

Open Budget Survey 2021

Questionnaire

Armenia

May 2022

Country Questionnaire: Armenia

PBS-1. What is the fiscal year of the PBS evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2021

Source:

MTEF page of the website of the Ministry of Finance - https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsragre/

Comment:

1. It is available only in Armenian

2. The mentioned website includes MTEFs starting from 2016-2018, their appendices and, starting from 2020 also preliminary draft of EBP, when the Ministry of Finance started the development of EBP simultaneously and in conjunction with EBP.. To access any of the mentioned documents (in Word and Excel formats), one should click on the name of the document, which is hypertext.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: MTEFs are developed and published since 2004 and are available on <https://arlis.am>, excepted MTEF 2010-2012 which wasn't developed.

PBS-2. When is the PBS made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for a PBS to be considered publicly available, it must be made available to the public one month before the Executive's Budget Proposal is submitted to the legislature for consideration. If the PBS is not released to the public at least one month before the Executive's Budget Proposal is submitted to the legislature for consideration, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the PBS.

Answer:

a. At least four months in advance of the budget year, and at least one month before the Executive's Budget Proposal is introduced in the legislature

Source:

Same as mentioned in the answer to question PBS-1.

https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsragre/

Comment:

2021-2023 Medium Term Expenditure Framework was made publicly available on July 10th, 2020 for a fiscal year that starts on January 1st.

Peer Reviewer

Opinion: Agree

Comments: The Government of Armenia (GoA) has to approve it by 10 July and publish it by 20 July. In general, the draft is available on GoA www.e-gov.am website (the sub-page where the agenda of the upcoming session of the GoA is available). In general the GoA does not make changes to MTEF presented by MoF. In that sense doc was publicly available before 10 July.

Government Reviewer

Opinion: I choose not to review this question

Comments: Provided links are related only MTEF documents, all budget document are presented on https://minfin.am/hy/page/petakan_byuj/

PBS-3a. If the PBS is published, what is the date of publication of the PBS?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.

Answer:

10/07/2020

Source:

Legal Information System of Armenia - <https://www.arlis.am/>

Comment:

MTEF for 2021-2023 was adopted by July 10, 2020 Government Decree N 1212-N

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The State budget for 2021 was adopted on 10.12.2020 and published on 24.12.2020, in accordance RA Law on "Normative Legal Acts"

PBS-3b. In the box below, please explain how you determined the date of publication of the PBS.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

Source:

<https://www.arlis.am/>

Comment:

Peer Reviewer

Opinion: Agree

Comments: <https://www.arlis.am/DocumentView.aspx?DocID=144616>

Government Reviewer

Opinion: Agree

Comments: On <https://www.arlis.am> are published adopted/approved laws and decisions. Draft legal documents are published on MoF, NA and Government websites, on <https://e-draft.am>. Draft law on state budget is published on <https://e-draft.am>, <https://www.azdarar.am/>, MoF website, in accordance with 26 Article of RA Law on Budgetary System. For example, the draft Law on State Budget for 2022 was published on <https://e-draft.am> 05.10.2021. The quarterly plan of state budget implementation and the budget expenditures envisaged by the state budget law for the current year presented in a programmatic format are published within a month after being confirmed by the Government, in accordance with 26 Article of RA Law on Budgetary System. Within 45 days after the end of each quarter of the fiscal year, the Government publishes information on quarterly implementation of the state budget.

PBS-4. If the PBS is published, what is the URL or weblink of the PBS?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:

<https://minfin.am/website/images/website/mijnajamket/mjcc2021-23.rar>

Source:

Official website of the Armenian Ministry of Finance - <https://minfin.am>

2021-2023 Medium Term Expenditure Framework: <https://minfin.am/website/images/website/mijnajamket/mjcc2021-23.rar>

Appendix:

<https://minfin.am/website/images/website/mijnajamket/%D5%95%D6%80%D5%A5%D5%B6%D6%84%D5%AB%20%D5%B6%D5%A1%D5%AD%D5%A1%D5%A3%D5%AE%D5%AB%20%D5%B0%D5%A1%D5%BE%D5%A5%D5%AC%D5%BE%D5%A1%D5%AE%D5%B6%D5%A5%D6%80.rar>

MS Applications:

https://minfin.am/website/images/website/mijnajamket/%D5%84%D4%BA%D4%BE%D4%BE_%D5%80%D4%B1%D5%8E%D4%B5%D4%BC%D5%8E%D4%B1%D4%BE%D5%86%D4%B5%D5%90.rar

Comment:

Click hypertexts 2021-2023 թթ. պետական միջնաժամկետ ծախսերի ծրագիր for 2020-2022 MTEF and ՄԺԾԾ-հավելվածներ for its appendices on the webpage mentioned in the URL box.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: See the answer to the Question PBS-3.

PBS-5. If the PBS is published, are the numerical data contained in the PBS available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) or HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the PBS is not publicly available, therefore its machine readability cannot be assessed.

Answer:

a. Yes, all of the numerical data are available in a machine readable format

Source:

Hypertext Appendices (for 2021-2023 MTEF) in https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsragre/

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: See the answer to the Question PBS-3.

PBS-6a. If the PBS is not publicly available, is it still produced?

If the PBS is not considered publicly available under the OBS methodology (and thus the answer to Question PBS-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question PBS-2)

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

The document is publicly available.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

PBS-6b. If you selected option "c" or "d" in question PBS-6a, please specify how you determined whether the PBS was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question PBS-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Not applicable, as PBS is produced and published.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

PBS-7. If the PBS is produced, please write the full title of the PBS.

For example, a title for the Pre-Budget Statement could be "Proposed 2021 State Budget" or "Guidelines for the Preparation of Annual Plan and Budget for 2020/21."

If the document is not produced at all, researchers should mark this question "n/a."

Answer:

2021-2023 Medium Term Expenditure Framework

Source:

https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsragre/

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: RA Law 'On the State Budget of the Republic of Armenia for 2021'

PBS-8. Is there a "citizens version" of the PBS?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

b. No

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: CB is developed and published for 2 phases of the budget cycle for adopted State budget Law and Annual State budget Reports. MoF plans to use CB on entire budget cycle, MTEF planning process.

EBP-1a. What is the fiscal year of the EBP evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2021

Source:

Legal Information System of Armenia - <http://arlis.am> Law on Budgetary System of the Republic of Armenia

Comment:

According to Part 3 of Article 6 of the Law on Budgetary System, the budget year in Armenia starts on January 1 and ends on December 31 of the same year, i.e. it coincides with calendar year..

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

EBP-1b. When is the EBP submitted to the legislature for consideration?

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.

Answer:

01/10/2020

Source:

Page of the website of the National Assembly (NA) of Armenia - <http://parliament.am/drafts.php?sel=showdraft&DraftID=11998&Reading=0>

Comment:

The practice of the Ministry of Finance is that after the adoption of the state budget by NA (EB) and its signing by the President of the Republic (the Law on 2021 State Budget was adopted on December 10, 2020 and signed on December 23, 2020), EBP is removed from the Ministry's website. (On the Ministry's website it is published on the day when the Ministry submits it to NA.)

Currently, after EB was signed (on December 23, 2020), the text of 2021 EBP could be found only on the NA website in the sub-section titled "Already adopted drafts" of the "Drafts" section and going to the page "History of the draft" by clicking the name of the adopted draft. Before its enactment it was posted in the sub-section "Drafts included in the session agenda" of the "Drafts" section.

As it was mentioned in the comment to the answer of the previous question EBP-1a, the link put in the "Source" section of the answer is the link of the register of the Law on 2021 State Budget, which shows the process how EBP became EB in NA. It is in the form of a table and its second column from left shows the name of the document, its author, date of submission to NA and name of the official, who will present it at the session. From that table it is seen that 2021 EBP was submitted to NA on October 1, 2020.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: All draft and adopted budgetary documents are published on MoF website in accordance with legislature required deadlines.

EBP-2. When is the EBP made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an EBP to be considered publicly available, it must be made available to the public while the legislature is still considering it and before the legislature approves (enacts) it. If the EBP is not released to the public before the legislature approves it, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the EBP.

The OBS definition of an Executive's Budget Proposal is a document(s) that (i) the executive submits to the legislature as a formal part of the budget approval process and (ii) the legislature either approves or on which it approves proposed amendments.

The OBS will treat the Executive's Budget Proposal as "Not Produced," in the following cases:

- *The executive does not submit the draft budget to the legislature; or*
- *The legislature receives the draft budget but does not approve it or does not approve recommendations on the draft budget;*
- *The legislature rejects the draft budget submitted by the executive, but the executive implements it without legislative approval; or*
- *There is no legislature, or the legislature has been dissolved.*

Answer:

b. At least two months, but less than three months, in advance of the budget year, and in advance of the budget being approved by the legislature

Source:

Legal Information System of Armenia - <http://arlis.am> Law on Budgetary System of the Republic of Armenia

Comment:

According to Point a. of Article 26 of the Law on Budgetary System of the Republic of Armenia, the Government, within three days after the submission of EBP to NA, shall publish it in media and post it on the official website of public notifications of the Republic of Armenia - <http://www.azdarar.am> Considering this, as well as the fact that the Government submitted 2021 EBP to NA on October 1, 2020, EBP had to be posted on the mentioned website not later, than on October 4, 2020.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The draft Law on State Budget must be presented to the NA, 90 days in advance of the budget year, in accordance with the Constitution.

EBP-3a. If the EBP is published, what is the date of publication of the EBP?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.

In the comment boxes below, researchers should also list any supporting documents to the EBP and their date of publication.

Answer:

2/10/2020

Source:

Website of the Ministry of Finance - <https://minfin.am>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: <https://azdarar.am>, <https://e-draft.am>, <https://parliament.am>

EBP-3b. In the box below, please explain how you determined the date of publication of the EBP.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

The date of the publication was found from the archive of the Ministry of Finance - <https://minfin.am/hy/archive/>

Source:

Archive of the Ministry of Finance - <https://minfin.am/hy/archive/0/2020-09-22/2020-10-09/0/0/0/3>

Comment:

It should be mentioned that the text of the document was not available in the Ministry's archive, and, in order to find the text, search was performed also using Wayback machine. The machine showed October 3, 2020 as the date of publication and also the text was available.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The draft Law on State Budget that would be submitted to the NA can be found on <https://e-gov.am>, in the section of Government Session Agenda.

EBP-4. If the EBP is published, what is the URL or weblink of the EBP?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

In the comment boxes below, researchers should also list any supporting documents to the EBP and their URL or weblink.

Answer:

https://minfin.am/hy/page/petakan_byuje_2021t

Source:

Comment:

Currently, the mentioned URL contains 2021 EB, 2021 PBS and Government Decree on the Measures (Actions) To Ensure the Implementation of the 2021 State Budget (December 30, 2020 Decree N 2215-N).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

EBP-5. If the EBP is published, are the numerical data contained in the EBP or its supporting documents available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

Option "d" applies if the EBP is not publicly available, therefore its machine readability cannot be assessed.

Answer:

b. Yes, some of the numerical data are available in a machine readable format

Source:

https://web.archive.org/web/20201003051657/http://minfin.am/hy/page/petakan_byuje_2021t_nakhagits_

http://parliament.am/draft_history.php?id=12104

Comment:

The texts of EBP available both from the archive of the Ministry of Finance and corresponding web-page of NA (see the links in the "Source" section) are in Word format with .docx extension and .pdf format, respectively.

Response B is chosen as some revenue details are only available in the explanatory note which is in PDF format.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

EBP-6a. If the EBP is not publicly available, is it still produced?

If the EBP is not considered publicly available under the OBS methodology (and thus the answer to Question EBP-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question EBP-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:
e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

EBP-6b. If you selected option "c" or "d" in question EBP-6a, please specify how you determined whether the EBP was produced for internal use only, versus not produced at all.

If option "a","b," or "e" was selected in question EBP-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

EBP-7. If the EBP is produced, please write the full title of the EBP.

For example, a title for the Executive's Budget Proposal could be "Draft Estimates of Revenue and Expenditure for BY 2020-21, produced by the Ministry of Finance, Planning and Economic Development."

If there are any supporting documents to the EBP, please enter their full titles in the comment box below.

If the document is not produced at all, researchers should mark this question "n/a."

Answer:
2021 State Budget /Draft/

Source:

Comment:

Peer Reviewer

Opinion: I choose not to review this question
Comments: There is no answer to this question.

Government Reviewer

Opinion: I choose not to review this question

IBP Comment

Many thanks to reviewers. The response has now been filled in in the main answer box.

EBP-8. Is there a "citizens version" of the EBP?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:
b. No

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: CB is developed and published for 2 phases of the budget cycle for adopted State budget Law and Annual State budget Reports. MoF plans to use CB on entire budget cycle, MTEF planning process.

EB-1a. What is the fiscal year of the EB evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2021

Source:

Ministry of Finance website - https://minfin.am/hy/page/petakan_byuje_2021t

Comment:

Besides the website of the Ministry of Finance, EB is accessible also through the websites of the Legal Information System of Armenia (arlis.am) and NA (parliament.am)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-1b. When was the EB approved (enacted) by the legislature?

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.

Answer:

10/12/2020

Source:

Legal Information System of Armenia - <http://arlis.am>

Comment:

The date of approval of EB could be found only on the mentioned above website.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-2. When is the EB made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an EB to be considered publicly available, it must be made available to the public three months after the budget is approved by the legislature. If the EB is not released to the public at least three months after the budget is approved by the legislature, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the EB.

Answer:

a. Two weeks or less after the budget has been enacted

Source:

Legal Information System of Armenia - <http://arlis.am>

Comment:

The date of publication of EB could be found only on the mentioned above website.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: State Budget Law is published on MoF website after it is adopted by NA.

EB-3a. If the EB is published, what is the date of publication of the EB?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.

Answer:

24/12/2020

Source:

Legal Information System of Armenia - <http://arlis.am>

Comment:

EB was published on the Unified Website of Publication of Legal Acts' Drafts (<http://e-draft.am>) on December 24, 2020

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: See the answer to the Question EB-2

EB-3b. In the box below, please explain how you determined the date of publication of the EB.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

The date of publication of EB is mentioned in the "header" of the legal act text published on the Legal Information System of Armenia (<http://arlis.am>). That "header" contains such information as number of the legal act, its type, date of adoption (approval), date and source of publication, its status, etc.

Source:

Legal Information System of Armenia - <http://arlis.am>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

EB-4. If the EB is published, what is the URL or weblink of the EB?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:

https://minfin.am/hy/page/petakan_byuje_2021t; <http://arlis.am>; <http://parliament.am/legislation.php?sel=show&ID=7399&lang=arm>

Source:

Comment:

There are 3 links mentioned as weblinks of the EB.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

EB-5. If the EB is published, are the numerical data contained in the EB available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the EB is not publicly available, therefore its machine readability cannot be assessed.

Answer:

a. Yes, all of the numerical data are available in a machine readable format

Source:

Comment:

Data contained in EB are machine readable. Data in <http://arlis.am> are in pdf format, on NA's website (<http://parliament.am/legislation.php?sel=show&ID=7399&lang=arm>) - in HTML, and on the Ministry of Finance website (https://minfin.am/hy/page/petakan_byuje_2021t) - in Word format with accompanying excel files.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

EB-6a. If the EB is not publicly available, is it still produced?

If the EB is not considered publicly available under the OBS methodology (and thus the answer to Question EB-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question EB-2)

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

The Budget Law for 2021 is publicly available.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-6b. If you selected option "c" or "d" in question EB-6a, please specify how you determined whether the EB was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question EB-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

EB-7. If the EB is produced, please write the full title of the EB.

For example, a title for the Enacted Budget could be "Appropriation Act n. 10 of 2018."

If the document is not produced at all, researchers should mark this question "n/a."

Answer:

Law of the Republic of Armenia on the 2021 State Budget

Source:
Legal Information System of Armenia - <http://arlis.am>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

EB-8. Is there a "citizens version" of the EB?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:
b. No

Source:
Ministry of Finance website - https://minfin.am/website/images/website/byuje_amsakan/Citizen%20Budget%202020-final.pdf

Comment:
While there is a Citizens Budget for Enacted Budget, the CB for 2020 was published late as per OBS methodology and the CB for Budget 2021 was published after OBS research cut-off date of 31 Dec 2020.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer: a. Yes
Comments: The Citizen version of the EB is published on MoF website, and is available on the link below
https://minfin.am/website/images/website/byuje%20ev%20krknaki%20harkum/Citizen_budget_Final_V%20_01.02.2021_compressed.pdf

IBP Comment
Many thanks to the government reviewer for their comment. As noted, the OBS research cut-off date for this round is 31st December 2020. Documents published after that date cannot be considered for this round of the survey. IBP acknowledges that Government of Armenia has exhibited good practice in the timely publication of Citizens Budgets in all other years.

CB-1. What is the fiscal year of the CB evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

If more than one Citizens Budget is produced, for each CB please indicate the document the CB simplifies/refers to, and the fiscal year.

Answer:
FY 2020; FY 2019 - for YER

Source:
Ministry of Finance website - https://minfin.am/website/images/website/byuje_amsakan/Citizen%20Budget%202020-final.pdf for EB 2020

Comment:

The practice of producing CBs started from 2018 with publication of EB 2018 and YER 2017.

Peer Reviewer

Opinion: Agree

Comments: Citizens budgets (EB) for 2018-2021 fo EB are available at https://minfin.am/hy/page/2018_2019 Simplified reports (YER) are available at https://minfin.am/hy/page/hh_petakan_byujei_parzecvats_hashvetvutyun

Government Reviewer

Opinion: Disagree

Suggested Answer: CV for FY 2021 is available on MoF website

IBP Comment

Please see EB-8 for comments.

CB-2a. For the fiscal year indicated in CB-1, what is the public availability status of the CB?

If more than one Citizens Budget is produced, please complete this question for one of them, specifying in the comment box below which document (Executive's Budget Proposal or Enacted Budget) you are referring to, and – in the same comment box – which other Citizens Budget is produced and its public availability status.

Remember that publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified by the OBS methodology and that all citizens are able to obtain free of charge. This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology
Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

Answer:

a. Produced but made available online to the public too late (published after the acceptable time frame)

Source:

The Ministry of Finance started producing Citizens Budget just a few years ago. The Citizens was Budget Law 2019 and Budget Law 2021 was published within three months of the approval of budget. Only Citizens Budget for Budget Law 2020 (as assessed through Javascript and Document Properties) was published five months late on 26th May 2020, for Budget Law that was approved in December 2019.

Comment:

This is referred to EB 2020. Besides that CB is produced also for YERs.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The CB for 2021 was published on 01/02/ 2021

CB-2b. If you selected option "c" or "d" in question CB-2a, please specify how you determined whether the CB was produced for internal use only, versus not produced at all.

If option "a","b," or "e" was selected in question CB-2a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

CB-3a. If the CB is published, what is the date of publication of the CB?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.

If more than one Citizens Budget is published, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and its dates of publication.

Answer:

26/5/2020

Source:

https://minfin.am/website/images/website/byuje_amsakan/Citizen%20Budget%202020-final.pdf

Comment:

The Citizens Budget for the Approved Budget of 2019 was published much later than OBS timeliness criteria of within three months.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: 01/02/2021, https://minfin.am/website/images/website/byuje_amsakan/Citizen_budget_FinalFF.pdf

CB-3b. In the box below, please explain how you determined the date of publication of the CB.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

The date of publication is extracted from JavaScript. However, it was not found in the Ministry's archive.

Source:

https://minfin.am/website/images/website/byuje_amsakan/Citizen%20Budget%202020-final.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The link for CB for 2021

https://minfin.am/website/images/website/byuje%20ev%20krknaki%20harkum/Citizen_budget_Final_V%20_01.02.2021_compressed.pdf The link for CB for 2019-2018 is https://minfin.am/hy/page/2018_2019

CB-4. If the CB is published, what is the URL or weblink of the CB?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

If more than one Citizens Budget is published, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and its URL or weblink.

Answer:

https://minfin.am/website/images/website/byuje_amsakan/Citizen%20Budget%202020-final.pdf

Source:

Comment:
2020 CB

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: See the answer to the Question CB-3b.

CB-5. If the CB is produced, please write the full title of the CB.

For example, a title for the Citizens Budget could be "Budget 2020 People's Guide" or "2021 Proposed Budget in Brief: A People's Budget Publication."

If the document is not produced at all, researchers should mark this question "n/a."

If more than one Citizens Budget is produced, for the other CB, indicate the document the CB refers to and, next to it, its full title.

Answer:

Brief Guide to the State Budget of the Republic of Armenia (Citizens Budget)

Source:

https://minfin.am/hy/page/qaghaqacu_byuje_1

Comment:

After clicking the hypertext "Brief Guide to the State Budget of the Republic of Armenia (Citizens Budget)" on the link brought above in the "Source" section, a webpage https://minfin.am/hy/page/2018_2019 is opened, on which there are three consecutive dates from bottom to top, namely, 2018, 2019 and 2020. By clicking, for example, on 2020, the webpage of 2020 CB is opened.

As it has been already mentioned, the Ministry of Finance produces also CB for YER. It is called "Simplified Report of the State Budget" and it is on the same webpage as CB for EB mentioned in the "Source" section - https://minfin.am/hy/page/qaghaqacu_byuje_1 Similar to steps described for accessing 2020 CB for EB, after clicking hypertext "Simplified Report of the State Budget" on that link, a webpage https://minfin.am/hy/page/hh_petakan_byujei_parzecvats_hashvetvutyun is opened on which there are three consecutive dates from bottom to top, namely, 2017, 2018 and 2019. By clicking, for example, on 2019, the webpage with 2019 for EB CB is opened.

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

CB-6. If the CB is produced, please indicate which budget document it corresponds to.

If more than one Citizens Budget is produced, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and which budget document it simplifies.

Answer:
It corresponds to 2020 EB.

Source:
Same as in the answer to Question CB-4

Comment:
2020 EB

CB for 2019 YER

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: 2021 EB, CB for 2020թ. https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2020_t_tarekan_

IYRs-1. What is the fiscal year of the IYRs evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:
FY 2020

Source:
Webpages of the website of the Ministry of Finance:
1. https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2020_t_arajin_erasmyak_-IYR-1
2. https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2020_t_1-in_kisamyak_-IYR-2
3. https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2020_t_inn_amisner_-IYR-3

Comment:
The numbers in in-year reports in Armenia are cumulative, meaning that each next IYR reports the execution of the state budget for all preceding quarters. Thus, IYR-2 is IYR for the first half of the budget year, IYR-3 - for the first 9 months of the budget year. Following that logic IYR-4, if produced, should report the execution of the state budget for the whole budget year. However, the practice reveals that IYR-4 is not produced and only YER is produced, though conceptually they are different documents.

In addition to IYRs, which are produced after each quarter, except the last, fourth quarter, and whose content resemble to IYR standards, the Ministry of Finances produces also monthly reports (information), which are simply narratives on the budget execution. These reports also are of cumulative character and each of them reports budget execution for all preceding months, starting from January-February report and ending with January-November report.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

Comments: These reports also are of cumulative character and each of them reports budget execution for all preceding months, starting from January report and ending with January-November report.

Researcher Response

These reports also are of cumulative character and each of them reports budget execution for all preceding months, starting from January-February report and ending with January-November report (see https://minfin.am/hy/page/_amsakan_teghekatvutyun_2020t_).

IYRs-2. When are the IYRs made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for IYRs to be considered publicly available, IYRs must be made available to the public no later than three months after the reporting period ends. If at least seven of the last 12 monthly IYRs, or at least three of the last four quarterly IYRs are not released to the public at least three months after the reporting period ends, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the IYRs.

Answer:

c. At least every quarter, and within three months of the period covered

Source:

Law on the Budgetary System of the Republic of Armenia - <http://arlis.am>

Comment:

According to Point d of Article 26 of the Law on the Budgetary System of the Republic of Armenia, within 45 days after the end of each quarter the Government shall publish information on the quarterly execution of the state budget. As it has been already mentioned IYR for the 4th quarter is not published.

Peer Reviewer

Opinion: Disagree

Suggested Answer: a. At least every month, and within one month of the period covered

Comments: Although "Monthly Information on State Budget Execution" is presented in a form of texts, not tables, it contains several budget execution data. There is also publication of monthly budget execution data in an excel file (see the following link).

<https://www.minfin.am/website/images/files/af054acf.xlsx> IMF FTE assessed that there is a monthly budget execution report in Armenia. There is monthly information. It is considered as information (that is the title of the document). It is very positive that MoF publishes such general information, however, the Law on Budget System does not envisage such document. It is in economic classification. Does not provide info about administrative units or functional groups. There is another aspect. The monthly information is USUALLY based on info available at Ministry of Finance, that is, it is "financing" information (what the MoF disbursed). MoF does not collect "reports" from budgetary entities to compile this information table. This "information" is not based on reports received from budgetary entities. If budgetary entities don't spend the disbursed funds by the end of the year they have to transfer back the unused balance. For quarterly report MoF collects "budget execution" reports from budgetary entities. That is quarterly reports are based on reports collected from budgetary entities by MoF and is based on actual expenses (it should be based on expenses).

Government Reviewer

Opinion: Agree

Comments: IYR for the 4th quarter is the Annul Report for the State budget.

IBP Comment

Many thanks to reviewers. As noted by peer reviewer, the 'information' alone cannot be considered as In-year reports as there is lack of consistency in content and reporting from month to month. Moreover, the link to where such information-excel files are uploaded are accessible by permission, therefore, not assessed in the Open Budget Survey.

IYRs-3a. If the IYRs are published, what are the dates of publication of the IYRs?

Specifically: if quarterly In-Year Reports are published, indicate the dates of publication of at least three of the last four IYRs that were publicly available. If monthly IYRs are published, indicate the dates of publication of at least seven of the last 12 IYRs that were publicly available.

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2020 should be entered as 05 September 2020. If the document is not published or not produced, please mark this question "n/a."

Answer:

IYR-1 - 12.05.2020

IYR-2 - 11.08.2020

IYR-3 - 11.11.2020

IYR-4 - IYR-4s are not produced

Source:

Archive of the Ministry of Finance:

1. IYR-1 - <https://minfin.am/hy/archive/0/2020-05-01/2020-05-20/0/0/0/3>

2. IYR-2 - <https://minfin.am/hy/archive/0/2020-08-01/2020-08-20/0/0/0/3>

3. IYR-3 - <https://minfin.am/hy/archive/0/2020-11-01/2020-11-20/0/0/0/3>

Comment:

All files are accessible here: https://minfin.am/hy/page/_amsakan_teghekatvutyun_2020t_

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: IYR-4- 06.07.2021 4. IYR-4- https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2020_t_tarekan_ IYR-4 is actually the annual report on the execution of the state budget.

IYRs-3b. In the box below, please explain how you determined the date of publication of the IYRs.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

Ministry of Finance archive shows that different documents of all three IYRs were published at different dates of May (for IYR-1), August (for IYR-2) and November (for IYR-3), 2020. It is assumed that the full report was made public on the day of the publication of the last portion of each IYR and those days are mentioned in the answer.

Source:

Archive of the Ministry of Finance - <https://minfin.am/hy/archive/>

Comment:

IYR-4s has never been produced.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: See the answer to the Question 43. According to Point d of Article 26 of the Law on the Budgetary System of the Republic of Armenia, within 45 days after the end of each quarter the Government shall publish information on the quarterly execution of the state budget.

IBP Comment

IBP agrees with government reviewer.

IYRs-4. If the IYRs are published, what is the URL or weblink of the IYRs?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Researchers should provide the weblink to the most recent In-Year Report in the space below, and – in the comment box underneath – the weblinks to older IYRs.

If the document is not published at all, researchers should leave this question blank.

Answer:

https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2020_t_inn_amisner_

Source:

Ministry of Finance website - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun/

Comment:

It is mentioned the weblink of IYR-3 for 2020.

Weblinks for IYR-1 and IYR-2 of 2020 are https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2020_t_arajin_erasmyak_ and https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2020_t_1-in_kisamyak_, respectively.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: See the answer to the Question IYRs-3a.

IYRs-5. If the IYRs are published, are the numerical data contained in the IYRs available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the IYRs are not publicly available, therefore their machine readability cannot be assessed.

Answer:

a. Yes, all of the numerical data are available in a machine readable format

Source:

Website of the Ministry of Finance - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun/

Comment:

All numerical data are .xlsx format

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IYRs-6a. If the IYRs are not publicly available, are they still produced?

If the IYRs are not considered publicly available under the OBS methodology (and thus the answer to Question IYRs-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question IYRs-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy

(and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

Comment:

So far, the fourth quarterly report has not been published.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: IYR-4 is actually the annual report on the execution of the state budget.

IYRs-6b. If you selected option "c" or "d" in question IYRs-6a, please specify how you determined whether the IYRs were produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question IYRs-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

IYRs-7. If the IYRs are produced, please write the full title of the IYRs.

For example, a title for the In-Year Report could be "Budget Monitoring Report, Quarter 1" or "Budget Execution Report January-March 2020."

If In-Year Reports are not produced at all, researchers should mark this question "n/a."

Researchers should provide the full title of the most recent In-Year Report in the space below, and – in the comment box underneath – the full titles of older IYRs.

Answer:

For IYR-1 - State Budget Report (First Quarter of 2020)

For IYR-2 - State Budget Report (First Half of 2020)

For IYR-3 - State Budget Report (First 9 Months of 2020)

Source:
Website of the Ministry of Finance - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun/

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer: For IYR-1 - Information on the progress of the State Budget Execution for the first quarter 2020. For IYR-2 - Information on the progress of the State Budget Execution for the first half 2020. For IYR-3 - Information on the progress of the State Budget Execution for nine months 2020. For IYR-4- Annual State Budget Execution Report for 2020.

IYRs-8. Is there a "citizens version" of the IYRs?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:
b. No

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: MoF produces and publishes simplified budget execution reports from 2017, which are available on the link below https://minfin.am/hy/page/hh_petakan_byujei_parzecvats_hashvetvutyun

MYR-1. What is the fiscal year of the MYR evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:
FY 2020

Source:

Comment:
MYR is not produced in Armenia.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer: MYR is the IYR-2 or second half report on state budget.

MYR-2. When is the MYR made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an MYR to be considered publicly available, it must be made available to the public no later than three months after the reporting period ends (i.e., three months after the midpoint of the fiscal year). If the MYR is not released to the public at least three months after the reporting period ends, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the MYR.

Answer:

d. The MYR is not released to the public, or is released more than three months after the midpoint

Source:

Comment:

A Mid-Year Review is not produced in Armenia.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer: a. Six weeks or less after the midpoint
Comments: MYR is the IYR-2, which was published on 11.08.2020 for FY 2020

IBP Comment

Many thanks to the government for their comments. As per OBS methodology, a Mid-Year Review serves as a reflection on the progress of the budget up to mid-point, including expenditure, revenue estimates for the remainder of the year, macroeconomic updates and revised projections for the rest of the year. IBP acknowledges Article 26 of the Law on Budgetary Systems of the Republic on Armenia, which requires the publication of quarterly reports on execution of state budget. However, the sixth month (second quarterly) report does not contain these updates or projections, and hence does not qualify as a Mid-year review.

MYR-3a. If the MYR is published, what is the date of publication of the MYR?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.

Answer:

Source:

Comment:

MYR is not produced in Armenia.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer: See the answer to the Question 52

IBP Comment
Please see IBP comment to MYR-2

MYR-3b. In the box below, please explain how you determined the date of publication of the MYR.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

Source:

Comment:
MYR is not produced in Armenia.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer: MYR is published in accordance with RA Law on Budgetary System, Article 26.

IBP Comment
Please see response to MYR-2.

MYR-4. If the MYR is published, what is the URL or weblink of the MYR?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:

Source:

Comment:
MYR is not produced in Armenia.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer: https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2021_t_1-in_kisamyak_

IBP Comment
Please see IBP Comments of MYR-2.

MYR-5. If the MYR is published, are the numerical data contained in the MYR available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

Option "d" applies if the MYR is not publicly available, therefore its machine readability cannot be assessed.

Answer:

d. Not applicable

Source:

Comment:

MYR is not produced in Armenia.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Yes, all of the numerical data are available in a machine readable format

IBP Comment

Please see comments to MYR-2.

MYR-6a. If the MYR is not publicly available, is it still produced?

If the MYR is not considered publicly available under the OBS methodology (and thus the answer to Question MYR-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question MYR-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

d. Not produced at all

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: e. Not applicable (the document is publicly available)

IBP Comment

Please see IBP comment MYR-2.

MYR-6b. If you selected option "c" or "d" in question MYR-6a, please specify how you determined whether the MYR was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question MYR-6a, researchers should mark this question "n/a."

Answer:

Article 23 (Execution of the Budgets) of the Law on Budgetary System provides reporting only with quarterly periodicity. Besides that the mentioned Law does not contain any provisions related to MYR.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: MYR is publicly available

IBP Comment

Please see comment to MYR-2.

MYR-7. If the MYR is produced, please write the full title of the MYR.

For example, a title for the Mid-Year Review could be "Semi-annual Budget Performance Report, FY 2019/20" or "Mid-Year Report on the 2020 National Budget."

If the document is not produced at all, researchers should mark this question "n/a."

Answer:

NA

Source:

Comment:

MYR is not produced in Armenia.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: Information on the progress of the State Budget Execution for the first half 2021.

IBP Comment

Please see IBP comment to MYR-2.

MYR-8. Is there a "citizens version" of the MYR?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the

executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

b. No

Source:

Comment:

Armenia does not produce MYR

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

YER-1. What is the fiscal year of the YER evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2019

Source:

Ministry of Finance

Comment:

Another source is the Legal Information System of Armenia - <http://arlis.am>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: FY 2020

IBP Comment

Many thanks to the reviewers. The fiscal year here refers to the year of the report. As the 2020 report was published after the research cut-off date, on 26th April 2021, the report cannot be considered for this round of the survey.

YER-2. When is the YER made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an YER to be considered publicly available, it must be made available to the public no later than one year after the fiscal year to which it corresponds. If the YER is not released to the public within one year after the end of the fiscal year to which it corresponds, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the YER.

Answer:

a. Six months or less after the end of the budget year

Source:

Ministry of Finance - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2019_t_tarekan

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Source: Ministry of Finance - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2020_t_tarekan_

IBP Comment

See IBP comment for YER-1.

YER-3a. If the YER is published, what is the date of publication of the YER?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.

Answer:

23/4/2020

Source:

Archive of the Ministry of Finance - <https://minfin.am/hy/archive/>

Comment:

Part 1 of Article 25 of the Law on the Budgetary System provides that the Government shall send IER to NA not later, than on May 1 of the year following the reporting year.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: For FY 2020, the publication date of the draft report is 26/4/2021

IBP Comment

See IBP comment for YER-1.

YER-3b. In the box below, please explain how you determined the date of publication of the YER.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

The date was determined through the archive of the Armenian Ministry of Finance.

Source:

Archive of the Ministry of Finance - <https://minfin.am/hy/archive/>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

YER-4. If the YER is published, what is the URL or weblink of the YER?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:
<https://minfin.am/hy/archive/0/2020-04-01/2020-04-30/0/0/0/2>

Source:
Archive of the Ministry of Finance - <https://minfin.am/hy/archive/>

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: The YER for 2020 is available on the link below https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2020_t_tarekan_

IBP Comment
See IBP comment for YER-1.

YER-5. If the YER is published, are the numerical data contained in the YER available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the YER is not publicly available, therefore its machine readability cannot be assessed.

Answer:
a. Yes, all of the numerical data are available in a machine readable format

Source:
Ministry of Finance - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2019_t_tarekan

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

Comments: Source: Ministry of Finance - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2020_t_tarekan_

IBP Comment

See IBP comment for YER-1.

YER-6a. If the YER is not publicly available, is it still produced?

If the YER is not considered publicly available under the OBS methodology (and thus the answer to Question YER-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question YER-2)

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

YER-6b. If you selected option "c" or "d" in question YER-6a, please specify how you determined whether the YER was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question YER-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

YER-7. If the YER is produced, please write the full title of the YER.

For example, a title for the Year-End Report could be "Consolidated Financial Statement for the Year Ended 31 March 2020" or "Annual Report 2019 Published by the Ministry of Finance and Planning." If the document is not produced at all, researchers should mark this question "n/a."

Answer:

Report of the State Budget (2019 Annual)

Source:

Ministry of Finance - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2019_t_tarekan

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: Annual State Budget Execution Report for 2020

Comments: Report of the State Budget (2020 Annual)

IBP Comment

See IBP comment for YER-1.

YER-8. Is there a "citizens version" of the YER?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

a. Yes

Source:

Ministry of Finance - https://minfin.am/hy/page/hh_petakan_byujei_parzeczvats_hashvetvutyun

Comment:

Simplified Citizens Budget reports on the execution for Budget Year 2019, and published online in October 2020.

See also answers to questions on CB.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Simplified Citizens Budget report on the execution for Budget Year 2019 was published online in August 2020 and for Budget Year 2020 - in July 2021.

AR-1. What is the fiscal year of the AR evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:
FY 2019

Source:
Audit Chamber of the Republic of Armenia - <http://armsai.am>

Comment:
Audit Chamber of the Republic of Armenia is the supreme audit institution of Armenia.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree
Comments: FY 2020 is available

AR-2. When is the AR made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an AR to be considered publicly available, it must be made available to the public no later than 18 months after the end of the fiscal year to which it corresponds. If the AR is not released to the public at least 18 months after the end of the fiscal year to which it corresponds, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the AR.

Answer:
a. Six months or less after the end of the budget year

Source:
Website of the Audit Chamber - <http://armsai.am>

Comment:
According to Part 2 of Article 14 of the Law on Audit Chamber, official documents that are allowed to be made public (these documents are defined by Part 1 of the same Article and Part 9 of Article 16) shall be published on the official website of the Audit Chamber within 3 working days after their approval at the meeting of the Chamber. 2019 AR was approved at the May 26, 2020 meeting of the Audit Chamber (see <http://armsai.am/files/decrees/2020/59a.pdf>) and entered into effect on the next day - May 27. Considering the fact that 4 days (May 28-31) following May 27 were not working days in 2020, the third working day after the 2019 was June 3. However, the date of 2019 AR publication was verified through JavaScript.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

AR-3a. If the AR is published, what is the date of publication of the AR?

Note that the date of publication is not necessarily the same date that is printed on the document. Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.

Answer:
3/6/2020

Source:
Website of the Audit Chamber - <http://armsai.am>

Comment:
According to Part 2 of Article 14 of the Law on Audit Chamber, official documents that are allowed to be made public (these documents are defined by Part 1 of the same Article and Part 9 of Article 16) shall be published on the official website of the Audit Chamber within 3 working days after their approval at the meeting of the Chamber. 2019 AR was approved at the May 26, 2020 meeting of the Audit Chamber (see <http://armsai.am/files/decrees/2020/59a.pdf>) and entered into effect on the next day - May 27. Considering the fact that 4 days (May 28-31) following May 27 were not working days in 2020, the third working day after the 2019 was June 3. However, the date of 2019 AR publication was verified through JavaScript (see answer to next question - AR-3b).

This date was also confirmed using Javascript code.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question
Comments: For FY 2020 -25/05/2021

AR-3b. In the box below, please explain how you determined the date of publication of the AR.

If the document is not published at all, researchers should mark this question "n/a."

Answer:
The date of publication was determined by right-clicking of the text of the 2019 AR report. Then from drop-down menu it was chosen "Inspect" action and by clicking it a code text was opened. In that text there is a line "Last Modified", where the date of June 3, 2020 is seen.

This date was also confirmed using Javascript code.

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

AR-4. If the AR is published, what is the URL or weblink of the AR?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:
<http://www.armsai.am/files/conclusion2019.pdf>

Source:

Audit Chamber

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

AR-5. If the AR is published, are the numerical data contained in the AR available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the AR is not publicly available, therefore its machine readability cannot be assessed.

Answer:

c. No

Source:

Audit Chamber

Comment:

The file of 2019 AR is in PDF format.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

Comments: The file of 2020 AR is in PDF format

AR-6a. If the AR is not publicly available, is it still produced?

If the AR is not considered publicly available under the OBS methodology (and thus the answer to Question AR-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question AR-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

AR-6b. If you selected option "c" or "d" in question AR-6a, please specify how you determined whether the AR was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question AR-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer
Opinion:

Government Reviewer
Opinion:

AR-7. If the AR is produced, please write the full title of the AR.

For example, a title for the Audit Report could be "Annual General Reports of the Controller and Auditor General." If the document is not produced at all, researchers should mark this question "n/a."

Answer:

Conclusion on the Execution of the 2019 State Budget

Source:

Audit Chamber website

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question
Comments: Conclusion on the Execution of the 2020 State Budget

AR-8. Is there a "citizens version" of the AR?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would

serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

b. No

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

GQ-1a. Are there one or more websites or web portals for disseminating government fiscal information? If yes, please provide the necessary links in the comment/citation.

GQ-1a asks the researcher to list any government websites or portals where fiscal information can be found. For example, in New Zealand the Treasury website (<http://www.treasury.govt.nz/>) hosts important budget-related information, including the Pre-Budget Statement, the Executive's Budget Proposal, the Citizens Budget, In-Year Reports, the Mid-Year Review, and the Year-End Report. In addition, New Zealand's Parliamentary Counsel Office (<http://www.legislation.govt.nz/>) posts the Enacted Budget while the Controller and Auditor-General website (<http://www.oag.govt.nz/>) publishes the annual Audit Report. The New Zealand researcher would provide the links to each of these sites. Other countries have developed portals that include fiscal information, though not in the "documents" format. For example, these portals have been created by Mexico (<https://www.transparenciapresupuestaria.gob.mx/>) and Brazil (<http://www.portaltransparencia.gov.br/>). Some countries have both a website and a portal. The Brazilian government, for example, apart from the Transparency Portal, has a dedicated website for the federal budget, where all key documents and other information can be found (www.orcamentofederal.gov.br). Researchers should include details about all of the relevant websites and/or portals that can be used to access budget information.

Answer:

a. Yes

Source:

Websites of the Ministry of Finance, National Assembly (NA), Legal Information System of Armenia and Audit Chamber.

Comment:

All key budget documents, which are required by law to be produced in Armenia, except AR and EBP, are available on the website of the Armenian Ministry of Finance. EB and YER are available also on the NA website and the website of the Legal Information System of Armenia, EBP currently is available only on the NA website, and, finally, AR - only on the website of the Audit Chamber of the Republic of Armenia.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: EBP is available on MoF website, in accordance with legislation deadlines.

GQ-1b. On these websites/portals, can revenue and/or expenditure data for the current fiscal year be downloaded as a consolidated, machine readable file (or set of files)? If yes, please provide the necessary links in the comment/citation. For more information on machine readability, see: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

GQ-1b, GQ-1c, and GQ-1d ask about whether governments publish specific types of content on their websites/portals: (a) consolidated files that contain

disaggregated revenue and/or expenditure information for the current fiscal year; (b) consolidated files that contain disaggregated revenue and/or expenditure information for multiple years in consistent formats; and (c) infographics/visualizations or other similar tools used to simplify data access and analysis. Researchers should provide the links to relevant webpages and some explanations of what they contain.

Answer:

b. Yes, but only expenditure data can be downloaded as a consolidated file

Source:

Website of the Ministry of Finance - <http://minfin.am>

Comment:

Disaggregated expenditure data of EB for FY 2021, which are in the appendices of the Law on 2021 State Budget, can be downloaded as set of consolidated, machine readable files, which are in .xls format. (As it has been already mentioned in the answers on questions on EBP, EBP is now available only on NA website and only in .pdf format.) To access them, one must click hypertext "Appendices of the budget" on the webpage "2021 State Budget" (https://minfin.am/hy/page/petakan_byuje_2021t).

Peer Reviewer

Opinion: Disagree

Suggested Answer: a. Yes, both revenue and expenditure data can be downloaded as a consolidated file

Comments: The following excel file could qualify for answer "a". <https://www.minfin.am/website/images/files/af054acf.xlsx> On the webpage of state revenue committee (SRC) one can find information about revenue collected by SRC (<https://www.petekamutner.am/Content.aspx?itn=tsTITaxStatData&pt=parent>). Monthly information is available until August 2021 as well as cumulative. Historical monthly statistical data is available at (<https://www.petekamutner.am/Content.aspx?itn=tsTITaxStatData>).

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Yes, both revenue and expenditure data can be downloaded as a consolidated file

IBP Comment

IBP confirms researchers response of B. While SRC does show some revenue data, it does not show all.

GQ-1c. On these websites/portals, can disaggregated revenue and/or expenditure data in consolidated, machine readable files be downloaded for multiple years in consistent formats? If yes, please provide the necessary links and details in the comment/citation. For more information on machine readability, see: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

Answer:

b. Yes, but only expenditure data can be downloaded for multiple years in consistent formats

Source:

Webpage https://minfin.am/hy/page/petakan_byuj/ from the website of the Ministry of Finance

Comment:

On the mentioned in the "Source" section webpage there are EBs starting from EB of FY 2008 and starting from 2014 their appendices, which contain disaggregated expenditure data, are in machine readable consistent formats.

Peer Reviewer

Opinion: Disagree

Suggested Answer: a. Yes, both revenue and expenditure data can be downloaded for multiple years in consistent formats

Comments: See Comment on GQ-1b (from the website of the State Revenue Committee).

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Yes, both revenue and expenditure data can be downloaded for multiple years in consistent formats

IBP Comment

IBP confirms researchers response of B. While SRC does show some revenue data, it does not show all.

GQ-1d. On these websites/portals, are infographics/visualizations or other similar tools used to simplify data access and analysis? If yes, please provide the necessary links and details in the comment/citation.

Answer:

b. No

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Yes

Comments: MoF website has interactive budget tool, which shows all types of expenditure classification of ongoing budget, revenue and deficit in live mode. Interactive budget is available on the link below https://minfin.am/en/page/interactive_budget

IBP Comment

Many thanks to the reviewer for their comments. The said interactive website is not regularly updated and does not contain budget figures for 2020 (the year of assessment). Researcher's score of B is maintained.

GQ-2. Are there laws in place guiding public financial management and/or auditing? If yes, please provide the necessary details and links in the comment/citation, and specify whether and where the law(s) contains specific provisions for budget transparency and/or participation.

GQ-2 asks about the existence of any national laws governing public financial management and auditing. These may include a public finance act, a section of the constitution, or an organic budget law. In some countries, fiscal responsibility legislation may also be relevant. For example, the Kenya researcher may include the link to its Public Finance Management Act, 2012 (<http://kenyalaw.org:8181/exist/kenyalex/actview.xql?actid=No.%2018%20of%202012>), and the Macedonian researcher may include a link to its State Audit Law (<https://www.finance.gov.mk/files/u11/Audit%20law.pdf>). Researchers should provide links to websites where such laws are published, if possible, or an electronic copy of the law itself. They should also indicate if and where (e.g. which article) these laws include specific provisions for budget transparency and citizen participation in budget processes.

Answer:

a. Yes

Source:

Legal Information System of Armenia - <http://arlis.am>

Legal acts placed on the mentioned website do not have their specific URLs. In order to find a particular legal act, one must type in the dialog box word(s) containing in the title of the act or its number. Additionally, it could be added also type of the act, public entity, which adopted the act and year of adoption. All information in the System is only in Armenian.

Comment:

The main legal act guiding public financial management is the Law on the Budgetary System of the Republic of Armenia, and the main legal act guiding public financial auditing is the Law on the Audit Chamber of the Republic of Armenia. Besides them, provisions related to public financial management are contained in the Constitution of the Republic of Armenia, Law on the Procedures of the National Assembly of Armenia, Law on the Central Bank of Armenia and others.

Main articles including specific provisions on budget transparency in the Law on the Budgetary System of the Republic of Armenia, in particular, on what documents shall be published and when, are Article 26 (Publicity of State Budget) for the state budget and Article 36 (Publicity of Municipal Budgets) for municipal budgets. Similarly, specific provisions for the transparency of public financial auditing are included in Article 14 (Principle of Publicity and Transparency of the Audit Chamber Activities) of the Law on Audit Chamber of the Republic of Armenia.

Peer Reviewer

Opinion: Agree

Comments: If in arlis database (mentioned by the researcher) one clicks the link, it will not give "specific" URL. E.g., if one searches for the Law on Budget System and click the link she/he will get the following non-unique link: <https://www.arlis.am/>. However, if one right clicks on link and selects

"open the link in a new window" she/he will get the specific link. E.g., the specific link to the most up to date version of the Law on Budget System is <https://www.arlis.am/DocumentView.aspx?DocID=140926> . There are couple of other laws worth mentioning, that contain requirements related to transparency and accountability, such as: The Law on Treasury system (<https://www.arlis.am/DocumentView.aspx?DocID=138972>), article 5, the Treasury is responsible for preparation of budget execution reports The Law on Public Debt (<https://www.arlis.am/DocumentView.aspx?DocID=119085>), article 10 recognizes transparency, accountability, predictability and publicity as principles of debt management The Law on Procurements (<https://www.arlis.am/DocumentView.aspx?DocID=154392>), article 3 states that public procurement should be carried out in transparent manner The Law on Local Self-Governance (<https://www.arlis.am/DocumentView.aspx?DocID=156523>), article 8 recognizes accountability, publicity and transparency of local self-governance The Law on Financial Equalisation (<https://www.arlis.am/DocumentView.aspx?DocID=137366>, regulates calculation of amounts to be transferred from the central budget to local self-governing bodies), although it does not mention specifically, but it makes the process transparent and predictable The Law on State-Private Partnership (<https://www.arlis.am/DocumentView.aspx?DocID=154385>), article 3 states that the goal is to improve transparency of public towards public infrastructure development and public services and article 14.1 states that selection of private partner must be transparent There are other laws that have provisions related to transparency of budget or different aspects of budget execution.

Government Reviewer
Opinion: Agree

GQ-3. Is there at least one additional law regulating: (1) access to information; (2) government transparency; or (3) citizens participation? If yes, please provide the necessary details and links in the comment/citation, and specify whether and where these laws contain specific provisions for budget transparency and/or participation.

The third and last question asks researchers to list any additional laws regulating access to information, transparency, or citizens' participation that are relevant for the promotion of budget transparency and citizen participation in budget processes. These might include legislation related to access to information, to planning processes, or to public administration more generally. India's Right to Information Act of 2005 (<https://www.ncess.gov.in/facilities/central-public-information-officer/rti-act-details.html>) is an example of this type of law. More information on access to information legislation (constitutional provisions, laws, and regulations), including examples of model laws, can be found here: <http://www.right2info.org/laws/constitutional-provisions-laws-and-regulations#section-1>.

Answer:

a. Yes

Source:

Legal Information System of Armenia - <http://arlis.am>

Comment:

General principles on access to information, government transparency and citizen participation are formulated in the Armenian Constitution. In particular, Article 42 of the Constitution guarantees the citizens' freedom of expression and Article 51 - right to receive information.

The major law regulating access to information and government transparency is the Law on Freedom of Information, which was adopted by NA on September 23, 2003.

In general, publication of all types of legal acts is regulated by the Law on Normative Legal Acts, primarily its Article 25 (Official Publication of Legal Acts) and Chapter 2 (Public Discussion) of the same Law regulates citizen participation in the processes of drafting of legal acts. It defines which drafts shall be subject to public discussion (Article 3 of the Law) and requirements for public discussions (Article 4). On October 10, 2018 Armenian Government passed Decree N 1146-N on the Procedures of Organization and Conduct of Public Discussions, which is the main sub-legislative act regulating the implementation of the above mentioned Chapter 2 of the Law on Normative Legal Acts. That decree replaced the older similar one - March 25, 2010 Decree N 296-N.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

1. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year that are classified by administrative unit (that is, by ministry, department, or agency)?

GUIDELINES:

Question 1 addresses the presentation of expenditure by administrative unit. This information indicates which government entity (ministry, department, or agency, or MDAs) will be responsible for spending the funds and, ultimately, held accountable for their use.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all administrative units, accounting for all expenditures, in the budget year. To answer "b," the administrative units shown individually, in the Executive's Budget Proposal or its supporting documentation, must account for at least two-thirds of all expenditures in the budget year. In other words, the sum of the expenditures assigned to the individual MDAs (education, health, infrastructure, interior, defense, etc.) must account for at least two-thirds of the total expenditure budgeted for that particular year. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents administrative units that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by administrative unit.

Answer:

a. Yes, administrative units accounting for all expenditures are presented.

Source:

Unified Website for Publication of Legal Acts' Drafts (<http://e-draft.am>) - <https://www.e-draft.am/projects/2786/about>

<http://parliament.am/drafts.php?sel=showdraft&DraftID=11998&Reading=0>

Comment:

Table 2 of Appendix 1 of the draft of the Law on 2021 State Budget presents 2021 state budget expenditures by programs and measures (actions) to be implemented by each state body (administrative unit).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

2. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year by functional classification?

GUIDELINES:

Question 2 addresses the presentation of expenditure by functional classification. This classification indicates the programmatic purpose, sector, or objective for which the funds will be used, such as health, education, or defense. Administrative units are not necessarily aligned with functional classifications. For instance, in one country all functions connected with water supply (which fall into the "Housing" function) may be undertaken by a single government agency, while in another country they may be distributed across the Ministries of Environment, Housing, and Industrial Development. In the latter case, three ministries have programs addressing water supply, so three ministries contribute to one function. Similarly, some administrative units may conduct activities that cut across more than one function. For instance, in the example above, some programs of the Ministry of Environment would also be classified in the "environmental protection" function.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for the budget year organized by functional classification.

Answer:

a. Yes, expenditures are presented by functional classification.

Source:

Same as for Q1

Comment:

Appendix 2 of 2021 Budget Message presents 2021 state budget expenditures by functional classification.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

3. If the Executive's Budget Proposal or any supporting budget documentation presents expenditures for the budget year by functional classification, is the

functional classification compatible with international standards?

GUIDELINES:

Question 3 asks whether a country's functional classification meets international standards. To answer "a," a country's functional classification must be aligned with the OECD and the UN's Classification of the Functions of Government (COFOG), or provide a cross-walk between the national functional presentation and COFOG.

The OECD Best Practices for Budget Transparency can be viewed at <http://www.oecd.org/gov/budgeting/Best%20Practices%20Budget%20Transparency%20-%20complete%20with%20cover%20page.pdf>

COFOG can be viewed at https://unstats.un.org/unsd/publication/SeriesM/SeriesM_84E.pdf or at <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/ch6ann.pdf>.

Answer:

a. Yes, the functional classification is compatible with international standards.

Source:

Same as Q2.

<http://parliament.am/drafts.php?sel=showdraft&DraftID=11998&Reading=0>

Comment:

The functional classification in Table 2 of Budget Message is compatible with IMF's standards (Annex to Chapter 6: Classification of the Functions of Government).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

4. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year by economic classification?

GUIDELINES:

Question 4 asks whether the Executive's Budget Proposal or its supporting documentation presents expenditures for the budget year organized by economic classification. Economic classification provides information on the nature of the expenditure, such as whether funds are being used to pay for wages and salaries, capital projects, or social assistance benefits. Please note that a presentation of expenditures by current and capital expenditures without additional disaggregation or detail will not qualify as an economic classification.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for the budget year organized by economic classification.

Answer:

a. Yes, expenditures are presented by economic classification.

Source:

Same as Q1-Q3

<http://parliament.am/drafts.php?sel=showdraft&DraftID=11998&Reading=0>

Comment:

Appendices 1 (1.0.Havelvac_N1_Հավելված.Միջոցառումների.Տնտեսագիտական.դաս..xls) and 1.1 (1.Havelvac_N1.1_Հավելված.Միջոցառումների.Տնտեսագիտական.դաս..xlsx) of the Budget Message of the draft of the 2021 State Budget presents 2021 state budget expenditures by economic classification. Appendix 1 presents those expenditures by each state body, and Appendix 1.1 - by overall budget.

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

5. If the Executive's Budget Proposal or any supporting budget documentation presents expenditures for the budget year by economic classification, is the economic classification compatible with international standards?

GUIDELINES:

Question 5 asks whether a country's economic classification meets international standards. To answer "a," a country's economic classification must be consistent with the International Monetary Fund's (IMF) 2001 Government Finance Statistics (GFS). The GFS economic classification is presented here: <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf>. To learn more about Government Finance Statistics also refer to the entire IMF 2001 GFS manual (<http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf>).

Answer:

a. Yes, the economic classification is compatible with international standards.

Source:

Same as for Q1-Q4

Comment:

Expenditures economic classification is fully compatible to the IMF 2001 GFS.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

6. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for the budget year?

GUIDELINES:

Question 6 asks whether expenditures are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should treat the term "program" as meaning any level of detail below an administrative unit – that is, any programmatic grouping that is below the ministry, department, or agency level. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, in the budget year. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures in the budget year. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Budget decisions for the upcoming year can also affect the parameters of future budgets. It is therefore useful to estimate revenues and expenditures for multi-year periods, understanding that these estimates might be revised as circumstances change. Sometimes referred to as a Medium Term Expenditure Framework (MTEF), a three-year period – that is, the budget year plus two more years – is generally considered an appropriate horizon for budgeting and planning.

Answer:

a. Yes, programs accounting for all expenditures are presented.

Source:

https://minfin.am/hy/page/petakan_byuje_2021t

<http://parliament.am/drafts.php?sel=showdraft&DraftID=11998&Reading=0>

Same as for Q1-Q5

Comment:

Appendix 1 'Havelvac_N1_Հավելված.Միջոցառումների.Տնտեսագիտակա.դաս' from Budget Message as it shows the programs below the administration.

Additionally, Tables 1 and 2 of Appendix 1 of the draft of the Law on 2021 State Budget present 2021 state budget expenditures by programs and measures (actions). Table 1 is the list of all programs without details and Table 2 presents programs with their accounting.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

7. Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two-years beyond the budget year) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 7 asks if multi-year expenditure estimates are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates by all three of the expenditure classifications for at least two years beyond the budget year. To answer "b," multi-year expenditure estimates must be presented by two of these three classifications. A "c" answer applies if multi-year expenditure estimates are presented by one of the three classifications. Answer "d" applies if multi-year expenditure estimates are not presented by any of the three classifications.

Answer:

d. No, multi-year expenditure estimates are not presented by any expenditure classification.

Source:

Web-page on MTEFs of the Ministry of Finance - https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsrage/

Comment:

This information (for all three expenditure classifications) is presented in the appendices of MTEFs. In particular, for the last MTEF (2021-2023 MTEF) they are presented in Appendices 1 (programs and measures for each administrative unit), 2 (economic classification) and 3 (functional classification) of 2021-2023 MTEF for 2021, 2022 and 2023.

Answer D) was chosen, because MTEF is not considered as supporting EBP documentation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

7b. Based on the response to Question 7, check the box(es) to identify which expenditure classifications have estimates for a multi-year period in the Executive's Budget Proposal?

Answer:

None of the above

Source:

Same as for Q7

Comment:

As mentioned in Q7, these classifications are presented in MTEF appendices, not in EBP.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: These classifications are presented in EBP appendices

IBP Comment

In the 2021 budget, MTEF was not submitted to parliament as part of the budget proposal. Hence, appendices to MTEF cannot be considered for this indicator.

8. Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two-years beyond the budget year) by program?

GUIDELINES:

Question 8 asks if multi-year expenditure estimates are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for at least two years beyond the budget year. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures over the multi-year period. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents multi-year estimates for programs that account for less than two-thirds of expenditures. Answer "d" applies if multi-year estimates are not presented by program.

Revenues generally are separated into two major categories: "tax" and "non-tax" revenues. Taxes are compulsory transfers that result from government exercising its sovereign power. The largest sources of tax revenue in some countries are taxes on personal and business income and taxes on goods and services, such as sales or value-added taxes. The category of non-tax revenues is more diverse, ranging from grants from international institutions and foreign governments to funds raised through the sale of government-provided goods and services. Note that some forms of revenue, such as contributions to social security funds, can be considered either a tax or non-tax revenue depending on the nature of the approach to these contributions. Particularly because different revenues have different characteristics, including who bears the burden of paying the tax and how collections are affected by economic conditions, it is helpful when estimates for revenues are disaggregated and displayed based on their sources.

For more information, please refer to the 2001 GFS manual, in particular Appendix 4 (<http://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf>).

Answer:

d. No, multi-year estimates for programs are not presented.

Source:

Same as for Q7

Comment:

Multi-year estimates for programs accounting for all expenditures are presented in MTEFs (for 2021-2023 MTEF - see its Appendix 1). Answer D) was chosen, as MTEF is not considered as supporting budget documentation for EBP.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, multi-year estimates for programs accounting for all expenditures are presented.

IBP Comment

Many thanks to the government reviewer for their comments. As per OBS methodology, the MTEF which is assessed as a Pre-Budget Statement in Armenia, cannot be considered as part of the Budget Proposal. Good practice requires that multi-year framework set for the medium term informs the budget proposal. These figures are updated and reflected in the budget proposal. Researcher's response D is maintained.

9. Does the Executive's Budget Proposal or any supporting budget documentation present the individual sources of tax revenue (such as income tax or VAT) for the budget year?

GUIDELINES:

Question 9 assesses the degree to which the individual sources of "tax" revenue are disaggregated in the budget. The largest sources of tax revenue in some countries are taxes on personal and business income and taxes on goods and services, such as sales or value-added taxes.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present all individual sources of tax revenue for the budget year, and "other" or "miscellaneous" revenue must account for three percent or less of all tax revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present individual sources of tax revenue that when combined account for at least two-thirds of all tax revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents individual sources of tax revenue that account for less than two-thirds of tax revenues. Answer "d" applies if individual sources of tax revenue are not presented.

Answer:

c. Yes, individual sources of tax revenue accounting for less than two-thirds of all tax revenues are presented.

Source:

Same as for Q1-Q5

Comment:

Part 1 of Article 17 of the Law on Budgetary System of the Republic of Armenia defines 4 sources of budget revenues, namely, tax revenues, state duties, official grants and other revenues. Table 6 of the Budget Message (see pp. 113-114) shows 2021 state budget revenues according to these sources. The Table breaks down all revenues into: a) tax revenues and state duties; b) other revenues; and c) official grants. Part III-A (Revenue Forecast) of the Budget Message (pp. 112-122) gives in the narrative form forecasts for each type of state duties, as well as for other revenues and official grants.

Table 7 "Actual / forecast budget revenues for 2017-2021 (in billion drams)" in Budget Message Explanatory Note shows Tax revenues constitute 95.4% of total revenues in 2021. There are very few details in the narrative - only revenues from taxation and state duties. There is very little disaggregation of individual sources of tax revenues by types of taxes, therefore, response is C.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

10. Does the Executive's Budget Proposal or any supporting budget documentation present the individual sources of non-tax revenue (such as grants, property income, and sales of government-produced goods and services) for the budget year?

GUIDELINES:

Question 10 assesses the degree to which the individual sources of "non-tax" revenue are disaggregated in the budget. The category of non-tax revenues is diverse, and can include revenue ranging from grants from international institutions and foreign governments to funds raised through the sale of government-provided goods and services.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present all individual sources of non-tax revenue for the budget year, and "other" or "miscellaneous" revenue must account for three percent or less of all non-tax revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present individual sources of non-tax revenue that when combined account for at least two-thirds of all non-tax revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents individual sources of non-tax revenue that account for less than two-thirds of non-tax revenues. Answer "d" applies if individual sources of non-tax revenue are not presented.

Answer:

c. Yes, individual sources of non-tax revenue accounting for less than two-thirds of all non-tax revenues are presented.

Source:

Same as for Q1-Q5, Q9

Comment:

There is limited information on non-tax revenues and official grants presented in Part III-A (Revenue Forecast) of the EBP's Budget Message (see pp. 118-122). In particular, Table 10 at p. 120 presents sizes for types of non-tax revenues forecast for 2021. Table 8 shows forecast of Grant revenues for 2021.

However, as per guidelines, score C applies because "Other" revenues are more than two-thirds (approx. 35%) of all non-tax revenues.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, individual sources of non-tax revenue accounting for all non-tax revenue are presented.

Comments: Individual sources of non-tax revenue accounting for all non-tax revenue are presented in narrative EBP.

IBP Comment

Many thanks to government for their comments. IBP acknowledges that non-tax revenues are presented in narrative of EBP - the Budget Message, however, this indicator is assessing the disaggregation of the individual sources of non-tax revenue (irrespective of the total). Good practice of disaggregation is presented on page 88 (Table 5.1) of the GFS classification here - <https://www.imf.org/external/Pubs/FT/GFS/Manual/2014/gfsfinal.pdf> . Researcher's response C is maintained.

11. Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for a multi-year period (at least two-years beyond the budget year)?

GUIDELINES:

Question 11 evaluates whether revenue estimates are presented for a multi-year period (at least two years beyond the budget year) by "category," that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of revenues classified by category for at least two years following the budget year in question.

Answer:

b. No, multi-year estimates of revenue are not presented by category.

Source:

Same as for Q7-Q8

Comment:

Multi-year (beyond the budget year) estimates of revenue are presented in MTEFs. See, for example, pp. 54-57 of the 2021-2023 MTEF. In particular, Table 3.2.1 on pp. 54-55 shows both projected for 2021-2023, as well as factual numbers for 2017-2019 and planned numbers for 2020. The breakdown of revenues is the same, as presented in the Budget Message, namely, tax revenues and state duties; other revenues; and, official grants.

However, since MTEF is not part of the Budget Proposal, the response is B.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, multi-year estimates of revenue are presented by category.

Comments: EBP in narrative contains the estimates of revenue for the current FY and for FY-4

IBP Comment

Thank you to the reviewers. IBP worked with researcher but could not find any reference to multi-year estimates of revenue in the BEP narrative. Note that MTEF is not part of EBP. Answer choice B is maintained.

12. Does the Executive's Budget Proposal or any supporting budget documentation present estimates for individual sources of revenue presented for a multi-year period (at least two-years beyond the budget year)?

GUIDELINES:

Question 12 evaluates whether revenue estimates for individual sources of revenue are presented for a multi-year period (at least two years beyond the budget year). The question applies to both tax and non-tax revenue.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of all sources of revenue individually, accounting for all revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents multi-year estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" applies if individual sources of revenue are not presented for a multi-year period.

Answer:

d. No, multi-year estimates for individual sources of revenue are not presented.

Source:

See Source for Q11

Comment:

See Comment for Q11

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, multi-year estimates for individual sources of revenue accounting for all revenue are presented.

Comments: See the answer to the Question 11

IBP Comment

See response to Q.11.

13. Does the Executive's Budget Proposal or any supporting budget documentation present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

GUIDELINES:

Question 13 asks about three key estimates related to borrowing and debt that the budget should include:

- the amount of net new borrowing required during the budget year;
- the central government's total debt burden at the end of the budget year; and
- the interest payments on the outstanding debt for the budget year.

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens and banks and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the IMF.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present all three estimates of borrowing and debt. For a "b" answer, the Executive's Budget Proposal or its supporting documentation must present two of those three estimates. For a "c" answer, the Executive's Budget Proposal or its supporting documentation must present one of the three estimates. Answer "d" applies no information on borrowing and debt is presented for the budget

year.

Answer:

a. Yes, all three estimates related to government borrowing and debt are presented.

Source:

See Budget Message of the Unified Website for Publication of Legal Acts' Drafts (<http://e-draft.am>) - <https://www.e-draft.am/projects/2786/about>

Comment:

The mentioned three debt estimates, as well as more additional information about government borrowing and debt are available in the Budget Message and its attached tables (see section Analyzes: 1. State Debt of the Republic of Armenia on pp. 227-236. In particular, the central government's total debt burden at the end of the budget year (4,247 trln AMD or 8,723 mln USD) is brought through on p. 229 (also in the Table on the same page), the amount of net new borrowing required during the budget year (193.7 bln AMD) is brought on pp. 229 and 232, and the interest payments on the outstanding debt for the budget year. (191.7 bln AMD) - on pages 232 (see the table on that page) and 234 of the Budget Message.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

13b. Based on the response to Question 13, check the box(es) below to identify which estimates of government borrowing and debt are presented in the Executive's Budget Proposal:

Answer:

The amount of net new borrowing required during the budget year
The central government's total debt burden at the end of the budget year
The interest payments on outstanding debt for the budget year

Source:

Same as for Q13

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

14. "Does the Executive's Budget Proposal or any supporting budget documentation present information related to the composition of the total debt outstanding at the end of the budget year?"

(The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)"

GUIDELINES:

Question 14 focuses on the composition of government debt at the end of the budget year, asking whether "core" information related to its composition is presented. These core components include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

The interest rates affect the amount of interest that must be paid to creditors. The maturity profile indicates the final payment date of the loan, at which point the principal (and all remaining interest) is due to be paid; government borrowing typically includes a mix of short-term and long-term debt. As discussed in

Question 13, domestic debt is held by a country's citizens, banks, and businesses, while external debt is held by foreigners. These factors related to the composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable.

Beyond these core elements, a government may also provide additional information related to the composition of its debt, including for instance: whether interest rates are fixed or variable; whether debt is callable; the currency of the debt; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); an analysis of the risk associated with the debt; and where appropriate, what the debt is being used to finance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to the composition of government debt at the end of the budget year as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the composition of government debt is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on the composition of the debt outstanding at the end of the budget year.

Answer:

a. Yes, information beyond the core elements is presented for the composition of the total debt outstanding.

Source:

Same as for Q13

Comment:

Information on the core components, as well as on components beyond the core components, of the Government debt outstanding contains in the same section of the Budget Message, as that for Q13, namely, Analyzes:

1. State Debt of the Republic of Armenia. In particular, the Budget Message contains information on the
 - a) weighted average interest rate for the Government debt for 2021 (4.6% - see p. 230, also in the table on that page);
 - b) structure of the Government debt by residency (internal (domestic) and external (foreign)), debt instruments (external loans and credits, State Treasury bonds, foreign currency government bonds, external guarantees, internal guarantees), currency (foreign and domestic) and type of interest rates (fixed and floating) - see table and figures on p. 232;
 - c) Government's debt on foreign loans by countries and international financial institutions (see figure on p. 233);
 - d) Government debt repayment schedule until 2054 as of December 31, 2021 (see figure on p. 234);
 - e) deficit financing instruments (through State Treasury bonds and foreign loans - see discussion on pp. 234-236 with pie-charts on loan disbursements by lending countries and international financial institutions, type of interest rates and currency); and,
 - f) Government debt repayment and service (interest payment) - see discussion on pp. 237-238 with table and pie-chart showing the sizes of debt repayment and service by debt financing instruments (State Treasury bonds, state bonds in foreign currency and foreign loans) on p.237 and by countries and organizations (see table on pp. 237-238).

Information on the Government's debt is available also in a number of appendices and attached tables of the Budget Message Explanatory Note and 2021 EBP. Among appendices and attached tables to the Budget Message Explanatory Note are:

- a) Appendix 1 (file 1.0.Havelvac_N1_Հավելված.Միջոցառումների.Տնտեսագիտակա.դաս.xls) - expenditures of expenditure programs and activities of the 2021 state budget, economic classification (includes Ministry of Finance's Program 1006 - Management of State Debt). The same information is available in Table 2 of Appendix 1 of 2021 EBP (see file 2.Հավելված N1 աղյուսակ N2. Հստ ծրագրերի և միջոցառումների.xls);
- b) Table 1 of Appendix 1 (file 1.0.Havelvac_N1_Հավելված.Միջոցառումների.Տնտեսագիտակա.դաս.xls) - types of expenditures funded from 2021 budget allocations, economic classification (includes expenditures on interest payments to be incurred in 2021);
- c) Appendix 2 (file 2.0.Հավելված_N2 Հավելված.Գործառնական.դասակարգման..xls) - expenditures of expenditure programs and activities of the 2021 state budget, functional classification (operations connected with state debt management);
- d) Appendix 3.1 (file 3.1.Հավելված_N3.1դեֆիցիտի.ելքային.ծրագրերի.արդյունքային.xls) - outflows from 2021 state budget for the repayment of acquired financial assets and borrowed funds by programs and activities implemented by state bodies, by output indicators (shows expenditures on each loan program to be implemented in 2021 and their output indicators);
- e) Appendix 4 (file 4.Հավելված_N4.Վարկային.ծրագիր.doc) - information on the loan programs included in 2021 EBP and implemented through the support of foreign countries and international organizations (shows in a Word format main information for each loan program - information includes the name of the donor, implementing Armenian state body, date of signature, program completion date, maturity period, grace period, one-time commission fee, interest rate and amount to be used in 2021);
- f) Tables 17 and 18 (see file Աղյուսակ_N 17.Պարտք.տոկոսավճար.N 18.Պարտք.հիմնական..xls.xlsx) - interest (Table 17) and debt service payments or repayment of principal (Table 18) for each loan program and Eurobonds to be done in 2021-2023 (for 2021 it shows for each quarter);
- g) Tables 19 and 20 (file 23.Աղյուսակ_N19.Պարտք.առանց.երաշխիքի,N20.Պարտավորությունների.մասհանումներ.xls.xlsx) - Government external debt (without guarantees) for 2019-2021 (Table 19) by each loan program and Government's external loans' interest rates and payment contributions for 2019-2021 (Table 20).

Apart from Appendix 1, information on the Government debt is available also in other appendices of 2021 EBP. Those are:

- a) Table 4 of Appendix 1 (file 4.Հավելված N1 աղյուսակ N4 վարկային ծրագրեր.xls) - Excel file on the Government's all loan programs by each state body showing total amount of each loan and its components (loan and co-financing);
- b) Tables 1, 1.1 and 1.1.1 of Appendix 3 (file 10.Հավելված N3.Դեֆիցիտի ֆինանսավորման աղբյուրներ.xls) - shows sources of deficit financing by each component (Table 1), outflows from 2021 state budget for the repayment of acquired financial assets and borrowed funds by programs and activities implemented by state bodies, by output indicators (shows expenditures on each loan program to be implemented in 2021 by implementing state bodies (Table 1.1, which is the same as Appendix 3.1 of the Budget Message Explanatory Note but by implementing budget managing state bodies) and Government's all loan programs by each state body showing total amount of each loan and its loan component (Table 1.1.1).

Opinion: Agree

Government Reviewer

Opinion: Agree

14b. Based on the response to Question 14, check the box(es) to identify which elements of the composition of the total debt outstanding are are presented in the Executive's Budget Proposal:

Answer:

Interest rates on the debt

Maturity profile of the debt

Whether the debt is domestic or external

Information beyond the core elements (please specify)

Source:

Unified Website for Publication of Legal Acts' Drafts (<http://e-draft.am>) - <https://www.e-draft.am/projects/2786/about>

Comment:

See Comment to Q14 on information beyond the core elements.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

15. "Does the Executive's Budget Proposal or any supporting budget documentation present information on the macroeconomic forecast upon which the budget projections are based?

(The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)"

GUIDELINES:

Question 15 focuses on the macroeconomic forecast that underlies the budget's revenue and expenditure estimates, asking whether "core" information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:

- *nominal GDP level;*
- *inflation rate;*
- *real GDP growth; and*
- *interest rates.*

While the core macroeconomic information should be a standard feature of the Executive's Budget Proposal, the importance of some types of macroeconomic assumptions may vary from country to country. For example, the budget estimates of some countries are particularly affected by changes in the price of oil and other commodities.

Beyond these core elements, some governments also provide additional information related to the economic outlook, including for instance: short and long-term interest rates; rate of employment and unemployment; GDP deflator; price of oil and other commodities; current account; exchange rate; and composition of GDP growth.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to the macroeconomic forecast as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the macroeconomic forecast is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the macroeconomic forecast is presented.

Answer:

a. Yes, information beyond the core elements is presented for the macroeconomic forecast.

Source:

Unified Website for Publication of Legal Acts' Drafts (<http://e-draft.am>) - <https://www.e-draft.am/projects/2786/about>

Comment:

The mentioned information is available in Sections 1.1, Table 1.1, (Macroeconomic Summary and Framework) and 1.3 (Macroeconomic Developments and Forecasts) of Part 1B (Macroeconomic and Fiscal Developments and Forecasts) of the Budget Message.

Peer Reviewer

Opinion: Agree

Comments: The Budget Message also contains the exchange rate (USD, EUR, GBP, Russian rubles, Swiss frank, Canadian dollar, Japanese yen, Chinese yuan) forecast used to calculate external payments and transfers (debt, membership fees, other). For debt and other transactions forecasted the rate is fixed during budget year.

Government Reviewer

Opinion: Agree

15b. Based on the response to Question 15, check the box(es) to identify which elements of the macroeconomic forecast are included in the Executive's Budget Proposal:

Answer:

Nominal GDP level

Inflation rate

Real GDP growth

Interest rates

Information beyond the core elements (please specify)

Source:

Budget Message at <https://www.e-draft.am/projects/2786/about> in the Unified Website for Publication of Legal Acts' Drafts (<http://e-draft.am>)

Comment:

Table 1.1 of the Budget Message (see pp. 60-61) beyond the mentioned core elements displays inflation rates both by the end of the year and average for the year, increase of the deflator, real GDP growth according to the value added of the branches of economy, real growth of expenditure components of GDP, external part (current account, export, import, balance of goods and services or export/import balance and transfers) for 2017-2021 period. Besides that Budget Message shows contribution of each branch of economy to real GDP growth (see Fig. 1.16 on p. 69), contribution of each of the GDP components (net exports, consumption and capital investments in fixed assets - see Fig. 1.17 on p. 69), etc.

Peer Reviewer

Opinion: Agree

Comments: The exchange rate forecast, which is fixed for the budget year

Government Reviewer

Opinion: Agree

16. "Does the Executive's Budget Proposal or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget?"

(The core information must include estimates of the impact on expenditures, revenue, and debt of different assumptions for the inflation rate, real GDP growth, and interest rates.)"

GUIDELINES:

Question 16 focuses on the issue of whether the Executive's Budget Proposal shows how different macroeconomic assumptions affect the budget estimates (known as a "sensitivity analysis"). It asks whether "core" information related to a sensitivity analysis is presented, estimating the impact on expenditures, revenue, and debt of different assumptions for:

· *inflation rate;*

· real GDP growth; and

· interest rates.

A sensitivity analysis shows the effect on the budget of possible changes in some macroeconomic assumptions, and is important for understanding the impact of the economy on the budget; for instance, what would happen to revenue collections if GDP growth were slower than what is assumed in the budget proposal? Or what would happen to expenditure if inflation were higher than estimated? Or how will revenue be affected by a decrease in the price of oil?

As noted for Question 15, changes in certain macroeconomic assumptions, such as the price of oil and other commodities, can have a significant impact on the budget estimates. As a result, some sensitivity analyses may also examine the impact on the budget estimates of changes in assumptions such as the price of oil that are beyond the core elements of the inflation rate, real GDP growth, and interest rates.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to a "sensitivity analysis" as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to a "sensitivity analysis" is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on "sensitivity analysis" is presented.

Answer:

c. Yes, information is presented, but it excludes some core elements.

Source:

Budget Message at <https://www.e-draft.am/projects/2786/about> in the Unified Website for Publication of Legal Acts' Drafts (<http://e-draft.am>)

Comment:

The terminology used in the Armenian Budget Message slightly differs from that contained in the Guidelines to this Question. In particular, the concept of "sensitivity analysis" in the Guidelines to this Question, mainly resembles to the concept of "estimates of the risks of the deviation from the (basic) assumptions" in the Budget Message. In its turn, under "assumptions" the Budget Message means those assumptions (expressed in the narrative form), based on which the forecasts of main fiscal parameters (revenues, expenditures, debt, etc.) are put in the Budget Message (see Section 1.4 (Assumptions Underlying the Forecasts) of Part 1-B (Macroeconomic Developments and Forecasts) of the Budget Message (see pp. 78-79)). Among those assumptions are, for example, negative shocks on supply and demand caused by lockdown (because of COVID-19) imposed in Armenia on March-May 2020, decline of the external demand in Armenia's main trading partner countries (Russia, China, USA, EU), economic crisis in Russia, which will bring to the decline of the flow of money transfers from Russia (most such transfers from Armenian migrants come from Russia) to Armenia, and others. Based on these narrative assumptions, the basic quantitative assumptions for core and other macroeconomic indicators are calculated.

Regarding the estimates of the risks of the deviation from the assumptions (which, as mentioned above, mainly resemble to sensitivity analysis), they are mainly presented in the section "Quantitative Estimate of the Influence on the State Budget of the Risks Stemming from the Deviations of the Forecasted Macroeconomic Parameters" in the "Analyzes" Part of the Budget Message (see pp. 236-243 of the Budget Message). In the mentioned Section influence on the tax revenues and expenditures from the risks of the deviation from basic assumptions for real GDP growth, inflation rate, exchange rate and imports were assessed. It should be noted that for each of all four mentioned indicators only one alternative (from basic assumption) value was taken. These alternative values were taken based on the several previous years estimates and they are out of the range of the intervals for which the forecasts were calculated. For example, during the 2010-2019 period the real GDP growth in average deviated not more or less, than 1.9% from its forecasted value. Thus, it was assessed the influence on the tax revenues and expenditures, if the real GDP growth (decline) will be more, than -1.9% from the basic assumption. In the case of inflation, it was assessed the influence on expenditures and tax revenues, when inflation would be 1.5% less, than that of basic assumption. For exchange rate, it was taken the scenario when Armenian Dram would be devalued by more, than 5% to US dollar, and for imports it was taken the scenario, when it would be less, than 10.4% compared to the value taken in the case of basic assumption. Table 19 (see p. 239) shows the impact of the mentioned risks on tax revenues (each of them, as well as in the case of their simultaneous occurrence in the last case it is displayed also graphically - see Figure 7 on p. 240). Table 20 on p. 242 shows the combined impact of the mentioned risks on (tax) revenues and expenditures.

As of the impact of different macroeconomic assumptions on the debt, there are no such estimates. Only in the Section 1 (State Debt of the Republic of Armenia) of the same "Analyzes" Part (see pp. 227-236) it is mentioned (see p. 235) that the basic assumption used for the forecasts of service and repayment of external state debt is that in 2021 the average 6-month LIBOR rate for US dollar is forecasted 1.0%.

Considering that no sensitivity (risk from deviation) analysis for state debt has been carried out, the answer as c) was chosen.

Peer Reviewer

Opinion: Agree

Comments: Although the researcher does not consider MTEF part of the budget documentation Debt Management Strategy (DMS) is part of the MTEF. Usually it is the last chapter of MTEF. The DMS is not the last chapter only in cases when MTEF has chapter on debt reduction. DMS has debt sustainability analysis and sensitivity analysis is carried out. According to the Law on Budget System the budget process is comprised of two stages and MTEF preparation is the first stage of the budget process.

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, information beyond the core elements is presented to show the impact of different macroeconomic assumptions on the budget.

Comments: The Medium Term Expenditures Framework, which is a part of the state budget process, includes government debt sustainability analysis. It includes sensitivity analysis of the government debt from macro-fiscal variables, including GDP growth, exchange rate, interest rate,

budget deficit.

IBP Comment

Many thanks to the reviewers for their comments. As per OBS methodology, the Pre-budget statement (2021-2023 MTEF) cannot be used to respond to questions assessing the comprehensiveness of EBP as it was not part of the 2021 budget proposal package submitted to parliament for approval. Recently, Armenia has established a practice of submitting the MTEF to parliament and publishing it alongside the budget proposal. If this practice continues (and taking into account its purpose), MTEF could be considered as part of EBP. Score remains C.

17. Does the Executive's Budget Proposal or any supporting budget documentation present information for at least the budget year that shows how new policy proposals, as distinct from existing policies, affect expenditures?

GUIDELINES:

Questions 17 and 18 ask about new policy proposals in the budget. In any given year, most of the expenditures and revenues in the budget reflect the continuation of existing policies. However, much of the attention during the budget debate is focused on new proposals – whether they call for eliminating an existing program, introducing a new one, or changing an existing program at the margins. Typically, these new proposals are accompanied by an increase, a decrease, or a shift in expenditures or revenues. Because these changes may have different impacts on people's lives, the budget proposal should present sufficient detail about new policies and their budgetary impact.

Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18) and a narrative discussion of the impact of these new policies. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show the impact of only some, but not all, policy proposals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on the impact of new policy proposals.

Answer:

a. Yes, estimates that show how all new policy proposals affect expenditures are presented, along with a narrative discussion.

Source:

Draft of the Law on 2021 State Budget (EBP) and Budget Message on the Unified Website for Publication of the Legal Acts' Drafts - <https://www.e-draft.am/projects/2786/about>

Comment:

Section "2021 Priorities for the Capital Expenditures and New Initiatives" of the Part 3B (Expenditure Forecasts) of the Budget Message (see pp. 135-136) states that new initiatives (which, actually, are new policy proposals) stemming from the adoption of new strategies are presented in the Appendix 6 of EBP. The implementation of these initiatives would require 30,531.3 mln Armenian Drams of expenditures, as mentioned in the Budget Message. At the same time, in the same section the Budget Message states that considering the limitations of the fiscal framework of the 2021 state budget these expenditures together with capital expenditures and expenditures on measures to be implemented at the expense of credit means are declared as priorities and will be funded, if there will be additional funds or savings and re-allocation of existing funds in the 2021 state budget. Point 23 of Article 7 of EBP repeats the same statement from the Budget Message and Table 1 (2021թվականի ժամանակահատվածում ռազմավարություններից բխող նոր նախաձեռնություններ՝ ըստ բյուջետային գլխավոր կարգադրիչների) of the Appendix 6 (13.Հավելված_Ն6 աղյուսակներ N1 N2 N3.առաջնահերթ..xlsx) of EBP shows those new initiatives.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

18. Does the Executive's Budget Proposal or any supporting budget documentation present information for at least the budget year that shows how new policy proposals, as distinct from existing policies, affect revenues?

GUIDELINES:

Questions 17 and 18 ask about new policy proposals in the budget. In any given year, most of the expenditures and revenues in the budget reflect the continuation of existing policies. However, much of the attention during the budget debate is focused on new proposals – whether they call for eliminating an existing program, introducing a new one, or changing an existing program at the margins. Typically, these new proposals are accompanied by an increase, a decrease, or a shift in expenditures or revenues. Because these changes may have different impacts on people's lives, the budget proposal should present sufficient detail about new policies and their budgetary impact.

Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18)

and a narrative discussion of the impact of these new policies. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show the impact of only some, but not all, policy proposals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on the impact of new policy proposals.

Prior-year information constitutes an important benchmark for assessing the proposals for the upcoming budget year. Estimates of prior years should be presented in the same formats (in terms of classification) as the budget year to ensure that year-to-year comparisons are meaningful. For example, if the budget proposes shifting responsibility for a particular program from one administrative unit to another – such as shifting responsibility for the training of nurses from the health department to the education department – the prior-year figures must be adjusted before year-to-year comparisons of administrative budgets can be made.

Typically, when the budget proposal is submitted, the year prior to the budget year (BY-1), also known as the current year, has not ended, so the executive will provide estimates of the anticipated outcome for BY-1. The soundness of these estimates is directly related to the degree to which they have been updated to reflect actual expenditures to date, legislative changes that have occurred, and anticipated changes in macroeconomic, caseload, and other relevant factors for the remainder of the year.

The first year that can reflect actual outcomes, therefore, is generally two years before the budget year (BY-2). Thus the OECD recommends that data covering at least two years before the budget year (along with two years of projections beyond the budget year) are provided in order to assess fully the trends in the budget.

Answer:

d. No, information that shows how new policy proposals affect revenues is not presented.

Source:

Comment:

See Comment to Q17. It should also be noted that information on revenues is limited and there is no information on new sources of revenue generation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, estimates that show how all new policy proposals affect revenues are presented, but a narrative discussion is not included.

Comments: EBP presents revenue estimations along with new policy proposals.

IBP Comment

For cross country consistency, IBP confirms answer choice D. There is little information related to revenues in the Armenian Budget documentation.

19. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 19 asks if expenditure estimates for the year prior to the budget year (BY-1) are presented by one of the three expenditure classifications – by administrative, economic, and functional classifications. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. (See Questions 1-5 above.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates for BY-1 by all three of the expenditure classifications. To answer "b," expenditure estimates for BY-1 must be presented by two of these three classifications. A "c" answer applies if expenditure estimates for BY-1 are presented by one of the three classifications. Answer "d" applies if expenditure estimates for BY-1 are not presented by any of the three classifications.

Answer:

a. Yes, expenditure estimates for BY-1 are presented by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

Budget Message on the Unified Website for Publication of the Legal Acts' Drafts - <https://www.e-draft.am/projects/2786/about>

Comment:

Expenditures by economic and functional classifications covering the 2017-2021 period are presented in the Sections "Expenditures by Economic

Classification" (pp. 122-128) and "Expenditures by Functional Classification" (pp. 129-133) of the Part 3B (Expenditures Forecasts) of the Budget Message (see Table 12 on p. 126 for expenditures by economic classification and Table 15 for expenditures by functional classification on pp. 130-131).

In addition, Tables 3-14 attached to the Explanatory Note of the Budget Message presents expenditures by administrative classification for separate, but not all Ministries. Only 14 out of 30 are presented. However, given that most prominent administrations are covered, the score is A.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

20. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for the year preceding the budget year (BY-1)?

GUIDELINES:

Question 20 asks if expenditure estimates for the year before the budget year (BY-1) are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-1. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures for BY-1. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for only less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Answer:

a. Yes, programs accounting for all expenditures are presented for BY-1.

Source:

Tables 3-16 and 20 attached to the Explanatory Note of the Budget Message.

Comment:

The mentioned in the Source Tables do present expenditures for programs for BY-1, for individual ministries. Moreover, Tables 5, 7 and 8 show expenditures for programs for BY-1 for different areas of the same ministry, namely, Ministry of Education, Science, Culture and Sports (Table 5 - for culture, Table 7 - for sports, and Table 8 - for education and science, respectively), though allocations from state budget for all areas go to that Ministry.

Question is scored B, as the program budget for only 14 (out of 30) ministries are publicly available.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer:

a. Yes, programs accounting for all expenditures are presented for BY-1.

Comments: The Annex N 3 of the Explanatory Note of the Budget Message contains programs accounting for all expenditures presented for BY-1

IBP Comment

After discussion with researcher, IBP agrees to revise score to A (from B) based on Annex 3 of the Budget Message.

21. In the Executive's Budget Proposal or any supporting budget documentation, have expenditure estimates of the year prior to the budget year (BY-1) been

updated from the original enacted levels to reflect actual expenditures?

GUIDELINES:

Question 21 asks whether the expenditure estimates for the year before the budget year (BY-1) have been updated from the original enacted levels. Updates can reflect actual experience to date; revised estimates due to shifting of funds by the executive, as permitted under the law; enactment of supplemental budgets; and revised assumptions regarding macroeconomic conditions, caseload, and other relevant factors for the remainder of the year.

Answer "a" applies if the estimates have been updated; answer "b" applies if the original estimates are still being used.

Answer:

b. No, expenditure estimates for BY-1 have not been updated from the original enacted levels.

Source:

Comment:

See Comment on answer to Q19. In the Tables mentioned in the Comment the numbers from 2020 EB or approved budget are presented.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

22. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure for more than one year prior to the budget year (that is, BY-2 and prior years) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 22 asks if expenditure estimates for more than one year prior to the budget year (BY-2 and prior years) are presented by any of the three expenditure classifications – by administrative, economic, and functional classifications. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. (See Questions 1-5 above.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates for BY-2 and prior years by all three of the expenditure classifications. To answer "b," expenditure estimates for BY-2 and prior years must be presented by two of these three classifications. A "c" answer applies if expenditure estimates for BY-2 and prior years are presented by one of the three classifications. Answer "d" applies if expenditure estimates for BY-2 and prior years are not presented by any of the three classifications

Answer:

a. Yes, expenditure estimates for BY-2 and prior years are presented by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

Budget Message on the Unified Website for Publication of the Legal Acts' Drafts - <https://www.e-draft.am/projects/2786/about>

Comment:

Comment on answer to Q19 applies also for this Question, as expenditures for BY-2 are also presented by administrative, economic and functional classifications.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

22b. Based on the response to Question 22, check the box(es) to identify which expenditure classifications have estimates for more than one year prior to the budget year in the Executive Budget Proposal:

Answer:
Economic classification
Functional classification
Administrative classification

Source:
Budget Message on the Unified Website for Publication of the Legal Acts' Drafts - <https://www.e-draft.am/projects/2786/about>

Comment:
See Comment on answer to Q19.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

23. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for more than one year preceding the budget year (that is, BY-2 and prior years)?

GUIDELINES:

Question 23 asks if expenditure estimates for more than one year before the budget year (BY-2 and prior years) are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-2 and prior years. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures for BY-2 and prior years. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for only less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Answer:
a. Yes, programs accounting for all expenditures are presented for BY-2 and prior years.

Source:
Tables 3-16 and 20 attached to the Explanatory Note of the Budget Message.

Comment:
Same as Comment to Q20. The mentioned in the Source Tables do present expenditures for programs for BY-1, for individual ministries. Moreover, Tables 5, 7 and 8 show expenditures for programs for BY-2 for different areas of the same ministry, namely, Ministry of Education, Science, Culture and Sports (Table 5 - for culture, Table 7 - for sports, and Table 8 - for education and science, respectively), though allocations from state budget for all areas go to that Ministry.

Question is scored B, as the program budget for only 14 (out of 30) ministries are publicly available.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer:

a. Yes, programs accounting for all expenditures are presented for BY-2 and prior years.
Comments: The Annex 3 of the Explanatory Note of the Budget Message presents programs accounting for all expenditures for BY-2.

IBP Comment
After discussion with researcher, IBP agrees to revise score to A (from B) based on Annex 3 of the Budget Message.

24. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which all expenditures reflect actual outcomes?

GUIDELINES:

Question 24 asks for which year the actual outcomes for expenditures are shown. In most cases, the most recent year for which budget data on actual outcomes are available will be BY-2, as BY-1 is generally not yet finished when the budget proposal is drafted. So a government that has updated all its expenditure data for BY-2 to reflect what actually occurred, as opposed to estimating the outcome for that year, shows good public financial management practice.

For an "a" answer, a country must meet the good practice of having the figures for BY-2 reflect actual outcomes.

Answer:

a. Two years prior to the budget year (BY-2).

Source:

Budget Message on the Unified Website for Publication of the Legal Acts' Drafts - <https://www.e-draft.am/projects/2786/about>

Comment:

See Comment on answer to Q19. As it can be seen from that Comment, expenditures by economic and functional classifications reflect outcomes 'actuals' for FY 2019.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

25. Does the Executive's Budget Proposal or any supporting budget documentation present revenue by category (such as tax and non-tax) for the year preceding the budget year (BY-1)?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Yes, revenue estimates for BY-1 are presented by category.

Source:

Budget Message on the Unified Website for Publication of the Legal Acts' Drafts - <https://www.e-draft.am/projects/2786/about>

Comment:

Table 1 attached to the Budget Message presents approved by 2020 EBP revenues by category for FY 2020. These categories are: a) tax revenues and state fees; b) other revenues; and, c) official grants.

Table 1: ՀՀ 2019-2021 ԹՎԱԿԱՆՆԵՐԻ ՊԵՏԱԿԱՆ ԲՅՈՒՋԵՆԵՐԻ ԵԿԱՍՈՒՏՆԵՐԻ ՀԱՄԵՄԱՏԱԿԱՆԸ (Comparisons of the Budget Revenues for 2019-2021 State Budgets).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

26. Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for the year preceding the budget year (BY-1)?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

c. Yes, individual sources of revenue accounting for less than two-thirds of all revenues for BY-1 are presented.

Source:

Budget Message on the Unified Website for Publication of the Legal Acts' Drafts - <https://www.e-draft.am/projects/2786/about>

Comment:

Forecasts for budget revenues are presented in Part 3A of the Budget Message (pp. 112-122). As it can be seen from the discussion in that part, individual sources of revenue for BY-1 (approved for FY 2020) are presented for state fees, other revenues and official grants. Their total amount for FY 2020 was planned equal to 142.9 bln. Armenian Drams (AMD), which is only 8.43% of the total revenues. In particular, individual sources for state fees (50.2 bln. AMD approved for FY 2020) are:

- a) rendering copies of applications, appeals to courts, other documents given to courts;
- b) obtaining or changing Armenian citizenship;
- c) consular services or activities;
- d) state registration;
- e) procedures having legal significance for legal protection of inventions, patents, etc.;
- f) legal documents, services or procedures rendered to natural persons; g) for performing activities subject to licensing; and,
- h) other services and procedures.

For official grants (35.3 bln. AMD approved for FY 2020) two sources are defined (see Table 8 on p.118) - EU grants (in the framework of the Action Plan of EU-Armenia Comprehensive and Enhanced Partnership Agreement) and other targeted grants.

Finally, the sources for other revenues (57.4 bln. AMD approved for FY 2020) are (see Table 10 on p.120):

- a) revenues from renting state-owned property;
- b) revenues from interest payments and dividends;
- c) revenues from fines imposed by state bodies for committed legal violations;
- d) revenues from supplying of goods and rendering of services; and,
- e) other revenues to be paid to state budget that are prescribed by laws.

The Question is scored C also because the disaggregation of revenue sources is limited compared to GFS standards.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, individual sources of revenue accounting for all revenue are presented for BY-1.

Comments: Individual sources of revenue accounting for all revenue are presented for BY-1, in accordance with RA Law on Budgetary System.

IBP Comment

Many thanks to the government for their comments. OBS follows its methodology which is based on international good practices to assess and score the indicators. While country laws are extremely important, OBS methodology serves as a standard benchmark for all 120 countries assessed.

As such, even if disaggregation of revenue is as per RA Law on Budgetary System, it is limited compared to the GFS classification good practice (Table 5.1, page 88) <https://www.imf.org/external/Pubs/FT/GFS/Manual/2014/gfsfinal.pdf>. Score remains C.

27. In the Executive's Budget Proposal or any supporting budget documentation, have the original estimates of revenue for the year prior to the budget year (BY-1) been updated to reflect actual revenue collections?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Yes, revenue estimates for BY-1 have been updated from the original enacted levels.

Source:

Budget Message on the Unified Website for Publication of the Legal Acts' Drafts - <https://www.e-draft.am/projects/2786/about>

Comment:
Revenue estimates are given for the Approved Budget and not actual collection.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, revenue estimates for BY-1 have been updated from the original enacted levels.

Comments: According to the Annual Budget approved by the National Assembly Revenues for 2020 were estimated at AMD 1740.8 billion. The draft Budget Message for draft budget for 2021 - to which the researcher referred to and provided link <https://www.e-draft.am/projects/2786/about> - refers to "corrected budget for 2020" (or otherwise "amended") and estimates Revenues for 2020 at AMD1437.5 (table 1 on page 107). For 2019 the Budget Message refers to actual data. However, in case of Budget message for draft budget for 2022 (this may be out of timeframe of this review as the draft was submitted to the National Assembly in early-October 2021) it relies on approved budget for 2021. The same table 1 on page 90 of the Budget Message for 2022 does not refer to "corrected budget for 2021" and uses the same number - AMD 1509.5 billion - as approved in the annual budget for 2021. For 2020 the Budget Message refers to actual data.

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, revenue estimates for BY-1 have been updated from the original enacted levels.

Comments: Draft Budget Law presents revenue estimates based on expectations for BY-1

IBP Comment

Many thanks to the reviewers for their comments. IBP worked with researcher to revise response to A. The enacted and adjusted numbers for BY-1 are brought in the Budget Message. See Table 1 on p. 107 for the adjusted number and Table 6 on pp. 112-113 for enacted number for revenues for 2020 budget year in the Budget Message.

28. Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for more than one year prior to the budget year (that is, BY-2 and prior years)?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Yes, revenue estimates for BY-2 and prior years are presented by category.

Source:

Part 3A (Revenue Forecasts) of the Budget Message on the Unified Website for Publication of the Legal Acts' Drafts - <https://www.e-draft.am/projects/2786/about>

Comment:

See Table 6 on pp. 112-113 Revenue estimates are presented for 2017-2021 period.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

29. Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for more than one year prior to the budget year (that is, BY-2 and prior years)?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

c. Yes, individual sources of revenue accounting for less than two-thirds of all revenues are presented for BY-2 and prior years.

Source:

Part 3A of the Budget Message on the Unified Website for Publication of the Legal Acts' Drafts - <https://www.e-draft.am/projects/2786/about>

Comment:

See Comment on answer to Q26. It should only be added that revenues for individual sources for more, than one year prior to the budget year (for 2017-2020 period) are presented for sources of official grants (Table 8) and other revenues (Table 10).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, individual sources of revenue accounting for all revenue are presented for BY-2 and prior years.

Comments: See the answer to the Question 11

IBP Comment

Many thanks to the government for their comments. See IBP response to indicator 11 and 26.

30. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Two years prior to the budget year (BY-2).

Source:

Budget Message on the Unified Website for Publication of the Legal Acts' Drafts - <https://www.e-draft.am/projects/2786/about>

Comment:

See Table 1 attached to the Budget Message. and Table 6 in the Budget Message for revenue categories, and Tables 8 and 10 in the Budget Message for the separate sources of official grants and other revenues, respectively.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Three years prior to the budget year (BY-3).

Researcher Response

The Question asks about the "MOST RECENT YEAR presented for which all revenues reflect actual outcomes" and the most recent to 2021 (whose EBP is under study in this Survey) year, for which "all revenues reflect ACTUAL outcomes" is 2019 (BY-2), not 2018 (BY-3).

31. "Does the Executive's Budget Proposal or any supporting budget documentation present information on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1)?"

(The core information must include the total debt outstanding at the end of BY-1; the amount of net new borrowing required during BY-1; interest payments on the debt; interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)"

GUIDELINES:

Question 31 focuses on prior-year debt information, rather than on prior-year expenditures or revenues, asking whether "core" information is provided on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1).

The "core" information includes:

- total debt outstanding at the end of BY-1;
- amount of net new borrowing required during BY-1;
- interest payments on the debt;
- interest rates on the debt instruments;
- maturity profile of the debt; and
- whether it is domestic or external debt.

This core information for BY-1 is consistent with the budget year information for borrowing and debt, which is examined in Questions 13 and 14. Please note that for the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

In addition, some governments provide information beyond the core elements, such as gross new borrowing required during BY-1; currency of the debt; whether the debt carries a fixed or variable interest rate; whether it is callable; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); where appropriate, what the debt is being used to finance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to government borrowing and debt, including its composition, for BY-1 as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to government borrowing and debt, including its composition, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on government borrowing and debt for BY-1.

Answer:

a. Yes, information beyond the core elements is presented for government debt.

Source:

Budget Message on the Unified Website for Publication of the Legal Acts' Drafts - <https://www.e-draft.am/projects/2786/about>

Comment:

The main part of the information on government borrowing and debt outstanding at the end of BY-1 that contains both core and beyond the core information could be found in the "State Debt of the Republic of Armenia" Section of the "Analyzes" Part of the Budget Message. In addition, relevant information could be found in other parts of the Budget Message. Besides core elements, other elements of information for BY-1 year in the Budget Message are: a) state debt/GDP ratio (see Table 2.1 on p. 90 and Table 2.4 on p. 102); b) size of the debt service projected by the end of BY-1, its share in GDP and in total volume of expenditures (see Table 15 at pp. 130-131); c) debt of the Central Bank of Armenia and its share in GDP (p. 227); d) size of the repayment of the principal amount of whole debt and Central Bank's debt projected by the end of BY-1 (p. 228); e) amount of net new borrowing to cover the budget deficit (p. 229); and, f) debt composition by debt instruments, by currency and by type of interest rate (fixed or floating) (p. 230).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

32. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which the debt figures reflect actual outcomes?

GUIDELINES:

Question 32 asks for which year the actual outcome for total debt outstanding is shown. In most cases, the most recent year for which budget data on actual outcomes are available will be BY-2, as BY-1 is generally not yet finished when the budget proposal is drafted. So a government that has updated its debt data for BY-2 to reflect what actually occurred, as opposed to estimating the outcome for that year, shows good public financial management practice.

For an "a" answer, a country must meet the good practice of having the figures for BY-2 reflect actual outcomes.

It is essential that all government activities that may have an impact on the budget – in the current budget year or in future budget years – be fully disclosed to the legislature and the public in budget documents. In some countries, for instance, entities outside central government (such as public corporations) undertake fiscal activities that could affect current and future budgets. Similarly, activities that can have a significant impact on the budget, such as payment arrears and contingent liabilities, sometimes are not properly captured by the regular presentations of expenditure, revenue, and debt.

Answer:

a. Two years prior to the budget year (BY-2).

Source:

Budget Message on the Unified Website for Publication of the Legal Acts' Drafts - <https://www.e-draft.am/projects/2786/about>

Comment:

The most recent budget year for which the debt figures reflect actual outcomes is FY 2019. However, these outcomes are presented only for a limited number of debt figures. More specifically, they are presented for total size of state debt and state debt/GDP ratio (see Table 2.1 on p. 90, Table 2.4 on p. 102 (only for state debt/GDP ratio), p. 227 - in Table 2.1 they are presented also for FY 2017 and FY 2018), total size of debt service and its share in GDP and in total volume of expenditures (see Table 15 on pp. 130-131 - they are presented also for FY2017 and FY 2018), debt of the Central Bank of Armenia and its share in GDP (p. 227); size of the repayment of the principal amount of whole debt and Central Bank's debt projected by the end of BY-1 (p. 228) and debt composition by debt instruments, by currency and by type of interest rate (fixed or floating) (p. 230).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

33. "Does the Executive's Budget Proposal or any supporting budget documentation present information on extra-budgetary funds for at least the budget year?

(The core information must include a statement of purpose or policy rationale for the extra-budgetary fund; and complete income, expenditure, and financing data on a gross basis.)"

GUIDELINES:

Question 33 focuses on extra-budgetary funds, asking whether "core" information related to these funds, which exist outside the budget, are presented. These core components include:

- *a statement of purpose or policy rationale for the extra-budgetary fund (i.e., why was a particular fund set up? what is it used for?); and*
- *estimates of its income, expenditure, and financing. (These estimates should be presented on a gross basis so that it is possible to tell how much money flows through each extra-budgetary fund.)*

In most countries, governments engage in certain budgetary activities that are not included in the central government's budget. Known as extra-budgetary funds, they can range in size and scope. For example, countries frequently set up pension and social security programs as extra-budgetary funds, where the revenues collected and the benefits paid are recorded in a separate fund outside the budget. Another example of an extra-budgetary fund can be found in countries dependent on hydrocarbon/mineral resources, where revenues from producing and selling those resources are channeled through systems outside the annual budget.

In some cases, the separation engendered by an extra-budgetary fund serves a legitimate political purpose, and the finances and activities of these funds are well documented. In other cases, however, this structure is used for obfuscation, and little or nothing is known about a fund's finances and activities.

The availability of information related to extra-budgetary funds is essential for a comprehensive understanding of the government's true fiscal position. In addition to the core information, other information about extra-budgetary funds is also desirable. Such information includes a discussion of the risks associated with the extra-budgetary fund; expenditures classified by economic, functional, or administrative unit; and the rules and procedures that govern the operations and management of the extra-budgetary fund.

For more information about extra-budgetary funds, see the Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and Principle 2.1.1 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to extra-budgetary funds as well as some additional information beyond the core elements. A "b" answer applies if the Executive's Budget Proposal or supporting documentation presents all of the core information. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to extra-budgetary funds is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on extra-budgetary funds.

Please provide in the comments a list of all known extra-budgetary funds.

Answer:

e. Not applicable/other (please comment).

Source:

Law on the Budgetary System of the Republic of Armenia

Comment:

Part 16 of Article 1.2 (Definitions and Concepts) of the Law on the Budgetary System of the Republic of Armenia defines 8 types of extra-budgetary funds (see points a) to h) of the Part). Part 9.2 of Article 15 of the Law on the Budgetary System of the Republic of Armenia provides that "The inflows (revenues - Researcher's Note) and outflows (expenditures - Researcher's Note) of the extra-budgetary accounts mentioned in the Points b) to h) of Part 16 of Article 1.2 of the same Law shall not be reflected in the state and municipal budgets and their execution reports." As it can be seen from this provision, for 7 out of 8 types of the extra-budgetary funds defined by Part 16 of Article 1.2 of the Law no information shall be presented in both state and municipal budget documents.

Extra-budgetary funds defined by Point a) of Part 16 of Article 1.2 of the Law are foreseen for "accounting, in individual cases, the targeted budget inflows and outflows carried out at the expense of these inflows (including inflows and outflows of budgetary funds)". According to Part 9.1 of Article 15 of the Law, "programmatic indicators of inflows received to this type of extra-budgetary accounts during the year and not foreseen by the state or municipal budgets approved for that year, as well as of outflows carried out at the expense of these inflows shall be subject to inclusion into the state or municipal budget approved respectively by the decree of the Government of Armenia or Community Council, and the turnover of those means and their reflection in the budget execution reports shall be performed in a manner prescribed by law". The requirements stemming from the mentioned provisions of the Law are reflected in the draft of the Law on State Budget, which is part of EBP (see 10th bullet point of Article 7 and 18th bullet point of Article 9 of the draft Law - after the approval of the draft the bullet points become parts of the articles of EB).

As it is clear from the above discussion, only one out of eight types of extra-budgetary funds are reflected in the state or municipal budgets and they are reflected only after the transactions taking place with them during the budget year. Their execution, consequently, is reflected in IYRs and EYR.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: e. Not applicable/other (please comment).

Comments: Extra-budgetary funds were included in 2020 budget as a budget program measures

IBP Comment

IBP revised to answer choice E (from D). IBP further consulted the researcher and peer reviewer, and understand that on 14 November 2019 the National Assembly adopted several laws that removed expression "extrabudgetary fund" from following laws: on state registration of legal entities (HO-233-N), law on Police, law on traffic security, law on Aviation, law on public and personal notifications by internet, etc (several other laws). All these laws envisaged closure of EBFs. Officially, there are no EBFs and EBFs are integrated into the the budget. In most cases the numbers in the table indicated the amount transferred from extrabudgetary account to budgetary account. MoF had difficulty integrating some of the EBF because at the time of adoption of the annual budget law there is uncertainty regarding the source of revenue, that is there is no legal basis for revenue, so the GoA cannot incorporate the revenue into the budget. However, in 2020 the amounts were very small compared to annual budget: transactions with EBF = AMD 616 million (many of them transfer of funds from EBF to budget), annual budget expenditures = AMD 1,894,647 million.

34. Does the Executive's Budget Proposal or any supporting budget documentation present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year?

GUIDELINES:

Question 34 asks whether the Executive's Budget Proposal or supporting documents present the finances of the central government on a consolidated basis, showing both its budgetary and extra-budgetary activities. Virtually all of the questions in the OBS questionnaire focus on budgetary central government – the activities of the ministries, departments, or agencies of central government. In addition, Question 33 asks about extra-budgetary funds, such as social security funds that are not included in the budget.

Coverage is an important aspect of fiscal reporting. Budget documents should cover the full scope of government's financial activity. In many countries, extra-budgetary activities are substantial, and can represent a sizable share of the central government's activities. To get a full picture of the central government's finances, therefore, it is necessary to examine both activities that are included in the budget and those that are extra-budgetary. This question asks whether such a consolidated presentation of central government finances is provided.

The central government is only one component of the overall public sector. The public sector also includes other levels of government, such as state and local government, and public corporations. (See Box 2.1 under Principle 1.1.1 of the IMF's Fiscal Transparency Handbook (2018): <https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>. For the purpose of answering this question, please consider only the central government level.

In order to answer "a," the Executive's Budget Proposal or supporting documentation must present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year.

Answer:

b. No, central government finances are not presented on a consolidated basis.

Source:

Law on the Budgetary System of the Republic of Armenia and Draft Law on 2021 State Budget

Comment:

See Comment on the answer to Q33. After the end of the budget year it is possible to see partially consolidated (only with one of eight types of extra-budgetary funds) EB.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: c. Not applicable/other (please comment).

Comments: Extra-budgetary funds were included in 2020 budget as a budget program measures

IBP Comment

IBP confirms researchers response B. Keeping EBFs aside, there is no consolidated financial statement of the full public sector's financial activity.

35. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of intergovernmental transfers for at least the budget year?

GUIDELINES:

Question 35 asks about intergovernmental transfers. In many cases, the central government supports the provision of a good or service by a lower level of government through an intergovernmental transfer of funds. This is necessary because, independent from the level of administrative decentralization that exists in a given country, the capacity for revenue collection of a local government is unlikely to be sufficient to pay for all its expenses. However, because the activity is not being undertaken by an administrative unit of the central government, it is unlikely to receive the same level of review in the budget. Thus it is important to include in the budget proposal a statement that explicitly indicates the amount and purposes of these transfers.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all intergovernmental transfers and a narrative discussing these transfers. If a narrative discussion is not included, but estimates for all intergovernmental transfers are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, intergovernmental transfers (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of intergovernmental transfers are presented.

Answer:

a. Yes, estimates of all intergovernmental transfers are presented, along with a narrative discussion.

Source:

Law on the Budgetary System of the Republic of Armenia, Budget Message with its appendices and attached tables and draft Law on 2021 State Budget

Comment:

Part 1 of Article 20 of the Law on the Budgetary System of Armenia provides that "Aimed at ensuring harmonious development of communities and based on the principle of financial leveling of the community budgets, there shall be foreseen expenditures in the state budget financial leveling subsidies, which are financial means (funds) given in a gratuitous and irrevocable manner to cover current expenses of communities". From the content of the named Article it can be concluded that this type of transfer is the main type of transfer from state budget to community budgets. In addition to that, Part 4 of the same Article defines two more types of transfers that can be allocated from the state budget to community budgets. Those are: a) other subsidies - funds given in a gratuitous and irrevocable manner to community budget to cover current expenses of the community budget and not connected to any specific expenditure (program) of that budget; and, b) subventions - funds given in a gratuitous and irrevocable manner to community budget to cover specific expenditure (program) of that budget. The Government has the right to demand back those amounts of the subvention, which were not spent for the purpose for which they were requested by the community.

Estimates of total subsidies and subventions for 2021 are presented in Table 13 (see pp. 127-128 - Աղյուսակ 13. ՀՀ պետական բյուջեից համայնքներին տրվող հատկացումների վերաբերյալ), as well as Appendix 1 (file

1.0.Havelvac_N1_Հավելված.Միջոցառումների.Տնտեսագիտակա.դաս.xls) and Table 1 of Appendix 1 (file

1.Havelvac_N1.1_Հավելված.Միջոցառումների.Տնտեսագիտակա.դաս.xlsx) of the Budget Message. Table 7 of Appendix 1 (file 7.Հավելված N1 աղյուսակ N7 սուբվենցիաներ համայնքներին.xls) and Appendix 2 (file 9.Հավելված N2. Դոտացիա.xlsx) of the draft Law on 2021 State Budget presents detailed allocation of subventions and subsidies, respectively, by communities (for subsidies), provinces and ministries (for subventions). Absence of information on other subsidies can imply that they are not foreseen in 2021 state budget.

There is some narrative discussion on (leveling) subsidies and subventions in the Budget Message, which is primarily in the section "Expenditures by Economic Classification" (see pp. 122-128) and subsection "Ministry of Territorial Administration and Infrastructure" of section "Expenditures by Chief (administrative units - Note of Researcher)" (see pp. 174-191) of "Expenditures Forecasts" chapter. However, in the opinion of the Researcher, this discussion is rather superficial, stating how much funds are planned to allocate in 2021 for subsidies and subventions.

Note of Researcher. The state budget foresees also allocation of subsidies to Armenian companies. In the Budget Message they are named in Armenian "subsidiaria", whereas leveling subsidies transferred from state budget to communities are named "dotacia" .

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

36. Does the Executive's Budget Proposal or any supporting budget documentation present alternative displays of expenditures (such as by gender, by age, by income, or by region) to illustrate the financial impact of policies on different groups of citizens, for at least the budget year?

GUIDELINES:

Question 36 asks about "alternative displays" of expenditures that highlight the financial impact of policies on different groups of citizens. As discussed above, expenditures are typically presented by at least one of three classifications – administrative, functional, and economic classifications (see Questions 1-5) – and by individual program (Question 6). In addition, governments can provide alternative displays to emphasize different aspects of expenditure policies and to show who benefits from these expenditures.

For the purpose of answering this question, the alternative presentation must differ from the presentations (such as administrative, functional, or economic classifications or presentation by program) used to answer other questions. The alternative display can cover all expenditures or only a portion of expenditures. For instance, it can show how all expenditures are distributed according to geographic region or it can show how selected expenditures (such as the health budget or the agriculture budget) are distributed to different regions. But such a geographic display must be something different than the presentation of intergovernmental transfers used to answer question 35. One exception is when a country includes a special presentation of all policies intended to benefit the most impoverished populations (and is used to answer Question 52) then that can be considered an alternative display for purposes of answering this question as well. Finally, brief fact sheets showing how proposals in the budget benefit particular groups would be insufficient; only more detailed presentations would be considered.

The IBP Budget Brief, "How Transparent are Governments When it Comes to Their Budget's Impact on Poverty and Inequality?" (<https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf>) includes a discussion of the importance of alternative displays of budget information and provides a number of examples. For instance,

- *Bangladesh in its 2017-18 Budget included a detailed supplementary Gender Budgeting Report, which presents the spending dedicated to advancing women across various departments. (<https://mof.portal.gov.bd/site/page/3bb14732-b5b1-44df-9921-efedf1496295>).*
- *The UK's 2017 budget included a supplementary analysis that provided a distributional analysis of the budget by households in different income groups (see https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/661465/distributional_analysis_autumn_budget_2017.pdf).*
- *South Africa's 2017 Budget Review goes beyond the standard presentation of intergovernmental transfers, discussing the redistribution that results from national revenue flowing to the provinces and municipalities and presenting the allocations on a per capita basis (see chapter 6, <http://www.treasury.gov.za/documents/national%20budget/2017/review/FullBR.pdf>).*

To answer "a," the Executive's Budget Proposal or supporting documentation must include at least three different presentations that illustrate the financial impact of policies on different groups of citizens for at least the budget year. To answer "b," the Executive's Budget Proposal or supporting documentation must include at least two different alternative displays of expenditures. A "c" applies if only one type of alternative display of expenditure is presented. Answer "d" applies if no alternative display of expenditure is presented.

Answer:

c. Yes, one alternative display of expenditures is presented to illustrate the financial impact of policies on different groups of citizens.

Source:

Budget Message with its appendices and attached tables and draft Law on 2021 State Budget with its appendices

Comment:

Armenian EBP has only one alternative display of expenditures, namely, display by gender. Narrative discussion on gender-sensitive budget is presented in "Gender-sensitive Budget" sub-section of Part 1A ("On the Main Directions of Social-Economic Development and Fiscal Policy") of the Budget Message (see pp. 57-58). Activities towards the gender-sensitive budgeting are stemming from the Gender Policy Implementation Strategy and 2019-2023 Action Plan, which was adopted by the September 19, 2019 Government Decree N 1334-L. Based on that document, the Government piloted gender-sensitive budgeting approach during the preparation of the 2020 state budget. In particular, in the framework of "Employment" and "Support to women and children in families" budget programs of the Ministry of Labor and Social Issues additional actions (measures) and gender-sensitive output indicators have been developed, as well as final results, goals and actions of those programs were reviewed, based on the above-mentioned Strategy and its Action Plan.

According to the mentioned sub-section of the Budget Message (see p. 58), the elements of gender-sensitive budgeting are fully introduced in the 2021 state budget and 2021-2023 MTEF. For that purpose, in the framework of the development of the 2021-2023 MTEF and draft of the 2021 state budget a methodological manual on the definition of gender-sensitive budgetary programs was developed and attached to the methodological guidelines for the preparation of budgetary requests by line ministries and their submission to the Ministry of Finance.

All output indicators of all budget programs and their actions (measures) are available in Appendix 3 of the draft Law on the 2021 State Budget. From that Appendix one can figure out all those output indicators, which are broken down by gender, as well as programs and actions, foreseen by the mentioned above 2019-2023 Action Plan of the Gender Policy Implementation Strategy.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

36b. Based on the response to Question 36, select the box(es) below to identify which types of alternative displays are included in the Executive's Budget Proposal:

Answer:
Policy impacts based on gender

Source:
See Source of the answer to Q36.

Comment:
See Comment on answer to Q36.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

37. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of transfers to public corporations for at least the budget year?

GUIDELINES:

Question 37 asks about transfers to public corporations. It is often the case that governments have a stake in enterprises that manage resources that are particularly relevant for the public good (such as electricity, water, and oil). While these public corporations can operate independently, in some cases the government will provide direct support by making transfers to these corporations, including to subsidize capital investment and operating expenses.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all transfers to public corporations and a narrative discussing the purposes of these transfers. If a narrative discussion is not included, but estimates for all transfers to public corporations are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, transfers to public corporations (regardless of whether it also includes a narrative discussion). Answer "c" also applies if estimates of transfers to public corporations are presented as a single line item. Answer "d" applies if no estimates of transfers to public corporations are presented.

Please provide in the comments a list of all known public corporations.

Answer:
b. Yes, estimates of all transfers to public corporations are presented, but a narrative discussion is not included.

Source:
Budget Message with its appendices and attached tables

Comment:
The Budget Message contains both estimates and narrative discussion on transfers (these transfers are named "subsidiaria" - see also Researcher's

Note in the Comment to Q35) to both private companies and corporations, as well as companies and corporations, which are fully or partially state-owned. In particular, on pp.125-126 (section "Expenditures by Economic Classification") it is mentioned that in 2021 it is planned to increase transfers by 5.1% or 5.9 bln. AMD compared to 2020. Narrative discussion on transfers is mentioned in sub-section "Ministry of Territorial Administration and Infrastructure" of Section "Expenditures by Chief Budget Officers (administrative units - Researcher's note)" of the "Expenditures Forecasts" chapter (see p. 179 on transferring subsidies to "South Caucasus Railways" company). Narrative discussion separately on private and fully or partially state-owned companies revealing the grounds for transfers to them is presented in section "Estimates of Fiscal Risks Related to the Activities of Organizations Operating in Infrastructure (Energy, Transportation and Water Resources) Areas" (pp. 244-268) of the Appendix "Analyzes" of the Budget Message. Finally, section "Analysis of the Estimates on Tax Expenditures for 2021" (pp. 269-282) of the same Appendix includes also estimates of tax expenditures stemming from transfers. Estimates of transfers (subsidies) to all fully or partially state-owned state companies corporations are presented in Appendices 1 of the Budget Message.

The scoring for Armenia could be between A and B as all transfers are shown but a narrative discussion is presented only for some of the transfers.

Peer Reviewer

Opinion: Agree

Comments: However, it is worth paying attention to the fact that in recent years the GoA classifies allocations to schools as "subsidy". Schools are registered as state non-commercial organizations (SNCO). Thus not only companies and corporations get "subsidies", but also the schools. This is done to bypass procurement legislation because in the past, when funding for general education was classified under "procurement of goods and services" the GoA was supposed to disburse funds according to the Law on Procurement. Thus, some "subsidies" in the Armenian budget are not "subsidies" in the true economic meaning of that word.

Government Reviewer

Opinion: Agree

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

(The core information must include a statement of purpose or policy rationale for the quasi-fiscal activity and the intended beneficiaries.)

GUIDELINES:

Question 38 focuses on quasi-fiscal activities, asking whether "core" information related to such activities is presented. These core components include:

- A statement of purpose or policy rationale for the quasi-fiscal activity (i.e., what is the reason for engaging in this activity?);
- The identification of intended beneficiaries of the quasi-fiscal activity.

The term "quasi-fiscal activities" refers to a broad range of activities that are fiscal in character and could be carried out through the regular budget process but are not. For example, a quasi-fiscal activity could take place if, instead of providing a direct subsidy through the budget for a particular activity, a public financial institution provides an indirect subsidy by offering loans at below-market rates for that activity. Similarly, it is a quasi-fiscal activity when an enterprise provides goods or services at prices below commercial rates to certain individuals or groups to support the government's policy goals.

The above examples are policy choices that may be approved by the government and legislature. However, quasi-fiscal activities can also involve activities that violate or circumvent a country's budget process laws or are not subject to the regular legislative approval process for expenditures. For example, the executive may issue an informal order to a government entity, such as a public commercial enterprise, to provide the executive with goods and services that normally would have to be purchased with funding authorized by the legislature. All quasi-fiscal activities should be disclosed to the public and subject to public scrutiny.

Beyond the core information, some governments may also provide other information about quasi-fiscal activities, including for example: the anticipated duration of the quasi-fiscal activity; a quantification of the activity and the assumptions that support these estimates; and a discussion of the fiscal significance and potential risks associated with the activity, including the impact on the entity carrying out the activity. Principle 3.3.2 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>) provides examples of quasi-fiscal activities that can be consulted as needed. And more details on quasi-fiscal activities can be found in the Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to all quasi-fiscal activities for at least the budget year as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to quasi-fiscal activities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on quasi-fiscal activities.

If quasi-fiscal activities do not represent a significant problem in your country, please mark "e." However, please exercise caution in answering this question.

Answer:

d. No, information related to quasi-fiscal activities is not presented.

Source:

Budget Message with its appendices and attached tables

Comment:

Answer D) is chosen, because there is neither explicit statement of purpose or policy rationale for the quasi-fiscal activity, nor identification of intended beneficiaries of the quasi-fiscal activity.

Note that IMF Fiscal Transparency Evaluation (p70) mentions that QFAs between public corporations and state are not disclosed.
<https://www.imf.org/external/pubs/ft/scr/2019/cr19134.pdf>

At the same time, in the "Estimates of Fiscal Risks Related to the Activities of Organizations Performing in the Infrastructure Areas (Energy, Transportation and Water Management)" section of the "Analyzes" separate part of the Budget Message rather detailed analysis of fiscal risks can point to possible quasi-fiscal activities related to the organizations discussed in that section.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

39. Does the Executive's Budget Proposal or any supporting budget documentation present information on financial assets held by the government for at least the budget year?

(The core information must include a listing of the assets, and an estimate of their value.)

GUIDELINES:

Question 39 focuses on financial assets held by the government, asking whether "core" information related to these assets is presented. These core components include:

- *A listing of the financial assets; and*
- *An estimate of their value.*

Governments own financial assets such as cash, bonds, or equities. Unlike private sector businesses, however, few governments maintain balance sheets that show the value of their assets and liabilities.

Beyond the core information, some governments may also provide other information about financial assets, including for example: a discussion of their purpose; historical information on defaults; differences between reported values and market values; and a summary of financial assets as part of the government's balance sheet.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year all of the core information related to all financial assets held by the government as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to financial assets is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on financial assets held by the government.

Answer:

d. No, information related to financial assets is not presented.

Source:

Comment:

In the Budget Message in the discussion on the sources for financing the deficit of state budget (see sub-section "Sources for financing state budget deficit" of section "Levels of State Budget Deficit and Debt" of Chapter 2B "Forecasts of Fiscal Indicators") it is stated that in 2021 net inflows from financial assets are estimated to be equal to 145.4 bln AMD (see p. 110 of the Budget Message). This is not sufficient to score this Question higher, than d), as this indicator is looking at the expected stock of financial assets held during budget year.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion:

40. Does the Executive's Budget Proposal or any supporting budget documentation present information on nonfinancial assets held by the government for at least the budget year?

(The core information must include a listing of the assets by category.)

GUIDELINES:

Question 40 focuses on nonfinancial assets held by the government, asking whether "core" information related to these assets is presented. The core information is a listing of nonfinancial assets, grouped by the type (or category) of asset.

Nonfinancial assets are things of value that the government owns or controls (excluding financial assets) such as land, buildings, and machinery. The valuation of public nonfinancial assets can be problematic, particularly in cases where the asset is not typically available on the open market (such as a government monument). In these cases, it is considered acceptable to provide summary information in budget documents from a country's register of assets. But, in some cases, governments are able to value their nonfinancial assets; some present a summary of nonfinancial assets as part of their balance sheets. For an example of how nonfinancial assets are presented in one of the many supporting documents to the New Zealand Executive's Budget Proposal, see the Forecast Financial Statement 2011, Notes to the Financial Statements (Continued), Note 14, accessible here: <https://treasury.govt.nz/sites/default/files/2011-05/befu11-pt6of8.pdf>.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year a listing by category of all nonfinancial assets held by the government as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to nonfinancial assets is presented, but some nonfinancial assets are not included. Answer "d" applies if no information is presented on nonfinancial assets held by the government.

Answer:

c. Yes, information is presented, but it excludes some nonfinancial assets.

Source:

Budget Message with its appendices and attached tables

Comment:

Discussion on non-financial assets is presented in the Budget Message and core information on them is available in some tables attached to the Budget Message. All information on non-financial assets presented in the Budget Message is of non core character. Information related to non-financial assets available in the Budget Message shows:

- a) total volume of transactions with non-financial assets and its share in GDP for 2017-2021 (see Table 2.1 on p. 90 and Table 1 on p. 107, Table 11 and Figure 2 on p. 124 of the Budget Message);
- b) level of compliance of the actual and planned fiscal policy to fiscal rules for 2019-2021 (see Table 2.4 on p. 102 of the Budget Message);
- c) comparative table of forecasts of expenditures on net non-financial assets in the state budget for 2019-2021 (see Table 2.5.5 on pp. 105-106 of the Budget Message);
- d) composition of resources (internal and external) for financing of expenditures on non-financial assets for 2017-2021 (see Figure 4 on p. 128 of the Budget Message);
- e) same as for point d) and by areas (see Table 14 on pp. 129-130 of the Budget Message).

At the same time, core information (listing of nonfinancial assets, grouped by the type (or category) of asset) is presented only for three areas, though, as it can be seen in the above mentioned Table 14, the number of such areas is much more. Those areas are territorial administration and infrastructure (see Table 12 attached to the Budget Message), environment and agriculture (see Table 15 attached to the Budget Message) and State Revenue Service (see Table 16 attached to the Budget Message).

As it can be seen, core information on non-financial assets is available only for three state institutions mentioned above, which is only a small part of the institutions whose non-financial assets are listed in Table 14 of the Budget Message.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

41. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure arrears for at least the budget year?

GUIDELINES:

Question 41 asks about estimates of expenditure arrears, which arise when government has entered into a commitment to spend funds but has not made the payment when it is due. (For more information see sections 3.49-3.50 of the IMF's GFS Manual 2001, <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf> (page 29)). Though equivalent to borrowing, this liability is often not recorded in the budget, making it difficult to assess fully a government's financial position. Moreover, the obligation to repay this debt affects the government's ability to pay for other activities.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all expenditure

arrears and a narrative discussing the arrears. If a narrative discussion is not included, but estimates for all expenditure arrears are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, expenditure arrears (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of expenditure arrears are presented. Answer "d" also applies if information is only available for the changes in arrears, and not the stock or balance of arrears.

If expenditure arrears do not represent a significant problem in your country, please mark "e." However, please exercise caution in answering this question. Public expenditure management laws and regulations often will allow for reasonable delays, perhaps 30 or 60 days, in the routine payment of invoices due. Expenditure arrears impacting a small percentage of expenditure that are due to contractual disputes should not be considered a significant problem for the purpose of answering this question.

Answer:

e. Not applicable/other (please comment).

Source:

Comment:

Not applicable. There is no mentioning of arrears in the EBP. Most probably, this problem currently does not exist in Armenia.

Peer Reviewer

Opinion: Agree

Comments: There were serious arrears problems in Armenia over 1999-2003 reflected in IMF documents. Since then the situation improved.

However, one cannot be sure that there is no problem with arrears because of poor accounting practices. E.g., schools (as an SNCO) present data about arrears of the budget towards schools in their financial reports. However, it is not clear from these reports whether these are the result of normal / ordinary operations of schools or something more.

Government Reviewer

Opinion: Agree

42. Does the Executive's Budget Proposal or any supporting budget documentation present information on contingent liabilities, such as government loan guarantees or insurance programs, for at least the budget year?

(The core information must include a statement of purpose or policy rationale for each contingent liability; the new guarantees or insurance commitments proposed for the budget year; and the total amount of outstanding guarantees or insurance commitments (the gross exposure) at the end of the budget year.)

GUIDELINES:

Question 42 focuses on contingent liabilities, asking whether "core" information related to these liabilities is presented. These core components include:

- a statement of purpose or policy rationale for each contingent liability;
- the new contingent liabilities for the budget year, such as new guarantees or insurance commitments proposed for the budget year; and
- the total amount of outstanding guarantees or insurance commitments at the end of the budget year. This reflects the gross exposure of the government in the case that all guarantees or commitments come due (even though that may be unlikely to occur).

Contingent liabilities are recognized under a cash accounting method only when the contingent event occurs and the payment is made. An example of such liabilities is the case of loans guaranteed by the central government, which can include loans to state-owned banks and other state-owned commercial enterprises, subnational governments, or private enterprises. Under such guarantees, government will only make a payment if the borrower defaults. Thus a key issue for making quantitative estimates of these liabilities is assessing the likelihood of the contingency occurring.

In the budget, according to the OECD, "[w]here feasible, the total amount of contingent liabilities should be disclosed and classified by major category reflecting their nature; historical information on defaults for each category should be disclosed where available. In cases where contingent liabilities cannot be quantified, they should be listed and described."

Beyond the core information, some governments may also provide other information about contingent liabilities, including for example: historical default rates for each program, and likely default rates in the future; the maximum guarantee that is authorized by law; any special financing associated with the guarantee (e.g., whether fees are charged, whether a reserve fund exists for the purpose of paying off guarantees, etc.); the duration of each guarantee; and an estimate of the fiscal significance and potential risks associated with the guarantees.

For more details on contingent liabilities, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and page 59 (Box 11) and Principle 3.2.3 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year all of the core information related to contingent liabilities as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional

information beyond the core elements is presented. A "c" answer applies if some information related to contingent liabilities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on contingent liabilities.

Answer:

c. Yes, information is presented, but it excludes some core elements or some contingent liabilities.

Source:

"Brief overview of comprehensive framework of specific fiscal risks" sub-section of the "Analyzes" part of the Budget Message

Comment:

Assessment of specific fiscal risks emerging as a result of materialization of contingent liabilities or uncertain events is carried out in the "Brief overview of comprehensive framework of specific fiscal risks" sub-section of the "Analyzes" part of the Budget Message (see pp. 260-268). This assessment includes also information relevant to policy rationale for contingent liabilities and uncertain events.

Specifically, only those contingent liabilities are assessed, which stem from the concession or lease agreements signed with three companies in the framework of public-private partnerships (PPP) - see pp. 263-267.. This was done because the occurrence of COVID-19 pandemic changed the status of fiscal risks of the contingent liabilities stemming from the mentioned agreements from low or middle to middle or high. These three companies are South Caucasian Railway cjsc, Armenia International Airports cjsc and Veolia Water cjsc. With first two companies Armenian Government signed concession agreement and with the third one - lease agreement. Maximum sizes of possible contingent liabilities for each of the three agreements are derived from the mentioned assessment (96.9 bln AMD for South Caucasian Railway cjsc, 73.6 bln AMD for Veolia Water cjsc and 12 bln AMD for Armenia International Airports cjsc).

Score C seems most accurate as only the risks associated with liabilities for the fiscal year are given.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

43. Does the Executive's Budget Proposal or any supporting budget documentation present projections that assess the government's future liabilities and the sustainability of its finances over the longer term?

(The core information must cover a period of at least 10 years and include the macroeconomic and demographic assumptions used and a discussion of the fiscal implications and risks highlighted by the projections.)

GUIDELINES:

Question 43 focuses on government's future liabilities and the sustainability of its finances over the longer-term, asking whether "core" information related to these issues is presented. These core components must include:

- *Projections that cover a period of at least 10 years.*
- *The macroeconomic and demographic assumptions used in making the projections.*
- *A discussion of the fiscal implications and risks highlighted by the projections. Good public financial management calls for budgets to include fiscal sustainability analyses.*

The IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>) recommends that governments regularly publish the projected evolution of the public finances over the longer term (see Principle 3.1.3). Future liabilities are a particularly important element when assessing the sustainability of public finances over the long term. Future liabilities are the result of government commitments that, unlike contingent liabilities, are virtually certain to occur at some future point and result in an expenditure. A typical example consists of government obligations to pay pension benefits or cover health care costs of future retirees. Under a cash accounting system, only current payments associated with such obligations are recognized in the budget. To capture the future impact on the budget of these liabilities, a separate statement is required.

Beyond the core information, some governments may also provide other information about the sustainability of their finances, including for example: projections that cover 20 or 30 years; multiple scenarios with different sets of assumptions; assumptions about other factors (such as the depletion of natural resources) that go beyond just the core macroeconomic and demographic data; and a detailed presentation of particular programs that have long time horizons, such as civil service pensions.

For more details on future liabilities, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to future liabilities and the sustainability of government finances over the longer term as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements

is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to future liabilities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on future liabilities and the sustainability of government's finances

Answer:

d. No, information related to future liabilities and the sustainability of finances over the longer term is not presented.

Source:

Comment:

Such information is not present in documents constituting EBP.

Peer Reviewer

Opinion: Agree

Comments: The issue of mandatory and discretionary expenditures is very important one. Apparently the share of mandatory expenditures increased in recent years. However, information is not disclosed and is not publicised.

Government Reviewer

Opinion: Agree

44. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of the sources of donor assistance, both financial and in-kind, for at least the budget year?

GUIDELINES:

Question 44 asks about estimates of donor assistance, both financial and in-kind assistance. Such assistance is considered non-tax revenue, and the sources of this assistance should be explicitly identified. In terms of in-kind assistance, the concern is primarily with the provision of goods (particularly those for which there is a market that would allow goods received as in-kind aid to be sold, thereby converting them into cash) rather than with in-kind aid like advisors from a donor country providing technical assistance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all donor assistance and a narrative discussing the assistance. If a narrative discussion is not included, but estimates for all donor assistance are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, donor assistance (regardless of whether it also includes a narrative discussion). Answer "c" also applies if the sources of donor assistance are not presented, but the total amount of donor assistance is presented as a single line item. Answer "d" applies if no estimates of donor assistance are presented. Select answer "e" if your country does not receive donor assistance.

Answer:

a. Yes, estimates of all sources of donor assistance are presented, along with a narrative discussion.

Source:

Budget Message with its appendices and attached tables, and appendices of the draft Law on 2021 State Budget

Comment:

There is rather extensive narrative discussion on donor assistance to Armenia in the form of loans, credits and grants. They are discussed in: a) Part 1A (Major Directions of Social-Economic Development and Fiscal Policy in 2021), in particular, in the areas of energy and natural resources management, water management, and state revenues administration; b) Part 2B (Forecasts for Fiscal Indicators) in the discussion on the sources of state budget deficit financing; c) Part 3A (Forecasts for Revenues); and d) Part 3B (Forecasts for Expenditures), in particular related to priorities on capital expenditures and new initiatives, and expenditures by administrative units (chief budget managers). In addition, in the "Analyzes" part of the Budget Message foreign loans and credits are discussed in the context of covering the state budget deficit.

Also, the quantitative characteristics of foreign loans, credits and grants are presented in the form of tables and figures. They are presented both in the text of the Budget Message, its appendices and attached tables, as well as appendices of the draft of the Law on 2021 State Budget. In the text of the Budget Message those are Table 2 (Expected External Support in 2021 by Types of Support) on p. 109, Table 4 (Sources of Financing of State Budget Deficits in 2017-2021) on p. 111, Figure 6 (Share of the Financing through Loans, Credits and Grants in GDP and in Total Expenditures in 2017-2021) and Table 18 (Expenditures Financed through Means Expected To Be Received in 2021 from External Sources) both on p. 135, table and figure (not numbered) of the composition of the types of sources used to serve the government debt on pp. 234-235. Quantitative information on foreign support available in the appendices of the Budget Message are in Appendix 1 (Expenditures on expenditure programs and actions by economic classification in the 2021 state budget), Appendix 2 (Expenditures on expenditure programs and actions by functional classification in the 2021 state budget) and tables of Appendix 3 on financing of the state budget deficit. Similar information in the appendices of the draft of the Law on 2021 State Budget is available in Table 2 of Appendix 1 (Expenditures on expenditure programs and actions by state bodies in the 2021 state budget), Table 4 of Appendix 1 (Expenditures on Loan Programs and Actions Implemented through the Support of Foreign States and International Organizations in 2021) and Table 5 of Appendix 1 (Expenditures on Grants Implemented through the Support of Foreign States and International Organizations in 2021).

Finally, Appendix 4 of the Budget Message contains narrative description of loan programs included in the draft of Law on 2021 State Budget and to be implemented in 2021 with the support of foreign countries and international organizations.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

45. Does the Executive's Budget Proposal or any supporting budget documentation present information on tax expenditures for at least the budget year?

(The core information must include a statement of purpose or policy rationale for each tax expenditure, the intended beneficiaries, and an estimate of the revenue foregone.)

GUIDELINES:

Question 45 focuses on tax expenditures, asking whether "core" information related to these tax preferences is presented. These core components must include for both new and existing tax expenditures:

- a statement of purpose or policy rationale;
- a listing of the intended beneficiaries; and
- an estimate of the revenue foregone.

Tax expenditures arise as a result of exceptions or other preferences in the tax code provided for specified entities, individuals, or activities. Tax expenditures often have the same impact on public policy and budgets as providing direct subsidies, benefits, or goods and services. For example, encouraging a company to engage in more research through a special tax break can have the same effect as subsidizing it directly through the expenditure side of the budget, as it still constitutes a cost in terms of foregone revenues. However, expenditure items that require annual authorization are likely to receive more scrutiny than tax breaks that are a permanent feature of the tax code.

*Beyond the core information, some governments may also provide other information about tax expenditures, including for example: the intended beneficiaries by sector and income class (distributional impact); a statement of the estimating assumptions, including the definition of the benchmark against which the foregone revenue is measured; and a discussion of tax expenditures as part of a general discussion of expenditures for those program areas that receive both types of government support (in order to better inform policy choices). For more details on tax expenditures, see *Guide to Transparency in Public Finances: Looking Beyond the Core Budget* (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and Principle 1.1.4 of the IMF's *Fiscal Transparency Handbook* (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).*

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, all of the core information related to tax expenditures as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to tax expenditures is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on tax expenditures.

Answer:

a. Yes, information beyond the core elements is presented for all tax expenditures.

Source:

Budget Message

Comment:

Extensive discussion on tax expenditures, including its concept, definition (the Law on Budgetary System of Armenia does not foresee it), framework of application, rationale for their reporting, importance of their estimate, chosen methodology for their estimate (last part of the section (pp. 278-282) presents the methodology in detail), best international practices, etc., is presented in the Section 5 (Analysis of the Tax Expenditures Estimates for 2021) of the "Analyses" Part of the Budget Message (see pp. 269-283).

Besides that there is a statement in the "Revenue policy area" sub-section of the "Major directions of social-economic development and fiscal policy in 2021" section of Part 1A (On the Major Directions of Social-Economic Development and Fiscal Policy) on p. 49 arguing that among the priority activities of the Government's tax policy in 2021 will be carrying out analyzes aimed at the reduction of tax expenditures.

At the same time, There are also detailed estimates of tax expenditures for all categories of taxes, which exist in Armenia and for which tax expenditures are applied. There is also estimate of tax expenditures for micro-businesses.

Peer Reviewer
Opinion: Agree

Government Reviewer

Opinion: Agree

46. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of earmarked revenues for at least the budget year?

GUIDELINES:

Question 46 asks about estimates of earmarked revenues, which are revenues that may only be used for a specific purpose (for example, revenues from a tax on fuel that can only be used for building roads). This information is important in determining which revenues are available to fund the government's general expenses, and which revenues are reserved for particular purposes.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all earmarked revenues and a narrative discussing the earmarks. If a narrative discussion is not included, but estimates for all earmarked revenues are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, earmarked revenues (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of earmarked revenues are presented. An "e" response applies if revenue is not earmarked or the practice is disallowed by law or regulation.

Answer:

e. Not applicable/other (please comment).

Source:

Budget Message with its appendices and attached tables, and appendices of the draft Law on 2021 State Budget

Comment:

Part 6 of Article 8 (Principles Underlying the Budgetary System) of the Law on Budgetary System of the Republic of Armenia defines that one of the principles underlying the budgetary system of Armenia is the principle of completeness of coverage of budget outflows (expenditures). This principle means that "all outflows of the budget shall be covered by its inflows. The inflows shall not have dependence from certain outflows, except the cases of receipt of targeted budget inflows or inflows of targeted budgetary funds established by law.". As currently no targeted budgetary funds are established, then, from the logic of this principle it is implied that the only exceptional cases of targeted budget inflows could be donor assistance in the form of loans, credits and grants. For donor assistance see the Comment on answer to Q44.

Peer Reviewer

Opinion: Agree

Comments: This issue needs further consideration. Mining and other companies make environmental payments. Part of the environment revenue is reallocated to 7 communities in 3 Marzes (regions) that are near the mine or the location where company operates. The 2021 budget appropriates AMD 524,328.0 thousands to Alaverdi, Odzun, Akhtala (in Lori Marz), Hrazdan (in Kotayk Marz), and Kajaran, Meghri, Kapan (in Syunik Marz).

Government Reviewer

Opinion: Agree

47. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for the budget year?

GUIDELINES:

Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget – that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-18 of New Zealand's 2011 Statement of Intent (<http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16>), one of the many documents supporting its budget.

In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.

Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.

Answer:

c. Yes, information that shows how the proposed budget is linked to some but not all of the government's policy goals for the budget year is presented.

Source:

Budget Message, its appendices and appendices of the draft Law on 2021 state Budget

Comment:

The Budget Message contains statements asserting about the links between the proposed budget and Government's policy goals defined in the 2019-2023 Action Plan of the Government's Activities, as well as strategies adopted by the Government in different areas. However, there are no specific estimates showing those links and narrative discussions on them, making those statements of pure declarative nature. Besides that Table 2 (2021 State Budget Expenditures by Programs and Actions of State Bodies) of Appendix 1 of the draft Law on the 2021 State Budget shows expenditures planned for the implementation of some strategies. The same is available in Appendix 1 (Expenditures of Expenditure Programs and Actions of the 2021 State Budget by Economic Classification) of the Budget Message, but through economic classification. At the same time, such links cannot be found between the proposed state budget Government 2019-2023 Action Plan or all strategies, which are currently in effect, as a result of which the answer for this question is chosen c).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: In progress to cover all programs in 2022

48. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for a multi-year period (for at least two years beyond the budget year)?

GUIDELINES:

Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget – that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-18 of New Zealand's 2011 Statement of Intent (<http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16>), one of the many documents supporting its budget.

In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.

Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.

Answer:

d. No, information on the link between the budget and the government's stated policy goals for a multi-year period is not presented.

Source:

Budget Message, its appendices and appendices of the draft Law on 2021 state Budget

Comment:

The mentioned in the Comment on answer to Q47 statements of declarative character in the Budget Message can be attributed to the years beyond the budget year, as the Government 2019-2023 Action Plan of Activities and mentioned in the Budget Message strategies in different areas will be in effect in the coming years, as well. At the same time the mentioned in the same Comment appendices show only expenditures for 2021. Considering this, answer d) is chosen.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The draft Law on 2022 state budget in narrative presents the linkage between budget programs and RA Government program for 2021-2026

49. Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on inputs to be acquired for at least the budget year?

GUIDELINES:

Question 49 asks about the availability of nonfinancial data on inputs for the budget year. (Nonfinancial data on outputs and outcomes are addressed in Question 50.)

The budget should disclose not only the amount of money that is being allocated on a program but also any information needed to analyze that expenditure. Nonfinancial data and performance targets associated with budget proposals are used to assess the success of a given policy. For example, even when allocated funds are spent according to plan, there remains the question of whether the policy delivered the results that it aimed to achieve.

Nonfinancial data can include information on:

Inputs - These are the resources assigned to achieve results. For example, in regards to education, nonfinancial data on inputs could include the number of books to be provided to each school or the materials to be used to build or refurbish a school.

Outputs - These are products and services delivered as a result of inputs. For example, the number of pupils taught every year; the number of children that received vaccines; or the number of beneficiaries of a social security program.

Outcomes - These are the intended impact or policy goals achieved. For example, an increase in literacy rates among children under 10, or a reduction in rates of maternal mortality.

In addition, governments that set performance targets must use nonfinancial data for outputs and outcomes to determine if these targets have been met.

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on inputs for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on inputs for each individual program is organized by functions. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on inputs for all administrative units or all functions, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on inputs are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on inputs is presented.

Answer:

d. No, nonfinancial data on inputs are not presented.

Source:

Tables 2, 2a and 2b attached to the Explanatory Note of the Budget Message

Comment:

Tables 2, 2a and 2b (file 6.0.Աղյուսակ_N2,N2.N2Ա_թվաքանակ, ավտոմեքենա.xls) attached to the Explanatory Note of the Budget Message show maintenance services, staff and vehicles used by state bodies, which can be considered as inputs. Answer D) is chosen as these inputs are not linked neither to programs or administrative units.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: e. Not applicable/other (please comment).

Comments: Non-financial data on inputs are provided for each measure of budget programs.

IBP Comment

Thanks to the reviewers. Indicators are scored E in rare, unique circumstances if the situation does not apply. In this case, the score remains D.

50. Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on results (in terms of outputs or outcomes) for at least the budget year?

GUIDELINES:

Question 50 asks about the availability of nonfinancial data on results for the budget year. Nonfinancial data on results can include data on both outputs and

outcomes, but not on inputs (which are addressed in Question 49).

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on results for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on results for each individual program is organized by functional classification. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on results for all administrative units or all functional classifications, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on results are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on results is presented.

Answer:

a. Yes, nonfinancial data on results are provided for each program within all administrative units (or functions).

Source:

Appendices 3 and 14 of the Budget Message

Comment:

Starting from FY 2019 Armenia switched to program budgeting format of annual budgets. For each state body, who receives funds from the state budget for its expenditures (these units are called principal or chief budgetary managers), shall spend its funds through budgetary programs and each budgetary program consists of actions (measures). To measure the level of implementation of each action, output and outcome indicators are defined and both in IYRs and EYR their factual values are displayed to reveal the level of achievement of the goals of the state body's budgetary programs.

Appendix 3 of the Budget Message presents all output and outcome indicators with their performance target values for all actions of all programs of the 2019 (factual), 2020 (planned) and 2021 (forecasted) state budgets. Appendix 14 of the Budget Message presents the baseline and target values of final results' performance indicators for all budgetary programs of 2021 state budget.

Peer Reviewer

Opinion: Agree

Comments: Although Armenia switched to program budgeting in 2019 the approach is very formalistic. That is, although non-financial outcome and output indicators are included in budget documents neither the GoA nor the Parliament does not consider them seriously. E.g., since 2019 the outcome for general education for the next year is 99% enrolment of children at three levels of education. The same target is in the draft budget for 2022. However, according to Statistical Committee of Armenia the enrolment at first two levels of general education varies at around 90-93% while at high school level it is much lower. Nobody in the GoA or in the Parliament ever challenged the inclusion of such outcome indicator in the budget.

Government Reviewer

Opinion: Agree

IBP Comment

We acknowledge reviewers comments about the lack of reliability of non-financial data. OBS, however, is only able to assess availability of information in this round.

51. Are performance targets assigned to nonfinancial data on results in the Executive's Budget Proposal or any supporting budget documentation?

GUIDELINES:

Question 51 asks about performance targets assigned to nonfinancial data on results for the budget year. The question applies to those nonfinancial results shown in the budget, and that were identified for purposes of Question 50.

To answer "a," the Executive's Budget Proposal or supporting documentation must assign performance targets to all nonfinancial data on results shown in the budget for at least the budget year. To answer "b," the Executive's Budget Proposal or supporting documentation must assign performance targets to a majority (but not all) of the nonfinancial data on results shown in the budget. A "c" response applies performance targets are assigned only to less than half of the nonfinancial data on results. Answer "d" applies if no performance targets are assigned to nonfinancial data on results shown in the budget, or the budget does not present nonfinancial results.

Answer:

a. Yes, performance targets are assigned to all nonfinancial data on results.

Source:

Appendices 3 and 14 of the Budget Message

Comment:

See Comment to answer of Q50.

Peer Reviewer
Opinion: Agree
Comments: see comment to answer Q50

Government Reviewer
Opinion: Agree

52. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations in at least the budget year?

GUIDELINES:

Question 52 asks whether the budget highlight policies, both new and existing, that benefit the poorest segments of society. This question is intended to assess only those programs that directly address the immediate needs of the poor, such as through cash assistance programs or the provision of housing, rather than indirectly, such as through a stronger national defense. This information is of particular interest to those seeking to bolster government's commitment to anti-poverty efforts. For purposes of answering this question, a departmental budget (such as the Department of Social Welfare) would not be considered acceptable. In general, this question is asking whether the EBP includes a special presentation that pulls together estimates of all the relevant policies in one place. However, if the country uses "program budgeting," where programs are presented as expenditure categories with specific and identified objectives, and it identifies anti-poverty programs within each administrative unit, then that is also acceptable for this question.

The IBP Budget Brief, "How Transparent are Governments When it Comes to Their Budget's Impact on Poverty and Inequality?" (<https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf>) includes a discussion of countries that have provided information on how its policies affect the poor.

For instance, Pakistan provides a detailed breakdown of pro-poor expenditure as part of its 2017-18 budget proposal. In one document, the government sets out policy priorities, expected outputs, and estimates of past and future spending for several programs aimed at poverty alleviation. Another supporting document provides a comprehensive overview of ongoing policies, including a chapter on social safety nets, covering both financial and performance information of poverty alleviation schemes over a period of eight years. (http://www.finance.gov.pk/budget/mtbf_2018_21.pdf and http://www.finance.gov.pk/survey_1718.html).

To answer "a," the Executive's Budget Proposal or supporting documentation must for at least the budget year both present estimates covering all policies that are intended to benefit the most impoverished populations and include a narrative discussion that specifically addresses these policies. (For countries using program budgeting that breaks out individual anti-poverty programs, there should be a separate narrative associated with each such program.) Answer "b" if a narrative discussion is not included, but estimates for all policies that are intended to benefit the most impoverished populations are presented. Answer "c" if the presentation includes estimates covering only some, but not all, policies that are intended to benefit the most impoverished populations (regardless of whether it also includes a narrative discussion). Answer "d" if no estimates of policies that are intended to benefit the most impoverished populations are presented.

Answer:

b. Yes, estimates of all policies that are intended to benefit directly the country's most impoverished populations are presented, but a narrative discussion is not included.

Source:

Budget Message and its Appendix 3 and Table 2 of Appendix 1 of the draft of the Law on 2021 State Budget

Comment:

There is some narrative discussion on some policies intended to benefit the poor (in the Budget Message it is used the term "socially vulnerable"). This discussion is limited to the area "Labor and social protection" of the Part 1A (On the Main directions of Social-Economic Development and Fiscal Policy) and expenditure forecasts for the Ministry of Health and Ministry of Labor and Social Issues in Part 3A (Expenditures Forecasts). In the latter there are described the specific budgetary programs whose benefactors are socially vulnerable citizens and their families. Also, it is worth mentioning that all mentioned programs are in place since 2019 and there are no new programs for socially vulnerable citizens.

Appendix 3 (3.0.Հավելված_ՈՅ.Արդյունքային_ցուցանիշ.DOC3.xls) of the Budget Message includes budgetary programs, whose direct benefactors are socially vulnerable citizens and their families. Those are one program of the Ministry of Health (see Program N 1207 (Medical care for socially vulnerable individuals and individuals from separate groups) with Actions N 11001 (Medical care services for the individuals involved in the socially vulnerable groups and certain separate groups) and N 11002 (Services of dental medical care), and, two programs of the Ministry of Labor and Social Issues (see Programs N 1011 (Support to socially vulnerable groups and Program N 1141 (Support to families, women and children)). In the Program N 1011 actions targeting socially vulnerable population are Action 10011 (Ensuring the implementation of benefits aimed at increasing the living standards of families), Action 11003 (Acquisition of services of social case management) and Action N 12001 (Benefits aimed at increasing the living standards of families), and in the Program N 1141 it is Action N 11005 (Boarding care services for children). The same information, but without displaying the output and outcome performance indicators is available in Table 2 of Appendix 1 (1.Հավելված ՈՅ աղյուսակ ՈՅ. Ամփոփ ըստ ծրագրերի.xls) of the draft Law on 2021 State Budget.

Score B seems most accurate as estimates of all policies that are intended to benefit directly the country's most impoverished populations are presented, but narratives of some of them are missing.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

53. Does the executive release to the public its timetable for formulating 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 whatever central government agency is in charge of coordinating the budget's formulation)?

GUIDELINES:

Question 53 asks about the budget timetable. An internal timetable is particularly important for the executive's management of the budget preparation process, in order to ensure that the executive accounts for the views of the different departments and agencies in the proposed budget. The timetable would, for instance, set deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. So that civil society is aware of the various steps in the budget formulation process, and when opportunities may exist to engage the executive, it is essential that this timetable be made available to the public.

To answer "a," the executive must prepare a detailed budget timetable and release it to the public. A "b" answer applies if the timetable is made public, but some details are not included. A "c" response applies if the timetable is made public, but many important details are excluded, reducing its value for those outside government. Answer "d" applies if no timetable is made available to the public. As long as a timetable for formulating the Executive's Budget Proposal is released, answer "a," "b," or "c" may be selected, even if the Executive's Budget Proposal is not made publicly available.

Answer:

a. Yes, a detailed timetable is released to the public.

Source:

Legal Information System of Armenia - <http://arlis.am>

Comment:

According to Part 4 of Article 6 (The Budgetary Process) of the Law on Budgetary System of the Republic of Armenia, the budgetary process starts on the day of adoption of Prime-Minister's Decision on the start of the budgetary process of that budget year, compliant to Part 1 of Article 21 of the same Law, and ends on the day of the adoption of the budget execution report of that same budget year. The whole budgetary process is regulated in detail (including preparation of EBP and its submission to the Parliament) by Article 21 (Drafting of the State Budget) of the same Law. In particular, the budgetary process for 2021 state budget started by January 9, 2020 Prime-Minister's Decision N 5-A (entered into effect on January 10, 2020). The appendix to that Decision presents detailed calendar of the budgetary process.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

54. Does the Pre-Budget Statement present information on the macroeconomic forecast upon which the budget projections are based?

(The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)

GUIDELINES:

Question 54 focuses on the macroeconomic forecast that underlies the Pre-Budget Statement, asking whether "core" information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:

- *nominal GDP level;*
- *inflation rate;*
- *real GDP growth; and*
- *interest rates.*

Beyond these core elements, some governments also provide additional information related to the economic outlook, including for instance: short- and long-term interest rates; the rate of employment and unemployment; GDP deflator; price of oil and other commodities; current account; exchange rate; and composition of GDP growth.

To answer "a," the Pre-Budget Statement must present all of the core information related to the macroeconomic forecast as well as some additional

information beyond the core elements. To answer “b,” the Pre-Budget Statement must present all of the core components noted above. Answer “b” is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A “c” answer applies if some information related to the macroeconomic forecast is presented, but some of the core pieces of information are not included. Answer “d” applies if no information on the macroeconomic forecast is presented.

Answer:

a. Yes, information beyond the core elements is presented for the macroeconomic forecast.

Source:

“2021-2023 State Midterm Expenditure Program” on https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsragre/

Comment:

Table 1.1 (see pp. 8-9) in Section 1.1 (Macroeconomic Summary and Framework) of Chapter 1 (Macroeconomic Developments and Forecasts) of Part I (Fiscal Policy) of 2021-2023 MTEF displays several main macroeconomic indicators (factual and estimates) for the 2017-2023 period (factual for 2017-2019, expected for 2020, planned for 2021 and forecasts for 2022-2023). Among these indicators are nominal GDP level, inflation rate (by the end of the year and average for each year), GDP deflator growth, real GDP growth, as well as real GDP growth by sectors of economy (industry, agriculture, construction, services and net taxes), real growth of expenditure components of GDP (final consumption, investments into fixed assets, exports, imports), external sector (current account, balance of services and goods, exports, imports with their changes), money transfers and the share of mentioned components of external sector in GDP. The mentioned chapter (pp. 6-32) also contains discussion on these indicators, as well as assumptions on which forecasts are based, risks of macroeconomic forecasts, risks identified for macroeconomic forecasts and comparisons between forecasts of this MTEF and previous one (2020-2022). There is also discussion on interest rates (see sub-section 1.3.5 – Inflation and monetary policy – on pp. 21-22).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

55. Does the Pre-Budget Statement present information on the government’s expenditure policies and priorities that will guide the development of detailed estimates for the upcoming budget?

(The core information must include a discussion of expenditure policies and priorities and an estimate of total expenditures.)

GUIDELINES:

Question 55 focuses on the government’s expenditure policies and priorities in the Pre-Budget Statement, asking whether “core” information related to these policies is presented. These core components include:

- a discussion of expenditure policies and priorities; and
- an estimate of total expenditures.

Although a Pre-Budget Statement is unlikely to include detailed programmatic proposals (such detailed information is typically only presented in the budget itself), it should include a discussion of broad policy priorities and a projection of at least total expenditures associated with these policies for the budget year. The Pre-Budget Statement can include some detail, for instance, estimates provided by any of the three expenditure classifications – by administrative, economic, and functional classifications.

To answer “a,” the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government’s expenditure policies and priorities as well as some additional information beyond the core elements. To answer “b,” the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer “b” is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A “c” answer applies if some information related to the government’s expenditure policies and priorities is presented, but some of the core pieces of information are not included. Answer “d” applies if no information on the government’s expenditure policies and priorities is presented.

Answer:

a. Yes, information beyond the core elements is presented for the government’s expenditure policies and priorities.

Source:

“2021-2023 State Midterm Expenditure Program” and its “MTEF appendices” on https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsragre/

Comment:

2021-2023 MTEF contains rather detailed discussion on government’s expenditure policies and priorities, as well as estimates of not only total expenditures, but also expenditures by sectors, areas, etc. Different aspects and directions of government’s expenditure policies and priorities are

available in four out of five sections of Chapter 4 (Budget Framework). These sections are Sections 4.2 (Forecasted in 2021-2023 Changes in the Package of Resources and Expenditures of the State Budget – pp. 59-60), 4.3 Forecast of Forecasts of Expenditures in 2021-2023 State Budgets by Sectors – pp. 60-65), 4.4 (Forecasted Changes by Economic Classification – pp. 65-71) and 4.5 (Priorities on Capital Expenditures and New Initiatives in 2021-2023 MTEF – pp. 71-72).

The whole Part II of 2021-2023 MTEF (Strategy of Expenditure Policy: Expenditure Priorities in 2021-2023 State Budgets – pp.73-129) discusses policies, policy targets and priorities by each of 14 areas, estimated volumes of expenditures for each area and for each year, as well as budgetary programs of each area.

Finally, Appendices 1 (1. ՀավելվածN1_ԲԳԿ_Ծրագիր.xls), 2 (2.Հավելված_N2_Տնտեսագիտակա.դաս..xlsx) and 3 (3.Հավելված_N3_գործառնական.xls) in “MTEF Appendices” show the expenditures by administrative (and by programs), economic and functional classifications, respectively.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

56. Does the Pre-Budget Statement present information on the government’s revenue policies and priorities that will guide the development of detailed estimates for the upcoming budget?

(The core information must include a discussion of revenue policies and priorities and an estimate of total revenues.)

GUIDELINES:

Question 56 focuses on the government’s revenue policies and priorities in the Pre-Budget Statement, asking whether “core” information related to these policies is presented. These core components include:

- a discussion of revenue policies and priorities; and
- an estimate of total revenue.

Although a Pre-Budget Statement is unlikely to include detailed revenue proposals, it should include a discussion of broad policy priorities and a projection of at least the total revenue associated with these policies for the budget year. The Pre-Budget Statement can also include more detail, for instance, with estimates provided by revenue category – tax and non-tax – or some of the major individual sources of revenue, such as the Value Added Tax or the income tax.

To answer “a,” the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government’s revenue policies and priorities as well as some additional information beyond the core elements. To answer “b,” the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer “b” is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A “c” answer applies if some information related to the government’s revenue policies and priorities is presented, but some of the core pieces of information are not included. Answer “d” applies if no information on the government’s revenue policies and priorities is presented.

Answer:

a. Yes, information beyond the core elements is presented for the government’s revenue policies and priorities.

Source:

“2021-2023 State Midterm Expenditure Program” on https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsrage/

Comment:

Chapter 3 (Policy and Forecast of the Revenues of 2021-2023 State Budgets – pp.53-57) of Part I of 2021-2023 MTEF discusses the main goals, directions of the revenue policy, strategic goals and directions of tax and customs bodies (see Section 3.1 (Main characteristics of state revenue policies in 2021-2023) of the Chapter) and forecasts of the revenues of 2021-2023 state budgets (see Section 3.2 (Forecasts of the revenues of 2021-2023 state budgets) of the Chapter). Section 3.2 starts with stating the forecasts for total revenues for each year from 2021 to 2023 (1,669.9, 1,885.9 and 2,089.9 bln AMD, respectively). Table 3.2.1 shows factual (for 2017-2019), enacted (for 2020) and planned (for 2021-2023) revenues by sources of revenues (tax revenues and state fees aggregate, other revenues and official grants). For each there are presented their amounts, share in GDP and share in total revenues. Also, Table 3.2.2 shows forecasts of official grants for 2021-2023 by their two types (EU grants stemming from the EU-Armenia CEPA and other targeted grants) and Table 3.2.3 – forecasts of other revenues for 2021-2023 by their major types.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

57. Does Pre-Budget Statement present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

GUIDELINES:

Question 57 asks whether the Pre-Budget Statement includes three key estimates related to borrowing and debt:

- *the amount of net new borrowing needed in the upcoming budget year;*
- *the central government's total debt burden at the end of the upcoming budget year; and*
- *the interest payments on the outstanding debt for the upcoming budget year.*

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," the Pre-Budget Statement must present all three estimates of borrowing and debt for at least the upcoming budget year. For a "b" answer, the Pre-Budget Statement must present two of those three estimates. For a "c" answer, the PBS must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the PBS.

Answer:

a. Yes, all three estimates related to government borrowing and debt are presented.

Source:

"2021-2023 State Midterm Expenditure Program" and its "MTEF appendices" on https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsragre/

Comment:

Hypertexts "2021-2023 State Midterm Expenditure Program" and its "MTEF appendices" on https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsragre/

According to Part 1 of Article 12 of the Law on State Debt MTEFs shall include as their integral part a 3-year strategic program of the Government's debt management. Accordingly, 2021-2023 Strategic Program of the Government's Debt Management is the integral part of 2021-2023 MTEF (see pp. 131-167). The main discussion is presented in pp. 141-167 and Table 1.16 on p. 165 shows total debt outstanding at the end of the year, borrowing (together with loans) and interest payments for the year (factual for 2018-2019, enacted and forecasted for 2020 and forecasted for 2021-2023).

In addition, Appendix 4 of the 2021-2023 MTEF presents sources of financing of deficits of 2021-2023 state budgets by each of their elements, and among them net borrowing from internal (see lines 9-15) and external (see lines 28-32) sources.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

58. Does the Pre-Budget Statement present estimates of total expenditures for a multi-year period (at least two-years beyond the budget year)?

GUIDELINES:

Question 58 asks about multi-year expenditure estimates in the Pre-Budget Statement.

To answer "a," expenditure estimates for at least two years beyond the upcoming budget year must be presented. The estimates must be for at least total expenditures, but could include more detail than just the aggregate total.

Answer:

a. Yes, multi-year expenditure estimates are presented.

Source:

2021-2023 MTEF and its appendices on https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsrage/

Comment:

As in the Armenian case PBS is the MTEF, all information related not only to expenditures, but also revenues, debt and macroeconomic forecasts include 3-year, in this case 2021-2023 period. See also Comment on answer to Q55.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

59. Does the Enacted Budget present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 59 asks if expenditure estimates in the Enacted Budget are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," the Enacted Budget must present expenditure estimates by all three of the expenditure classifications. To answer "b," expenditure estimates must be presented by two of the three classifications. A "c" answer applies if expenditure estimates are presented by one of the three classifications. Answer "d" applies if expenditure estimates are not presented by any of the three classifications.

Answer:

a. Yes, the Enacted Budget presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

Page State Budget 2021 of the Website of the Ministry of Finance of Armenia - https://minfin.am/hy/page/petakan_byuje_2021t

Comment:

Enacted Budget (EB) consists of two documents - Budget Message and Law on 2021 State Budget. Expenditure estimates by economic and functional classification are presented in Appendices 1 and 2 of the Budget Message, and by administrative classification - in Table 2 of Appendix 1 of the Law on 2021 State Budget.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

59b. Based on the response to Question 59, check the box(es) to identify which expenditure classifications are included in the Enacted Budget:

Answer:
Administrative classification
Economic classification
Functional classification

Source:
Page State Budget 2021 of the Website of the Ministry of Finance of Armenia - https://minfin.am/hy/page/petakan_byuje_2021t

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

60. Does the Enacted Budget present expenditure estimates for individual programs?

GUIDELINES:

Question 60 asks if expenditure estimates in the Enacted Budget are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Enacted Budget must present all programs, which account for all expenditures, in the budget year. To answer "b," the Enacted Budget must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if the Enacted Budget presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Enacted Budget.

Answer:
a. Yes, the Enacted Budget presents estimates for programs accounting for all expenditures.

Source:
Page State Budget 2021 of the Website of the Ministry of Finance of Armenia - https://minfin.am/hy/page/petakan_byuje_2021t

Comment:
Table 2 of Appendix 1 (2.Հավելված N1 աղյուսակ N2. Ըստ ծրագրերի և միջոցառումների.xls) of the Law on 2021 State Budget presents expenditure estimates for all budgetary programs and their actions (measures).

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

61. Does the Enacted Budget present revenue estimates by category (such as tax and non-tax)?

GUIDELINES:

Question 61 asks whether revenue estimates in the Enacted Budget are presented by "category"— that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Enacted Budget must present revenue estimates classified by category.

Answer:

a. Yes, the Enacted Budget presents revenue estimates by category.

Source:

Page State Budget 2021 of the Website of the Ministry of Finance of Armenia - https://minfin.am/hy/page/petakan_byuje_2021t
Constitutional Law on the Procedures of the National Assembly of the Republic of Armenia in the Legal Information System of Armenia (<https://www.arlis.am/>)

Comment:

Chapter 20 (Articles 87-91) of the Constitutional Law on the Procedures of the National Assembly of the Republic of Armenia regulates the procedure of the adoption of the state budget. Analysis of its provisions reveals that Armenian National Assembly (Parliament) debates and adopts only the draft of the Law on State Budget. It does not directly debate the Budget Message (though there could be and were debated allocations to different state bodies or performance (output) indicators, which contain in the appendices and affiliated to the draft of the Budget Message) and it could be argued that the Budget Message (which is modified as a result of debates in NA and could be called "enacted" or approves Budget Message) is integral part of both EBP and EB. Therefore, comments on all answers of the Section 2, which discuss the Budget Message, apply also to answers on questions on EB. In particular, regarding the answer to this question, it should be referred to the comment on answer Q9.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

62. Does the Enacted Budget present individual sources of revenue?

GUIDELINES:

Question 62 asks whether revenue estimates for individual sources of revenue are presented in the Enacted Budget. The question applies to both tax and non-tax revenue.

To answer "a," the Enacted Budget must present all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Enacted Budget must present individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Enacted Budget presents individual sources of revenue that account for less than two-thirds of revenues. Answer "d" applies if individual sources of revenue are not presented.

Answer:

c. Yes, the Enacted Budget presents individual sources of revenue accounting for less than two-thirds of all revenues.

Source:

Hypertext ՀՀ կառավարության 2021 թվականի բյուջետային ուղերձ- բացատրագիր on the webpage State Budget 2021 of the Website of the Ministry of Finance of Armenia - https://minfin.am/hy/page/petakan_byuje_2021t

Comment:

All individual sources of other revenues and official grants are presented in Part III-A (Revenue Forecast) of EB's Budget Message (see pp. 118-122). In particular, Table 7 on p. 119 presents amounts of official grants by their sources, and Table 9 at pp. 120-121 - for each type of non-tax revenues, both tables for 2017-2019, planned for 2020 and forecast for 2021.

As it has been already mentioned in the comments to answers to questions related to EBP, in EBP's Budget Message individual sources for tax revenues are not presented. The same applies to EB's Budget Message. Based on this, the score of this question is c), as non-tax revenues and official grants, whose individual sources are presented, account for less than two-thirds of all revenues.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the Enacted Budget presents individual sources of revenue accounting for all revenue.

Comments: Individual sources of revenue accounting for all revenue are presented in Enacted Budget in accordance with RA Budgetary Law.

IBP Comment

Many thanks to the government for their comments. OBS follows its methodology which is based on international good practices to assess and score the indicators. While country laws are extremely important, OBS methodology serves as a standard benchmark for all 120 countries assessed. As such, even if disaggregation of revenue is as per RA Law on Budgetary System, it is limited compared to the GFS classification good practice (

63. Does the Enacted Budget present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

GUIDELINES:

Question 63 asks about three key estimates related to borrowing and debt:

- *the amount of net new borrowing required during the budget year;*
- *the total debt outstanding at the end of the budget year;*
- *the interest payments on the outstanding debt for the budget year.*

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," the Enacted Budget must present all three estimates of borrowing and debt. For a "b" answer, the Enacted Budget must present two of those three estimates. For a "c" answer, the Enacted Budget must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the Enacted Budget.

Answer:

a. Yes, all three estimates related to government borrowing and debt are presented.

Source:

Hypertext ՀՀ կառավարության 2021 թվականի բյուջետային ուղերձ- բացատրագիր on the webpage State Budget 2021 of the Website of the Ministry of Finance of Armenia - https://minfin.am/hy/page/petakan_byuje_2021

Comment:

The mentioned three debt estimates, as well as more additional information about government borrowing and debt are available in the EB's Budget Message and its attached tables (see section Analyzes: 1. State Debt of the Republic of Armenia on pp. 226-235. In particular, the central government's total debt burden at the end of the budget year (4,222 trln AMD or 8,551 mln USD) is brought through on p. 228, the amount of net new borrowing required during the budget year (478 bln AMD) is brought on p. 232, and the interest payments on the outstanding debt for the budget year. (194.7 bln AMD) - on pages 231 (see the table on that page) and 234 of the EB's Budget Message.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

64. What information is provided in the Citizens Budget?

(The core information must include expenditure and revenue totals, the main policy initiatives in the budget, the macroeconomic forecast upon which the budget is based, and contact information for follow-up by citizens.)

GUIDELINES:

Question 64 focuses on the content of the Citizens Budget, asking whether "core" information is presented. These core components include:

- expenditure and revenue totals;
- the main policy initiatives in the budget;
- the macroeconomic forecast upon which the budget is based; and
- contact information for follow-up by citizens.

To answer "a," the Citizens Budget or supporting documentation must present all of the above core information as well as some additional information beyond the core elements. To answer "b," the Citizens Budget must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if the Citizens Budget includes some of the core components above, but other core pieces of information are not included. Answer "d" applies if a Citizens Budget is not published.

Answer:

d. The Citizens Budget is not published.

Source:

Page of 2020 Citizens Budget (https://minfin.am/website/images/website/byuje_amsakan/Citizen%20Budget%202020-final.pdf) on the Citizens Budget section (https://minfin.am/hy/page/qaghaqacu_byuje_1) of the Ministry of Finance website (<http://minfin.am>)

Comment:

Information beyond the core information includes also information on the budgetary programs on main areas, policies to be carried out in those areas and their results, as well as guide on budgetary and economic terms.

Following advise from IBP staff, the indicator is scored D given the Citizens Budget is assessed as 'Published Late'. As per OBS methodology, if a document is not publicly available, all indicators assessing its comprehensiveness are scored as D.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. The Citizens Budget provides information beyond the core elements.

Comments: MoF decided to develop and publish CB in new format only in January 2020, that's why it was published on 26.05.2020, but since 2017 CB is published for adopted State Budget and Annual Report on State Budget.

IBP Comment

Many thanks to reviewers for their comments. IBP acknowledges that MoF Armenia has been consistent publishing a Citizens Budget. However, OBS methodology looks at the most recent fiscal year (before research cut-off date of 31st December 2020). In Armenia, the CB for Enacted Budget 2020 (enacted on Dec 24th, 2019) should have been published within three months, i.e. by March 24th 2020. The Citizens Budget published in May 26th (for EB 2020) is considered 'published late' (after the three month timeliness criteria). The new format is indeed welcome as it contains more comprehensive and easy-to-understand information. Score remains D.

65. How is the Citizens Budget disseminated to the public?

GUIDELINES:

Question 65 asks how the Citizens Budget is disseminated to the public. Citizens Budgets should be made available to a variety of audiences. Therefore paper versions and an Internet posting of a document might not be sufficient.

To answer "a," the executive must use three or more different types of creative media tools to reach the largest possible share of the population, including those who otherwise would not normally have access to budget documents or information. Dissemination would also be pursued at the very local level, so that the coverage is targeted both by geographic area and population group (e.g., women, elderly, low income, urban, rural, etc.). Option "b" applies if significant dissemination efforts are made through a combination of two means of communications, for instance, both posting the Citizens Budget on the executive's official website and distributing printed copies of it. Option "c" applies if the Citizens Budget is disseminated through only posting on the executive's official website. Option "d" applies when the executive does not publish a Citizens Budget.

Answer:

d. A Citizens Budget is not published.

Source:

Citizens Budget section (https://minfin.am/hy/page/qaghaqacu_byuje_1) of the Ministry of Finance website (<http://minfin.am>)

Comment:

Citizens Budget is posted only on the official website of the Ministry of Finance (see https://minfin.am/hy/page/2018_2019). To reach the mentioned link one must first click on the icon named "Citizens Budget" (only in Armenian) on the main page of the Ministry of Finance (<http://minfin.am>). That click will bring the user to the page where both the Citizens Budgets and Citizens Budget Execution Reports are posted (https://minfin.am/hy/page/qaghaqacu_byuje_1). After that it should be clicked on the hypertext "Brief Guide to the State Budget of the Republic of Armenia (Citizens Budget) - Հայաստանի Հանրապետության պետական բյուջեի համառոտ ուղեցույց (քաղաքացու բյուջե)", which will bring to the page of Citizens Budgets from 2018 to 2021 (https://minfin.am/hy/page/2018_2019). By clicking on any of the mentioned years (which are hypertexts), one can access to the Citizens Budget of that year.

Following advice from IBP staff, the indicator is scored D given the Citizens Budget for Enacted Budget is assessed as 'Published Late'. As per OBS methodology, if a document is not publicly available, all indicators assessing its comprehensiveness are scored as D.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. A Citizens Budget is disseminated only by using one means of dissemination.

Comments: See the Answer to the Question 64

IBP Comment

Many thanks to reviewers for their comments. IBP acknowledges that MoF Armenia has been consistent publishing a Citizens Budget. However, OBS methodology looks at the most recent fiscal year (before research cut-off date of 31st December 2020). The Citizens Budget published before this date was published late (after the three month timeliness criteria). The new format is indeed welcome as it contains more comprehensive and easy-to-understand information. Score remains D.

66. Has the executive established mechanisms to identify the public's requirements for budget information prior to publishing the Citizens Budget?

GUIDELINES:

Question 66 asks whether the executive has established mechanisms to identify the public's requirements for budget information before publishing a Citizens Budget. What the public wants to know about the budget might differ from the information the executive includes in technical documents that comprise the Executive's Budget Proposal or the Enacted Budget; similarly, different perspectives might exist on how the budget should be presented, and this may vary depending on the context. For this reason the executive should consult with the public on the content and presentation of the Citizens Budget.

To answer "a," the executive must have established mechanisms to consult with the public, and these mechanisms for consultation are both accessible and widely used by the public. Such mechanisms can include focus groups, social networks, surveys, hotlines, and meetings/events in universities or other locations where people gather to discuss public issues. In countries where Citizens Budgets are consistently produced and released, it may be sufficient for the government to provide the public with contact information and feedback opportunities, and subsequently use the feedback to improve its management of public resources.

Option "b" applies if the executive has established mechanisms for consultation that are accessible to the public, but that the public nonetheless does not use frequently. That is, the public does not typically engage with the executive on the content of the Citizens Budget, even though the executive has created opportunities for such consultation. Option "c" applies if the executive has established mechanism for consultation with the public, but they are poorly designed and thus not accessible to the public. Option "d" applies if the executive has not created any mechanisms to seek feedback from the public on the content of the Citizens Budget.

Answer:

d. No, the executive has not established any mechanisms to identify the public's requirements for budget information in the Citizen's Budget.

Source:

Comment:

The Ministry of Finance consulted with the representatives of those civil society organizations, which responded to the call of the Ministry to submit suggestions on the format and content of the Citizens Budget (CB) for FY 2020 (see announcement of the Ministry of Finance at <https://minfin.am/hy/content/2019-2018/>). In that announcement the Ministry informed that it published CB for FY 2019 (actually it published also CB for FY 2018), as well as simplified YER for 2018 (simplified YER was published also for FY 2017). In the follow-up of that announcement, the Ministry of Finance organized a discussion in its premises with interested NGOs on October 9, 2019 (see news story on that discussion at the Ministry's website -

https://minfin.am/hy/content/petakan_byujen_aysuhetev_aveli_matcheli_klini_qaghaqacu_hamar_qnnarkum_hk_sektori_het/#sthash.00KIpOhE.dpbs)

. The Armenia Researcher of OBS 2021 attended that discussion. Concluding the discussion, the Ministry officials asked the representatives of participating NGOs to submit their suggestions on CB for FY 2020. Armenia Researcher, as representative of Transparency International Anti-corruption Center (TIAC) NGO prepared and submitted suggestions to the Ministry of Finance (see the suggestions on TIAC's website - <https://transparency.am/hy/publications/view/324>). Based on those, as well as suggestions submitted from other participating in the mentioned above discussion, the Ministry, in cooperation with Economic Development and Research Center (EDRC) NGO and German international aid organization GIZ with support from the latter prepared and published CB for FY 2020. CB for FY 2021 (published on February 2021) has the same format and similar content and there were no consultations with non-governmental actors during its preparation (or, at least not known by the

Researcher).

Specifically in the process of the preparation of CB of FY 2020 there was involvement of non-governmental stakeholders, but at a very limited extent. The process of preparation of CBs of other FYs was without involvement of those actors.

Following advice from IBP staff, the indicator is scored D given the Citizens Budget is assessed as 'Published Late'. As per OBS methodology, if a document is not publicly available, all indicators assessing its comprehensiveness are scored as D.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer: e. Not applicable/other (please comment).
Comments: The policy responsible state agencies present their programs, which considered to be the most important, and presented to MoF in order to include in CB text.

IBP Comment
Thank you to the reviewers. Answer Choice E is selected in rare and exceptional circumstances. This indicator is assessing if government set up mechanisms to understand from citizens what they would like to see in the Citizens Budget. It could be in the form of surveys, feedback forms. In the absence of any such mechanism, score is maintained as D.

67. Are "citizens" versions of budget documents published throughout the budget process?

GUIDELINES:

Question 67 asks if "citizens" versions of budget documents are published throughout the budget process. While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle.

To answer "a," a citizens version of at least one budget document is published for each of the four stages of the budget process (budget formulation, enactment, execution, and audit) – for a total of at least four citizens budget documents throughout the process. Option "b" applies if a citizens version of a budget document is published for at least two of the four stages of the budget process. Option "c" applies if a citizens version of a budget document is published for at least one of the four stages of the budget process. Select option "d" if no "citizens" version of budget documents is published.

Answer:

c. A citizens version of budget documents is published for at least one stage of the budget process.

Source:

https://minfin.am/hy/page/2018_2019 - webpage of the CB for EB and https://minfin.am/hy/page/hh_petakan_byujei_parzecvats_hashvetvutyun - webpage of the budget execution report (simplified YER)

Comment:

Besides CB, Armenian Ministry of Finance prepares and publishes also budget execution simplified report (starting from 2018, when it prepared and published such report for FY 2017).

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

68. Do the In-Year Reports present actual expenditures by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 68 asks if expenditure estimates in In-Year Reports are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above.

Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," In-Year Reports must present actual expenditures by all three of the expenditure classifications. To answer "b," actual expenditures must be presented by two of these three classifications. A "c" answer applies if actual expenditures are presented by one of the three classifications. Answer "d" applies if actual expenditures are not presented by any of the three classifications in In-Year Reports.

Answer:

b. Yes, the In-Year Reports present actual expenditures by two of the three expenditure classifications.

Source:

First quarter of FY 2020 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2020_t_arajin_eramsyak_

Half-year of FY 2020 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2020_t_1-in_kisamyak_

First 9 months of FY 2020 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2020_t_inn_amisner_

For economic classification of expenditures one should click on the hypertext "Expenditures (economic classification)" and for administrative classification - hypertext "Appendices" in each of the three mentioned above webpages of the Ministry of Finance's website. In the "Appendices" section expenditures in administrative classification are available in Tables 1 and 2 of Appendix 1 for each of the three IYRs.

Comment:

Expenditures by functional classification are not prepared. Also, as it has already been mentioned in Section 1 of the Questionnaire, IYR-4 is not prepared.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the In-Year Reports present actual expenditures by all three expenditure classifications (by administrative, economic, and functional classification).

Comments: In-Year Reports present actual expenditures by all three expenditure classifications, which can be found in the Annexes of adopted Law on State Budget and Annexes of RA Government decision on quarterly implementation of the state budget.

IBP Comment

As no expenditures by functional classification are found in the In-year reports, score remains B.

68b. Based on the response to Question 68, check the box(es) to identify which expenditure classifications are included in the In-Year Reports:

Answer:

Administrative classification

Economic classification

Source:

Same sources as for Q68

Comment:

See Comment on answer to Q68

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: In-Year Reports includes also Functional classification.

IBP Comment
See response to indicator 68.

69. Do the In-Year Reports present actual expenditures for individual programs?

GUIDELINES:

Question 69 asks if expenditure estimates in In-Year Reports are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," In-Year Reports must present actual expenditures for all individual programs, accounting for all expenditures. To answer "b," In-Year Reports must present actual expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if In-Year Reports present actual expenditures for programs that account for less than two-thirds of expenditures. Answer "d" applies if actual expenditures are not presented by program in In-Year Reports.

Answer:

a. Yes, the In-Year Reports present actual expenditures for programs accounting for all expenditures.

Source:

Same sources as for Q68.

Comment:

Table 1 and 2 for Appendix 1 presents all expenditures by programs in a summarized form.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

70. Do the In-Year Reports compare actual year-to-date expenditures with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

GUIDELINES:

Question 70 asks whether In-Year Reports compare actual expenditures to-date with either the enacted levels or actual expenditures for the same period in the previous year.

The OECD recommends that the reports contain the total year-to-date expenditures in a format that allows for a comparison with the budget's forecast expenditures (based on enacted levels) for the same period.

To answer "a," comparisons must be made for expenditures presented in the In-Year Reports

Answer:

a. Yes, comparisons are made for expenditures presented in the In-Year Reports.

Source:

Same sources as for Q68 and Q69

Comment:

For all three IYRs that are produced by the Ministry of Finance (IYR-1, IYR-2 and IYR-3) comparisons are made between actual and forecast (in EB) expenditures for the reporting period in both classifications (economic and administrative) produced by the Ministry.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

71. Do In-Year Reports present actual revenue by category (such as tax and non-tax)?

GUIDELINES:

Questions 71 asks whether In-Year Reports present actual revenues by "category"— that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," In-Year Reports must present revenue estimates classified by category.

Answer:

a. Yes, In-Year Reports present actual revenue by category.

Source:

Same sources as for Q68-70. To view the table on actual revenues, one should click the hypertext "Revenues" in the same links as those in Q68-70.

Comment:

The categories are the same as those in the Budget Message (see, for example, Comment on answer to Q25), namely, tax revenues and state fees, official grants and other revenues.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

72. Do In-Year Reports present the individual sources of revenue for actual revenues collected?

GUIDELINES:

Question 72 asks whether In-Year Reports present actual collections of individual sources of revenue (such as income taxes, VAT, etc.). The question applies to both tax and non-tax revenue.

To answer "a," In-Year Reports must present actual collections for all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," In-Year Reports must present actual collections for individual sources of revenue that when combined account for at least two-thirds of all revenue collected, but not all revenue. A "c" answer applies if In-Year Reports present individual sources of actual revenue that account for less than two-thirds of all revenue collected. Answer "d" applies if individual sources of actual revenue are not presented.

Answer:

b. Yes, In-Year Reports present individual sources of actual revenue accounting for at least two-thirds of, but not all, revenue.

Source:

Same sources as for Q68-71.

Comment:

Other revenues account for almost 5% of all revenue.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

Researcher Response

Sorry for not correct scoring. The scoring should be B, as according to all three IYRs (see "Revenues (Եկամուտներ)" clickable word in https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2020_t_arajin_eramsyak_ for first quarter, https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2020_t_1-in_kisamyak_ for the first half and https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2020_t_inn_amisner_ for the first 9 months of 2020) "other revenues (Այլ եկամուտներ)" source accounts for more, than 3% of al revenue.

73. Do the In-Year Reports compare actual year-to-date revenues with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

GUIDELINES:

Question 73 asks whether In-Year Reports compare actual revenues to-date with either the enacted levels or actual revenues for the same period in the previous year.

The OECD recommends that the reports contain the total year-to-date revenues in a format that allows for a comparison with the budget's forecast revenues (based on enacted levels) for the same period.

To answer "a," comparisons must be made for revenues presented in the In-Year Reports.

Answer:

a. Yes, comparisons are made for revenues presented in the In-Year Reports.

Source:

Same sources as for Q68-72.

Comment:

Comparisons are made between actual and forecast (in EB) revenues.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

74. Do In-Year Reports present three estimates related to actual government borrowing and debt: the amount of net new borrowing; the total debt outstanding; and interest payments?

GUIDELINES:

Question 74 asks about three key estimates related to borrowing and debt:

- *the amount of net new borrowing so far during the year;*
- *the central government's total debt burden at that point in the year; and*
- *the interest payments to-date on the outstanding debt.*

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens and banks and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," In-Year Reports must present all three estimates of borrowing and debt. For a "b" answer, In-Year Reports must present two of those three estimates. For a "c" answer, IYRs must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in In-Year

Reports.

Answer:

a. Yes, all three estimates related to government borrowing and debt are presented.

Source:

Same sources as for Q68-73. In the sources there is hypertext "Analysis of the execution of the state budget of the Republic of Armenia", clicking on which one can access the narrative text of the analysis.

Comment:

IYRs include also narrative analysis (text in Word format) called "Information on the Process of the Execution of the State Budget of the Republic of Armenia for ____ (name of the reporting period - Note of the Researcher)". It has also parts discussing the estimates of the government borrowing and debt. Data on the interest payments to-date on the outstanding debt (or debt service costs) is available in the "The Republic of Armenia State Budget Expenditures for ____ (name of reporting period) of 2020" section of the analysis (see p. 39 in IYR-1, p. 48 in IYR-2 and p. 50 in IYR-3). Data on the amount of net new borrowing so far during the year and the central government's total debt burden at that point in the year are available in the "The Republic of Armenia State Budget Deficit for ____ (name of reporting period) of 2020" In IYR-1 they are presented on pp. 116-117, in IYR-2 - on p. 149, and in IYR-3 on pp. 163-164.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

75. Do In-Year Reports present information related to the composition of the total actual debt outstanding?

(The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)

GUIDELINES:

Question 75 focuses on the composition of government debt, asking whether "core" information related to its composition is presented. These core components include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

The interest rates affect the amount of interest that must be paid to creditors. The maturity profile indicates the final payment date of the loan, at which point the principal (and all remaining interest) is due to be paid; government borrowing typically includes a mix of short-term and long-term debt. As discussed in Question 74, domestic debt is held by a country's citizens and banks and businesses, while external debt is held by foreigners. These factors related to the composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable.

Beyond these core elements, a government may also provide additional information related to the composition of its debt, including for instance: whether interest rates are fixed or variable; whether debt is callable; the currency of the debt; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); an analysis of the risk associated with the debt; and where appropriate, what the debt is being used to finance.

To answer "a," In-Year Reports must present all of the core information related to the composition of government debt to-date as well as some additional information beyond the core elements. To answer "b," In-Year Reports must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the composition of government debt is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on the composition of the debt outstanding in In-Year Reports.

Answer:

a. Yes, information beyond the core elements is presented for the composition of the total actual debt outstanding.

Source:

Same sources as for Q68-74.

Comment:

See Comment on answer to Q74. Data on the core, as well as other information (structure of debt, share of debt with fixed and variable, creditor institutions, etc.) are available in the same sections, as those mentioned in the Comment on answer to Q74.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

76. Does the Mid-Year Review of the budget include an updated macroeconomic forecast for the budget year underway?

GUIDELINES:

Question 76 asks whether the Mid-Year Review includes an updated macroeconomic forecast for the budget year underway, and provides an explanation of the update.

Refer to Question 15 for the components of the macroeconomic forecast presented in the Executive's Budget Proposal.

To answer "a," the Mid-Year Review must include an updated macroeconomic forecast and explain all of the differences between the initial forecast presented in the Executive's Budget Proposal and the updated forecast. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the macroeconomic forecast must be updated, but only some of the differences between the initial and updated forecasts are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes an updated macroeconomic forecast, but does not provide an explanation for the revisions. A "d" response applies if the macroeconomic forecast has not been updated.

Answer:

d. No, the estimates for macroeconomic forecast have not been updated.

Source:

Comment:

Armenia does not produce Mid-year Review.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

77. Does the Mid-Year Review of the budget include updated expenditure estimates for the budget year underway?

GUIDELINES:

Question 77 asks whether the Mid-Year Review includes updated estimates of expenditure for the budget year underway, and provides an explanation of the update. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.

To answer "a," the Mid-Year Review must include updated expenditure estimates and explain all of the differences between the initial levels presented in the Executive's Budget Proposal (or the Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. The expenditure estimates must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated expenditure estimates, but does not provide an explanation for the revisions. A "d" response applies if the expenditure estimates have not been updated.

Answer:

d. No, expenditure estimates have not been updated.

Source:

Comment:

Armenia does not produce Mid-year Review.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer:

c. Yes, expenditure estimates have been updated, but an explanation of the differences between the original and updated expenditure estimates is not presented.

IBP Comment

As noted in MYR-2, the six-month report does not qualify as a Mid-year Review. Response remains D.

78. Does the Mid-Year Review of the budget present updated expenditure estimates for the budget year underway by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 78 asks if expenditure estimates for the budget year underway in the Mid-Year Review are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.

Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," the Mid-Year Review must present expenditure estimates by all three of the expenditure classifications. To answer "b," expenditure estimates must be presented by two of these three classifications. A "c" answer applies if expenditure estimates are presented by one of the three classifications. Answer "d" applies if expenditure estimates are not presented by any of the three classifications in the Mid-Year Review.

Answer:

d. No, the Mid-Year Review does not present expenditure estimates by any expenditure classification.

Source:

Comment:

Armenia does not produce Mid-year Review.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer:

b. Yes, the Mid-Year Review presents expenditure estimates by two of the three expenditure classifications.

IBP Comment

As noted in MYR-2, the six-month report does not qualify as a Mid-year Review. Response remains D.

78b. Based on the response to Question 78, check the box(es) to identify which expenditure classifications are included in the Mid-Year Review:

Answer:

None of the above

Source:

Comment:
Armenia does not produce Mid-year Review.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer: The Mid-Year Review presents expenditure estimates by Administrative, Economic and Program classifications.

IBP Comment
As noted in MYR-2, the six-month report does not qualify as a Mid-year Review. Response remains D.

79. Does the Mid-Year Review of the budget present updated expenditure estimates for the budget year underway for individual programs?

GUIDELINES:

Question 79 asks if expenditure estimates in the Mid-Year Review are presented by program for the budget year underway. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.

A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Mid-Year Review must present expenditures for all individual programs, accounting for all expenditures. To answer "b," the Mid-Year Review must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if the Mid-Year Review presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Mid-Year Review.

Answer:
d. No, the Mid-Year Review does not present expenditure estimates by program.

Source:

Comment:
Armenia does not produce Mid-year Review.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer:
a. Yes, the Mid-Year Review presents estimates for programs accounting for all expenditures.

IBP Comment
As noted in MYR-2, the six-month report does not qualify as a Mid-year Review. Response remains D.

80. Does the Mid-Year Review of the budget include updated revenue estimates for the budget year underway?

GUIDELINES:

Question 80 asks whether the Mid-Year Review includes updated estimates of revenue for the budget year underway, and provides an explanation of the update. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must include updated revenue estimates and explain all of the differences between the initial levels presented in the Executive's Budget Proposal (or the Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the revenue estimates must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated revenue estimates, but no explanation for the revisions is provided. A "d" response applies if the revenue estimates have not been updated.

Answer:

d. No, revenue estimates have not been updated.

Source:

Comment:

Armenia does not produce Mid-year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, revenue estimates have been updated, but an explanation of the differences between the original and updated revenue estimates is not presented.

IBP Comment

As noted in MYR-2, the six-month report does not qualify as a Mid-year Review. Response remains D.

81. Does the Mid-Year Review of the budget present updated revenue estimates for the budget year underway by category (such as tax and non-tax)?

GUIDELINES:

Question 81 asks whether revenue estimates for the budget year underway in the Mid-Year Review are presented by "category"— that is, whether tax and non-tax sources of revenue are shown separately. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must present revenue estimates classified by category.

Answer:

b. No, the Mid-Year Review does not present revenue estimates by category.

Source:

Comment:

Armenia does not produce Mid-year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the Mid-Year Review presents revenue estimates by category.

IBP Comment

As noted in MYR-2, the six-month report does not qualify as a Mid-year Review. Response remains B.

82. Does the Mid-Year Review of the budget present updated individual sources of revenue for the budget year underway?

GUIDELINES:

Question 82 asks whether revenue estimates for individual sources of revenue for the budget year underway are presented in the Mid-Year Review. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must present all sources of revenue individually, accounting for all revenues, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Mid-Year Review must present individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Mid-Year Review presents estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" applies if individual sources of revenue are not presented in the Mid-Year Review.

Answer:

d. No, the Mid-Year Review does not present individual sources of revenue.

Source:

Comment:

Armenia does not produce Mid-year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, the Mid-Year Review presents individual sources of revenue accounting for less than two-thirds of all revenues.

IBP Comment

As noted in MYR-2, the six-month report does not qualify as a Mid-year Review. Response remains D.

83. Does the Mid-Year Review of the budget include updated estimates of government borrowing and debt, including its composition, for the budget year underway?

GUIDELINES:

Question 83 asks whether the Mid-Year Review includes updated estimates of borrowing and debt, including its composition, for the budget year underway, and provides an explanation of the update.

Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:

- *The amount of net new borrowing required during the budget year;*
- *The central government's total debt burden at the end of the budget year; and*
- *The interest payments on the outstanding debt for the budget year.*

Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

To answer "a," the Mid-Year Review must include an updated estimates of borrowing and debt, including its composition, and explain all of the differences between the initial estimates presented in the Executive's Budget Proposal (or Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the estimates of borrowing and debt must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated estimates, but no explanation for the revisions is provided. A "d" response applies if the estimates of borrowing and debt have not been updated.

Answer:

d. No, estimates of government borrowing and debt have not been updated.

Source:

Comment:

Armenia does not produce Mid-year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

84. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?

GUIDELINES:

Question 84 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual expenditures for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all expenditures, along with a narrative discussion. Answer "b" if estimates of the differences for all expenditures are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all expenditures, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report

Answer:

a. Yes, estimates of the differences between the enacted levels and the actual outcome for all expenditures are presented, along with a narrative discussion.

Source:

https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2019_t_tarekan - Պետական բյուջեի հաշվետվություն (2019 թ. տարեկան)

Similar to the webpages of IYRs, the webpage of the Year-End Report (YER) contains several clickable hypertexts, each of which presents its different parts. Among those parts are analysis of the execution of the state budget of the Republic of Armenia, which is a narrative discussion in Word format (ՀՀ պետական բյուջեի կատարման վերլուծություն), summarized indicators of the consolidated budget (ՀՀ համախմբված բյուջեի ամփոփ ցուցանիշներ), summarized indicators of the state budget (ՀՀ պետական բյուջեի ամփոփ ցուցանիշներ), revenues (Եկամուտներ), deficit (Պակասող), appendices, showing also expenditures (Հավելվածներ), reference notes (Տեղեկանքներ), report on the achievement of output indicators of expenditure programs and actions (measures), etc. (Հաշվետվություն ՀՀ 2019 թվականի պետական բյուջեի ելքային ծրագրերի և միջոցառումների գծով արդյունքային (կատարողական) ցուցանիշների կատարման վերաբերյալ՝ ըստ բյուջետային հատկացումների գլխավոր կարգադրիչների and Հաշվետվություն ՀՀ 2019 թվականի պետական բյուջեի ելքային ծրագրերի և միջոցառումների գծով արդյունքային (կատարողական) ցուցանիշների կատարման վերաբերյալ՝ ըստ միջոցառումները կատարող հանրային իշխանության մարմինների) Except the analysis part, other parts of YER are in Excel format.

Comment:

For all expenditures YER displays enacted (by EB), actual levels, as well as adjusted throughout the budget year enacted levels. In the analysis section, it is presented the percentage of the actual level to enacted level and it is also discussed (though not always and in sufficient detail) the reasons of those differences.

Peer Reviewer

Opinion: Agree

Comments: I agree that it presents the difference of actual with enacted (enacted, including all amendments) as a percentage. However, from "comments" by the researcher one may conclude that the percentage is calculated as actual level to enacted level. The percentages calculated in the tables of YERs are actual executions to adjusted budget (that is enacted budget taking into account all amendments).

Government Reviewer

Opinion: Agree

85. Does the Year-End Report present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 85 asks if expenditure estimates in the Year-End Report are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," the Year-End Report must present expenditure estimates by all three of the expenditure classifications. Answer "b" if expenditure estimates are presented by two of these three classifications. Answer "c" if expenditure estimates are presented by one of the three classifications. Answer "d" if expenditure estimates are not presented by any of the three classifications in the Year-End Report.

Answer:

a. Yes, the Year-End Report presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

Same as for Q84. Click "Reference Notes" or "Appendices" hypertexts

Comment:

See Tables 1, 2 and 3 by administrative (in "Responsible administrative unit, program, action (measure), implementer, item" format), functional and economic classifications, respectively, of the "Reference Notes" folder. Expenditures by administrative units for all programs in summarized and detailed form are also available in Table 2 of Appendix 1 of the "Appendices" folder, respectively.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

85b. Based on the response to Question 85, check the box(es) to identify which expenditure classifications are included in the Year-End Report:

Answer:

Administrative classification

Economic classification

Functional classification

Source:

Same as for Q84 -85.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

86. Does the Year-End Report present expenditure estimates for individual programs?

GUIDELINES:

Question 86 asks if expenditure estimates in the Year-End Report are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

A note for francophone countries: "Program" level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaillé*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Year-End Report must present expenditure estimates for all individual programs, accounting for all expenditures. Answer "b" if the Year-End Report presents expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. Answer "c" if the Year-End Report presents programs that account for only less than two-thirds of expenditures. Answer "d" if expenditures are not presented by program in the Year-End Report.

Answer:

a. Yes, the Year-End Report presents estimates for programs accounting for all expenditures.

Source:

"Reference" folder - 5e429bce.rar\4.Տեղեկանք - RAR archive, unpacked size 2,268,237 bytes

"Appendices" folder - 38b4849d.rar\3.Հավելված - RAR archive, unpacked size 2,105,365 bytes

Comment:

See file 2.Ծախսեր_ըստ ՊԾՄԿՀ.xlsx of the "Reference" folder and Table 1 (2. Հավելված1 աղյուսակ1 ծրագրային ցուցանիշներ.xlsx) and Table 2 (3.Հավելված 1 աղյուսակ 2_ ծախսերն ըստ ծրագրերի և միջոց.xlsx) of Appendix 1 of the "Appendices" folder.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

87. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?

GUIDELINES:

Question 87 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual revenues for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all revenues, along with a narrative discussion. Answer "b" if estimates of the differences for all revenues are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all revenues, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report.

Answer:

a. Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, along with a narrative discussion.

Source:

Same as for Q84-86. Click "Analysis of the RA state budget execution" (ՀՀ պետական բյուջեի կատարման վերլուծություն) and "Revenues" (Եկամուտներ) hypertexts.

"Analysis of RA state budget execution"- https://minfin.am/website/images/files/1._2019.docx

Direct link to Revenues: <https://minfin.am/website/images/files/ekamut.xls>

Comment:

Information is presented in the narrative discussion of the "Analysis of the RA state budget execution" section (see pp. 150-182 of the "Revenues of the RA 2019 State Budget", in particular Fig. 9 on p. 151) and Report on the Revenues of the RA 2019 State Budget, which is a table in Excel format and is an integral part of YER. In both documents enacted, adjusted (through the approved by legislature or sub-legislation (government decrees) in-year changes) and factual levels for 2019 state budget are presented. The differences between enacted and factual levels through the proportion of factual level to enacted level is available in the narrative discussion in the analysis section.

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

88. Does the Year-End Report present revenue estimates by category (such as tax and non-tax)?

GUIDELINES:

Question 88 asks whether revenue estimates in the Year-End Report are presented by "category"—that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Year-End Report must present revenue estimates classified by category.

Answer:

a. Yes, the Year-End Report presents revenue estimates by category.

Source:

Same as for Q84-87.

<https://minfin.am/website/images/files/ekamut.xls>

Comment:

Categories are the same as in EBP, EB or IERs.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

89. Does the Year-End Report present individual sources of revenue?

GUIDELINES:

Question 89 asks whether revenue estimates for individual sources of revenue are presented in the Year-End Report. The question applies to both tax and non-tax revenue.

To answer "a," the Year-End Report must present all sources of revenue individually, accounting for all revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. Answer "b" if the Year-End Report presents individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. Answer "c" if the Year-End Report presents estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" if individual sources of revenue are not presented in the Year-End Report.

Answer:

b. Yes, the Year-End Report presents individual sources of revenue accounting for at least two-thirds of, but not all, revenue.

Source:

Same as for Q84-88.

Comment:

See Comment on answer to Q87. In all budget documents, as well as statistical documents only these three categories are displayed. However, in the narrative discussion, there are 37 occurrences of comparison of enacted and factual levels individual sources of tax revenues and customs duties.

It is noteworthy that the disaggregation of individual sources is more detailed in the execution report compared to planning budget documents. The disaggregation follows Armenian Law on Budgetary System (see Article 17 of the Law) which distinguishes sources of revenue and types of revenue for each of the sources.

Score is B as Other revenues account for 5.67% of all revenue.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the Year-End Report presents individual sources of revenue accounting for all revenue.

Comments: "Other revenues" category is presented by individual sources.

IBP Comment

IBP agrees with researcher's assessment of score B as miscellaneous sources of revenue account for more than 3%.

90. Does the Year-End Report present the differences between the original estimates of government borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year?

GUIDELINES:

Question 90 asks whether the Year-End Report includes estimates of the differences between the original estimates and the actual outcome for the fiscal year for borrowing and debt, including its composition, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:

- *the amount of net new borrowing required during the budget year;*
- *the central government's total debt burden at the end of the budget year; and*
- *the interest payments on the outstanding debt for the budget year.*

Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

b. Yes, estimates of the differences between all the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented, but a narrative discussion is not included.

Source:

"References" <https://minfin.am/website/images/files/5e429bce.rar>

"ATTACHMENTS": <https://minfin.am/website/images/files/38b4849d.rar>

Comment:

YER for FY2019 contains very detailed information on many components of government borrowing and debt.

Under "References" <https://minfin.am/website/images/files/5e429bce.rar>, the relevant files are:

No.5. Դեֆիցիտ_արդյունքային ցուցանիշ- implementation of projects funded through foreign grants, with comparison of original vs actual outcome and reason for deviation.

No.9. Վարկի վերադարձ,տոկոս - planned vs actual payment on repayment of (foreign?) loans by Principal and Actual.

No.12. Արտաբյուջե_հոդված - information on deficit and deficit financing (there is no figure for Planned, but there is for revised and actual!)

In addition, excel file no.8. Պետական պարտք' notes all details on domestic debt with amount released, maturity, interest rate, foreign loans and other details but the comparison is with 2018.

Under 'ATTACHMENTS: <https://minfin.am/website/images/files/38b4849d.rar>' following files are relevant:

No.12. Հավելված N4_Դեֆիցիտ - information on deficit, financing through external and domestic sources.

Peer Reviewer

Opinion: Agree

Comments: Starting from page 531 until the end of the Annual budget execution report for 2020 there is thorough explanation of deviations of major debt indicators. E.g., it says that the GoA had to change the deficit target because of covid and war. It also explains the reasons for changes in rates, changes in maturities (e.g., AMD denominated government bills, notes and bonds had maturity of 3945 days in 2020 against 3734 in 2019), etc. The researcher has valid point in the sense that in case of debt the comparisons are more with the end of the previous year (2019) than with the estimates for reporting year (2020). However, in some cases there are explanations of variations.

Government Reviewer

Opinion: Agree

90b. Based on the response to Question 90, check the box(es) to identify which estimates of government borrowing and debt, including its composition, have the differences between the original forecast and the actual outcome for the year presented in the Year-End Report:

Answer:

The amount of net new borrowing required during the budget year
The central government's total debt burden at the end of the budget year
The interest payments on outstanding debt for the budget year
Whether the debt is domestic or external
Interest rates on the debt

Source:

Comment:

Peer Reviewer

Opinion: Agree

Comments: Maturity profile is available in Debt Management Strategy that is usually the last chapter of MTEF (if there is no chapter on debt reduction). Agree that it will be helpful to include it also in YER.

Government Reviewer

Opinion: Disagree

Suggested Answer: The amount of net new borrowing required during the budget year The interest payments on outstanding debt for the budget year

91. Does the Year-End Report present the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?

GUIDELINES:

Question 91 asks whether the Year-End Report includes estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 15 for the components of the macroeconomic forecast in the Executive's Budget Proposal. Core components include estimates of the nominal GDP level, inflation rate, real GDP growth, and interest rates, although the importance of other macroeconomic assumptions, such as the price of oil, can vary from country to country.

To answer "a," the Year-End Report must include estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

d. No, estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year is not presented.

Source:

Same as for Q84-90.

https://minfin.am/website/images/files/1_2019.docx

Comment:

The "The Analysis of RA State Budget Execution" compares only the outcomes of macroeconomic indicators of FY 2019 with those of FY 2018.

Peer Reviewer
Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, estimates of the differences between some but not all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented.

Comments: Though the abovementioned info is not presented in year-end report, but the comparison of main macro and fiscal indicators is being presented in Budget Message and Medium-Term Expenditure Framework.

IBP Comment

Many thanks to government reviewer. For the Year-end report questions, OBS methodology will only consider the year-end report - Analysis of Republic of Armenia State Budget Execution. Score remains D.

91b. Based on the response to Question 91, check the box(es) to identify which elements of the macroeconomic forecast have the differences between the original forecast and the outcome for the year presented in the Year-End Report:

Answer:

None of the above

Source:

Same as for Q84-90.

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: Though the abovementioned info is not presented in year-end report, but the comparison of main macro and fiscal indicators is being presented in Budget Message and Medium-Term Expenditure Framework. In particular the following indicators are included: Nominal GDP, Inflation rate, Real GDP growth, Current account, main Fiscal indicators (revenues, expenditures, deficit, debt)

IBP Comment

See IBP comment to indicator 91.

92. Does the Year-End Report present the differences between the original estimates of nonfinancial data on inputs and the actual outcome?

GUIDELINES:

Question 92 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 49 for the nonfinancial data on inputs included in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on inputs and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

d. No, estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome are not presented.

Source:

Comment:

Answer D) is chosen, because, as it stems from the answer to Q49 nonfinancial data on inputs are not presented in EBP.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

93. Does the Year-End Report present the differences between the original estimates of nonfinancial data on results and the actual outcome?

GUIDELINES:

Question 93 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion. Nonfinancial data on results can include data on both outputs and outcomes, but not on inputs (which are addressed in Question 92).

Refer to Question 50 for the nonfinancial data on results included in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on results and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

a. Yes, estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome are presented, along with a narrative discussion.

Source:

Same as for Q84-91. Click the hypertext "Report on the performance of the output (performance) indicators of the RA 2019 state budget expenditure programs and actions by public entities"
<https://minfin.am/website/images/files/6.-11.1.rar>

Comment:

The report is in the Excel format and its last column contains short narrative explanation of the differences between the adjusted (during the budget year) original estimates of nonfinancial (as well as financial) data on results and the actual outcome for the year.

Peer Reviewer

Opinion: Agree

Comments: There are some estimated and actual output indicators under health, other sectors. As mentioned earlier some outcome and output indicators are very formalistic (especially the qualitative indicators). E.g., under different levels of general education there is an indicator "average grade of students". For all levels of general education the "annual estimate", the "amended estimate" and the "actual" are "7" which is practically not possible. Thus, the approach is very formalistic.

Government Reviewer

Opinion: Agree

94. Does the Year-End Report present the differences between the enacted level of funds for policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations and the actual outcome?

GUIDELINES:

Question 94 asks whether the Year-End Report includes estimates of the differences between the enacted level of funds for policies that are intended to benefit directly the country's most impoverished populations and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 52 for assistance to the most impoverished populations in the Executive's Budget Proposal.

To answer "a," the Year-End Report must present estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between the enacted level for some but not all of the policies that are intended to benefit the country's most impoverished populations and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

a. Yes, estimates of the differences between the enacted level for all policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are presented, along with a narrative discussion.

Source:

Same as for Q84-91 and 93. Click the hypertexts "Appendices"(Հավելվածներ) and "Analysis of the Republic of Armenia 2019 State Budget Execution "

Comment:

Table 2 of Appendix 1 (file 3.Հավելված 1 աղյուսակ 2_ ծախսերն ըստ ծրագրերի և միջոց.xlsx) shows the report on the actual expenditures of the 2019 state budget by budgetary programs and actions implemented by state bodies. Narrative on them is included in the "Expenditures of the 2019 State Budget" of the "Analysis of the Republic of Armenia 2019 State Budget Execution " report (see pp. 183-402). The report contains execution data on all ministries, their programs and activities as well as initial approved estimates. All programs mentioned in indicator 52 (relating to socially vulnerable populations) are followed up on.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

95. Does the Year-End Report present the differences between the original estimates of extra-budgetary funds and the actual outcome?

GUIDELINES:

Question 95 asks whether the Year-End Report presents estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 33 for estimates of extra-budgetary funds in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of extra-budgetary funds and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented

Answer:

a. Yes, estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome are presented, along with a narrative discussion.

Source:

Same as for Q84-91 and 93-94. Click the hypertexts "Analysis of the RA State Budget Execution", "Appendices" and "Report on the performance of the output (performance) indicators of the RA 2019 state budget expenditure programs and actions by public entities".

Comment:

Appendix 8 of YER presents estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome for the year. Some narrative discussion could be found in the "Analysis of the State Budget Execution" report (see pp. 179, 181, 257-258, 288, 383, 392 and 398-399). Finally, short narrative explanations of the differences are available in the "Report on the performance of the output (performance) indicators of the RA 2019 state budget expenditure programs and actions by public entities" (see the last column of the table, similar to those in Q93-94).

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

96. Is a financial statement included as part of the Year-End Report or released as a separate report?

GUIDELINES:

Question 96 asks whether a financial statement is included as part of the Year-End Report, or whether it is released as a separate report. The financial statement can include some or all of the following elements: a cash flow statement, an operating statement, a balance sheet, and notes on accounting. For purposes of responding to this question, the financial statement in question does not need to be audited. For an example of a financial statement, see the document "Financial Statements of the Government of New Zealand 2013" (<https://treasury.govt.nz/sites/default/files/2013-10/fsgnz-year-jun13.pdf>)

To answer "a," a financial statement must either be included in the Year-End Report or must be released as a separate report. Answer "a" applies if a financial statement is released as a separate report, even if the Year-End Report is not publicly available. Answer "b" applies if no financial statement is released either as part of the Year-End Report or as a separate report.

Answer:

b. No, a financial statement is neither part of the Year-End Report nor released as a separate report.

Source:

Same as for Q84-91 and 93-95.

<https://minfin.am/website/images/files/hamaxmbvac.xls>

Comment:

Components of the financial statement are part of the YER and together with its other parts is posted on the Ministry of Finance's Treasury web-page (see already mentioned webpage https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2019_t_tarekan for FY 2019) of the Ministry's website.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. No, a financial statement is neither part of the Year-End Report nor released as a separate report.

Comments: According to the original version of the Law "on Accounting in Public Sector Organizations" (<https://www.arlis.am/DocumentView.aspx?docid=91454>) the Ministry of Finance had to prepare the financial statements for the Republic of Armenia as a single unit (Article 18 part 3) and had to prepare the first such statement for 2019 (Article 24 part 3). However, MoF did not prepare those financial statements and made amendment to the law according to which the first financial statement for the Republic of Armenia should be prepared for 2024 (revised Article 24 part 3 available at <https://www.arlis.am/DocumentView.aspx?DocID=150887>). The public sector accounting standard has been approved by MoF Order N725-N from 24 October 2014 (<https://www.arlis.am/DocumentView.aspx?DocID=102700>). According to the standard reporting entities must prepare (1) balance sheet or financial situation, (2) income statement or financial results, (3) Changes in net assets, (4) cash flow statement, and (5) notes to financial statements.

Government Reviewer

Opinion: Agree

IBP Comment

Many thanks to the reviewers. IBP worked with researcher to revise to B based on peer reviewers comments and citations.

97. What type of audits (compliance, financial, or performance) has the Supreme Audit Institution (SAI) conducted and made available to the public?

GUIDELINES:

Question 97 asks about the types of audits conducted by the Supreme Audit Institution (SAI). There are three basic types of audits:

- Financial audits are intended to determine if an entity's financial information is accurate (free from errors or fraud) and presented in accordance with the applicable financial reporting and regulatory framework. See ISSAI 200 (<http://www.issai.org/issai-framework/3-fundamental-auditing-principles.htm>) for more detail.
- Compliance audits look at the extent to which the relevant regulations and procedures have been followed. See ISSAI 400 (<https://www.issai.org/pronouncements/issai-400-compliance-audit-principles/>) for more details.
- Performance audits assess whether activities are adhering to the principles of economy, efficiency, and effectiveness. See ISSAI 300 (<https://www.issai.org/pronouncements/issai-300-performance-audit-principles/>) for more details.

Financial and compliance audits are more common than performance audits, which usually occur only once a performance framework has been agreed upon. In some countries, the SAI's mandate limits the type of audit it can conduct.

To answer "a," the SAI must have conducted all three types of audit – financial, compliance, and performance – and made all of them available to the public. A "b" response applies if the SAI has conducted two of the three audit types, and a "c" applies if it has conducted only one type of audit. Answers "b" and "c" may be selected even if the Audit Report is not publicly available, as long as the SAI has conducted compliance or performance audits and made them available to the public. A "d" response applies if the SAI has not conducted any of the three types of audits, or has not made them available to the public.

Answer:

a. The SAI has conducted all three types of audits (compliance, financial, or performance) and made them available to the public.

Source:

Webpage of current conclusions (<http://armsai.am/hy/current-conclusions>) on the Audit Chamber's website (<http://armsai.am/>)

Article 198 of RA Constitution and Law on the RA Audit Chamber in the Legal Information System of Armenia (<https://www.arlis.am/>)

Comment:

The RA Audit Chamber, which is Armenia's supreme audit institution by law, shall conduct (see Article 33 of the Law on Audit Chamber of RA) and in practice conducts all three types of audit and makes them available to public.

See, for example, <http://armsai.am/sites/default/files/program/2020/HVEE-yntacik%20ezrakacutyun.pdf> It is both compliance and performance audit of the Republic of Armenia Foundation on the Renewable Energy and Energy Saving.

Peer Reviewer

Opinion: Agree

Comments: Probably need to look at this more thoroughly. Although according to the Law on Audit Chamber (<https://www.arlis.am/documentview.aspx?docid=150820>) the Audit Chamber must carry out financial, compliance and performance audit, I am not sure that the Audit Chamber of Armenia is doing financial and performance audit. A 2019 IMF report stated (Republic of Armenia: Fiscal Transparency Evaluation, May 2019, IMF Country Report No. 19/134): "The Chamber of Control (CoC) has published an opinion on the annual budget budget execution report of the state budget. The opinion is a review of the compliance of the report with financial legislation and includes and assessment of the reliability of some of the financial data. However, it is not a financial audit per se, as it does not include: (i) a complete assessment of the report's compliance with the relevant cash accounting standards; and (ii) a statement that the report presents a true and fair view of central government's financial position."

Government Reviewer

Opinion: Agree

98. What percentage of expenditures within the mandate of the Supreme Audit Institution (SAI) has been audited?

GUIDELINES:

Question 98 focuses on the coverage of audits by the Supreme Audit Institution (SAI), asking what percentage of expenditures within the SAI's mandate has been audited.

The SAI's mandate is typically defined in statute. Only expenditures related to budgetary central government (ministries, departments, and agencies) that are within the SAI's mandate should be considered for this question. (Question 99 addresses audits of extra-budgetary funds.) Further, the question does not apply to "secret programs" (for example, security-related expenditures that are confidential). Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.

Only the Audit Report identified in Section 1 should be used to answer this question. Financial audits and compliance audits, or a hybrid of the two, can be taken into account to answer this question. Performance audits should not be considered for this question.

To answer "a," all expenditures within the SAI's mandate must be audited. A "b" response applies if at least two-thirds, but not all, expenditures within the SAI's mandate have been audited. A "c" response is appropriate when less than two-thirds of expenditures within the SAI's mandate have been audited. A "d" response applies when no expenditures have been audited.

Answer:

c. Expenditures representing less than two-thirds of expenditures within the SAI's mandate have been audited.

Source:

Law on the RA Audit Chamber in the Legal Information System of Armenia (<https://www.arlis.am/>)

Comment:

Until FY 2019 the Audit Report (AR) was analyzing only what is written in YER and it does not conduct audit of the execution of the state budget.

However, starting from 2020 the Audit Chamber started auditing of the state budget execution, which is stipulated by Part 6 of Article 43 (Entry into force of the Law) of the Law on RA Audit Chamber. It provides that starting from January 1, 2020 the Chamber shall conduct financial and compliance audits of the budget execution for the first 3, first 6, first 9 months and for the whole year throughout the budget year and use their conclusions to develop its conclusion on the execution of the annual state budget. Thus, only starting from FY 2020 AR will be really auditing budget execution. Answer C) is chosen, because, considering the fact that the cut-off date for OBS 2021 is December 31, 2020, the last AR is AR for FY 2019.

Additionally, the Fiscal Transparency Evaluation (p28) notes the Audit Institute plans to start conducting financial audits according to International Standards of Auditing for the central government budget execution report in 2018, gradually increasing the coverage.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

99. What percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited?

GUIDELINES:

Question 99 focuses on audits of extra-budgetary funds, asking what percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited. These funds, although technically outside the budget, are governmental in nature and thus should be subject to the same audit requirement as other government programs.

The SAI's mandate is typically defined in statute. Only expenditures related to extra-budgetary funds within the SAI's mandate should be considered for this question. (Question 98 addresses audits of budgetary central government.) Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.

To answer "a," all extra-budgetary funds within the SAI's mandate must be audited. A "b" response applies if extra-budgetary funds accounting for at least two-thirds of, but not all, expenditures associated with extra-budgetary funds within the SAI's mandate have been audited. A "c" response applies if extra-budgetary funds accounting for less than two-thirds of expenditures associated with extra-budgetary funds within the SAI's mandate have been audited. A "d" response applies if extra-budgetary funds have not been audited.

Answer:

d. No extra-budgetary funds have been audited.

Source:

Comment:

See Comment on answer to Q98. The audit of the state budget execution started from January 1, 2020 and its first results will be reflected in AR for FY 2020.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question
Comments: Extra-budgetary funds are included in state budgets as budget program measures since 2020

100. Does the annual Audit Report(s) prepared by the Supreme Audit Institution (SAI) include an executive summary?

GUIDELINES:

Question 100 asks whether the annual Audit Report includes an executive summary. Only the Audit Report identified in Section 1 should be used to answer this question. The Audit Report can be a fairly technical document, and an executive summary of the report's findings can help make it more accessible to the media and the public.

To answer "a," the Audit Report must include at least one executive summary summarizing the report's content. Answer "b" applies if the Audit Report does not include an executive summary, or the Audit Report is not made publicly available.

Answer:

b. No, the annual Audit Report(s) does not include an executive summary.

Source:

Law on RA Audit Chamber

Comment:

Part 2 of Article 27 (Conclusion on the state budget execution) of the Law on RA Audit Chamber defines the structure of AR (sections of the report) and executive summary is missing from that structure.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

101. 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?

GUIDELINES:

Question 101 asks whether the executive reports to the public on the steps it has taken to address audit recommendations made by the Supreme Audit Institution (SAI). The ultimate purpose of audits is to verify that the budget was executed in a manner consistent with existing law, and to hold the government accountable for this execution and its future improvement. The extent to which audits achieve the latter depends on whether there is adequate and timely follow-up on the recommendations provided in the SAI's audit reports.

To answer "a," the executive must report publicly on the steps it has taken to address all audit findings. A "b" response applies if the executive reports publicly on the steps it has taken to address most, but not all, audit findings. A "c" response applies if the executive reports publicly on the steps it has taken to address only some audit findings. As long as the executive reports publicly on the steps it has taken to address audit finding, answer "a," "b," or "c" may be selected, even if the Audit Report is not made publicly available. A "d" response applies if the executive does not report at all on its steps to address audit findings.

Answer:

d. No, the executive does not report on steps it has taken to address audit findings.

Source:

Conclusion on the RA 2019 State Budget Execution (AR) - <http://www.armsai.am/files/conclusion2019.pdf>

Comment:

One of the sections of AR is a narrative discussion on the follow-up on the steps the state bodies has taken to address audit recommendations made by the Audit Chamber. They are available both in ARs and Chamber's current conclusions. In particular, pp. 29-30 of AR for FY 2019 provides information on the follow-up of the state bodies on the findings and recommendations of ARs for FY 2017 and FY 2018.

Answer D) was chosen, because this follow-up is made available to public by the Audit Chamber, rather than the corresponding state/ executive bodies. It is worth mentioning that in 2011-2013 the practice of publication of follow-up by state bodies (though not in a satisfactory manner and not regular) was existing (due to one of the conditionalities of EU-Armenia Financing Agreement) and it was available on the RA Electronic Governance website. It is still there without any up-date since 2013 (see https://www.e-gov.am/control_chamber/ - the RA Control Chamber was the predecessor of the Audit Chamber, which is functioning since 2017).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

102. Does either the Supreme Audit Institution (SAI) or legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?

GUIDELINES:

Question 102 asks whether the Supreme Audit Institution (SAI) or the legislature track actions by the executive to address audit recommendations. After audit results and recommendations are discussed and validated by the legislature, the executive is normally asked to take certain actions to address the audit findings. For accountability purposes, the public needs to be informed about the status of those actions, and steps the executive has taken to address audit recommendations. In addition to the executive reporting on its actions (see Question 101), the SAI and legislature – as the key oversight institutions – have a responsibility to keep the public informed by tracking the executive's progress in addressing audit recommendations.

To answer "a," the SAI or legislature must report publicly on what steps the executive has taken to address all audit findings. A "b" response applies if the SAI or legislature reports publicly on what steps the executive has taken to address most, but not all, audit findings. A "c" response applies if the SAI or legislature reports publicly on what steps the executive has taken to address only some audit findings. As long as the SAI or legislature reports publicly on the steps the executive has taken, answer "a," "b," or "c" may be selected, even if the Audit Report is not made publicly available. A "d" response applies if neither the SAI nor the legislature reports on the executive's steps to address audit findings.

Answer:

a. Yes, the SAI or legislature reports publicly on what steps the executive has taken to address all audit recommendations.

Source:

Same source as for Q101.

Comment:

See Comment on answer to Q101. Only the Audit Chamber publishes such information for each of its audits.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

103. Is there an Independent Fiscal Institution (IFI) that conducts budget analyses for the budget formulation and/or approval process?

GUIDELINES:

Question 103 examines whether an Independent Fiscal Institution (IFI) exists that contributes budget analyses to the budget formulation and/or approval process. According to the Principles for Independent Fiscal Institutions, adopted by the OECD Council in 2014, "independent fiscal institutions are publicly funded, independent bodies under the statutory authority of the executive or the legislature which provide non-partisan oversight and analysis of, and in some cases advice on, fiscal policy and performance", and with "a forward-looking ex ante diagnostic task". In practice, they come in two main forms:

- *Parliamentary budget offices (also known as PBOs) such as the Congressional Budget Office in the United States (<https://www.cbo.gov/>), the Parliamentary Budget Office in South Africa (<https://www.parliament.gov.za/parliamentary-budget-office>), and the Center for Public Finance Studies in Mexico (Centro de Estudios de las Finanzas Públicas, <http://www.cefp.gob.mx/>); or*
- *Fiscal councils such as the Office for Budget Responsibility in the United Kingdom (<https://obr.uk/>) and the High Council for Public Finances in France (Haut Conseil des finances publiques, <https://www.hcfp.fr/>).*

For more information, see von Trapp et al. 'Principles for Independent Fiscal Institutions and Case Studies', OECD Journal on Budgeting 15:2 (special issue, 2016), <https://doi.org/10.1787/budget-15-5jm2795tv625>.

To answer "a," there must be an IFI, and its independence must be set in law. In addition, it must have sufficient staffing and resources, including funding, to carry out its tasks. Answer "b" applies if an IFI exists, but either its independence is not set in law or its staffing and resources are insufficient to carry out its tasks. Answer "c" applies if an IFI exists, but its independence is not set in law and it lacks sufficient staffing and resources. Answer "d" applies if no IFI exists.

If the answer is "a," "b," or "c," please specify in the comments the name and type of IFI that exists (e.g., parliamentary budget office or fiscal council). If the answer is "a" or "b," identify the law that guarantees its independence, and provide evidence in support of the assessment of the adequacy of its staffing and resources. This can include the IFI's total budget allocation over recent years, any press reports that discuss perceived funding shortfalls, assessments by international organizations, and/or information from interviews with staff of the IFI.

Answer:

d. No, there is no IFI.

Source:

Legal Information System of Armenia (<http://arlis.am>) - Law on the Rules of Procedure of the National Assembly of the Republic of Armenia
NA website (<http://parliament.am>) - Regulations of the National Assembly of the Republic of Armenia

Comment:

The most relevant to IFI structure in Armenia is the Budget Office of the National Assembly (NA) of Armenia (Parliament). The legal basis for the functioning of the Budget Office (BO) is set by the Law on the Rules of Procedure of the National Assembly of Armenia, mainly by Article 163 of the Law. According to Part 1 of that Article, BO has functional independence, which could be considered as sufficient to argue that BO is independent.

Functioning, staffing, powers and responsibilities of BO are regulated also by the Work Procedure of the National Assembly, the current version of which was approved by December 16, 2016 Decision AZhO-267-N of NA. In particular, Chapter 24 (Points 108 to 126) is specifically regulating the functioning of BO

The level of sufficiency of BO's staffing and resources is difficult to assess. In order to assess that level, it should be assessed to what extent the size of BO's staff, volume of funding allocated to it and material resources (computers, printers, etc.) allow BO to carry out its functions provided through NA Work Procedure (see Points 115-118 of the Work Procedure). Armenian BO was established at the beginning of 2016 and since that time its staff consists of three experts (see http://parliament.am/budget_office.php?sel=about&action=structure&lang=arm), one of whom is the expert-coordinator (head of BO), though according to NA Work Procedure (see Point 108) its staff should consist of 5 experts, including the expert-coordinator. Obviously, such small number of staff (Armenian BO is the smallest BO in the world) does not allow BO to carry out analytical work and it limits itself only by providing necessary assistance to NA members, standing committees and factions through preparing references, summary descriptions for them, as well as assisting them in formulating interventions to EBP (see http://parliament.am/budget_office.php?sel=reports_and_statements&action=references&lang=arm for references and http://parliament.am/budget_office.php?sel=reports_and_statements&action=annual_reports&lang=arm - for summary descriptions). Such limited scope of BO's functions does not allow the researcher to conclude that BO has sufficient resources. In addition, though, as it has been mentioned above, BO, by law, enjoys functional independence, its budget is not a separate line in the state budget, but rather it is part of NA budget, approved by NA Speaker. Also, BO has no its own Charter of Regulations or Work Procedure, but rather its activities are regulated by a number of provisions set in NA Work Procedure (see Chapter 24 (Points 108 to 126) of NA Work Procedure). This means that its independence is seriously compromised.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

104. Does the Independent Fiscal Institution (IFI) publish macroeconomic and/or fiscal forecasts?

GUIDELINES:

Question 104 assesses whether an Independent Fiscal Institution (IFI) has a role in producing the macroeconomic forecast (e.g., GDP growth, inflation, interest rates, etc.) and/or the fiscal forecast (revenues, expenditure, deficits, and debt), and if so, what kind of role it has. Macroeconomic and/or fiscal forecasting is a typical core function across IFIs, but their role in forecasting takes several forms (von Trapp et al. 2016, p. 17 and Table 2). Some IFIs produce just a macroeconomic forecast, while others produce a complete fiscal forecast (which also typically requires an underlying macroeconomic forecast). In some cases, the fiscal forecast reflects continuation of current budget policies; such forecasts can be used by the legislature, the media, or the public to assess the projections in the executive's budget reflecting the government's policy proposals.

Some IFIs produce the official macroeconomic and fiscal forecasts used in the executive's budget. In other cases, IFIs do not prepare their own independent forecasts, but rather produce an assessment of the official estimates, or provide an opinion on, or endorsement of, the government's forecasts. Some others have no role at all in forecasting.

To answer "a", there must be an IFI that publishes both its own macroeconomic AND fiscal forecasts. Answer "b" applies if an IFI publishes its own macroeconomic OR fiscal forecast (but not both). Answer "c" applies if the IFI does not publish a macroeconomic or fiscal forecast, but rather publishes an assessment of the official forecasts produced by the executive and used in the budget. Choose option "d" if there is no IFI; or if there is an IFI that neither publishes its own macroeconomic and/or fiscal forecasts, nor a commentary on the official forecasts for the budget.

Macroeconomic forecasts may include indicators relating to economic output and economic growth, inflation, and the labor market, amongst others. Fiscal forecasts may include estimates of revenues, expenditures, the budget balance, and debt. If the answer is "a" or "b," please specify which indicators and estimates are included in the forecasts and whether the forecast is used by government as the official forecast. If the answer is "c," please describe the nature and depth of the assessment (e.g., the length of the commentary, or whether it covers both economic and fiscal issues).

Answer:

d. No, there is no IFI; or the IFI neither publishes its own macroeconomic and/or fiscal forecasts, nor a commentary on the official forecasts produced by the executive.

Source:

Webpage of the Budget Office in NA website - http://parliament.am/budget_office.php?sel=about&action=functions&lang=arm

Comment:

The National Assembly Budget Office prepares only references and summary descriptions for NA leadership, members, standing committees and factions. The prepared documents show the numbers in a more simple format. According to BO's activity report for 2020 (published on February 4, 2021 - see at http://parliament.am/budget_office.php?sel=reports_and_statements&action=quarterly_reports&lang=arm&id=381) in 2020 NA BO prepared and submitted to NA standing committees 5 summary descriptions. Those are on 2019 End-of-Year Report, 2020 IYRs (for first quarter, for

first half year and for first 9 months) and 2021 EBP (these tasks BO performs no matter there is request from standing committees NA members or factions). Besides that, based on 115 requests from NA members, standing committees and factions, it developed 586 references assisted NA standing committees in drafting 280 proposals (interferences) for 2021 EBP.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

105. Does the Independent Fiscal Institution (IFI) publish its own costings of new policy proposals, to assess their impact on the budget?

GUIDELINES:

Question 105 assesses whether an Independent Fiscal Institution (IFI) has a costing function that involves assessing the budgetary implications of new policy proposals for both revenues and expenditures, and if so, what kind of role it has. Many IFIs have a costing role, but with substantial diversity in the nature and extent of this work (von Trapp et al 2016, pp. 17-18 and Table 2). Some assess virtually all new policy proposals, while others cost only a selection of new policy proposals. Others only publish opinions on, or scrutinize the costings of, budget measures produced by the executive.

To answer "a," the IFI must publish its own costings of all (or virtually all) new policy proposals. Answer "b" applies if the IFI publishes its own costings, but only for major new policy proposals – for instance, only those proposals that cost or save above a certain amount. Answer "c" applies if the IFI publishes its own costings, but only on a limited number of proposals. This could occur, for instance, if the IFI lacked the capacity to assess proposals dealing with certain sectors. Instead of producing a cost estimate, it can also publish an assessment of the estimates produced by the executive. Answer "d" applies if there is no IFI; or if the IFI does not publish its own costings of new policy proposals or provide an assessment of the official costings of new policy proposals.

Answer:

d. No, there is no IFI; or the IFI does not publish its own costings of new policy proposals.

Source:

Webpage of the Budget Office in NA website - http://parliament.am/budget_office.php?sel=about&action=functions&lang=arm

Comment:

NA BO does not publish its own costings of new policy proposals.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

106. In the past 12 months, how frequently did the head or a senior staff member of the Independent Fiscal Institution (IFI) take part and testify in hearings of a committee of the legislature?

GUIDELINES:

Question 106 concerns the interaction between two important oversight actors and assesses how frequently the Independent Fiscal Institution (IFI) made high-level inputs to the work of legislative committees. Almost all IFIs interact with the legislature in some form (von Trapp et al 2016, p. 18), but the intensity of the interaction varies. This question assesses this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the IFI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the IFI staff member in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). As evidence to support your answer, you can refer to official records of legislative committees, websites and annual reports of the IFI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; and "c" for once or twice. Answer "d" should be selected if the head or a senior staff member of the IFI never took part and testified in hearings of a committee of the legislature, or if there is no IFI.

Answer:

d. Never, or there is no IFI.

Source:

http://parliament.am/budget_office.php?sel=reports_and_statements&action=quarterly_reports&lang=arm&id=381

Comment:

The search of evidence on participation and testifying in hearings of a committee of the head or member of NA BO yielded no results. Nothing was found neither in the 2020 report of the activities of BA (see the link in the Source), nor in the news stories on the committees' meetings or hearings organized by committees.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

107. Does the full legislature and/or a legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal?

GUIDELINES:

Question 107 asks whether the legislature debated budget policies prior to the tabling of the Executive's Budget Proposal for the most recent budget year before the research cut-off date. In general, prior to discussing the Executive's Budget Proposal for the coming year, the legislature should have an opportunity to review the government's broad budget priorities and fiscal parameters. Often times this information is laid out in a Pre-Budget Statement, which the executive presents to the legislature for debate. (See Questions 54-58.)

A number of countries conduct a pre-budget debate in the legislature around six months before the start of the budget year. In some cases, they adopt laws that guide the upcoming budget, for example the Budget Guidelines Law in Brazil and the Spring Fiscal Policy Bill in Sweden. A pre-budget debate can serve two main purposes: 1) to allow the executive to inform the legislature of its fiscal policy intentions by presenting updated reports on its annual and medium-term budget strategy and policy priorities; and 2) to establish "hard" multi-year fiscal targets or spending ceilings, which the government must adhere to when preparing its detailed spending estimates for the upcoming budget year.

To answer "a," the full legislature must debate budget policy prior to the tabling of the Executive's Budget Proposal and approve recommendations for the upcoming budget.

Answer "b" applies if a legislative committee (but not the full legislature) debates budget policy prior to the tabling of the Executive's Budget Proposal, and approves recommendations for the budget. Option "b" also applies if, in addition to the action by the committee, the full legislature also debates budget policy in advance of the budget, but does not approve recommendations.

Answer "c" applies if the full legislature and/or a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, but does not approve recommendations for the budget. Answer "d" applies if neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.

In your comment, please indicate the dates of the budget debate, and if both the full legislature and a legislative committee held a debate. Note that a debate does not need to be open to the public, but a public record of the meeting or a public notice that the meeting occurred is required. In addition, please indicate whether the budget debate was focused on a Pre-Budget Statement published by the Executive. If the Executive did not publish a Pre-Budget Statement, then please indicate what served as the focus of the legislature's debate (for instance, a report released by an IFI or some other institution).

Answer:

c. Yes, the full legislature and/or a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, but it does not approve recommendations for the upcoming budget.

Source:

Comment:

Though neither the full legislature, nor any of its committee debate budget policy prior to the tabling of EBP, NA is indirectly involved in budgetary processes prior to the tabling of EBP.

At the beginning of each calendar year (which in Armenia coincides with budget year) the Prime Minister signs decision on the start of the budgetary process for the next year and that decision is considered as the start of the next year budgetary process. In particular, the budgetary process for the preparation of the 2021 state budget and 2021-2023 MTEP started with the adoption of Prime-Minister's Decision N 5-A, which was signed on January 9, 2020. The appendix of that decision is the timetable (budget calendar) of that process. According to that timetable, after the Government adopts the preliminary draft of the next year's state budget (EBP) and corresponding MTEP (this usually happens in the middle of July and in 2020 it was adopted on July 12), it sends both documents (preliminary draft and MTEP) to NA for information. Then, according to the same timetable, each corresponding standing committees of NA shall discuss in its meeting those budget programs included in the preliminary draft, which are under their jurisdiction (in 2020 these discussions, according to the timetable, initially should take place from June 15 to July 30, but because of delays caused by COVID-19, they were re-scheduled from July 20 to 30). As a result of those discussions, NA committees submit recommendations on the budget programs to corresponding state entities (in 2020 the deadline for their submission was July 30). After that, the corresponding state entities shall

submit their opinions to those recommendations to the Ministry of Finance, which is responsible for drafting the state budget (in 2020 the deadline for submitting the opinions was set as August 6). Finally, based on those opinions and position of the Ministry of Finance, these entities shall modify their parts of the preliminary draft of the state budget (in 2020 the deadline for this modification was August 14).

However, these timelines are constantly violated (the same happened also in 2019) and the discussions in the committees take place only at the beginning of September (this also happened in 2019). The major reason of this delay is that according to the Law on the Performance Guarantees of NA Members (see Article 10 of the Law), NA members have the right for paid vacation only in summer and, by the same Law, the length of that vacation is equal to 30 working days (6 weeks). This means that the timelines set by the Prime-Minister's decision usually fall within that vacation period, especially considering the fact that it is a usual practice in Armenian NA, to have frequent extraordinary sessions after the end of the regular sessions (third Thursday of June for Spring sessions and third Thursday of December for Fall sessions). As a result of this practice, for example in 2020, the sessions in NA ended only at the middle of July and immediately after that NA members took their paid vacations until the end of August.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree
Suggested Answer:

a. Yes, the full legislature debates budget policy prior to the tabling of the Executive's Budget Proposal, and approves recommendations for the upcoming budget.

Comments: Before the discussion of the draft State Budget Law in NA (which usually take place on October- November of BY-1), legislative committee discusses the APPs of all budget programs on July-August of BY-1.

IBP Comment

Many thanks to the reviewers. As noted by government, a 'discussion' is not the same as debating and approving policy recommendations. Score remains C.

108. How far in advance of the start of the budget year does the legislature receive the Executive's Budget Proposal?

GUIDELINES:

Question 108 examines how far in advance of the start of the most recent budget year the legislature receives the Executive's Budget Proposal. International good practice recommends that the Executive's Budget Proposal should be submitted to the legislature far enough in advance to allow the legislature time to review it properly, or at least three months prior to the start of the fiscal year. (See, for instance, Principle 2.2.2 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>)).

For the purposes of responding to this question, if – and only if – the most recent budget submission occurred later than usual as a result of a particular event, such as an election, please use a more normal year as the basis for the response. If, however, delays have been observed for more than one budget year, and the legislature has not received the Executive's Budget Proposal in a timely manner on more than one occasion in the last three years, then "d" will be the appropriate answer.

To answer "a," the legislature must receive the Executive's Budget Proposal at least three months in advance of the start of the budget year. Answer "b" applies if the legislature receives the Executive's Budget Proposal at least two months, but less than three months, before the start of the budget year. Answer "c" applies if the legislature receives the Executive's Budget Proposal at least one month, but less than two months, before the start of the budget year. Answer "d" applies if the legislature does not receive the Executive's Budget Proposal at least one month prior to the start of the budget year, or does not receive it at all.

Answer:

a. The legislature receives the Executive's Budget Proposal at least three months before the start of the budget year.

Source:

Constitution of the Republic of Armenia

https://www.constituteproject.org/constitution/Armenia_2015.pdf?lang=en

Comment:

According to Part 2 of Article 110 of the Constitution, the Government shall submit the draft of the next year's budget at least 90 days prior to the start of the budget year (in Armenian case - January 1). This constitutional provision never was violated, including in 2020.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

Comments: The preliminary draft State budget law for the upcoming year, along with MTEF, is submitted to the RA National Assembly by July 20, which APPs discussions are held in July-August.

109. When does the legislature approve the Executive's Budget Proposal?

GUIDELINES:

Question 109 examines when the legislature approves the Executive's Budget Proposal. International good practice recommends that the Executive's Budget Proposal should be approved by the legislature before the start of the fiscal year the budget proposal refers to. This gives the executive time to implement the budget in its entirety, particularly new programs and policies.

In some countries, the expenditure and revenue estimates of the Executive's Budget Proposal are approved separately; for purposes of this question, at least the expenditure estimates must be approved. Further, approval of the budget implies approval of the full-year budget, not just a short-term continuation of spending and revenue authority.

To answer "a," the legislature must approve the Executive's Budget Proposal at least one month before the start of the budget year. Answer "b" applies if the legislature approves the Executive's Budget Proposal less than one month in advance of the start of the budget year, but at least by the start of the budget year. Answer "c" applies if the legislature approves the Executive's Budget Proposal less than one month after the start of the budget year. Answer "d" applies if the legislature approves the Executive's Budget Proposal more than one month after the start of the budget year, or does not approve the budget.

Answer:

b. The legislature approves the budget less than one month in advance of the start of the budget year, but at least by the start of the budget year.

Source:

Law on the Rules of Procedure of the National Assembly, Articles 87 and 90 - <http://parliament.am/legislation.php?sel=show&ID=5711&lang=eng>

Comment:

The choice of b) as the answer to this Question is based on the practice, whereas the Law on the Rules of Procedure of the National Assembly allows also earlier approval of EBP (such precedent took place in 2018 with the approval of 2019 EBP (on November 22, 2018) and that was connected with conducting of early parliamentary elections to be held on December 9, 2018). According to Part 4 of Article 87 of the Law, the debates on EBP shall start not later, than on the first regular 4-day sitting in November. After the completion of debates on that sitting, according to Part 6 of Article 90 of the Law, the discussion on EBP shall be interrupted for at least 4 days, during which NA members and factions shall submit to the Government their suggested amendments. The Government shall consider those amendments and after that the discussions shall re-start. Thus, it is possible to approve EBP even in November. However, the usual practice is that the interruption lasts much longer, than 4 days, and extends until the beginning of December, when the following regular 4-day sitting takes place, during which EBP is approved. This practice was in place in 2020, as well, and EBP was approved on December 10, 2020 (EBP was first debated on November 17-18 and then was interrupted until December 8 - see http://parliament.am/draft_history.php?id=12104).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

110. Does the legislature have the authority in law to amend the Executive's Budget Proposal?

GUIDELINES:

Question 110 examines the legislature's power to amend—as opposed to simply accept or reject—the budget proposal presented by the executive. This question is about legal authority rather than actions the legislature takes in practice. The legislature's powers to amend the budget can vary substantially across countries.

The "a" response is appropriate only if there are no restrictions on the right of the legislature to modify the Executive's Budget Proposal, including its right to change the size of the proposed deficit or surplus. The "b" response would be appropriate if, for instance, the legislature is restricted from changing the deficit or surplus, but it still has the power to increase or decrease funding and revenue levels. The more limited "c" response would apply if, for instance, the legislature can only re-allocate spending within the totals set in the Executive's Budget Proposal or can only decrease funding levels or increase revenues. Finally, response "d" would apply if the legislature may not make any changes (or only small technical changes), or if amendments must first be approved by the executive. In these cases, the legislature is essentially only able to approve or reject the budget as a whole. If the answer is "b" or "c", please indicate the nature of the amendment powers available to the Parliament and how they are limited.

Answer:

a. Yes, the legislature has unlimited authority in law to amend the Executive's Budget Proposal.

Source:

Law on the Rules of Procedure of the National Assembly, Chapter 20 (Articles 87-91) - <http://parliament.am/legislation.php?sel=show&ID=5711&lang=eng>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

111. During the most recent budget approval process, did the legislature use its authority in law to amend the Executive's Budget Proposal?

GUIDELINES:

Question 111 assesses whether any formal authority of the legislature to amend the Executive's Budget Proposal is used in practice. The responses to this question should be determined based on action by the legislature related to the Enacted Budget used in the OBS. Choose answer "a" if the legislature used its authority in law to amend the Executive's Budget Proposal during the most recent budget approval process, and amendments were adopted (all, or at least some of them). Answer "a" also applies if the legislature used its authority in law to amend the Executive's Budget Proposal, but the amendments were rejected by executive veto. Answer "b" applies if the legislature used its authority in law to propose amendments to the Executive's Budget Proposal, but none of these amendments were adopted. Answer "c" applies if the legislature has the authority in law to amend the budget, but no amendments were proposed during its consideration. Answer "d" applies when the legislature does not have any authority to amend the budget (that is, Question 110 is answered "d").

If the answer is "a" or "b", please specify in the comments the number of amendments introduced by the legislature (and in the case of an "a" response, the number adopted, or if applicable, information about an executive veto) and describe their nature. For example, did the amendments result in an increase or decrease of the deficit? What were the most significant amendments to revenues and to expenditures in terms of the sums involved? How did amendments affect the composition of expenditures? If the answer is "a," please specify which amendments were adopted, and provide evidence for it.

Answer:

a. Yes, the legislature used its authority in law to amend the Executive's Budget Proposal, and (at least some of) its amendments were adopted.

Source:

Agenda of the December 8-11, 2020 4-day sitting of NA - <http://parliament.am/agenda.php?AgendaID=594&day=10&month=12&year=2020&lang=#10.12.2020>

Documents related to the approved 2021 EBP in the mentioned above agenda - <http://parliament.am/drafts.php?sel=showdraft&DraftID=12104&Reading=0>

Comment:

Documents related to the approved 2021 EBP include also the summary sheet on the amendments made by NA members and factions submitted to the Government, and reference on the changes in revenues and expenditures resulted from the accepted amendments.

According to the summary sheet, NA members and factions submitted 104 amendments, from which the Government fully adopted 17, and partially - 6 amendments. However, after analyzing these fully or partially adopted amendments, it became clear that among them only one fully adopted amendment brought to change in the budget numbers, namely, it increased (in a miserable amount of around 7,500 USD) budget expenditures. (By the way, that amendment was duplicated - first it was proposed during the preliminary hearings on EBP held in the standing committees prior to the debates on EBP during November 17-20 4-day regular sitting of NA, and later, just after the mentioned sitting. However, in the brief summary it is shown as two separately fully adopted amendments. Thus, it could be more correct to argue that there have been proposed 103 amendments and among them 16 were fully adopted.) All remaining fully or partially adopted amendments were on introducing of new measures (actions) and/or indicators of budget programs.

As of the reference on the changes in revenues and expenditures resulted from the accepted amendments, it shows only changes occurred (for different reasons) after the Ministry of Finance submitted EBP to NA on October 1, 2020. Those were mainly modified budget requests of some state bodies, changes occurred because of exchange rate fluctuations and new grant and loan agreements with international donors signed after October 1.

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

112. During the last budget approval process, did a specialized budget or finance committee in the legislature examine the Executive's Budget Proposal?

GUIDELINES:

Question 112 assesses the role of a specialized budget or finance committee during the budget approval stage. Effective committee involvement is an essential condition for legislative influence in the budget process. Specialized committees provide opportunities for individual legislators to gain relevant expertise, and to examine budgets and policy in depth. Yet, the involvement of committees differs across legislatures. Some legislatures have separate committees to examine spending and tax proposals, while others have a single finance committee. Not all legislatures have a specialized budget or finance committee to examine the budget. In addition, there can be differences in the time available for the committee's analysis of the budget.

A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, therefore it must be published before the legislature has adopted the budget.

Response "a" requires that, in the last budget approval process, a specialized budget or finance committee had one month or more to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted. Response "b" applies where such a committee examined the draft budget and published a report, but within a shorter timeframe of less than one month. Response "c" applies if a committee examined the budget (without regard to the time period), but did not publish a report prior to the adoption of the budget. Response "d" applies where a specialized budget or finance committee did not examine the Executive's Budget Proposal.

Please specify in your comment the name of the committee and the number of days it had available to examine the budget. For bicameral legislatures where one house or chamber has greater constitutional authority in budgetary matters, the question applies to the house or chamber (usually the upper or second one) that is decisive. For bicameral legislatures with co-equal houses or chambers, the question should be answered with reference to the one that achieves the higher score for this question. In the case of bicameral legislatures, please note the relevant arrangements in each house or chamber. If applicable, provide a copy of the report. Please note also if a report is published, but only after the budget has been adopted.

Answer:

c. Yes, a specialized budget or finance committee examined the Executive's Budget Proposal, but it did not publish a report with findings and recommendations prior to the budget being adopted.

Source:

Article 88 of the Law on Rules of Procedure of the National Assembly of the Republic of Armenia - <http://parliament.am/legislation.php?sel=show&ID=57111&lang=eng>

Comment:

The areas of budget legislation, state budget are among the areas under the jurisdiction of NA Standing Committee on Finance-Credit and Budgetary Affairs. Due to that, it serves as steering committee in the process of EBP approval in NA. According to Article 88 of the Law on Rules of Procedures of the National Assembly of the Republic of Armenia, the Standing Committee on Finance-Credit and Budgetary Affairs as steering committee a) coordinates the preliminary hearings on EBP in the standing committees (these hearings take place during the two weeks preceding the week before the first 4-day regular sitting in November when EBP is debated) and co-chairs those hearings together with the chairs of the relevant standing committees, and, b) through its oral presentation made during the debates on EBP at 4-day regular sitting presents the findings revealed during the preliminary discussion in the Committee. However, it hardly could be considered as a report with findings and recommendations mentioned in the question, primarily because it is not disseminated prior to the debates on EBP at the 4-day regular sitting(s).

Considering the fact that the Government submits EBP to NA not later, than 90 days before the start of the budget year (January 1), and that deadline is October 2, the Standing Committee on Finance-Credit and Budgetary Affairs has more, than month available to examine EBP.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

113. During the last approval process, did legislative committees, responsible for particular sectors (e.g., health, education, defense, etc.), examine spending in the Executive's Budget Proposal related to the sector for which they are responsible?

GUIDELINES:

Question 113 assesses the role of committees of the legislature that are responsible for particular sectors (e.g., health, education, defense, etc.) during the budget approval stage. The role of sectoral committees differs across legislatures. Some legislatures do not involve them in the budget approval process, while others do. In addition, the time available for committee analysis differs.

A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, so therefore must be published before the legislature has adopted the budget. Response "a" requires that sector committees had one month or more to examine the Executive's Budget Proposal, and published a report with findings and recommendations prior the budget being adopted. Response "b" applies where such committees examined the draft budget and published a report, but within a shorter timeframe of less than one month. Response "c" applies if sectoral committees examined the budget (without regard to the time period), but did not publish a report prior to the adoption of the budget. Response "d" applies where sectoral committees did not examine the Executive's Budget Proposal.

Please note that the examination of sectoral budgets by a specialized budget or finance committee is assessed in Question 112 and should not be considered for this question.

Please provide in the comments a brief overview of the committee structure and specify the number of days that sectoral committees had available to examine the budget and to publish their reports. For bicameral legislatures where one house or chamber has greater constitutional authority in budgetary matters, the question applies to the house or chamber (usually the upper or second one) that is decisive. For bicameral legislatures with co-equal houses or chambers, the question should be answered with reference to the one that achieves the higher score for this question. In the case of bicameral legislatures, please note the relevant arrangements in each house or chamber. If applicable, provide a sample copy of at least one of the reports. Please note if a report is published, but only after the budget has been adopted.

For purposes of responding to this question, use those sectoral committees that are best performing – that is, the ones that examine the budget the longest and that publish reports.

Answer:

c. Yes, sector committees examined the Executive's Budget Proposal, but they did not publish reports with findings and recommendations prior to the budget being adopted.

Source:

Law on Rules of Procedure of the National Assembly of the Republic of Armenia - <http://parliament.am/legislation.php?sel=show&ID=57111&lang=eng>

Comment:

As it has been mentioned in the Comment to Question 112, preliminary hearings on EBP in all standing committees shall be held prior to the debates at the regular 4-day sitting on EBP. During these hearings the committee members can submit their amendments to the Government.

Similar to the Standing Committee on Finance-Credit and Budgetary Affairs, the more, than one month time period available for examining EBP applies also to all other standing committees of NA.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

114. In the past 12 months, did a committee of the legislature examine in-year implementation of the Enacted Budget during the relevant budget execution period?

GUIDELINES:

Question 114 is about legislative oversight of budget execution. It assesses whether and how often a committee examined the implementation of the budget during the budget execution period (i.e., financial year) for which it was approved, and whether this resulted in an official report with findings and recommendations. This question does not apply to the ex post review of implementation following the end of the budget year as part of the audit stage, which is assessed separately. Nor does it apply to the legislature's review of the budget that it may undertake as part of the process of considering a supplemental budget during the year. In-year monitoring by the legislature will be affected by the frequency that the executive publishes In-Year Reports.

To answer "a," a committee must have examined in-year implementation of the Enacted Budget at least three times during the course of the relevant budget year and published reports with findings and recommendations. Answer "b" applies where this occurred only once or twice during the year.

Exception: If a legislature is in session only twice during the year, and it examines the implementation of the budget during both sessions, then it would be eligible for an "a" response.

Choose "c" if a committee examined in-year implementation (without regard to frequency), but did not publish any report with findings and recommendations. Answer "d" applies where no committee examined in-year implementation.

If the answer is "a" or "b," please specify the name of the committee and when it reviewed budget implementation, and provide a copy of its report(s). If the answer is "c," please specify the name of the committee and when it reviewed budget implementation.

For purposes of responding to this question, if more than one committee holds in-year reviews of the budget, use the committee that is best performing – that is, the one that examines in-year implementation the most times and that publishes a report.

Answer:

d. No, a committee did not examine in-year implementation.

Source:

Law on Rules of Procedure of the National Assembly of the Republic of Armenia - <http://parliament.am/legislation.php?sel=show&ID=5711&lang=eng>

Comment:

According to Part 1 of Article 114 of the Law on Rules of Procedure of the National Assembly of the Republic of Armenia, within 40 days after the end of each quarter, the Government shall submit reference on the in-year implementation of the state budget to NA. Part 3 of the same Article provides that each corresponding standing committee shall discuss the reference at its meeting. However, there is no publicly available information on these discussions. In practice, NA is very active only in discussing end-of-year report.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

115. Does the executive seek approval from the legislature prior to shifting funds between administrative units that receive explicit funding in the Enacted Budget, and is it legally required to do so?

GUIDELINES:

Question 115 examines whether the executive seeks approval from the legislature prior to shifting funds between administrative units, and whether it is legally required to do so.

In some countries, the executive has the power in law to adjust funding levels for specific appropriations during the execution of the budget. This question examines rules around shifting funds between administrative units (ministries, departments, or agencies) or whatever funding unit (or "vote") is specified in the Enacted Budget.

The conditions under which the executive may exercise its discretion to shift funds should be clearly defined in publicly available regulations or law. In addition, the amount of funds that the executive is allowed to transfer between administrative units should not be so excessive as to undermine the accountability of the executive to the legislature.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before shifting funds between administrative units, and it does so in practice. Answer "b" applies if the executive obtains legislative approval before shifting funds between administrative units, but is not legally required to do so. Answer "c" applies if the executive is legally required to receive legislative approval before shifting funds, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to shift funds between administrative units and the executive does not obtain legislative approval in practice. Answer "d" also applies if the executive is authorized to shift an amount considered so excessive as to undermine accountability (roughly equal to 3 percent of total budgeted expenditures). A "d" response applies if the legislature only approves the shifting of funds after it has already occurred.

In the comments, please indicate any law or regulation that provides the executive with standing authority to shift funds between administrative units and, if so, describe that authority. Similarly, legislative approval for shifting funds between administrative units typically occurs with the adoption of legislation such as a supplemental budget. But if other formal procedures for gaining approval from the legislature exist, then please provide information about that approval process.

Answer:

c. The executive is required by law or regulation to obtain approval from the legislature prior to shifting funds between administrative units, but in practice the executive shifts funds before obtaining approval from the legislature.

Source:

Law on the Budgetary System of the Republic of Armenia - http://parliament.am/law_docs/210797H0137eng.pdf

Law on the State Budget of the Republic of Armenia starting from 1997, as the Law on Budgetary System was adopted by NA on June 24, 1997

Law on Changes and Amendments in the Law on 2020 State budget of the Republic of Armenia (adopted by NA on April 29, 2020)

Law on Changes and Amendments in the Law on 2020 State budget of the Republic of Armenia (adopted by NA on October 7, 2020)

Comment:

The first paragraph of Part 3 of Article 23 of the Law on the Budgetary System of Armenia provides that "changes and (or) amendments in the state budget approved by the National Assembly can be introduced at the proposal of the members of the National Assembly, factions of the National Assembly and the Government through the procedure of legislative initiative". Starting from 1997 and before 2020 there have been 14 such transfers (last time - in 2013 budget year). On April 11, 2003 NA adopted an amendment to the same part (which became the second paragraph of that part) of the named Article 23, by which the Government can shift some amounts between administrative units without prior approval from NA, provided that the total amount of shifted funds shall not exceed 3% of total allocations (expenditures) of the state budget.

However, in 2020 the Government decided that the outbreak of COVID-19 and then war in Karabakh (from September 27 to November 9, 2020) made impossible for NA to quickly convene and adopt decisions on the approval of additional (exceeding the above-mentioned 3% cap) budget re-allocations that were inevitable in such situation and first at the end of April (in connection with COVID-19), and then at the beginning of October (in connection with Karabakh war) submitted to NA a draft on changes and amendments in the Law on 2020 State Budget, and among them - requesting to overcome the 3% cap (though without specifying a new cap) for the 2020 state budget. NA adopted these changes and amendments first on April 29 and then on October 10. As a result of that in 2020 after May 8, 2020, when the first changes and amendments to the Law on 2020 State budget entered into effect, the Government was shifting the funds between administrative units without prior approval from NA. So far, this practice is discontinued regarding 2021 state budget.

Peer Reviewer

Opinion: Agree

Comments: I agree, however there is an important aspect to consider The same Article 23 to which the researcher refers when mentioning the 3% cap states "if nothing else is envisaged in the annual budget law". In annual budget laws the Parliament (based on text developed by the GoA) expands the right of the GoA to make changes and amendments. E.g. according to Article 7 point 21 of the Law on 2019 state budget of the Republic of Armenia certain transactions are not considered as virements. There are other provisions in the annual budget law that regulate issues related to virements, however, they need legal review. There are similar provisions in annual budget laws of other recent years.

Government Reviewer

Opinion: I choose not to review this question

116. Does the executive seek approval from the legislature prior to spending excess revenue (that is, amounts higher than originally anticipated) that may become available during the budget execution period, and is it legally required to do so?

GUIDELINES:

Question 116 examines whether the executive receives approval from the legislature prior to spending excess revenue, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if additional revenue is collected unexpectedly during the year, which often happens in oil/mineral-dependent countries, and it was not accounted for in the Enacted Budget, there should be a procedure in place to ensure that the legislature approves any proposed use of these "new" funds. If such requirements are not in place, the executive might deliberately underestimate revenue in the budget proposal it submits to the legislature, in order to have additional resources to spend at the executive's discretion, with no legislative control.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before spending any funds resulting from higher-than-expected revenues, and it does so in practice. Answer "b" applies if the executive obtains legislative approval before spending excess revenue, but is not legally required to do so. Answer "c" applies if the executive is legally required to receive legislative approval before spending excess revenue, but does not do so in practice. Answer "d" applies if prior legislative approval is not legally required for the executive to spend excess revenue and the executive does not obtain legislative approval in practice. A "d" response applies if the legislature only approves the additional spending after it has already occurred.

Typically, legislative approval of additional spending beyond what was reflected in the Enacted Budget would occur with the adoption of a supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.

Answer:

d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to spending excess revenues, and in practice the executive spends these funds before obtaining approval from the legislature.

Source:

Law on 2021 State Budget of the Republic of Armenia

Law on the Budgetary System of the Republic of Armenia - http://parliament.am/law_docs/210797H0137eng.pdf

Comment:

Laws on state budgets, and among them Law on 2021 State Budget, regulate a priori how excess revenue, if it is generated, shall be spent by the Government. In particular, for 2021 budget year, see provisions in Article 9 of the Law.

In addition, Part 8 of Article 23 of the Law on the Budgetary System of the Republic of Armenia provides that the Government has the right to spend amounts not foreseen in the revenues of the state budget and donated to the state budget during the year of donation for purposes decided by the donor.

Peer Reviewer

Opinion: Agree

Comments: According to Article 110 part 1 of the Constitution "The National Assembly adopts the state budget presented by the Government. The state budget as regulated by the law includes all state revenues and expenditures." I am not a lawyer and cannot give legal interpretation but I think the phrase "all state revenues" means that only the National Assembly has the right to decide on the budget (taking into account virements as allowed by the law). There may be an issue with the Constitution in the fact that the National Assembly transfers its rights and obligation to the Government.

Government Reviewer

Opinion: I choose not to review this question

117. Does the executive seek approval from the legislature prior to reducing spending below the levels in the Enacted Budget in response to revenue shortfalls (that is, revenues lower than originally anticipated) or other reasons during the budget execution period, and is it legally required to do so?

GUIDELINES:

Question 117 examines whether the executive receives approval from the legislature prior to cutting spending below the levels in the Enacted Budget in response to revenue shortfalls or for any other reason, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if less revenue is collected unexpectedly during the year, the legislature should approve or reject any proposed reductions in expenditures that are implemented as a result. If such requirements are not in place, the executive might substantially change the composition of the budget at the executive's discretion, with no legislative control.

Typically, legislative approval of proposals to reduce spending below the levels reflected in the Enacted Budget would occur as part of the supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before implementing spending cuts in response to revenue shortfalls or for other reasons, and it does so in practice. Answer "b" applies if the executive received legislative approval before implementing such cuts, but is not legally required to do so. Answer "c" applies if the executive is legally required to obtain legislative approval before implementing such cuts, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to implement such cuts and the executive does not obtain such approval in practice. A "d" response applies if the legislature only approves the spending cuts after they have already occurred.

Answer:

d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to reducing spending below enacted levels, and in practice the executive implements these spending cuts before seeking prior approval from the legislature.

Source:

Law on the Budgetary System of the Republic of Armenia - http://parliament.am/law_docs/210797H0137eng.pdf

Comment:

Part 7 of Article 23 of the Law on the Budgetary System of the Republic of Armenia regulates this issue. It provides that if the Government concludes that there is risk of revenue shortfalls, which could bring to the reduction of spending (but no more, than by 10%), then it shall pass decision to reduce expenditures by the same size (percent), as the size of revenue shortfall and in proportions defined by the Government for each spending program.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

118. Did a committee of the legislature examine the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI)?

GUIDELINES:

Question 118 is about ex post oversight following the implementation of the budget. It probes whether a committee examined the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI), and whether this resulted in an official report with findings and recommendations. A key issue is how soon after the SAI releases the report does it legislature review it. This question does not apply to the legislative scrutiny of in-year implementation of the Enacted Budget during the relevant budget execution period, which is assessed separately. Also, the question is asking specifically about the SAI's annual report on the execution of the budget, not about other audit reports that the SAI may produce. (This is the Audit Report used for responding to Question 98.)

To answer "a," a legislative committee must have examined the annual Audit Report within three months of it being released by the SAI, and then published a report (or reports) with findings and recommendations. (Note that the three-month period should only take into account time when the legislature is in session.)

Answer "b" applies when the committee examines it within six months of it being released (but more than three months), and then published a report with its findings and recommendations. Choose "c" if a committee examined the annual Audit Report more than six months after it became available or it did not publish any report with findings and recommendations. Answer "d" applies where no committee examined the annual Audit Report.

If the answer is "a" or "b," please specify the name of the committee and when it reviewed the Audit Report, and provide a copy of its report(s). If the answer is

"c," please specify the name of the committee and when it reviewed budget implementation. Answers "a," "b," or "c" may be selected if the Audit Report is produced by the SAI but not made publicly available.

Answer:

c. Yes, a committee examined the Audit Report on the annual budget, but it did so after the report had been available for more than six months or it did not publish any report with findings and recommendations.

Source:

Law on the Rules of Procedure of the National Assembly of the Republic of Armenia - <http://parliament.am/legislation.php?sel=show&ID=5711&lang=eng>

Comment:

The Audit Report (AR), which, according to Part 3 of Article 116 of the Law on the Rules of Procedure of the National Assembly of the Republic of Armenia, the Audit Chamber shall submit to NA not later, than 1 month after the Government submits EYR to NA (thus, the deadline of the submission of AR is June 1), is discussed only together with the End-Of-Year Report (EYR) and it is preliminarily discussed by all standing committees of NA.

The procedures of preliminary discussions of EYR and AR in the standing committees in NA and then their debates at the 4-day regular sitting are identical to those for EBP (see Article 117 of the Law on the Rules of Procedure of the National Assembly of the Republic of Armenia). Similar to EBP case, here also the Standing Committee on Finance-Credit and Budgetary Affairs is acting in the capacity of steering committee and it coordinates preliminary discussions and then it can present its findings during the debates at the 4-day sitting. In particular, on June 5, 2020 the Annual Report on Execution of RA State Budget for 2019 was debated at joint sitting of RA NA Standing Committees - see http://parliament.am/news.php?do=view&cat_id=2&day=05&month=06&year=2020&NewsID=13045&lang=eng

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

119. Was the process of appointing (or re-appointing) the current head of the SAI carried out in a way that ensures his or her independence?

GUIDELINES:

Question 119 concerns the appointment process of the current head of the Supreme Audit Institution (SAI). Appointment procedures vary greatly across countries, as well as across different types of SAIs. Moreover, conventions and informal practices can greatly affect the de facto independence of the head of the SAI. While these factors make it difficult to devise a single metric against which all SAIs can be assessed with regard to this particular aspect, this question focuses on whether the legislature or judiciary must appoint or approve the appointment of the head of the SAI as a way to ensure the SAI's independence from the executive. However, if the appointment is carried out in another way that nonetheless ensures the independence of the SAI head, then that approach could be also considered.

To answer "a," the legislature or judiciary must appoint (or re-appoint) the head of the SAI, or approve the recommendation of the executive, as a way that ensure his or her independence from the executive. (As noted above, alternative approaches may also be acceptable.) Choose "b" if the appointment process does not ensure the independence of the head of the SAI, e.g. the executive may appoint the head of the SAI without the final consent of the legislature or judiciary.

Irrespective of which answer you selected, provide a description of how the head of the SAI is appointed.

Answer:

a. Yes, the head of the SAI may only be appointed by the legislature or judiciary, or the legislature or judiciary must give final consent before the appointment takes effect.

Source:

Article 199 of the Constitution of the Republic of Armenia
https://www.constituteproject.org/constitution/Armenia_2015.pdf?lang=en

Law on the Rules of Procedure of the National Assembly of the Republic of Armenia

Comment:

According to Part 2 of Article 199 of the Constitution, all 7 members of the Audit Chamber, including its Chair (the number of members is defined by Part 1 of the same Article of the Constitution) shall be appointed by NA.

The Procedure of the election of the Chair and members of the Audit Chamber, together with the procedure of election of other officials appointed by NA (Prosecutor General, Ombudsman, Chair of the Central Bank and others) are defined by Article 145 of the Law on the Rules of Procedure of the National Assembly of the Republic of Armenia.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

120. 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?

GUIDELINES:

Question 120 covers the manner in which the head or senior members of the SAI may be removed from office. This question draws on best practices identified in the Lima Declaration of Guidelines on Auditing Precepts (<http://internationalbudget.org/wp-content/uploads/LimaDeclaration.pdf>), including measures intended to guarantee the office's independence from the executive.

To answer "a," the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before the head of the SAI is removed. For example, the legislature or judiciary may give final consent following a certain external process, such as a criminal proceeding. So while the executive may initiate a criminal proceeding, the final consent of a member of the judiciary – or a judge – is necessary to render a verdict of wrongdoing that may lead to the removal from office of the head of the SAI. Answer "b" applies if the executive may remove the head of the SAI without the final consent of the judiciary or legislature.

Answer:

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 he or she is removed.

Source:

Constitution of the Republic of Armenia
https://www.constituteproject.org/constitution/Armenia_2015.pdf?lang=en

Law on the Rules of Procedure of the National Assembly of the Republic of Armenia

Comment:

Part 6 of Article 199 of the Constitution provides that NA removes the member of the Audit Chamber by three fifth of the votes of all members of NA.

Article 153 of the Law on the Rules of Procedure of the National Assembly of the Republic of Armenia provides the procedure of the removal (not only of the Audit Chamber member, but also other high-ranking officials, who, by Constitution, are appointed by NA).

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

121. Who determines the budget of the Supreme Audit Institution (SAI)?

GUIDELINES:

Question 121 asks who determines the budget of the Supreme Audit Institution (SAI). To ensure objective audits of government budgets, another important component of the SAI's independence from the executive is the extent to which the SAI's budget is determined by a body other than the executive, and whether the SAI has adequate resources to fulfill its mandate.

Answer "a" applies if the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate, AND either the SAI determines its own budget and then submits it to the executive (which accepts it with little or no change) or directly to the legislature, or the budget of the SAI is determined directly by the legislature or judiciary (or some independent body). Answer "b" applies if the SAI's budget is determined by the executive (absent a recommendation from the SAI), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate. Answer "c" applies if the legislature or judiciary (or some independent body) determines the SAI's budget, but the funding level is not consistent with the resources the SAI needs to

fulfill its mandate. Answer "d" applies if the executive determines the SAI's budget, and the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Please provide evidence in support of the assessment that the funding level is or is not broadly consistent with the resources the SAI needs to fulfill its mandate.

Answer:

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.

Source:

Law on Audit Chamber

http://www.armsai.am/files/law/law_eng.pdf

Comment:

Similar to all other state bodies, every year the Audit Chamber, according to Part 1 of Article 20 of the Law on the Audit Chamber and based on the Law on the Budgetary System of the Republic of Armenia, prepares and submits to the Ministry of Finance its budget request for the next budget year in the timelines defined by the Prime-Minister's decision on the budgetary process. Part 2 of the same Article provides that Audit Chamber's budget request either unchanged or changed by the Ministry of Finance is included in EBP and submitted to NA. If the Ministry, on behalf of the Government changes the request, then, according to Part 3 of the same Article, it shall submit its explanations for changing the budget request prepared by Audit Chamber, to NA and Audit Chamber,. These explanations are discussed first between Audit Chamber, and the Government, and then, after their submission to NA, in NA, with participation of Audit Chamber,. These discussions could entail to modification of the proposed by the Government changes.

Answer c) is chosen because the Government not always makes little changes in the budget estimate prepared and submitted by SAI. Also, there is perception that funding level of SAI, like of other state bodies, is not sufficient, mainly because of low levels of remuneration of SAI staff and insufficient level of its staffing, though it is difficult to verify because of absence of specific and concrete indicators for defining the levels of resource sufficiency and, also, because of almost no attention of media to such issues (only findings of audit conducted by SAI are noticed by media).

Peer Reviewer

Opinion: Agree

Comments: Answer "c" seems somewhat harsh. SAI has been fulfilling at least its main mandate to prepare and publish audit reports.

Government Reviewer

Opinion: I choose not to review this question

122. Does the Supreme Audit Institution (SAI) have the discretion in law to undertake those audits it may wish to?

GUIDELINES:

Question 122 explores the scope of the investigative powers of the Supreme Audit Institution (SAI) as prescribed in law.

Question 97 asks which of the three types of audits – financial, compliance, and performance – the SAI conducts. This question asks if the SAI is constrained by law (rather than by a lack of capacity or an inadequate budget) from undertaking any form of audit or investigating irregularities in any program or activity.

There are numerous examples of limitations. For instance, some SAIs are not permitted by their legal mandate to audit joint ventures or other public-private arrangements. Others are only allowed to undertake financial audits, precluded from conducting performance or value-for-money audits. The SAIs in some countries do not have the legal mandate to review arrangements involving oil or stabilization funds, or other types of special or extra- budgetary funds. The SAI may also not have the ability to audit commercial projects involving the public and private sector.

To answer "a," the SAI must have full discretion in law to decide which audits to undertake. Answer "b" applies if some limitations exist, but the SAI enjoys significant discretion to undertake those audits it wishes to. Answer "c" applies if the SAI has some discretion, but significant legal limitations exist. Answer "d" applies if the SAI has no power at all to choose which audits to undertake

Consulting the Lima Declaration of Guidelines on Auditing Precepts (<http://internationalbudget.org/wp-content/uploads/LimaDeclaration.pdf>) may be useful in answering this question as its provisions serve to define the appropriate scope of a SAI's legal mandate and jurisdiction.

Answer:

a. The SAI has full discretion to decide which audits it wishes to undertake.

Source:

Constitution of the Republic of Armenia

https://www.constituteproject.org/constitution/Armenia_2015.pdf?lang=en

Law on Audit Chamber

http://www.armsai.am/files/law/law_eng.pdf

Comment:

According to Article 198 of the Constitution of the Republic of Armenia, the Audit Chamber is an independent state body and carries out its activities based on the action plan developed and approved by himself.

According to Part 1 of Article 5 of the Law on Audit Chamber, Audit Chamber does not conduct audit in those state and municipal bodies, which do not receive funding from state or municipal budgets. As the mentioned above Article 198 of the Constitution provides that Audit Chamber can conduct audit of legal persons only in cases defined by law, Part 2 of the same Article specifies in which cases Audit Chamber can conduct audit on legal persons.

In practice these provisions are followed.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

123. Are the audit processes of the Supreme Audit Institution (SAI) reviewed by an independent agency?

GUIDELINES:

Question 123 assesses whether and to what extent the audit processes of the Supreme Audit Institution (SAI) are subject to review by an independent agency. The latter could be a peer SAI, an international organization, an academic institution with relevant expertise, or an independent domestic agency with quality assurance functions in the area of financial reporting.

To answer "a," an independent agency must conduct and publish a review of the audit processes of the SAI on an annual basis. Answer "b" applies if a review was carried out within the past five years, and published, but it is not conducted annually, but. Choose answer "c" if the SAI has an internal unit that reviews the audit processes of the SAI on a regular basis, but an independent agency does not conduct such a review. Answer "d" applies if the audit processes of the SAI are reviewed neither by an independent agency nor by a unit within the SAI.

If the answer is either "a" or "b," please specify the name of the independent agency and when last it conducted such a review, and provide a copy of the published report. If the answer is "c," please specify the name of the unit within the SAI that is tasked with conducting such reviews.

Answer:

c. No, but a unit within the SAI conducts a review of the audit processes of the SAI on a regular basis.

Source:

Law on Audit Chamber

http://www.armsai.am/files/law/law_eng.pdf

Comment:

Part 2 of Article 23 of the Law on Audit Chamber provides that "Aimed at increasing the effectiveness of risk management in the financial, control and administrative-managerial process of Audit Chamber a system of quality management system shall be established". Though this provision is in place in the initial text of the Law, i.e. since January 2018, the Audit Chamber Decision on the approval of the concept of the establishment of the quality management system in audit Chamber was adopted only on May 2020 (see May 26, 2020 Audit Chamber Decision N 92-L at <http://armsai.am/files/decrees/internal-acts/qmsconcept.pdf>) and the system still is not established.

Since the the Audit Chamber has performed two self assessments validated by INTOSAI in the past few years:

<https://armsai.am/en/content/2019-performance-sai-pmf-self-assessment-completed>, we have chosen answer "C" here.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

124. In the past 12 months, how frequently did the head or a senior staff member of the Supreme Audit Institution (SAI) take part and testify in hearings of a committee of the legislature?

GUIDELINES:

Question 124 concerns the interaction between two important oversight actors and assesses how frequently the Supreme Audit Institution (SAI) made high-level inputs to the work of legislative committees. Many SAIs interact with the legislature in some form, but the nature and intensity of the interaction varies. This question probes this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the SAI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the SAI representative in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). You can refer to official records of legislative committees, websites and annual reports of the SAI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; "c" for once or twice, and "d" for never.

Answer:
d. Never.

Source:
Law on the Rules of Procedure of the National Assembly of the Republic of Armenia

Comment:
In practice, Audit Chamber Chair or its members interact with NA only in the cases, which are foreseen by the Law on the Rules of Procedure of the National Assembly of the Republic of Armenia. Those are presentation and discussion of the current conclusions of Audit Chamber (Article 115 of the Law), which in practice does not occur, preliminary discussions of End-of-Year Report in NA standing committees (Article 117 of the Law), debates on End-of-Year Report at NA 4-day sitting (Article 118 of the Law), and presentation and discussion of Audit Chamber annual activity programs (Article 130 of the Law).

Unfortunately, we can't find such evidence for 2020 (for 2021 there is such evidence from media), but are open to changing the answer if further evidence can be provided by the peer or government reviewers.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

125. Does the executive use participation mechanisms through which the public can provide input during the formulation of the annual budget (prior to the budget being tabled in parliament)?

GUIDELINES:

This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See: https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf.

Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in the formulation of the annual budget, including annual pre-budget discussions. Participation mechanisms used only by line ministries should not be used to answer this question. If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as spending and tax policy, funding and revenue levels, and macro-fiscal planning.

To answer "a," the executive must use open participation mechanisms that involve the public in the formulation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government officials. Examples include public meetings and online deliberative exchanges.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input in the formulation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include surveys, focus groups, report cards, published policy consultation exercises, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to participate in the budget formulation phase, but:

1) The mechanisms are not structured and happen only on ad-hoc basis, or not regularly.

and/or

2) The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", there should be some sort of public record (held in public, minutes of meetings released to public) so that the all CSOs and individual members of the public can have knowledge of the meeting, who participated, and what was discussed.

Examples of mechanisms that might qualify as a "c" response include hotlines, Facebook announcements, and one-off meetings with NGOs in which there is a public record.

The researcher must present evidence to support selection of a "c" response.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Appendix to the January 9, 2020 Decision of the Prime-Minister N 5-A on the Start of the 2021 Budgetary Process (see the Decision on the Legal information System of Armenia platform at <http://arlis.am>)

Comment:

The mentioned in the source Appendix to the Prime-Minister's Decision N 9-A is the Timetable (which can be called also budget calendar) of the 2021 state budget and 2021-2023 MTEF development process. Measure (Action) 21 of the Timetable states: "Conducting discussions on the budget requests with interested CSOs operating in the areas of jurisdiction of the particular state body in the framework of activities on the development of MTEF draft (including draft of the 2021 state budget), and presenting of information on the results of the discussions (summary sheet on acceptance or rejection of comments and suggestions made by CSOs)". From this description it is apparent that the implementers are line ministries, who, then submit summary sheets (April 10, 2020 was set as the deadline for submission) to the Ministry of Finance (the Ministry is mentioned in the Timetable as state body receiving necessary documents), and for this reason the answer is "e" - "other". Also, it is worth mentioning that it was the first time in budgetary processes (which started in its current form since 1997 for 1998 state budget development process, after it became mandatory by Part 1 of Article 21 of the Law on Budgetary System), when public participation became institutionalized, though at a limited extent, as only "interested CSOs operating in the areas of jurisdiction of the particular state body" (those are only those CSOs, which are members of public councils under line ministries) can participate in the discussions. At the same time, in 2020, because of the emergency situation, introduced on March 16, 2020 to fight the consequences of COVID-19, it became impossible to conduct such discussions in live format and only very few state bodies managed to hold such discussions in remotely (through Zoom).

The Ministry of Finance is not involved in such formal participation mechanism, except when the Ministry's budget request is discussed. In that case the process is the same as for line ministries' cases described above.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

126. With regard to the mechanism identified in question 125, does the executive take concrete steps to include vulnerable and under-represented parts of the population in the formulation of the annual budget?

GUIDELINES:

This question reflects the GIFT principle of "Inclusiveness", and examines the executive's effort to actively reach out to citizens who are from socially vulnerable groups and/or underrepresented in national processes. The emphasis here is on the executive's efforts to seek out the views of members of the public from socially vulnerable groups and/or who are underrepresented in the process.

To answer "a," the executive must actively seek out individuals from at least one vulnerable and underrepresented community and/or civil society organization representing vulnerable and underrepresented individuals and communities. The researcher must provide evidence to show the government's efforts and actions. The researcher must speak with the relevant government official(s), and subsequently double check with an alternative source, such as representatives of vulnerable/underrepresented groups.

Answer "b" applies if the executive does not take concrete steps to incorporate vulnerable/underrepresented individuals, or organizations representing them, into participation mechanisms or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

b. The requirements for an "a" response are not met.

Source:

Appendix to the January 9, 2020 Decision of the Prime-Minister N 5-A on the Start of the 2021 Budgetary Process

Comment:

The mentioned in the Comment to the answer to Q125 Measure 21 is the only measure in the Timetable related to public participation, and, as it is clear from its description, vulnerable and under-represented parts of the population are not involved in the budget formulation process..

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the executive takes concrete steps to include individuals and/or CSOs representing vulnerable and underrepresented parts of the population in the formulation of the annual budget.

Comments: Representatives of civil society can participate in discussions on the preparation of the budgets of the line ministries, representing the interests of the relevant segments of society.

IBP Comment

Thanks to the reviewers. We established in Q.125 that executive does not provide any formal opportunities for citizens to participate in the budget process, therefore, the question of including vulnerable/marginalised populations is scored B.

127. During the budget formulation stage, which of the following key topics does the executive's engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider all of the mechanisms currently used by the executive to promote public participation during the formulation of the annual budget.

Please note that while the public engagement can/may cover other topics -- and for this reason the other questions assessing the executive's engagement with the public during budget formulation can be answered on the basis of engagement on topics other than the six listed above -- for the purpose of answering this question, "key topics" are considered to be only the ones listed above. If the executive's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.

Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

Answer "d" applies if requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Appendix to the January 9, 2020 Decision of the Prime-Minister N 5-A on the Start of the 2021 Budgetary Process

Comment:

It is chosen answer D as there are no formal mechanisms set up by ministry of finance for citizens participate during budget formulation.

Budget requests of the line ministries are discussed based on the requirement set by Measure 21 of the Timetable include social spending policies, public service and public investment projects, though split among line ministries.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Disagree

Suggested Answer:

a. The executive's engagement with citizens covers all six topics.

Comments: The executive doesn't limit the topics to be discussed with citizens, so it can cover all abovementioned six topics

IBP Comment

See response to 125 and 126.

128. Does the executive use participation mechanisms through which the public can provide input in monitoring the implementation of the annual budget?

GUIDELINES:

This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:

https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf

Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in monitoring the implementation of the annual budget. If the executive has designated a central coordinating agency to implement participation mechanisms throughout the national budget process, researchers may consider these mechanisms. Participation mechanisms used only by line ministries should not be used to answer this question. If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the implementation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenue administration, public service delivery, public investment project implementation, including procurement, and the administration of social transfer schemes.

To answer "a," the executive must use open participation mechanisms that involve the public in the implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government officials. Examples include public meetings, online, deliberative exchanges, procurement complaint mechanisms, and social monitoring and dialogue.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input on the implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include public hearings, surveys, focus groups, report cards, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to provide input on budget implementation, but:

1) *The mechanisms are not structured, happen only on ad-hoc basis, or not regularly.*

and/or

2) *The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.*

In cases where there is discretion in who is allowed to participate, to select answer choice "c", the researcher must have evidence that the government is holding participation mechanisms that have some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and members of the public can have knowledge of the meeting, who participated, and what was discussed.

Examples include hotlines, Facebook announcements, one-off meetings with NGOs in which there is a public record.

The researcher must present evidence to support selection of a "c" response.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

No formal mechanisms are set up to engage with citizens on budget execution.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

129. With regard to the mechanism identified in question 128, does the executive take concrete steps to receive input from vulnerable and underrepresented parts of the population on the implementation of the annual budget?

GUIDELINES:

This question reflects the GIFT principle of "Inclusiveness", and examines the executive's effort to actively reach out to citizens who are from socially vulnerable groups and/or underrepresented in national processes. The emphasis here is on national government's efforts to obtain input from members of the public who are from socially vulnerable groups and/or underrepresented in national processes during the implementation of the annual budget.

To answer "a," the executive must actively seek out individuals from at least one vulnerable and underrepresented community and/or civil society organization representing vulnerable and underrepresented individuals and communities. The researcher must provide evidence to show the government's efforts and actions. The researcher must speak with the relevant government official(s), and subsequently double check with an alternative source, such as representatives from vulnerable/underrepresented groups.

Answer "b" applies if the national executive does not take concrete steps to incorporate vulnerable/underrepresented individuals, or organizations representing them, into participation mechanisms or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

b. The requirements for an "a" response are not met.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

130. During the implementation of the annual budget, which of the following topics does the executive's engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Changes in macroeconomic circumstances
2. Delivery of public services
3. Collection of revenue
4. Implementation of social spending
5. Changes in deficit and debt levels
6. Implementation of public investment projects

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider all of the mechanisms currently used by the executive to promote public participation during the implementation of the annual budget.

Please note that while the public engagement can/may cover other topics – and for this reason the other questions assessing the executive’s engagement with the public during budget implementation can be answered on the basis of engagement on topics other than the six listed above – for the purpose of answering this question, “key topics” are considered to be ONLY the ones listed above. If the executive’s engagement with the public covers topics other than the six listed above, please specify these topics in the comments.

Note also that this question assesses only the coverage of public engagement (i.e., “what issues is the public invited to engage on?”) and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

Answer “d” applies if requirements for a “c” response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

d. The requirements for a “c” response or above are not met.

Source:

Comment:

Regarding the implementation of the annual budget, the Government simply publishes both IYRs and EYR on the website of the Ministry of Finance.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

131. When the executive engages with the public, does it provide comprehensive prior information on the process of the engagement, so that the public can participate in an informed manner?

Comprehensive information must include at least three of the following elements:

1. Purpose
2. Scope
3. Constraints
4. Intended outcomes
5. Process and timeline

GUIDELINES:

This question relates to the GIFT principle of “Openness,” and addresses whether the executive provides relevant information on the process of the engagement before public participation takes place, in order to help citizens engage effectively. The question addresses whether the “rules of the public engagement” are clearly spelled out, in advance and in detail, so that those members of the public who want to engage know how to do so, in terms of when they can do so, what they are expected to provide input on, by when, to whom, etc. This question does not cover the substance of the engagement, which is covered by questions 127 and 130.

Non-comprehensive information means that the government provides information that includes at least one but less than three of the elements listed above.

Purpose refers to a brief explanation of why the public engagement is being undertaken, including the executive’s objectives for its engagement with the public.

Scope refers to what is within the subject matter of the engagement as well as what is outside the subject matter of the engagement. For example, the scope may include how a current policy is administered but exclude the specifics of the policies themselves.

Constraints refers to whether there are there any explicit limitations on the engagement. An example of a constraint could be that any policy changes must not cost (or forgo revenue) more than a specific amount or have no net fiscal cost.

Intended outcomes refers to what the executive hopes to achieve as a result of the engagement. Examples of intended outcomes could be revising a policy to better reflect citizen or service-user views or to improve the way in which a particular program is administered.

Process refers to the methods by which the public engagement will take place and the discrete steps in the process. For example, the process may simply be a one-off Internet-based consultation, with a summary published of public inputs and the official response. The process may involve simultaneous or overlapping steps, and may be conducted in one round or in two or more rounds of engagement.

Timeline refers to the specific dates on which the discrete steps in the process will take place, or during which they will be completed, and clear start and end dates for the overall engagement.

Answer "d" applies if the executive does not use public participation mechanisms during the budget implementation or formulation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

Barring the brief mention in Prime-Minister's Decision N 9-A for Budget 2021, there is no guidance provided to citizens.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

132. With regard to the mechanism identified in question 125, does the executive provide the public with feedback on how citizens' inputs have been used in the formulation of the annual budget?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the executive provides information to citizens on which public inputs were received, which ones are used in the formulation of the annual budget, and how/why.

By "written record", we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.

Answer "a" applies when the executive provides a written document with:

- *The inputs (e.g., a written transcript) received from the public and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)*

Answer "b" applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public and*
- *A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used.*

Answer "c" applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public or*
- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Appendix to the January 9, 2020 Decision of the Prime-Minister N 5-A on the Start of the 2021 Budgetary Process

Comment:

See Comment to the answer to Question 125. It is chosen answer D as there are no formal mechanisms set up by ministry of finance for citizens participate during budget formulation.

In the description of Measure 21 it is mentioned that the comments and suggestions made by CSOs during the discussions of budget requests of line ministries then are compiled in the summary sheet, in which also the position of the ministries is included and that sheet is then sent to the Ministry of Finance. The usual practice in similar cases (though there is no information whether that practice was applied also in this case) is that the state body sends the summary sheet also to CSOs.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

133. With regard to the mechanism identified in question 128, does the executive provide the public with information on how citizens' inputs have been used to assist in monitoring the implementation of the annual budget?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the executive provides information to citizens on which public inputs were received during the implementation of the annual budget, which ones are taken into account to improve budget monitoring, and how/why.

By "written record", we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.

Answer "a" applies when the executive provides a written document with:

- *The inputs (e.g., a written transcript) received from the public and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)*

Answer "b" applies when the executive provides a written document that includes:

- *The inputs received (e.g., a written transcript) from the public and*
- *A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were or were not taken into account by the executive during budget monitoring.*

Answer "c" applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public or*
- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

134. Are participation mechanisms incorporated into the timetable for formulating the Executive's Budget Proposal?

GUIDELINES:

This question reflects the GIFT principles on "Sustainability," "Timeliness" and "Complementarity" and addresses whether the executive is able to link participation mechanisms to the administrative processes that are used to create the annual budget.

Please note that "timetable" refers to a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. This document is sometimes referred to as the budget calendar and is the same document referenced in Question 53.

Answer "a" applies if the national executive establishes a clear set of guidelines that enable citizens and civil servants to understand when participation mechanisms should be used to enable citizen inputs to be incorporated into the annual budget. For answer choice "a", the timetable must be available to the public prior to the budget preparation process beginning.

Answer "b" applies if the executive does not establish a clear set of guidelines that enable citizens and civil servants to understand when participation mechanisms should be used to enable citizen inputs to be incorporated into the annual budget or if the executive does not use public participation mechanisms during the budget formulation or implementation stage.

Answer:

b. The requirements for an "a" response are not met.

Source:

Appendix to the January 9, 2020 Decision of the Prime-Minister N 5-A on the Start of the 2021 Budgetary Process

Comment:

See Source and Comment to the answer for Question 125. Recalling the Comment to that answer, participation mechanisms are set for the involvement of selected CSOs in the discussions of the budget requests of the line ministries.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

135. Do one or more line ministries use participation mechanisms through which the public can provide input during the formulation or implementation of the annual budget?

GUIDELINES

While questions 125 – 134 focus only on participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency currently use to allow the public to participate in the national budget process, this question asks about participation mechanisms used by line ministries to allow the public to participate in national budget processes. Thus, participation mechanisms used by the Ministry of Finance, lead budget agency, or central coordinating agency should not be used to answer this question. If there is more than one mechanism used by a line ministry or if multiple line ministries use participation mechanisms, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the formulation and/or implementation of the annual budget.

This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:

https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf

To answer "a," a line ministry must use open participation mechanisms that involve the public in the formulation or implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government official. Examples include public meetings and online deliberative exchanges.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input in the formulation or implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which a line ministry seeks out inputs from citizens. Examples include surveys, focus groups, report cards, published policy consultation exercises, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if a line ministry has established a mechanism or mechanisms to allow citizens to participate in the budget formulation phase, but:

1) The mechanisms are not structured and happen only on ad-hoc basis, or not regularly.

and/or

2) A line ministry consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the line ministry determines fully or

partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", there should be some sort of public record (held in public, minutes of meetings released to public) so that the all CSOs and individual members of the public can have knowledge of the meeting, who participated, and what was discussed.

The researcher must present evidence to support selection of a "c" response.

Examples of mechanisms that might qualify as a "c" response include hotlines, Facebook announcements, and one-off meetings with NGOs in which there is a public record.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

Comments: NGOs are involved in the process of discussing the budget applications

136. Does the legislature or the relevant legislative committee(s) hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the formulation of the annual budget (pre-budget and/or approval stages)?

GUIDELINES:

This question reflects the GIFT principle on "Sustainability," "Transparency," and "Complementarity" and assesses the extent to which the participation mechanism(s) used by the legislature are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.

Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) has put in place and is using to allow the public to participate in their deliberations on the annual budget. This includes deliberations during the pre-budget phase (i.e., when the executive is still in the process of formulating the draft budget) and the budget discussions after the budget has been tabled to parliament and before it is approved. In the comment box, please specify during which stage of the budget cycle the legislature has put in place a public participation mechanism.

Mechanisms through which members of the public reach out to individual Members of Parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.

If there is more than one mechanism, please select a mechanism that best shows/reflects the legislature's efforts to incorporate citizens into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenues, policy selection, and macro-fiscal planning (please note that the issue of coverage is covered in a subsequent question).

To answer "a," the legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).

Answer "b" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *Testimony is not allowed from members of the public or CSOs; but*
- *There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.*

Answer "c" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*

- *Testimony is not allowed from members of the public or CSOs;*
- *No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, but*
- *The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)*
- *The legislature has a provision (via standing orders or in law) through which the public can submit their inputs, and members of the public or CSOs actively use it to submit opinions on the budget.*

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget

Answer:

c. Yes, public hearings on the budget are held. No testimony from the public is provided during the public hearings, and there are no other mechanisms through which public contributions are received, but the legislature invites specific individuals or groups to testify or provide input (participation is not, in practice, open to everyone).

Source:

Law on Normative Legal Acts

October 10, 2018 Government Decree N 1146-N on the Organization and Conducting of Public Discussions

Comment:

Answer c) was chosen based on the provision "The legislature has a provision (via standing orders or in law) through which the public can submit their inputs, and members of the public or CSOs actively use it to submit opinions on the budget." of the Guidelines to this Question. Chapter 2 (Articles 3 and 4) of the Law on Normative Legal Acts regulates drafts of which types of legal acts shall be subject to public discussions (Article 3) and requirements set for public discussions (Article 4). Based on these requirements on October 10, 2018 the Government adopted Decree N 1146-N on the Organization and Conducting of Public Discussions. Apparently, EBP is under the jurisdiction of these legal acts and their provisions are applicable on EBP, as well, and in practice they are followed.

Though the mentioned Decree provides that public discussions could be conducted also in the form of public hearings and public inquiries, which shall be completely inclusive (any citizen or organization can participate in the hearings or submit inquiry), in practice state bodies, including the Ministry of Finance in the case of EBP, as a rule, use only the electronic form of public discussions (since the introduction of the mentioned form EBP was always publicly discussed through that form). For the purpose of conducting public discussions in the electronic form, at the beginning of 2017 the Unified Website for Publication of Legal Acts' Drafts (<http://e-draft.am>) was introduced. The state body, which developed the particular legal act's draft (it is required to post drafts of changes and amendments to Constitution, laws, codes and Government decrees), shall post it on the mentioned Website and the citizens and organizations shall submit their comments and suggestions to them. Usually, the drafts are posted for 15 days, but in some cases, especially, if the draft gains high public interest, this period can be extended. After the end of that 15-day period, the state body, which developed the draft, shall prepare (within 15 days after the end of the public discussion) and then post on the same page of the Website the summary sheet on the submitted comments and suggestions. Only after that the draft is circulated in the Parliament (if it is law or code) or Government (if it is government decree). Specifically, for 2021 EBP, its draft was posted on the e-draft.am website from October 2 to 17, 2020 (see <https://www.e-draft.am/en/projects/2786>) and there was only one suggestion made on it (interestingly that suggestion didn't receive any feedback from the Ministry of Finance, which occurs rarely).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

137. During the legislative deliberations on the annual budget (pre-budget or approval stages), which of the following key topics does the legislature's (or relevant legislative budget committee) engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider the range of mechanisms currently used by the legislature to promote public participation during legislative deliberations on the annual budget.

Please note that while the public engagement can/may cover other topics, for the purpose of answering this question, "key topics" are considered to be only the ones listed above. If the legislature's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.

Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget.

Answer:

c. The legislature seeks input on at least one (but less than three) of the above-mentioned topics.

Source:

Law on Normative Legal Acts

October 10, 2018 Government Decree N 1146-N on the Organization and Conducting of Public Discussions

Comment:

Answer C was chosen, because, as it is seen from the Comment to answer to Question 136, the legislature's engagement with citizens is not aimed to cover particular topic(s) related to the state budget. Rather, the legislature (National Assembly) seeks to get citizens' and CSO's feedback on EBP, in general. Obviously, this indirectly covers almost all key topics (except macroeconomic issues) mentioned in the formulation of this Question. In practice, however, in past citizens' or CSO's feedback on EBP was mainly focused on changing expenditures on certain budgetary items or programs.

Per advise from IBP staff, given that there is no report and lack of focus on a topic, this indicator is consistently scored as C across all OBS countries.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

138. Does the legislature provide feedback to the public on how citizens' inputs have been used during legislative deliberations on the annual budget?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the legislature provides information to citizens on which public inputs were received and how inputs were used during legislative deliberations (please note that these deliberations can refer to the pre-budget and approval phases). By "written record" in this question, we mean a document that is produced and released by the legislature.

Answer "a" applies when the legislature provides a written document with:

- The inputs received from the public (e.g., a written transcript) and
- A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how).

Answer "b" applies when the legislature provides a written document that includes:

- The inputs received from the public (e.g., a written transcript) and
- A not-so-detailed report on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used in legislative deliberations on the annual budget (please note that these deliberations refer to the pre-budget and approval phases).

Answer "c" applies when the legislature makes available a video recording of the relevant legislative session or provides a written document that includes:

- The inputs received from the public (e.g., a written transcript) or
- A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget.

Answer:

c. Yes, the legislature provides a written record which includes either the list of the inputs received or a report or summary on how they were used.

Source:

<https://www.e-draft.am/projects/2786/digest>

Comment:

See Comment to answer to Question 136. The summary sheet mentioned in the Comment is a 5-column table. The first column is the number of the comment or suggestion, the second one shows the name of the person or organization who submitted the comment or suggestion, the third column displays the content of the comment/suggestion. The fourth column shows the conclusion of the state body - author of the draft. The conclusion states to what extent the suggestion was accepted (fully accepted, partially accepted or not accepted) and explains, if the suggestion was partially accepted or not accepted, why it was not accepted or partially accepted. Finally, the fifth column show what changes are made in the draft, if the suggestion was fully or partially accepted.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. The requirements for a "c" response or above are not met.

Comments: My understanding is that the question is about whether the legislature - that is the National Assembly - provides feedback. The source the researcher refers to (<https://www.e-draft.am/projects/2786/digest>) is operated by the executive. The link specifically mentions that the draft was uploaded by the Ministry of Finance. Thus, this is public consultation by the executive and not by the legislature. I was not able to find summary of public consultations on the side of the legislature. If the word "legislature" does not refer to the National Assembly and in this context means "legislation" then please, disregard my answer.

Government Reviewer

Opinion: I choose not to review this question

IBP Comment

Thanks to the reviewer for their comments. Score is C based on transparent publication of inputs by citizens (however few). Given that the consultation was opened while budget was in approval stage, the mechanism applies to indicator 136 and associated indicators. IBP agrees that there is scope for authorities to provide feedback on the inputs received.

139. Does the legislature hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the Audit Report?

GUIDELINES:

This question reflects the GIFT principle on "Sustainability," "Transparency," and "Complementarity" and assesses the extent to which the participation mechanism(s) used by the legislative are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.

A key constitutional role of the legislature in almost all countries is to oversee the government's management of public resources. While the Supreme Audit Institution is responsible for checking the government's accounts and publishing the outcome of their audits, for accountability purposes it is essential that the legislature reviews and scrutinizes those reports, and checks on whether the executive is taking the appropriate corrective actions based on the Supreme Audit Institution's recommendations.

Holding public hearings to review audit findings allows the public to learn more about how the government has managed its resources for the budget years that have ended, and demand accountability in case of mismanagement and irregularities. Reviewing and discussing those reports in public is therefore a key responsibility of a legislature.

Please note that by "Audit Report" we refer to the same audit report assessed in the transparency section of this Survey, i.e., one of the eight key budget documents that all governments (in this case, the Supreme Audit Institution) must produce, according to best practice.

Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) have put in place and using to allow the public to participate in their deliberations on the Audit Report.

Mechanisms through which members of the public reach out to individual members of parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.

To answer "a," the national legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).

Answer "b" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *No testimony is allowed from the public; BUT*
- *There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.*

Answer "c" should be selected if the following applies:

- The legislature holds public hearings on the budget;
- No testimony is allowed from the public;
- No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, BUT
- The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the Audit Report.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

140. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can suggest issues/topics to include in the SAI's audit program (for example, by bringing ideas on agencies, programs, or projects that could be audited)?

GUIDELINES:

This question assesses whether the Supreme Audit Institution (SAI) has established mechanisms through which the public can provide suggestions on issues/topics to be included in its audit program. When deciding its audit agenda, the SAI may undertake audits for a sample of agencies, projects, and programs in the country; and such a selection could be based on complaints and suggestions made by members of the public. To receive such suggestions, the SAI may create formal mechanisms, like setting up a website, hotline, or office (or assigning staff to liaise with the public).

Please note that formal mechanisms that do not explicitly seek the public's input in the audit program (such as general comment submission boxes on the SAI's website) should not be considered for this question.

Answer:

b. The requirements for an "a" response are not met.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

141. Does the Supreme Audit Institution (SAI) provide the public with feedback on how citizens' inputs have been used to determine its audit program?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the Supreme Audit Institution provides information to citizens on which public inputs were received, which ones are used to determine the Supreme Audit Institution's audit program. By "written record" in this question, we mean a document that is produced and released by the Supreme Audit Institution.

Answer "a" applies when the Supreme Audit Institution provides a written document with:

- The inputs received from the public and
- A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how).

Answer "b" applies when the SAI provides a written document that includes:

- The inputs received from the public and
- A not-so-detailed report on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used to determine the SAI's annual audit program.

Answer "c" applies when the SAI provides a written document that includes:

- The received from the public or
- A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.

Answer "d" applies if requirements for a "c" response or above are not met or if maintain formal mechanisms through which the public can suggests issues/topics to include in the SAI's audit program.

Answer:
d. The requirements for a "c" response or above are not met.
Source:
Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question

142. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can contribute to audit investigations (as respondents, witnesses, etc.)?

GUIDELINES:
This question mirrors question 140, but instead of covering public assistance in formulating the SAI's audit program, it focuses on whether the Supreme Audit Institution has established mechanisms through which the public can participate in audit investigations. In addition to seeking public input to determine its audit agenda, the SAI may wish to provide formal opportunities for the public and civil society organizations to participate in the actual audit investigations, as witnesses or respondents.

Answer:
b. The requirements for an "a" response are not met.
Source:
Comment:

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question