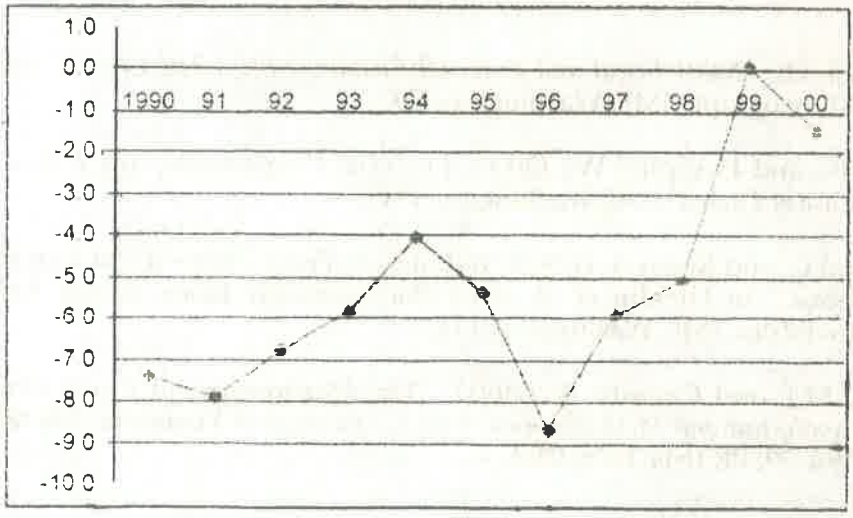
Debt-servicing As Percent Of Export Of Goods And Services



Source : As of the Graph 1.

Although, on the face of it, this appears to be a happy development, underneath of it, there are distortions. The compression of imports of raw materials such as raw wool for carpet industry and clothes for garment industry distorts the picture of current account balance. This is evident from negative growth of carpet and garment during the fiscal year 2000/01. Hence, external balance, especially merchandise account is going to be adverse in days to come especially because of stagnated export growth. Apart from this, the following factors explain the difference between the two results. First, in the case of fiscal sustainability criterion, the LIBOR is used as the proxy for interest liability on foreign debt. In the case of debt servicing ratio, actual interest liability and amortization are used. As Nepal's foreign loans are concessional in terms of long period of repayment and low interest rates, the debt-servicing ratio is bound to be lower. Second, the current account deficit to GDP ratio includes grants. This has helped improve curent account deficit. Besides this, the current account to GDP ratio also includes private remittances. The growing remittances in recent times have also helped improve the current account. Foreign debt has nothing to do with this directly. Hence, we will have to be cautious while comparing the results of other indicators with that of the fiscal sustainability criterion. It is also worth noting that grants as proportion of total foreign aid are falling. Currently, the proportion of foreign grants and foreign loans is roughly 30:70. In early 1980s, the proportion was of reverse order. Hence, this has also implication for the fiscal sustainability in the future.

Graph 3
Current Account Deficit As Percent Of GDP



Source : As of the Graph 1.

CONCLUSION

There is no harm in incurring fisal deficit provided returns from investment exceed the interest payments on borrowings. One day, loans are to be repaid, only when repaying capacity of the country is enhanced with the proper use of borrowed funds. Enhanced repaying capacity of the economy is measured by the economuc growth rate.

The following conclusions are drawn from the study. First, debt-repaying capacity of Nepal as measured by real growth rate has not improved significantly. This implies that there has not been proper use of borrowed funds in Nepal. Second, in real terms, it is rather cheaper to borrow domestically rather than internationally. Foreign debt as percent of GDP is rising faster than the domestic debt as percent of GDP. Third, precisely because of rapid rise in foreign debt, the overall debt is rising in Nepal. This does not augur well for achieving the fiscal sustainability in the near future. Fourth, primary surplus/deficit is important for the analysis of fiscal sustainability. The study shows that Nepal is yet to achieve a surplus in primary account. While the primary deficit as percent of GDP although has come down from early 1990s to late 1990s, the decline has not been significant. Fifth, the sustainability criterion shows that fiscal imbalances have remained below the mark albeit with some erratic improvement. Other indicators such as debt servicing as percent of export of goods and services and the current account deficit as percent of GDP do not corroborate the results indicated by the sustainability criterion. This is basically because of methodological differences.

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