

Open Budget Survey 2021

Questionnaire

Azerbaijan

May 2022

Country Questionnaire: Azerbaijan

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:

<http://www.maliyye.gov.az/news/5485/azerbaycan-respublikasinin-2021-ci-ilin-dovlet-ve-icmal-budcelerinin-ilkin-gostericilerine-dair-aciqlama>

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f522c3912a48.pdf

Comment:

Azerbaijan for the first time initiated to produce PBS since September, 2019.
PBS 2021, published in September, 2020 is the 2nd publication.

Peer Reviewer

Opinion: Agree

Comments: For additional please visit to this link for English version of source which the researcher have wrote in local language

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f72d48124270.pdf

Government Reviewer

Opinion: Agree

Comments: The pre-budget statement has been published on the MoF website regularly since 2019 in both languages (AZE and Eng). PBS 2021, published on 3 September 2020. Original version: <http://www.maliyye.gov.az/news/5485/azerbaycan-respublikasinin-2021-ci-ilin-dovlet-ve-icmal-budcelerinin-ilkin-gostericilerine-dair-aciqlama>; http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f522c3912a48.pdf Eng version: http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f72d48124270.pdf

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:

b. At least two months, but less than 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:

<http://www.maliyye.gov.az/news/5485/azerbaycan-respublikasinin-2021-ci-ilin-dovlet-ve-icmal-budcelerinin-ilkin-gostericilerine-dair-aciqlama>

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f522c3912a48.pdf

<http://www.maliyye.gov.az/news/5499/azerbaycan-respublikasinin-2021-ci-il-dovlet-budceinin-layihesi-milli-meclise-teqdim-olunub>

Comment:

The PBS-2021 was published in the MoF website on September 3, the legislature received the EBP-2021 on December 21, 2020.

Peer Reviewer

Opinion: Agree

Comments: The Ministry of Finance publish PBS one month before when it will send to Parliament. Sometimes they publish PBS before two week. "c" is suitable answer for this question.

Government Reviewer

Opinion: Agree

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:

03/9/2020

Source:

<http://www.maliyye.gov.az/news/5485/azerbaycan-respublikasinin-2021-ci-ilin-dovlet-ve-icmal-budcelerinin-ilkin-gostericilerine-dair-aciqlama>

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f522c3912a48.pdf

Comment:

The PBS was published on the MoF website on Sept.3.

Peer Reviewer

Opinion: Disagree

Suggested Answer: The researcher has wrote that time which Ministry of Finance gave this document to Cabinet of Ministers. This organ is no legislature. Please see this links: 1. <http://www.maliyye.gov.az/en/news/category/5?slug=news-archive> 2.

<http://www.maliyye.gov.az/en/news/5486/the-draft-state-budget-and-budget-summary-for-2021-has-been-submitted-to-the-cabinet-of-ministers> 3.

<http://www.maliyye.gov.az/en/news/5485/statement-on-preliminary-indicators-of-the-state-and-consolidated-budgets-of-the-republic-of-azerbaijan-for-the-fiscal-year-2021>

Government Reviewer

Opinion: Agree

IBP Comment

We appreciate the Peer Reviewer's comments on the Pre-Budget Statement (PBS)'s date of publication, and we wish to clarify that the question (and OBS methodology) evaluates the public availability of this document from the moment it was published on the MoF website, and *not) from when it was sent to the Legislature. Irrespective of whether the document is sent to, and approved by the Legislature, the OBS requires it to be published prior to the EBP, so that citizens can see what basis the budget proposal is being drafted on. That is all. The response remains unchanged.

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:

The PBS-2021 was published on the MoF official website on September 3, 2020 and its content meets the IBP requirements.

Source:

<http://www.maliyye.gov.az/news/5485/azerbaycan-respublikasinin-2021-ci-ilin-dovlet-ve-icmal-budcelerinin-ilkin-gostericilerine-dair-aciqlama>

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f522c3912a48.pdf

Comment:

See also press articles talking about the release of the PBS 2021:

<https://banker.az/2021-ci-ilin-dovl%C9%99t-budc%C9%99si-ciqlandi-pdf/>, and <https://m.cebhe.info/2021-ci-ilin-dovlet-ve-icmal-budcesinin-ilkin-gostericileri-231137>

<https://marja.az/47253/2020-ci-ilin-budcesi-uzre-ilkin-reqemler-melum-oldu>

See also this Facebook post: <https://www.facebook.com/Bankerazz/posts/3735560006472703/>, .

Peer Reviewer

Opinion: Disagree

Suggested Answer: The - PBS-2021 was published on the Ministry of Finance website on 21 December, 2020. After that MoF has sent the PBS to the Parliament. a. <http://www.maliyye.gov.az/news/5499/azerbaycan-respublikasinin-2021-ci-il-dovlet-budceinin-layihesi-milli-meclise-teqdim-olunub-b-file:///C:/Users/Ruslan/Downloads/5fe055aaa50f5.pdf> c. <file:///C:/Users/Ruslan/Downloads/5fe0996cc4b44.pdf>

Government Reviewer

Opinion: Agree

IBP Comment

The public availability of the PBS is considered from the moment it's published on the MoF website, not when it's sent to the Legislature. For this reason, the 3rd of September is an acceptable date, because the PBS was indeed posted on the MoF website on that date.

(<http://www.maliyye.gov.az/news/5485/azerbaycan-respublikasinin-2021-ci-ilin-dovlet-ve-icmal-budcelerinin-ilkin-gostericilerine-dair-aciqlama>).

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:

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f522c3912a48.pdf

Source:

<http://www.maliyye.gov.az/news/5485/azerbaycan-respublikasinin-2021-ci-ilin-dovlet-ve-icmal-budcelerinin-ilkin-gostericilerine-dair-aciqlama>

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f522c3912a48.pdf

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

c. No

Source:

<http://www.maliyye.gov.az/news/5485/azerbaycan-respublikasinin-2021-ci-ilin-dovlet-ve-icmal-budcelerinin-ilkin-gostericilerine-dair-aciqlama>

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f522c3912a48.pdf

Comment:

No machine readable format

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<http://www.maliyye.gov.az/news/5485/azerbaycan-respublikasinin-2021-ci-ilin-dovlet-ve-icmal-budcelerinin-ilkin-gostericilerine-dair-aciqlama>

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f522c3912a48.pdf

Comment:

The PBS is publicly available

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Peer Reviewer

Opinion: I choose not to review this question

Comments: N/A

Government Reviewer

Opinion:

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:

Statement on the preliminary indicators of the state and consolidated budgets of the Republic of Azerbaijan for 2021 (Original: zərbaycan Respublikasının 2021-ci ilin dövlət və icmal büdcələrinin ilkin göstəricilərinə dair açıqlama)

Source:

<http://www.maliyye.gov.az/news/5485/azerbaycan-respublikasinin-2021-ci-ilin-dovlet-ve-icmal-budcelerinin-ilkin-gostericilerine-dair-aciqlama>

http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5f522c3912a48.pdf

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Original version: Azərbaycan Respublikasının 2021-ci ilin dövlət və icmal büdcələrinin ilkin göstəricilərinə dair açıqlama (http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f522c3912a48.pdf) ; ENG version: Statement on preliminary indicators of the state and consolidated budgets of the Republic of Azerbaijan for the Fiscal Year 2021 (http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f72d48124270.pdf)

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:

<http://www.maliyye.gov.az/news/5485/azerbaycan-respublikasinin-2021-ci-ilin-dovlet-ve-icmal-budcelerinin-ilkin-gostericilerine-dair-aciqlama>

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f522c3912a48.pdf

Comment:

No "citizens version" of the PBS

Peer Reviewer

Opinion: Disagree

Suggested Answer: a. Yes

Comments: "Citizen's budget guide" book on the state and consolidated budgets of the Republic of Azerbaijan for 2021 Azərbaycan Respublikasının 2021-ci il dövlət və icmal büdcələri üzrə Vətəndaşın büdcə bələdçisi <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ff4100f0ce67.pdf>

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Yes

Comments: The PBS-2021 was written in accessible language and incorporate visual elements to help non-specialist readers understand the core information. It is not named as "Citizen Version", but in fact, it is intended for citizens. The document is a shorter and simplified version of EBP, with an explanation of the budget system and main budget indicators, with graphs, pies, and other visuals. The main directions of budget policy, expenditure-revenue priorities, and other main indicators are presented in a more user-friendly form. So, we strongly believe the answer should be "a".
Source: <http://www.maliyye.gov.az/news/5485/azerbaycan-respublikasinin-2021-ci-ilin-dovlet-ve-icmal-budcelerinin-ilkin-gostericilerine-dair-aciqlama> http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f522c3912a48.pdf

IBP Comment

We welcome the reviewers' comments, but following the OBS methodology, a Citizens Budget is the simplified version of a budget document - in this case the Pre-Budget Statement. So it is not possible to use the Pre-Budget Statement itself as the citizens budget for that same document. It would be double counting. Therefore, to maintain consistency of responses across countries and with the OBS methodology, the response remains unchanged.

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:

<http://www.maliyye.gov.az/news/5499/azerbaycan-respublikasinin-2021-ci-il-dovlet-budceinin-layihesi-milli-meclise-teqdim-olunub>

http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf

http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

For the first time the EBP was submitted to the legislators late, in violation of the Law "On the Budget System" due to the war in Nagorno-Karabakh in September-November, 2020.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The fiscal year of the EBP is FY 2021. Additionally, beyond the above-mentioned reason, there were a lot of challenges such as a combination of unprecedented external shocks, pandemic-triggered uncertainties, and others in 2020.

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:

21/12/2020

Source:

<http://www.maliyye.gov.az/news/5499/azerbaycan-respublikasinin-2021-ci-il-dovlet-budceinin-layihesi-milli-meclise-teqdim-olunub>

http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf

http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

For the first time the EBP was submitted to the legislators late, in violation of the Law "On the Budget System" due to the war in Nagorno-Karabakh in September-November, 2020

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Additionally, beyond the above-mentioned reason, there were a lot of challenges such as a combination of unprecedented external shocks, pandemic-triggered uncertainties, and others in 2020.

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:

c. Less than two months in advance of the budget year, but at least in advance of the budget being approved by the legislature

Source:

<http://www.maliyye.gov.az/news/5499/azerbaycan-respublikasinin-2021-ci-il-dovlet-budceinin-layihesi-milli-meclise-teqdim-olunub>
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

The EBP was published in the MoF website on Dec.21 and was approved by the legislature on Dec.29, 2020

Peer Reviewer

Opinion: Disagree

Suggested 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

Government Reviewer

Opinion: Agree

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:

21/12/2020

Source:

<http://www.maliyye.gov.az/news/5499/azerbaycan-respublikasinin-2021-ci-il-dovlet-budceinin-layihesi-milli-meclise-teqdim-olunub>
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 official web site of the Ministry of Azerbaijan published the mentioned doc on December 21, 2020, indicated as a date of publication

Source:

<http://www.maliyye.gov.az/news/5499/azerbaycan-respublikasinin-2021-ci-il-dovlet-budceinin-layihesi-milli-meclise-teqdim-olunub>
http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf
http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

See also some media articles related to the publication of the EBP 2021:

<https://www.bbc.com/azeri/azerbaijan-55392338>
https://apa.az/az/maliyye_xeberleri/Azrbaycanin-2021-ci-il-dovlt-budcsinin-layihisi-Milli-Mclis-tqdim-olunub-620698
<https://vergiler.az/news/news/11211.html>

Finally, by using the Wayback Machine Internet Archive, one can confirm that the budget proposal was indeed posted on December 21, 2020:
<https://web.archive.org/web/20201221103513/http://www.maliyye.gov.az/news/5499/azerbaycan-respublikasinin-2021-ci-il-dovlet-budceinin-layihesi-milli-meclise-teqdim-olunub>.

Peer Reviewer

Opinion: Agree

Comments: On December 29, 2020, the draft Law on "The State Budget of the Republic of Azerbaijan for 2021" was voted and approved by the Milli Majlis of the Republic of Azerbaijan. <http://www.maliyye.gov.az/en/news/5501/the-milli-majlis-had-adopted-a-law-on-the-state-budget-of-the-republic-of-azerbaijan-for-2021>

Government Reviewer

Opinion: Agree

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:

<http://www.maliyye.gov.az/news/5499/azerbaycan-respublikasinin-2021-ci-il-dovlet-budceinin-layihesi-milli-meclise-teqdim-olunub>

Source:

<http://www.maliyye.gov.az/news/5499/azerbaycan-respublikasinin-2021-ci-il-dovlet-budceinin-layihesi-milli-meclise-teqdim-olunub>
http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf
http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

c. No

Source:

<http://www.maliyye.gov.az/news/5499/azerbaycan-respublikasinin-2021-ci-il-dovlet-budceinin-layihesi-milli-meclise-teqdim-olunub>

Comment:

EBP is available only as a PDF file

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<http://www.maliyye.gov.az/news/5499/azerbaycan-respublikasinin-2021-ci-il-dovlet-budceinin-layihesi-milli-meclise-teqdim-olunub>

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Comments: N/A

Government Reviewer

Opinion:

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:

The Draft Law on the State Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında Qanun layihəsi);EXPLANATION OF THE DRAFT LAW OF THE REPUBLIC OF AZERBAIJAN "On the state budget of the Republic of Azerbaijan for 2021" (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanun layihəsinə dair izahat)

Source:

<http://www.maliyye.gov.az/news/5499/azerbaycan-respublikasinin-2021-ci-il-dovlet-budceinin-layihesi-milli-meclise-teqdim-olunub>
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<http://www.maliyye.gov.az/en/news/5504/citizen-s-budget-guide-book-for-the-2021-is-posted-on-the-official-website-of-the-ministry-of-financ>
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee09b7059e.pdf

Comment:

There is no "citizens version" of EBP, as the only Citizens Budget of Azerbaijan covers Enacted Budget and has been published after budget approval.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

Comments: "Citizen's budget guide" book on the state and consolidated budgets of the Republic of Azerbaijan for 2021 Azərbaycan Respublikasının 2021-ci il dövlət və icmal büdcələri üzrə Vətəndaşın büdcə bələdçisi <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ff4100f0ce67.pdf>

Government Reviewer

Opinion: Agree

IBP Comment

The Citizen Budget for the Executive's Budget Proposal (EBP) should be published during the legislative discussion of the budget proposal - and before Parliament approves it. And, as confirmed by the Government Reviewer, there was no Citizens Budget for the EBP at that time. The Citizens Budget was published after the budget was enacted. The response remains, therefore, unchanged.

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:

<https://www.meclis.gov.az/news.php?id=3112&lang=az>

<http://www.maliyye.gov.az/en/news/5503/president-of-the-republic-of-azerbaijan-ilham-aliyev-signed-the-law-on-the-state-budget-for-2021>

http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5ffee1408cfe1.pdf

http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5ffee1408eaa9.pdf

<http://www.e-qanun.az/framework/46590>

Comment:

No comments

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:

29/12/2020

Source:

<http://www.maliyye.gov.az/en/news/5501/the-milli-majlis-had-adopted-a-law-on-the-state-budget-of-the-republic-of-azerbaijan-for-2021>

<http://www.maliyye.gov.az/en/news/5503/president-of-the-republic-of-azerbaijan-ilham-aliyev-signed-the-law-on-the-state-budget-for-2021>

Comment:

No comments

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:

<http://www.maliyye.gov.az/en/news/5501/the-milli-majlis-had-adopted-a-law-on-the-state-budget-of-the-republic-of-azerbaijan-for-2021>
<http://www.maliyye.gov.az/en/news/5503/president-of-the-republic-of-azerbaijan-ilham-aliyev-signed-the-law-on-the-state-budget-for-2021>

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

31/12/2020

Source:

<http://www.maliyye.gov.az/en/news/5503/president-of-the-republic-of-azerbaijan-ilham-aliyev-signed-the-law-on-the-state-budget-for-2021>

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 Enacted Budget was published on the MoF website on December 31, 2020

Source:

<http://www.maliyye.gov.az/en/news/5503/president-of-the-republic-of-azerbaijan-ilham-aliyev-signed-the-law-on-the-state-budget-for-2021>

Comment:

No comments

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:

<http://www.maliyye.gov.az/en/news/5503/president-of-the-republic-of-azerbaijan-ilham-aliyev-signed-the-law-on-the-state-budget-for-2021>

Source:

EB on 2021 was signed by President of Azerbaijan and put in the MoF official web site on December 31, 2020

Comment:

No comments

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:

c. No

Source:

<http://www.maliyye.gov.az/en/news/5503/president-of-the-republic-of-azerbaijan-ilham-aliyev-signed-the-law-on-the-state-budget-for-2021>

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee1408cfe1.pdf

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee1408eaa9.pdf

Comment:

EB published only in PDF format

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:

<http://www.maliyye.gov.az/en/news/5503/president-of-the-republic-of-azerbaijan-ilham-aliyev-signed-the-law-on-the-state-budget-for-2021>

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee1408cfe1.pdf

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee1408eaa9.pdf

Comment:

No comments

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: Agree

Comments: N/A

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 Azerbaijan on "The State Budget of the Republic of Azerbaijan for 2021" Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanunu; "Decree of the President of the Republic of Azerbaijan on some of issues of the implementation of the "Law on the state budget of Azerbaijan for 2021" Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikası Qanununun tətbiqi ilə bağlı bir sıra məsələlər barədə" Azərbaycan Respublikası Prezidentinin Fərmanı

Source:

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee1408cfe1.pdf

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee1408eaa9.pdf

Comment:

No comments

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:

a. Yes

Source:

<http://www.maliyye.gov.az/en/news/5504/citizen-s-budget-guide-book-for-the-2021-is-posted-on-the-official-website-of-the-ministry-of-financ>
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee09b7059e.pdf

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

Source:

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5dfa007ba756d.pdf

Comment:

For the 2021 FY Citizens Budget was published on January 5, 2021, which is beyond of cut-off. Therefore for this Q, I use FY 2020, for which CB was published on December 18, 2019.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

e. Not applicable (the document is publicly available)

Source:

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5dfa007ba756d.pdf

Comment:

No comments

Peer Reviewer

Opinion: Disagree

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

Comments: The CB was produced but made available online to the public after one week when EB was approved by President of Republic of Azerbaijan The book "Citizen's budget guide for 2021", which combines the state and consolidated budgets of the Republic of Azerbaijan for 2021 can be viewed at the following link <http://www.maliyye.gov.az/en/news/category/5?slug=news-archive>
<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ff4100f0ce67.pdf>

Government Reviewer

Opinion: Agree

IBP Comment

The Peer Reviewer refers to the 2021 Citizens Budget, which was indeed published on January 5, 2021. This is *on time* in relation to the timeliness of release of the citizens budget ("within three months from the approval of the Enacted Budget") but too late relative to the OBS 2021 cutoff date of December 31, 2020. (This cutoff date is the date until we accepted documents and information for all 120 countries surveyed). This is the reason why we are using the previous year's Citizen Budget (CB 2020) and not the document cited by the Peer Reviewer.

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:

Comments: N/A

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:

18/12/2019

Source:

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5dfa007ba756d.pdf

Comment:

No comments

Peer Reviewer

Opinion: Agree

Comments: FYI: The date of publication for the 2021 CB was 05/01/2021 Links: <http://www.maliyye.gov.az/en/news/category/5?slug=news-archive>
<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ff4100f0ce67.pdf>

Government Reviewer

Opinion: Agree

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 Citizen's budget guide for 2020 was published on the MoF official website on December 18, 2019.

See also:

1) <http://renkinq.az/site/news?id=5743>

2) https://azertag.az/xeber/1369947?_cf_chl_jschl_tk__=418229d75e97e73935a7962f8e0f70b71768ac50-1619012943-0-Aaue8DOUNx-t8bp4n2A1z2F-5kdHye1srSjwDdGq5vwz8ygatKYF58QRDVrfCQW5VDEMfMv3ZmBWzECXjk4BqylZJ40mwHcFFT9A1-tFM8Nh6_ZECkSMLRAFK0g_tEETKG73DYS79LI5DociAbXa6NqdFyXy1TzT1Cqsy3zeHfS8fg2lGTu7dX2Qj1AGklauAk4mhasQekjucazMov8E6r0FyGqPQ7r2PlvyxV9KYT1HLCBoFb7cm6-sGy78f1iVJYv4YpsQ5sheowlilADSa51MoiCc7ih1092K7LUl0zzF6ybj0-9f-xZ5EblgrKL0vOwjip-11qQGuh2CUY-qBmUhfYrFfuL8X_Dvs8InJH6AQdPdJYWA4-u26QPsl4vUCumZXk-f47IRssRWnahLA

Source:

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5dfa007ba756d.pdf

Comment:

No comments

Peer Reviewer

Opinion: Agree

Comments: FYI: the "Citizens Budget guide for 2021" combines the state and consolidated budgets of the Republic of Azerbaijan, and was published 05.01.2021 <http://www.maliyye.gov.az/en/news/category/5?slug=news-archive> <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ff4100f0ce67.pdf>

Government Reviewer

Opinion: Agree

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:

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5dfa007ba756d.pdf

Source:

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5dfa007ba756d.pdf

Comment:

No comments

Peer Reviewer

Opinion: Agree

Comments: <http://www.maliyye.gov.az/en/news/category/5?slug=news-archive> <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ff4100f0ce67.pdf>

Government Reviewer

Opinion: Agree

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:

"Citizen's Budget Guide for the state and consolidated budgets of 2020" Original: Azərbaycan Respublikasının 2020-ci il dövlət və icmal büdcələri üzrə Vətəndaşın büdcə bələdçisi

Source:

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5dfa007ba756d.pdf

Comment:

No comments

Peer Reviewer**Opinion:** Agree**Comments:** FYI: CITIZEN'S BUDGET GUIDE ON THE STATE AND CONSOLIDATED BUDGETS OF THE REPUBLIC OF AZERBAIJAN FOR 2021<http://www.maliyye.gov.az/en/news/5504/citizen-s-budget-guide-book-for-the-2021-is-posted-on-the-official-website-of-the-ministry-of-finance>**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:

1. The Law on Budget System (improved)
2. Presentation on the draft state and consolidated budgets for 2020 of the Republic of Azerbaijan
3. Law of the Republic of Azerbaijan on "The State Budget of the Republic of Azerbaijan for 2020"
4. Decree of the President of the Republic of Azerbaijan on some issues of the implementation of the "Law on the state budget of Azerbaijan for 2020"

Source:http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5dfa007ba756d.pdf**Comment:**

The Citizen's Budget Guide for 2020 is a comprehensive document consist of 100 pages, which is written in popular manner. It includes all necessary info, such as basic info about budget itself and budget system, legal frame, macroeconomic terms, law on budget 2020, etc. Its package of reference is the Enacted Budget.

Peer Reviewer**Opinion:** Agree**Comments:** For information, the budget package includes: 1. LAW OF THE REPUBLIC OF AZERBAIJAN on THE STATE BUDGET OF THE REPUBLIC OF AZERBAIJAN FOR 2021 2. Draft Law on The State Budget of the Republic of Azerbaijan for 2021 3. DECREE BY PRESIDENT OF THE REPUBLIC OF AZERBAIJAN ON A NUMBER OF ISSUES RELATED TO THE APPLICATION OF THE LAW OF THE REPUBLIC OF AZERBAIJAN ON THE STATE BUDGET OF THE REPUBLIC OF AZERBAIJAN FOR 2021 4. Presentation on the draft state and consolidated budgets for 2021 of the Republic of Azerbaijan**Government Reviewer****Opinion:** Agree**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:<http://www.maliyye.gov.az/en/static-page/periodic-reports>[http://www.maliyye.gov.az/en/static/105/information-on-the-state-budget-execution:](http://www.maliyye.gov.az/en/static/105/information-on-the-state-budget-execution)[- http://www.maliyye.gov.az/en/news/5446/information-on-the-execution-operational-of-the-state-budget-in-the-first-quarter-of-2020](http://www.maliyye.gov.az/en/news/5446/information-on-the-execution-operational-of-the-state-budget-in-the-first-quarter-of-2020)

- <http://www.maliyye.gov.az/en/news/5477/information-on-the-implementation-of-the-state-budget-operational-in-the-first-six-months-of-2020>

Comment:

Since 2019 Government of Azerbaijan has substantially changed the budget execution public availability policy, built special window on MoF website: "Periodic (monthly, quarterly) reports on state budget execution", providing all necessary budget execution and other related info systematically.

Each monthly report "package" includes:

- Information on the programs envisaged in the state budget for 2020 and the implementation of such measures for January-to-date
- Information on operational performance indicators of the consolidated budget for January-to-date 2020
- Actual total amount of tax and non-tax revenues of the budget from the beginning of the year to the reporting period, indicators of both categories of sources of income, as well as their relevant revenue forecasts and comparison with the corresponding period of the previous year
- Report on execution of state budget expenditures (by paragraphs of functional and economic classifications)
- Information on total public debt (domestic and foreign) for the month in question

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

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

Source:

<http://www.maliyye.gov.az/en/static/15/analysis-of-the-execution-of-budget-incomes-and-expenses>
<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f3bf119538e7.pdf>
<http://www.maliyye.gov.az/en/static-page/periodic-reports>

Comment:

No comments

Peer Reviewer

Opinion: Agree

Comments: <http://www.maliyye.gov.az/en/static/105/information-on-the-state-budget-execution>

Government Reviewer

Opinion: Agree

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:

21.10.2020 - for the 9 months budget execution

23.07.2020 - for the 6 months budget execution

03.04.2020 - for the 3 months budget execution

Source:

<http://www.maliyye.gov.az/en/news/index/5491?slug=2020-ci-ilin-doqquz-ayinda-dovlet-budcesinin-icrasina-operativ-dair-melumat>

<http://www.maliyye.gov.az/en/news/5477/information-on-the-implementation-of-the-state-budget-operational-in-the-first-six-months-of-2020>

<http://www.maliyye.gov.az/en/news/5446/information-on-the-execution-operational-of-the-state-budget-in-the-first-quarter-of-2020>

Comment:

As indicated in earlier questions, there are two channels of the execution reports; one is the news archive part, publishing the quarter execution info there are 2 channels of the execution reports; one is the news archive part, publishing the quarter execution info (<http://www.maliyye.gov.az/en/static/105/information-on-the-state-budget-execution>), while the second is periodic (monthly, quarterly) reports on state budget execution, which is more comprehensive. The only issue is the periodic reports do not include publishing dates, but it's updating monthly and regularly (for example, by the end of April 2021, the March 2021 report was online).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The MoF website shows the publication date just below the name of each document. Quarterly reports:

<http://www.maliyye.gov.az/en/news/index/5491?slug=2020-ci-ilin-doqquz-ayinda-dovlet-budcesinin-icrasina-operativ-dair-melumat>

<http://www.maliyye.gov.az/en/news/5477/information-on-the-implementation-of-the-state-budget-operational-in-the-first-six-months-of-2020>

<http://www.maliyye.gov.az/en/news/5446/information-on-the-execution-operational-of-the-state-budget-in-the-first-quarter-of-2020> Monthly reports:

<http://www.maliyye.gov.az/en/static-page/periodic-reports>

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:

MoF website publishes the budget execution info regularly (monthly, quarterly).

For instance, the quarterly execution info was published as below;

21.10.2020 - for the 9 months budget execution

23.07.2020 - for the 6 months budget execution

03.04.2020 - for the 3 months budget execution

Source:

<http://www.maliyye.gov.az/en/news/index/5491?slug=2020-ci-ilin-doqquz-ayinda-dovlet-budcesinin-icrasina-operativ-dair-melumat>

<http://www.maliyye.gov.az/en/news/5477/information-on-the-implementation-of-the-state-budget-operational-in-the-first-six-months-of-2020>

<http://www.maliyye.gov.az/en/news/5446/information-on-the-execution-operational-of-the-state-budget-in-the-first-quarter-of-2020>

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<http://www.maliyye.gov.az/en/static-page/periodic-reports>

Source:

<http://www.maliyye.gov.az/en/static-page/periodic-reports>

<http://www.maliyye.gov.az/en/news/index/5491?slug=2020-ci-ilin-doqquz-ayinda-dovlet-budcesinin-icrasina-operativ-dair-melumat>

<http://www.maliyye.gov.az/en/news/5477/information-on-the-implementation-of-the-state-budget-operational-in-the-first-six-months-of-2020>

<http://www.maliyye.gov.az/en/news/5446/information-on-the-execution-operational-of-the-state-budget-in-the-first-quarter-of-2020>

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

c. No

Source:

<http://www.maliyye.gov.az/en/static-page/periodic-reports>

<http://www.maliyye.gov.az/en/news/index/5491?slug=2020-ci-ilin-doqquz-ayinda-dovlet-budcesinin-icrasina-operativ-dair-melumat>
<http://www.maliyye.gov.az/en/news/5477/information-on-the-implementation-of-the-state-budget-operational-in-the-first-six-months-of-2020>
<http://www.maliyye.gov.az/en/news/5446/information-on-the-execution-operational-of-the-state-budget-in-the-first-quarter-of-2020>

Comment:

No comments

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:

<http://www.maliyye.gov.az/en/static-page/periodic-reports>

<http://www.maliyye.gov.az/en/news/index/5491?slug=2020-ci-ilin-doqquz-ayinda-dovlet-budcesinin-icrasina-operativ-dair-melumat>
<http://www.maliyye.gov.az/en/news/5477/information-on-the-implementation-of-the-state-budget-operational-in-the-first-six-months-of-2020>
<http://www.maliyye.gov.az/en/news/5446/information-on-the-execution-operational-of-the-state-budget-in-the-first-quarter-of-2020>

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Monthly and Quarterly In-year reports are publicly available.

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: Agree

Comments: N/A

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:

Periodic (monthly, quarterly) reports on state budget execution (Original: Dövlət büdcəsinin icrasına dair dövrü (aylıq, rüblük) hesabatlar)

Source:

<http://www.maliyye.gov.az/en/static-page/periodic-reports>

<http://www.maliyye.gov.az/en/news/index/5491?slug=2020-ci-ilin-doqquz-ayinda-dovlet-budcesinin-icrasina-operativ-dair-melumat>

<http://www.maliyye.gov.az/en/news/5477/information-on-the-implementation-of-the-state-budget-operational-in-the-first-six-months-of-2020>

<http://www.maliyye.gov.az/en/news/5446/information-on-the-execution-operational-of-the-state-budget-in-the-first-quarter-of-2020>

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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

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:

a. Six weeks or less after the midpoint

Source:

n/a

Comment:

MYR is not produced at all

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Six weeks or less after the midpoint

Comments: The MYR and its supporting documentation were made available to the public on the website of the MoF on 07/08/2020. The answer selected demonstrates an improvement in performance from the 2019 round of research. So, revised estimates in the MYR reflect both economic changes related to the pandemic and other changes as well as new policy proposals, including the reallocation of funds between functional, economic, administrative units, with a comprehensive explanation of any estimate adjustments. The documents provide updated estimates of expenditure, revenue, and debt, reflecting the impact of actual experience to the first half of 2020 and revised projections for the full fiscal year under the circumstance of the COVID pandemic in 2020. So, the content of that documents meets the IBP's requirements to MYR. The macroeconomic situation in H1 2020 and expected trends by the end of the year, updated the real GDP growth and oil price projections are presented in the explanation of MYR on page 2. Updated estimates of revenues by category, individual sources of revenues, revenue policies and, priorities are also presented in the explanation of MYR on pages 3-7. Updated estimates of expenditure by including the reallocation of funds between functional, economic, administrative classification, expenditure policies, and priorities are also presented in the explanation of MYR on pages 7-8. Revised estimates of expenditure within functional, economic units were also presented in another annex of MYR.

<http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/5f279f93a2294.pdf> Source: The parameters of the revised state and consolidated budgets for 2020 (Original: "2020-ci il dürüstləşdirilmiş dövlət və icmal büdcələrinin layihələri və parametrləri")

<http://www.maliyye.gov.az/static-page/page/185> "Explanation on Revised State Budget of the Republic of Azerbaijan for 2020" (Original: "Azərbaycan Respublikasının 2020-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanununda dəyişikliklər edilməsi barədə" Azərbaycan Respublikasının Qanun layihəsinə dair izahat") <http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/5f27a843877cd.pdf>

IBP Comment

In light of the detailed government reviewer's comment, and after further consultations with the researcher and IBP staff, the response is upgraded from "d" to "a", confirming an improvement in practice. A package (set of documents) that complies with the basic criteria required in a Mid-Year Review, is indeed produced and published in a timely manner, for BY 2020. The package is published as/with the supplementary budget, but includes various parts that comply with the criteria we are looking for, in a Mid-Year Review. While actuals for the first 6 months of the year. are not clearly identifiable, there is some information comparing the total revenue and total expenditure against the original estimates, although not very detailed. Macroeconomic information is a bit scattered -- rather than tables, it's all in a narrative form, which makes it more difficult to systematically assess and compare figures -- but it's there. Updated figures for the entire year are presented and well detailed in the last document of the package ("Expenditures of the adjusted state budget of the Republic of Azerbaijan for 2020 at the level of paragraphs in accordance with the functional and economic classification"). In short, the package can be considered a Mid-Year Review because: 1) All the pieces of the package were published all at the same time, and at the right time 2) The documents presented in the package include most of the information one would look for, in a MYR (the level of detail/comprehensiveness will be evaluated in section 3 of this questionnaire.)

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:

07/08/2020

Source:

n/a

Comment:

MYR is not produced at all

Peer Reviewer

Opinion: Agree

Comments: N/A

Government Reviewer

Opinion: Disagree

Suggested Answer: 07/08/2020

Comments: The MYR and its supporting documentation were made available to the public on the website of the MoF on 07/08/2020. Revised estimates in the MYR reflect both economic changes related to the pandemic and other changes as well as new policy proposals, including the reallocation of funds between functional, economic, administrative units, with a comprehensive explanation of any estimate adjustments. The documents provide updated estimates of expenditure, revenue, and debt, reflecting the impact of actual experience to the first half of 2020 and revised projections for the full fiscal year under the circumstance of the COVID pandemic in 2020. The content of that documents meets the IBP's requirements to MYR. The macroeconomic situation in H1 2020 and expected trends by the end of the year, updated the real GDP growth and oil price projections are presented in the MYR on page 2. Updated estimates of revenues by category, individual sources of revenues, revenue policies and, priorities are also presented in the MYR on pages 3-7. Updated estimates of expenditure by including the reallocation of funds between functional, economic, administrative classification, expenditure policies, and priorities are also presented in the MYR on pages 7-8. Revised estimates of expenditure within functional, economic units were also presented in another Annex of MYR.

<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f279f93a2294.pdf> Source: The parameters of the revised state and consolidated budgets for 2020 (Original: "2020-ci il dürüştəşdirilmış dövlət və icmal büdcələrinin layihələri və parametrlər")

<http://www.maliyye.gov.az/static-page/page/185> "Explanation on Revised State Budget of the Republic of Azerbaijan for 2020" (Original: "Azərbaycan Respublikasının 2020-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanununda dəyişikliklər edilməsi barədə" Azərbaycan Respublikasının Qanun layihəsinə dair izahat") <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f27a843877cd.pdf>

IBP Comment

In light of the detailed government reviewer's comment, and after further consultations with the researcher and IBP staff, we confirm an improvement in practice. A package (set of documents) that complies with the basic criteria required in a Mid-Year Review, is indeed produced and published in a timely manner, for BY 2020.

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:

n/a

Source:

n/a

Comment:

MYR is not produced at all

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Disagree**Suggested Answer:** MoF's website shows the publication date of the documents.**Comments:** The parameters of the revised state and consolidated budgets for 2020 (Original: "2020-ci il dürüstləşdirilmiş dövlət və icmal büdcələrinin layihələri və parametrlər") <http://www.maliyye.gov.az/static-page/page/185> "Explanation on Revised State Budget of the Republic of Azerbaijan for 2020" (Original: "Azərbaycan Respublikasının 2020-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanununda dəyişikliklər edilməsi barədə" Azərbaycan Respublikasının Qanun layihəsinə dair izahat") <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f27a843877cd.pdf>**IBP Comment**

In light of the detailed government reviewer's comment, and after further consultations with the researcher and IBP staff, we confirm an improvement in practice. A package (set of documents) that complies with the basic criteria required in a Mid-Year Review, is indeed produced and published in a timely manner, for BY 2020.

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:<http://www.maliyye.gov.az/static-page/page/185><http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f27a843877cd.pdf>**Source:**

n/a

Comment:

MYR is not produced at all

Peer Reviewer**Opinion:** Agree**Comments:** N/A**Government Reviewer****Opinion:** Disagree**Suggested Answer:** <http://www.maliyye.gov.az/static-page/page/185> <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f27a843877cd.pdf>**Comments:** The answer selected demonstrates an improvement in performance from the 2019 round of research. The MYR and its supporting documentation were made available to the public on 07/08/2020. The content of that documents meets the IBP's requirements to MYR.**IBP Comment**

In light of the detailed government reviewer's comment, and after further consultations with the researcher and IBP staff, we confirm an improvement in practice. A package (set of documents) that complies with the basic criteria required in a Mid-Year Review, is indeed produced and published in a timely manner, for BY 2020. The response has been updated with the relevant links provided by the Government Reviewer.

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:

c. No

Source:

n/a

Comment:

MYR is not produced at all

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: c. No

Comments: MYR and its supporting documentation are only available as a pdf file. <http://www.maliyye.gov.az/static-page/page/185> ; <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f27a843877cd.pdf>

IBP Comment

In light of the detailed government reviewer's comment, and after further consultations with the researcher and IBP staff, we confirm that a package (set of documents) that complies with the basic criteria required in a Mid-Year Review, is indeed produced and published in a timely manner, for BY 2020. The response has therefore been changed from "d" to "c."

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:

e. Not applicable (the document is publicly available)

Source:

n/a

Comment:

MYR is not produced at all

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

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

Comments: The MYR and its supporting documentation were made available to the public on 07/08/2020. The content of that documents meets the IBP's requirements to MYR. <http://www.maliyye.gov.az/static-page/page/185>; <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f27a843877cd.pdf>

IBP Comment

In light of the detailed government reviewer's comment, and after further consultations with the researcher and IBP staff, we confirm an improvement in practice. A package (set of documents) that complies with the basic criteria required in a Mid-Year Review, is indeed produced and published in a timely manner, for BY 2020. The response has therefore been upgraded from "d" to "e."

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:

n/a

Source:

n/a

Comment:

MYR is not produced at all

Peer Reviewer

Opinion: Agree

Comments: n/a

Government Reviewer

Opinion: Disagree

Suggested Answer: MYR is publicly available

Comments: <http://www.maliyye.gov.az/static-page/page/185> ; <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f27a843877cd.pdf>

IBP Comment

In light of the detailed government reviewer's comment, and after further consultations with the researcher and IBP staff, we confirm an improvement in practice. A package (set of documents) that complies with the basic criteria required in a Mid-Year Review, is indeed produced and published in a timely manner, for BY 2020.

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:

Draft and parameters of the revised state and consolidated budgets for 2020 (2020-ci il düüüstl?sdirilmis dövl?t v? icmal büdc?!?rinin layih?!?ri v? parametrl?r)

Source:

n/a

Comment:

MYR is not produced at all

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: The parameters of the revised state and consolidated budgets for 2020 (Original: "2020-ci il düüüstl?şdirilmis dövl?t v? icmal büdc?l?rinin layih?l?ri v? parametrl?r") "Explanation on Revised State Budget of the Republic of Azerbaijan for 2020" (Original: "Azərbaycan Respublikasının 2020-ci il dövl?t büdcəsi haqqında" Azərbaycan Respublikasının Qanununda dəyişikliklər edilməsi barədə" Azərbaycan Respublikasının Qanun layihəsinə dair izahat")

Comments: <http://www.maliyye.gov.az/static-page/page/185> ; <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f27a843877cd.pdf>

IBP Comment

In light of the detailed government reviewer's comment, and after further consultations with the researcher and IBP staff, we confirm an improvement in practice. A package (set of documents) that complies with the basic criteria required in a Mid-Year Review, is indeed produced and published in a timely manner, for BY 2020. The response has been updated with the relevant information provided by the Government Reviewer.

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:

n/a

Comment:

MYR is not produced at all

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: b. No

Comments: MYR is publicly available, but there is no citizens version. Source: The parameters of the revised state and consolidated budgets for 2020 (Original: "2020-ci il dürüstləşdirilmiş dövlət və icmal büdcələrinin layihələri və parametrlər") <http://www.maliyye.gov.az/static-page/page/185> "Explanation on Revised State Budget of the Republic of Azerbaijan for 2020" (Original: "Azərbaycan Respublikasının 2020-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanununda dəyişikliklər edilməsi barədə" Azərbaycan Respublikasının Qanun layihəsinə dair izahat") <http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/5f27a843877cd.pdf>

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:

[http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019-](http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019)
<http://www.e-qanun.az/framework/45413>
<http://www.e-qanun.az/framework/45414>

Comment:

Just a note that www.e-qanun.az is the Ministry of Justice of the Republic of Azerbaijan's Unified electronic database of legal acts.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Regarding the Year-end report, the researcher referred only to the budget execution laws shared on the "www.e-qanun.az" portal. But beyond the publishing of YER laws on the "e-qanun" portal, the Narrative on the YER was published on the website of MoF on 19/06/2020. Therefore, the Narrative should be also taken into account in further questions related to the Year-end Report. Source:

<http://www.maliyye.gov.az/static/153/dovlet-budcesinin-icrasina-dair-illik-hesabat> Narrative on the Year-end Report of the Republic of Azerbaijan for 2019 (Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası barədə hesabat");
<http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf>

IBP Comment

We welcome the additional information provided by the government reviewer.

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:

<http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019->

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The Narrative on the YER was published on the website of MoF on 19/06/2020. Source: <http://www.maliyye.gov.az/static/153/dovlet-budcesinin-icrasina-dair-illik-hesabat> Narrative on the Year-end Report of the Republic of Azerbaijan for 2019 (Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası barədə hesabat"); <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf>

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:

19/6/2020

Source:

<http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019->

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Regarding the Year-end report, beyond the above-mentioned information, the Narrative on the YER was published on the website of MoF on 19/06/2020. Answering the questions related to YER should be also referenced in this document. Source: <http://www.maliyye.gov.az/static/153/dovlet-budcesinin-icrasina-dair-illik-hesabat> Narrative on the Year-end Report of the Republic of Azerbaijan for 2019 (Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası barədə hesabat"); <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf>

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:

MoF official web site has published the info on 2019 execution on 19.06.2020;
e-qanun portal has published the full law on 2019 budget execution on 19.06.2020.

Source:

[http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019-](http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019)
<http://www.e-qanun.az/framework/45413>

Comment:

The President approved the law in June 14, https://apa.az/az/maliyye_xeberleri/Prezident-Ilham-liyev-2019-cu-il-dovlt-budcsinin-icrasi-haqqinda-qanunu-tdiqlyib-596533.

https://azertag.az/xeber/Prezident_Ilham_Aliyev_2019_cu_il_dovlet_budcesinin_icrasi_haqqinda_Qanunu_imzalayib-1536797

Due to the procedures the Law was adopted in the Parliament on June 19 and was sent to the President to be signed the doc dated June 19.

The law was published on June 19, <https://xalqqazeti.com/az/news/52066>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Regarding the Year-end report, beyond the above-mentioned information, the Narrative on the YER was published on the website of MoF on 19/06/2020. Answering the questions related to YER should be also referenced in this document. MoF's website shows the publication date of the documents. Source: <http://www.maliyye.gov.az/static/153/dovlet-budcesinin-icrasina-dair-illik-hesabat> Narrative on the Year-end Report of the Republic of Azerbaijan for 2019 (Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası barədə hesabat"); <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf>

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:

<http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019->

Source:

<http://www.e-qanun.az/framework/45413>

<http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019->

Comment:

No comments

Peer Reviewer

Opinion: Agree

Comments: There is more information: <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f080a578f3ee.pdf> <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf>

Government Reviewer

Opinion: Agree

Comments: Regarding the Year-end report, beyond the above-mentioned information, the Narrative on the YER was also published on the website of MoF on 19/06/2020. Answering the questions related to YER should be referenced in this document. Source: <http://www.maliyye.gov.az/static/153/dovlet-budcesinin-icrasina-dair-illik-hesabat> Narrative on the Year-end Report of the Republic of Azerbaijan for 2019 (Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası barədə hesabat"); <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf>

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:

c. No

Source:

<http://www.e-qanun.az/framework/45413>

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<http://www.e-qanun.az/framework/45413>

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The document is publicly available. Regarding the Year-End Report, beyond the above-mentioned links, the Narrative on the YER was published on the website of MoF on 19/06/2020. Source: <http://www.maliyye.gov.az/static/153/dovlet-budcesinin-icrasina-dair-illik-hesabat> Narrative on the Year-End Report of the Republic of Azerbaijan for 2019 (Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası barədə hesabat"); <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf>

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: Agree

Comments: n/a

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:

Law on execution of 2019 state budget; "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası haqqında" Azərbaycan Respublikası Qanunu

Source:

<http://www.e-qanun.az/framework/45413>

<http://www.e-qanun.az/framework/45414>

Comment:

The first link is on the Law, the second one is the President Decree on application of the law. The Decree was signed on July 14 and it's a usual practice.

Peer Reviewer

Opinion: Disagree

Suggested Answer: Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrasına dair illik hesabat Annual report on the implementation of the state budget of the Republic of Azerbaijan for 2019 <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf> 2019 proqnoz və fakt göstəriciləri 2019 forecast and fact indicators <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f080a578f3ee.pdf>

Government Reviewer**Opinion:** Agree

Comments: Narrative on the Year-End Report of the Republic of Azerbaijan for 2019 (Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası barədə hesabat) Regarding the Year-End Report, beyond the above-mentioned information, the Narrative on the YER was published on the website of MoF on 19/06/2020. Answering the questions related to YER should be referenced in this document.
<http://www.maliyye.gov.az/static/153/dovlet-budcesinin-icrasina-dair-illik-hesabat> <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf>

IBP Comment

Accepting and welcoming the reviewer's additional documentation.

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:

b. No

Source:

<http://www.e-qanun.az/framework/45413>
<http://www.e-qanun.az/framework/45414>

Comment:

No comments

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Agree**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:

<http://sai.gov.az/xeberler/22>
http://sai.gov.az/files/2019-REY_%C4%B0CRA.pdf

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<http://sai.gov.az/xeberler/22>

http://sai.gov.az/files/2019-REY_%C4%B0CRA.pdf

Comment:

The Audit Report on 2019 budget execution was presented in the Parliament by the Head of Chamber of Accounts on June 05, 2020 and was published in the CoA (SAI) official web site at the same day.

The first link, dated June 5, 2020, highlights that "The summary based on the speech of the Chairman of the Chamber of Accounts V. Gulmammadov in the Committee on Economic Policy, Industry and Entrepreneurship and the opinion on the implementation of the state budget is *posted* in the relevant sections of the site."

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

5/6/2020

Source:

<http://sai.gov.az/xeberler/22>
http://sai.gov.az/files/2019-REY_%C4%B0CRA.pdf

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 Chamber of Accounts published the info, saying that the Head of Chamber provided Opinion on 2019 execution budget in Milli Meclis (Parliament) and Chamber published the Audit Report on its official web site on June 05, 2020.

Source:

<http://sai.gov.az/xeberler/22>
http://sai.gov.az/files/2019-REY_%C4%B0CRA.pdf

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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://sai.gov.az/files/2019-REY_%C4%B0CRA.pdf

Source:

http://sai.gov.az/files/2019-REY_%C4%B0CRA.pdf

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

http://sai.gov.az/files/2019-REY_%C4%B0CRA.pdf

Comment:

PDF format only

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

http://sai.gov.az/files/2019-REY_%C4%B0CRA.pdf

Comment:

No comments

Peer Reviewer

Opinion: Agree

Comments: n/a

Government Reviewer

Opinion: Agree

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: Agree

Comments: n/a

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:

Audit Report on the Law 'On execution of state budget for 2019 of the Republic of Azerbaijan' and annual report on state budget execution.
"Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası haqqında" Azərbaycan Respublikasının Qanun layihəsinə və dövlət büdcəsinin icrasına dair illik hesabatı Azərbaycan Respublikası Hesablama Palatasının Rəyi

Source:

http://sai.gov.az/files/2019-REY_%C4%B0CRA.pdf

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

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:

http://sai.gov.az/files/2019-REY_%C4%B0CRA.pdf

Comment:

No comments

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

<http://maliyye.gov.az/en>
<http://sai.gov.az>
<https://www.oilfund.az/en>
<http://www.e-qanun.az/>

Comment:

Ministry of Finance provides government fiscal information.

Others (Oil Fund, Chamber of Accounts, etc.), provide the fiscal info mainly from their own specifics

e-qanun portal regularly publishes all legislative and other official documents, including fiscal documents

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The websites referenced by the researcher are contained in word or pdf format. The macro-fiscal indicators, both revenue, and expenditure data can be downloaded on the official website of the State Statistical Committee (<https://www.stat.gov.az/source/finance/>) and Central Bank (<https://www.cbar.az/page-41/macroeconomic-indicators?language=en>) as a consolidated file, machine-readable format respectively.

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:

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

Source:

<http://maliyye.gov.az/en>

<http://sai.gov.az>

<https://www.oilfund.az/en>

<http://www.e-qanun.az/>

Comment:

The Chamber of Accounts web site published review on 2019 budget execution consists such kind of information;
The reports are all in PDF format.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

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

Comments: The macro-fiscal indicators, both revenue, and expenditure data can be downloaded on the official website of the State Statistical Committee (<https://www.stat.gov.az/source/finance/>) and Central Bank (<https://www.cbar.az/page-41/macroeconomic-indicators?language=en>) as a consolidated file, machine-readable format respectively.

IBP Comment

After consulting again with the researcher, and sharing the Government Reviewer's comment, it has been confirmed that the Statistical Committee provides revenue and expenditures info in Excel format. The response can therefore be upgraded from "d" to "a". This is also consistent with the 2019 OBS response to this question.

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:

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

Source:

<http://maliyye.gov.az/en>
<http://sai.gov.az>
<https://www.oilfund.az/en>
<http://www.e-qanun.az/>

Comment:

At least MoF and Chamber of Accounts websites provide consolidated revenues/expenditures info for multiple years and it's possible to download the documents.
The documents, however, are all in PDF format.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

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

Comments: The macro-fiscal indicators, both revenue, and expenditure data can be downloaded on the official website of the State Statistical Committee (<https://www.stat.gov.az/source/finance/>) and Central Bank (<https://www.cbar.az/page-41/macroeconomic-indicators?language=en>) as a consolidated file, machine-readable format for multiple years respectively.

IBP Comment

In light of the Government Reviewer's comment and following the same logic as for question GQ-1b, the response to this question is upgraded from "d" to "a".

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:

a. Yes

Source:

<http://sai.gov.az/page/infoqrafikler>

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: In addition to the above-mentioned link by researcher <https://www.azstat.org/portal/tblInfo/TblInfoList.do> <https://www.azstat.org/portal/tblInfo/TblInfoList.do#> Above links goes to the database by the State Statistical committee where the data on the state budget is shown and the website includes a number of tools to visualize the data in different formats. And also by clicking the following link,

infographics/visualizations or other similar tools can be used to simplify data access and analysis <https://navigation.e-cbar.az/obiee/ESAHS.jsp>

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:

<http://www.e-qanun.az/framework/13241>

Comment:

There is a "Law on Internal Audit" (2007).

Peer Reviewer

Opinion: Agree

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:

Law on Access to Information: <http://www.e-qanun.az/framework/11142>

Law on Public Participation: <http://e-qanun.gov.az/framework/26879>

Comment:

No comments

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:

d. No, expenditures are not presented by administrative unit.

Source:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: [Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında](http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf));

http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında

"Azərbaycan Respublikasının Qanun layihəsinə dair izahat");

http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

Neither the Draft Budget, nor the Narrative provided information on the administrative classification

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, administrative units accounting for less than two-thirds of expenditures are presented.

Comments: Narrative EBP-2021 presents expenditures for the budget year that are classified by administrative unit units such as the committee, line ministries, government organizations, funds, agencies, universities and etc. Starting from page 25, each section identified the allocated amount and administrative units which are responsible for the execution of the budget resources. For example, allocated expenditure for "Azerbaijan National Academy of Sciences"; "Science Development Fund" (on pages 25-26); "State Agency for Medical Insurance"; "Ministry of Health of the Republic of Azerbaijan, "National Oncology Center, other health facilities (on page 29); "State Agency for Medical Rehabilitation under the Ministry of Labor and Social Protection of Population (page 32); "State Committee on Family, Women, and Children (page 33); "The State Tourism Agency (on page 41); "the Mortgage and Credit Guarantee Fund"; "Agency for Housing Construction" (on page 38); "Azersu" OJSC; "Azeristiliktechizat" OJSC (on page 40) and others presented. According to OBS methodology, these account for less than two-thirds of expenditures. Source: Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat"); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

IBP Comment

We welcome the Government Reviewer's comment but, after consulting again with the researcher, we maintain response "d". In his citation, the Government Reviewer mentions agencies and other lower-level administrative units, but there is no evidence of ministry-level information, which would be the very first administrative breakdown that we would be expected to find. Indeed, there is some administrative level information, but that is without the higher level totals (by ministry).

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:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf
P.3-6

Comment:

The Draft (p.3-6), as well as the Narrative provide a functional classification info.

(Maddə7.Azərbaycan Respublikasının 2021-ci il dövlət büdcəsinin xərcləri funksional təsnifatın bölmə və köməkçi bölmələri səviyyəsində aşağıdakı məqsədlərə yönəldilir)

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/qfs/manual/pdf/ch6ann.pdf>.

Answer:

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

Source:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf
Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

Azerbaijan's functional classification is mostly compatible with "Classification of Expense by Function of Government" in IMF Government Finance Statistics Manual 2001 (Page 76) and UN's Classification of the Functions of Government (COFOG), but partly compatible with OECD Best Practices for Budget Transparency (lack of information on non-financial assets, tax expenditure etc.)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The unified budget classification system which follows the requirements of the IMF's 2014 GFS classification entered into force in 2020 January.

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:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf
P.3-6

Comment:

The Draft Budget includes economic classification of budget expenditure, such as Salary, Salary supplements, Pension, other social allowances and payments, etc. P. 3-6

Page 6: Maddə 8. Azərbaycan Respublikasının 2021-ci il dövlət büdcəsinin xərcləri funksional və iqtisadi təsnifatın paraqrafları səviyyəsində bu Qanunun əlavəsində verilmiş məbləğlərdə təsdiq edilmiş

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf (p.24)
"İqtisadi təsnifata uyğun olaraq, 2021-ci il dövlət büdcəsində əməyin ödənişinə 6592,3milyon manat və ya xərclərin 23,1faizi həcmində, malların (işlərin və xidmətlərin) satın alınmasına 5608,4milyon manat və ya xərclərin 19,6faizi həcmində, faizlər üzrə ödənişlərə 625,8milyon manat (2020-ci illə müqayisədə 37,4milyon manat və ya 6,4faiz çox) və ya xərclərin 2,2faizi həcmində(2020-ci illə müqayisədə 0,1faiz-bənd çox), subsidiyaların ödənilməsinə 1630,1milyon manat (2020-ci illə müqayisədə 476,2milyon manat və ya 41,3faiz çox) və ya xərclərin 5,7faizi həcmində(2020-ci illə müqayisədə 1,5faiz-bənd çox), qrantlar və digər ödənişlərə 425,4milyon manat (2020-ci illə müqayisədə 23,2 milyon manat və ya 5,8 faiz çox) və ya xərclərin 1,5faizi həcmində(2020-ci illə müqayisədə 0,1faiz-bənd çox), sosial ödənişlərə 3752,2milyon manat (2020-ci illə müqayisədə 591,0 milyon manat və ya 18,7faiz çox) və ya xərclərin 13,1faizi həcmində(2020-ci illə müqayisədə 1,6faiz-bənd çox), qeyri-maliyyəaktivlərinin alınmasına 8330,4milyon manat və ya xərclərin 29,2faizi həcmində, maliyyəaktivləri üzrə məliyyətlərə 7,5 milyon manat, öhdəliklər üzrə məliyyətlərə 1570,7milyon manat (2020-ci illə müqayisədə 434,8milyon manat və ya 38,3faiz çox) və ya xərclərin 5,5faizi

həcmində(2020-ci illə müqayisədə 1,4 faiz bənd çox) vəsait nəzərdə tutulmuşdur."

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: All expenditures are in the following economic classifications: Compensation for employees, Use of goods and services, Interest Subsidies, Grants, Social Security Benefits, Increase of non-financial assets, Increase of financial assets, Decrease in Liabilities Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf (on page 24)

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:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf
P.3-6

Comment:

Azerbaijan's economic classification is mostly compatible with "Economic Classification of Expense" in IMF Government Finance Statistics Manual 2001 (Table 6 on page 63, <https://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf>). Azerbaijan government initiates regular minor changes some sub-categories of economic classification. However, generally existing economic classification is compatible with international standards with some deviations. Categories such as salaries, goods & services, interest payments, subsidies, grants, social benefits and other are clearly presented.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The unified budget classification system which follows the requirements of the IMF's 2014 GFS classification entered into force in 2020 January.

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:

b. Yes, programs accounting for at least two-thirds of, but not all, expenditures are presented.

Source:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf P.27-36

Comment:

The Narrative provides individual programs financing, within education unit (p.27), health programs (p.28-32), social security (p.32-34), culture, art. etc. (p.34-36), but not all expenditure programs.

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:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında);
http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

Neither the Draft Budget, no the Narrative provided information on the multi-year expenditure estimates

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:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında);

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

Neither the Draft Budget, no the Narrative provided information on the multi-year expenditure estimates

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 detaille*. (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:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf
Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

Neither the Draft Budget, nor the Narrative provided information on the multi-year period by program

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

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

Source:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf (p.1-2)

Comment:

The Draft Budget provides revenue information on individual sources, taxes : (P1-2)
As an additional note: the "other" item totals up to 65,468 manats, and that's about 2.6% of the total revenue, therefore allowing for an "a" response to

this question.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: The EBP presents all individual sources of tax revenues. One correction to the researcher's comment, other revenues (AZN 65468) accounted only for 0.26% of budget revenues (not 2.6%). The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf (page 1-2)

IBP Comment

The researcher had already selected response "a" in the first place, so it looks like the government is in agreement with the selected response.

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:

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

Source:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf (p.1-2)

Comment:

The Draft includes the information on non-tax revenues on p. 1-2.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

Neither the Draft Budget, no the Narrative provided information on the multi-year estimates of revenue

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

Neither the Draft Budget, no the Narrative provided information on estimates for individual sources of revenue for a multi-year period

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

b. Yes, two of the three estimates related to government borrowing and debt are presented.

Source:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf p. 11 , Article 11 (table)

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf p.42-43

Comment:

The Draft and Narrative provide the three estimates on government borrowing and debt.

The Draft presents net new debt info; p. 11 , Article 11 (table)

The Narrative presents the rest of the two estimates (total debt and interest payments) (p.42-43) and also new borrowing info (p. 43).

The only information on debt stock is about the "upper limit (limit) of domestic public debt of the Republic of Azerbaijan in 2021 was 1300.0 million manat, the upper limit of foreign public debt (limit) was 1200.0 million manat. It was proposed that the upper limit of the amount of state guarantees to be issued during the year be 1000.0 million manat." The estimate of the total (cumulative) debt stock at the end of 2021 is missing.

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 interest payments on outstanding debt for the budget year

Source:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf p. 11 , Article 11 (table)

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);

http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf p.42-43

Comment:

The Draft and Narrative provide two estimates on government borrowing and debt.

The Draft presents net new debt info; p. 11 , Article 11 (table)

The Narrative presents the upper debt limit for 2021, and interest payments (p.42-43) and also new borrowing info (p. 43)

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:

d. No, information related to composition of total debt outstanding is not presented.

Source:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf p.42-43

Comment:

The Narrative provides core info on the composition of the total debt outstanding (p. 42-43) but for the period July 1, 2020.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf p.42-43

Government Reviewer

Opinion: Agree

IBP Comment

As indicated by the researcher, and confirmed by the Government Reviewer, the debt-related information is only presented for BY-1, and not for the budget year in question (which is BY 2021). The response remains unchanged ("d").

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:

None of the above

Source:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf p.42-43

Comment:

No comments

Peer Reviewer

Opinion: Disagree

Suggested Answer: Interest rates on the debt Whether the debt is domestic or external

Government Reviewer

Opinion: Agree

IBP Comment

As highlighted in the previous question, debt-related information is not presented for BY2021, but only for part of BY-1. The response remains unchanged.

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:

b. Yes, the core information is presented for the macroeconomic forecast.

Source:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf p 1-4

Comment:

The Narrative provides the main macroeconomic indicators (core components) including nominal GDP level, inflation rate, and real GDP growth. Beyond these core components, budget documents indicate economic parameters and forecasts such as oil and non-oil GDP (nominal amount and real growth rate), population income, average wage dynamics and other segregated data. There is no information on interest rates, but given that some beyond-the-core information is presented (see for example the graph on p.3 dedicated to the composition of GDP growth), response "b" was selected.

Peer Reviewer

Opinion: Agree

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
Information beyond the core elements (please specify)

Source:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf p 1-4

Comment:

The Narrative provides the main macroeconomic indicators (core components) including nominal GDP level, inflation rate, and real GDP growth. Beyond these core components, budget documents indicate economic parameters and forecasts such as oil and non-oil GDP (nominal amount and real growth rate), population income, average wage dynamics and other segregated data. There is no information on interest rates.

In addition, there is info on balance of payment forecasts on the p.4

"2021-ci il üzrə cari əməliyyatlar balansında ÜDM-in 0,2 faizi səviyyəsində və ya təqribən 104,8milyon ABŞ dolları həcmində profisit proqnozlaşdırılır. Növbəti illərdə cari əməliyyatlar balansının profisitinin getdikcə artması gözlənilir ki, bu da öz növbəsində valyuta bazarında sabitliyin möhkəmlənməsinə xidmət edəcəkdir"

Peer Reviewer

Opinion: Agree

Comments: Interest rates

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:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf p 1- 4

Comment:

The Narrative (p.1-4) provides some information on the impact of certain variables, on the macroeconomic assumptions, such as the Covid-19 impact on the Azerbaijani macroeconomic forecast, particularly in light of oil price behavior.

For example:

"İqtisadi artımın əsas hərəkətverici qüvvəsinin neft sektorundan qeyri-neft sektoruna transformasiyası sayəsində 2021-ci ildə ÜDM-intərkibində qeyri-neft sektorunun payının 70,5 faizə, neft sektorunun payının isə 29,5 faizə bərabər olacağı proqnozlaşdırılır (Qrafik 2)"

"Due to the transformation of the main driving force of economic growth from the oil sector to the non-oil sector, the share of the non-oil sector in GDP in 2021 is projected at 70.5 percent, and the share of the oil sector at 29.5 percent (Graph 2)"

However, there isn't a sensitivity analysis as such.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: The Narrative provides discussions of the sensitivity of fiscal forecasts to major macroeconomic assumptions in Section 3, Fiscal Risks (p.11-12). Here is described how the decrease in the price of oil will affect budget revenues. "If the price of oil, which was projected on \$ 40 in the calculation of budget revenues for 2021, falls to \$ 35, state budget revenues may decrease by 1.3 percent compared to the forecast. The indirect effects of the decline in oil prices on the non-oil sector will be 0.5 percent of non-oil revenues" (Original: "2021-ci il üçün büdcə gəlirlərinin hesablanması zamanı 40 ABŞ dolları səviyyəsində nəzərdə tutulan neftin bir barelinin satış qiyməti 35 ABŞ dollarına enərsə, neftin qiymətindəki azalmanın dolayı yolla qeyri-neft sektoruna təsirləri nəticəsində dövlət büdcəsinin qeyri-neft gəlirləri üzrə 0,5 faiz olmaqla, ümumilikdə dövlət büdcəsinin gəlirlərində proqnozla müqayisədə 1,3 faiz azalma ola bilər.") on page 11-12. Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf page 11-12

IBP Comment

In light of the Government Reviewer's comment and citation, and in agreement with the researcher, the response has been upgraded from "d" to "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:

c. Yes, information that shows how some but not all new policy proposals affect expenditure is presented.

Source:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: “Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında” Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf p 5-6

Comment:

The Narrative provides info on the new macroeconomy-fiscal challenges, specifically in light of Covid-19 pandemic, suffering of the economy from lower oil prices, necessity expenditures optimization, etc. Also Narrative provides info on fiscal rules suspending until January 2022. However, no specific estimates are found.

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:

c. Yes, information that shows how some but not all new policy proposals affect revenues are presented.

Source:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf p 5-6

Comment:

The Narrative provides info on need to balance revenues and expenditures in new circumstances, increase in non-oil revenues, allowing to reduce the size of transfers from Oil Fund to the State Budget, maintaining the foreign debt on an existing level, etc.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: Pages 5-6, cited by the researcher, also contain information on the main directions of fiscal policy. However, on page 8, there is more detailed information about revenue policies. So, in the Narrative on the Draft Budget-2021 all new policy proposals effects on revenues are presented, along with a narrative discussion. Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf page 8.

IBP Comment

We welcome the Government Reviewer's comment, but the researcher maintains that the additional information provided is not sufficient to upgrade the response. In order to select "a," one must find all new policy and along the narrative discussion, and in this case it was not possible to confirm whether all new revenue policies were included. Response "c" is confirmed, also in light of the peer reviewer agreeing with it.

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:

c. Yes, expenditure estimates for BY-1 are presented by only one of the three expenditure classifications.

Source:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında);
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

Neither the Draft Budget, nor the Narrative provided information on BY-1 expenditure estimates.

The Narrative, however, consists of info on Education (p.26), Public Health (p.28) multi-year estimates, which are not enough to meet the requirement.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, expenditure estimates for BY-1 are presented by only one of the three expenditure classifications.

Comments: There are have information expenditure estimates for BY-1. But only functional expenditure of the budget. Also, there are have comparative analysis of BY-1. Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, expenditure estimates for BY-1 are presented by only one of the three expenditure classifications.

Comments: The Narrative present expenditures for the year preceding the budget year (BY-1) by functional classification. For example the education and health expenditure is showing information about five years (2016-2021) respectively on page 26-28. As education and health are considered functional classifications compatible with international standards, it meets the requirements of this question according to the OBS methodology. Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf on page 26-28

IBP Comment

In light of both reviewers' comments and suggestions, and in consultation with the researcher, the response has been upgraded from "d" to "c". This is also consistent with the response selected in the OBS 2019 - practice has not changed since the last Survey.

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:

d. No, expenditures are not presented by program for BY-1.

Source:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

Neither the Draft Budget, nor the Narrative provided information on BY-1 expenditure estimates for individual programs.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

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

Source:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

No evidence on BY-1 update from original enacted levels.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: The expenditure and revenue estimates of the year prior to the budget year (BY-1) been updated from the original enacted levels ratified by the law (<http://e-qanun.az/framework/45672>) on August 2020. When the EBP-2021 was published (21/12/2020) expenditure estimates for 2020 have been updated from the original enacted levels, and it was reflected in the EBP-2021 on page 22-44. Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf On page 22-44

IBP Comment

After discussing again with the researcher, and confirming that the BY-1 figures used in the 2021 EBP were the revised ones, coming from the 2020 Revised Budget that was passed in August 2020, the response has been upgraded from "b" to "a."

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:

c. Yes, expenditure estimates for BY-2 and prior years are presented by only one of the three expenditure classifications.

Source:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

Neither the Draft Budget, nor the Narrative provided information on BY-2 expenditure estimates.

The Narrative, however, consists of info on Education (p.26), Public Health (p.28) multi-year estimates, which are not enough to meet the requirement.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, expenditure estimates for BY-2 and prior years are presented by only one of the three expenditure classifications.

Comments: The Narrative presents expenditures for more than one year prior to the budget year (BY-2 and prior years) by functional classification. For example, the education and health expenditure is showing information about five years (2016-2021) respectively on pages 26-28. As education and health are considered functional classifications compatible with international standards, it meets the requirements of this question according to the OBS methodology. Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf On page 26-28

IBP Comment

After consulting again with the researcher and reviewing the additional information provided by the Government Reviewer, the response has been upgraded from "d" to "c". The Government Reviewer makes a good case for such update, indicating the part of the Executive's Budget Proposal that includes expenditures by function presented for BY-2 and prior years.

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:

Functional classification

Source:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: Functional classification

Comments: The Narrative presents expenditures for more than one year prior to the budget year (BY-2 and prior years) by functional classification. For example, the education and health expenditure is showing information about five years (2016-2021) respectively on page 26-28. As education and health are considered functional classifications compatible with international standards, it meets the requirements of this question according to the OBS methodology. Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf on page 26-28

Researcher Response

Yes, we can indicate a functional classification

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:

d. No, expenditures are not presented by program for BY-2 and prior years.

Source:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

Neither the Draft Budget, nor the Narrative provided information on BY-2 expenditure estimates for individual programs.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

No evidence on expenditures reflect actual outcomes

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: EBP-2021 present information on budget 2019 (actual outcomes), 2020 (updated) and 2021 (forecasted) for budget parameters with narrative discussion and comparative analysis on page 22-42. In the EBP, expenditures by functional, economic, administration classification were compared with actual budget figures for BY-2. While in the aggregate level, for specific example, on page 23, "Expenditures of the state budget for 2021 are projected at AZN 28543.0 mln, which is AZN 1050.8 mln or 3.8% more compared to 2020, and AZN 4117,1 mln or 16.9% more compared to 2019 budget." (Original: "2021-ci il dövlət büdcəsinin xərcləri 28543,0 milyon manat (ÜDM-dəxüsusi çəkisi 37,7faiz) proqnozlaşdırılır ki, bu da 2020-ci ilə nisbətən 1050,8milyon manat və ya 3,8faiz, 2019-cu ilin icra göstəriciləri ilə müqayisədə isə 4117,1milyon manat və ya 16,9faiz çoxdur") on page 23. Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

IBP Comment

After consulting again with the researcher, in light of the additional information provided by the Government Reviewer, the response has been upgraded from "d" to "a" because the BY 2019 data are actuals, and not just the budgeted figures. See the report on 2019 budget execution which confirms that figures are actuals: <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf>, p.10.

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:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf, p.14-22

Comment:

The Narrative provides such kind of info on a multiple years prior to 2021 in the tables and narrative.
p. 14-22

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:

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

Source:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf, p.14-17

Comment:

The Narrative provides such kind of info on a multiple years prior to 2021 in the tables and narrative.
p. 14-17

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: *Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında*); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: *"Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat*); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

No evidence on revenue estimates for BY-1, updated from the original enacted levels

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: The expenditure and revenue estimates of the year prior to the budget year (BY-1) been updated from the original enacted levels ratified by the law (<http://e-qanun.az/framework/45672>) on August 2020. When the EBP-2021 was published (21/12/2020) the revenue estimates for 2020 have been updated from the original enacted levels, and it was reflected in the EBP-2021 on pages 14-22. Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: *"Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat*); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf on page 14-22.

IBP Comment

After consulting again with the researcher and sharing the Government Reviewer's additional information, the response has been upgraded from "b" to "a", because the 2021 EBP includes updated estimates for BY-1, based on the Revised Budget 2020 that was approved in August 2020, and that reflected changes based on the actuals for the first part of the year.

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:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: *Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında*); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: *"Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat*);

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

No evidence on revenue estimates by category (tax, non-tax) prior to budget year.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: In the budget documentation has 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). Even before 10 years. There is some tables which show revenue by category (such as tax, customs, transfer from oil fond). Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf page - 14-21

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: The Narrative provides information on revenue estimates by categories for more than one year prior to the budget year (BY-2 and prior years). Such as tax category (income taxes, profit taxes and etc) is presented on pages 15-17, and non-tax (Oil Fund transfer, custom duties, and etc) are presented separately, along with a narrative discussion and graphs on pages 20-22. Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

IBP Comment

After consulting again with the researcher and in light of both reviewers' comments and additional information provided, the response has been changed from "b" to "a".

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:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf, p. 15-21

Comment:

The Narrative provides the info (tables) related oil/non oil taxes, SOFAZ transfers deducted revenues, customs duties, which account for less than 2/3rds of all budget revenues.

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: Oil fund (SOFAZ) transfers are the individual source of non-tax revenues and the transfers were presented for more than one year prior to

the budget year (BY-2 and prior years) on page 21 in the graph. Consider that the total revenue of the 2019 budget is equal to AZN 24.2 billion, the transfer accounted for 47.1% of total revenues or AZN 11.4 billion. Oil/non-oil taxes were presented on page 17 which accounted for around 32.1% of all revenues or AZN 7.2 billion. In addition, individual sources of tax revenues (such as VAT, Excise, Road tax) and customs duty were presented for more than one year prior to the budget year (BY-2 and prior years) on page 20. Which accounted for around 15.6% of all revenues or AZN 4 billion. Only considering the above examples, in the final analysis, individual sources of revenue accounting for all revenue are presented for BY-2 and prior years. Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf On page 17-21

IBP Comment

We thank the Government Reviewer for the additional comments and information. The response remains, however, unchanged ("c") because it is not possible to identify individual revenue sources from the Oil Fund transfers. The share of Oil Funds transfers is more than half of the entire sources of the budget, and it looks like Azerbaijan gets various revenue streams from SOCAR and SOFAZ, <https://oilfund.az/en/fund/documents/fund-budget/9>. While this information is not completely up to date, it confirms that there are different revenues streams coming into the budget from SOFAZ, and it's not simply a single revenue source. Based on this, it does not look like the "oil fund" can be considered as an individual revenue source.

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:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf, p. 14-15

Comment:

The Narrative (p.14-15) provides the required info;

"2021-ci il üzrə proqnozlaşdırılan dövlət büdcəsinin gəlirlərinin 54,2faizi və ya 13776,0 milyon manatı neft sektorunun, 45,8 faizi və ya 11651,0 milyon manatı qeyri-neft sektorunun payına düşür. 2020-ci ilin proqnozu ilə müqayisədə neft sektorunun gəlirləri 214,0 15 milyon manat və ya 1,5 faiz az,qeyri-neft sektorunun gəlirləri isə1517,0 milyon manat və ya 15,0 faiz çox, 2019-cu ilin icra göstəriciləri ilə müqayisədə neft sektorunun gəlirləri 171,4 milyon manat və ya 1,3 faiz, qeyri-neft sektorunun gəlirləri isə1037,5milyon manat və ya 9,8 faiz çoxdur".

Both oil and non oil revenue are presented as totals and % change.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

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

Source:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: “Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında” Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf, p. 42-43

Comment:

The Narrative provides a limited info on new borrowing, as well as BY-1 statement on the p. 42-43

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:

d. No actual data for government debt are presented in the budget or supporting budget documentation.

Source:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

Neither the Draft Budget, nor the Narrative provided information on BY-2 and more related government debt.

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:

c. Yes, information is presented, but it excludes some core elements or some extra-budgetary funds.

Source:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf , p.13-14

Comment:

The Narrative provides some information on extra-budgetary funds (State Oil Fund of Azerbaijan- SOFAZ, State Social Protection Fund and others) including their revenues . But there is no information on the statement of purpose or policy rationale for the extra-budgetary funds. (p.13-14)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, the core information is presented for all extra-budgetary funds.

Comments: The Narrative provides details of all extra-budgetary funds on complete income, expenditure, and financing data on a gross basis on pages 13-14. Statement of the purpose of the Social Protection Fund presented on p. 32 of the Narrative. Page 32 of the Narrative also provides information on transfers from the budget to the Social Fund. According to article 12 of the Law on the Budget system, budgets of extra-budgetary funds are approved by separate laws. But these are part of the budget system and considered consolidated budget. So budgets of the Social Protection Fund, Oil Fund (SOFAZ), and Unemployment insurance fund are approved by separate laws. Estimates of its budget parameters, investment policy, and statement of purpose or policy rationale for Oil Fund (SOFAZ) <http://www.e-qanun.az/framework/46635> Estimates of its budget parameters, and statement of purpose or policy rationale for Social Protection Fund (<http://www.e-qanun.az/framework/46591>) Estimates of its budget parameters, and statement of purpose or policy rationale for Unemployment insurance fund (<http://www.e-qanun.az/framework/46593>)

IBP Comment

Having consulted again with the researcher, it has been noted that some extra budgetary funds are not included in the Executive's Budget Proposal. The 2021 Budget Proposal does not seem to include information on the Oil Fund and the Unemployment Fund, and the links provided by the Government Reviewer refer to the separate laws that are submitted and that approve those funds. The 2021 EBP only includes information non the Social protection fund. The response remains therefore unchanged, also in light of the peer reviewer agreeing with the response, and consistent with the response selected in the OBS 2019.

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:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf , p.13-14

Comment:

No evidence on central government finances divided into budgetary and extra-budgetary part.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, central government finances are presented on a consolidated basis.

Comments: There is evidence on central government finances divided into budgetary and extra-budgetary parts on the Narrative. Because the consolidated budget is presented on pages 13-14 of the Narrative and at the same time, in other parts of the Narrative, the budgetary financing was presented with extensive discussions on pages 22-41. Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

IBP Comment

We welcome the government reviewer's comment but, following further consultation with the researcher, we maintain response "b". Information on page 13 indeed includes a consolidated figure for the budget, but there isn't a presentation where the budgetary and extra-budgetary components are presented in a clear format and one could see how much each component accounts for, in the total consolidated budget.

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:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf , p.44

Comment:

The Narrative provides information on estimates of amount of the transfers from central government budget to the budgets of districts and cities, with narrative (p.44).
Individual transfers are shown on pages 6-8 of the Draft law (article 9) http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf

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:

d. No, alternative displays of expenditures are not presented to illustrate the financial impact of policies on different groups of citizens.

Source:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf
Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);

http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

Neither the Draft Budget, no the Narrative provide information about financial impact of policies on different groups of citizens

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: The Narrative provides a special and detailed presentation of all policies that are intended to benefit directly the country's most impoverished populations, such as vulnerable groups within public health programs (on pages 27-32), refugees, and IDP's (on pages 32-33), unemployment (page 34). The comment is used to also answer Question 52. The answer selected demonstrates an improvement in performance from the 2019 round of research. Now all of the aspects of the social policies were covered by this Narrative. So, according to the OBS methodology, we strongly believe that the answer should be "c". Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

IBP Comment

Rather than an alternative display of expenditures, the government highlights specific programs that can support some of the most vulnerable populations. The contributes to highlighting the good practice response selected for question 52 ("b"), but does not provide evidence in support of a different response to this question.

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:

None of the above

Source:

n/a

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: Distribution of health expenditure on vulnerable groups Policy impacts on the refugees, and IDPs Policy impacts on unemployment

Comments: The Narrative provides a special and detailed presentation of all policies that are intended to benefit directly the country's most impoverished populations, such as vulnerable groups within public health programs (on pages 27-32), refugees, and IDP's (on pages 32-33), unemployment (page 34). The comment is used to also answer Question 52. The answer selected demonstrates an improvement in performance from the 2019 round of research. Now all of the aspects of the social policies were covered by this Narrative. Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Researcher Response

No changes

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:

c. Yes, estimates of some but not all transfers to public corporations are presented.

Source:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf, p.40-41

Comment:

The Narrative provides some info about transfers to the public corporations, such as Azerbaijan Water Supply (Azersu), Heating Company (Azərtiliktəchizat), Airlane (Azal), etc. on the p. 40-41

Peer Reviewer

Opinion: Agree

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:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

Neither the Draft Budget, nor the Narrative provided information on the quasi-fiscal activities

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, the core information is presented for all quasi-fiscal activities.

Comments: Quasi-fiscal activities are presented. For example, the Narrative on the Draft Budget cites: on page 41 "From 2021 budget, AZN 39.2 million has been provided for subsidizing passenger transportation services to "Baku Metropolitan Closed Joint-Stock Company" ; on page 41 "From 2021 budget, AZN 10.0 million has been provided for subsidizing flight of the Nakhchivan Autonomous Republic for "Azerbaijan Airlines" ; on page 38 "Preferential loans of the Mortgage and Credit Guarantee Fund - AZN 87.5 million (This loan is used to issue mortgage loans to households whose interest rates are lower than market rates.)" ; on page 40, "AZN 26 million has been provided for subsidizing heat energy supplied to the population at regulated tariffs for 2021." And on the same page, there is information about subsidizing water and elevator tariffs for 2021; on page 10, "Until December 31, 2021, the financial provision of measures to provide state guarantees and subsidizing interest rates for loans taken by business entities is provided in the next year's state budget." Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Researcher Response

No changes. GR mentioned examples are subsidy, tax expenditures and contingent liabilities, but not quasi-fiscal activities.

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:

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

Source:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf, p.4

Comment:

The Narrative provides an estimate of total value of financial assets/reserves of State Oil Fund and Central Bank.p. 4

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

d. No, information related to nonfinancial assets is not presented.

Source:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

Neither the Draft Budget, no the Narrative provide information on the nonfinancial assets

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, information is presented, but it excludes some nonfinancial assets.

Comments: Page 24 of the Narrative provides information on total expenditures on non-financial assets for the Budget Year. However, the actual list of non-financial assets is not available. According to the guideline for OBS-2021 a "C" can be selected in a case where the purchase or sale of non-financial assets is shown. So, we strongly believe the answer should be "C". Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Researcher Response

No evidence on non financial information. No changes

IBP Comment

Just a note to complete the dialogue on this question: a line in the EBPs states how much money is going to be spent to acquire assets. But there is no information on *which* assets are acquired. In addition, the guidelines states that answer "d" applies if... only information on the acquisition of non financial assets is presented. The response remains, therefore, unchanged ("d").

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:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

Option "e" is the appropriate response, as expenditures arrears are not created due to the specifics of Treasury control/commitments mechanisms.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Just a note to further support the response PEFA report from 2014 (<https://www.pefa.org/node/1346>), page 11: "There were no arrears during the assessment period because the Government retained sufficient cash balances to meet obligations when, and even before, they were due. The Treasury Information Management System (TIMS) enables detailed and accurate monitoring of commitments and payments."

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:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf, p.42-43

Comment:

The Narrative provides estimates of upper limits for state guarantee to loans on the p.42-43

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:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

No evidence on future liabilities estimates

Peer Reviewer

Opinion: Agree

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:

d. No, estimates of the sources of donor assistance are not presented.

Source:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

Neither the Draft Budget, nor the Narrative provide donor assistance info.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, estimates of some but not all sources of donor assistance are presented.

Comments: Page 27 and 38 of the Narrative presents donor assistance provided by the type of assistance (loan, grant) within the Government, such as the student loans and preferential mortgage loans; budget support is described separately, on page 6 of the Narrative non-tax revenue as official transfers to the budget is presented. Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının

2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Researcher Response

No evidence on donor assistance in the citation provided by the Government Reviewer. In light of this, for consistency of responses across countries, and in light of the peer reviewer being in agreement, no changes have been made to the response ("d").

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:

d. No, information related to tax expenditures is not presented.

Source:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf, p.9

<https://bbn.az/maliyye%99-nazirliyi-vergi-v%99-gomruk-guz%99stl%99ri-il%99-bagli-m%99rk%99zl%99sdirilmis-elektron-reyestr-yaradir/>

Comment:

The Narrative consist of below quoted paragraph (p.9);

"Vergi və gömrük sahəsində verilmiş güzəşt və azadolmaların Mərkəzləşdirilmiş Elektron Reyestr Sistemi" vasitəsilə vergi və gömrük sahəsində qüvvədə olan və ya təklif olunan güzəştlərin dövlət büdcəsinin gəlirlərinə təsirinin, habelə büdcə, iqtisadi və sosial baxımından səmərəliliyinin qiymətləndirilməsi işlərinə başlanılması gəlir siyasətinin əsas istiqamətlərindən biri olacaqdır."

The Centralized Electronic Registry System (Mərkəzləşdirilmiş Elektron Reyestr Sistemi) launched in 2020, should provide all necessary info on tax expenditures as well. However, no evidence on new tax expenditure items, yet.

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: With the implementation of the system (The Centralized Electronic Registry System on taxes), more detailed information on tax expenditures will be published in the coming years. However, in the current case, information on such tax expenditures is published. Page 8 of the Narrative provide information on tax expenditures: - intended beneficiaries; - purpose. For example "The tax incentives envisage further the recovery of the economic activity of businesses affected by the pandemic. From the perspective of revenue policy, provision of simplified tax exemptions, property and land taxes exemptions for Micro-enterprises. In addition, policy decisions were made on the temporary exemption from VAT of imports of some types of products for the medical needs of the population. Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

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:

c. Yes, estimates of some but not all earmarked revenues are presented.

Source:

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf, p.5 (7.12.2.məqsədli büdcə fondları 290000000,0)

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf, p.38

Comment:

The Draft and Narrative provide some information on estimates of earmarked revenues. For example, on the p. 38 of Narrative provides info on The Highway Earmarked Found. ("Avtomobil Yolları" Məqsədli Büdcə Fondu). "Həmin vəsaitin 290,0 milyon manatı "Avtomobil Yolları" Məqsədli Büdcə Fondu vasitəsilə ölkə ərazisində ümumi istifadədə olan respublika vəyerli əhəmiyyətli avtomobil yollarının və onlarla əlaqədar mühəndis qurğularının, təhkim zolaqlarının istifadəsi, saxlanılması və istismarına sərf ediləcəkdir"

Peer Reviewer

Opinion: Agree

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:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf, p.1-8

The Draft Budget of the Republic of Azerbaijan for 2021 (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf,

Comment:

The Narrative provides substantial analysis of how the proposed budget linked to government policy goals, such as Post-oil challenges, non-oil sector development, Covid-19 impact, new fiscal burden for the deliberated territories reconstruction, encouraging entrepreneurship, etc. The link, for instance between government goal and budget expenditures shown on the budget line in th Draft (http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe055aaa50f5.pdf) 7.11.3.2 - Reconstruction and rehabilitation of the liberated territories, p.5.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, estimates that show how the proposed budget is linked to all the government's policy goals for the budget year are presented, along with a narrative discussion.

Comments: It was mentioned "The 2021 budget was prepared based on the strategic development priorities and socio-economic policy goals of the Republic of Azerbaijan" on page 1 of the Narrative on EBP. So, pages 1-10 of EBP 2021 and its supporting budget documentation present information on how the proposed budget (and new proposals) is linked to the government's policy goals for the budget year. Page 6 sets out the main directions of fiscal policy and fiscal targets for the medium term. The Narrative provides substantial analysis of how the proposed budget linked to government policy goals, such as Post-oil challenges, non-oil sector development, encouraging entrepreneurship, post-pandemic developments, social-economic policy on liberated territories reconstruction in the post-war period, etc. Here is also the discussion of result-based budgeting, integration of Climate Budget Tagging, Gender-responsive budgeting on page 7. So, the option "a" is relevant. Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

IBP Comment

We welcome the Government Reviewer's comment, but following further consultation with the researcher, the response remains unchanged. Rather than "policy goals", the items included in the Government Reviewer's citation are more like "policy themes" (post-oil challenges, non-oil sector

development, encouraging entrepreneurship, post-pandemic developments, social-economic policy on liberated territories reconstruction in the post-war period).

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:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf, p.1-8

Comment:

No comments

Peer Reviewer

Opinion: Disagree

Suggested 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.

Comments: There is government's policy goals for 2024. But a few directions. Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf, p.6-8

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, estimates that show how the proposed budget is linked to all the government's policy goals for a multi-year period are presented, along with a narrative discussion.

Comments: So, pages 1-10 of EBP 2021 and its supporting budget documentation present information on how the proposed budget (and new proposals) is linked to the government's policy goals for the budget year. Especially, starting from section 2.2 (Büdcə-vergi siyasətinin əsas istiqamətləri və ortamüddətli dövr üçün fiskal hədəflər) sets out the main directions of fiscal policy and fiscal targets for the medium term on page 6-8. The paragraph shows how the proposed budget is linked to all the government's policy goals for a multi-year period is presented, along with a narrative discussion. Page 7 of the Narrative also shows the result-based budgeting, integration of Climate Budget Tagging, Gender-responsive budgeting in the medium term. Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

IBP Comment

We welcome the Government Reviewer's comment, but in reading the translated text from pages 6-8, it was not possible to see the connection between policy goals and budgets. No estimates seem to be included, and the only multiyear reference is the sentence "Sector strategic plans of the pilot sections "Education", "Agriculture" and "Environmental Protection" of the functional classification of budget expenditures for 2021-2024 and the Expenditure Framework have been prepared in accordance with these plans." The budget proposal mentions how "For the first time, the budgets of the pilot units were formed on the basis of programs / measures and monitoring and implementation indicators were applied to achieve the goals set in the sector strategic plans, as well as to measure the efficiency of public funds. Integration of climate change-related financing into the budget process and the MDGs to mitigate the negative effects of climate change (mitigation) and mobilization of financial resources for adaptation measures in support of Green Economy initiatives Work is underway to apply. This will allow the budget to reflect, analyze, monitor and evaluate the costs of climate change." But this is not evidence for the question. After further consultation with the researcher, the response remains unchanged.

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:

c. Yes, nonfinancial data on inputs are presented for some programs and/or some administrative units (or functions).

Source:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, nonfinancial data on inputs are presented for some programs and/or some administrative units (or functions).

Comments: In recent years, program budgeting in Azerbaijan has been gradually developing, which makes it possible to include non-financial indicators in the EBP. page 30, line 1.3 - program "measure on chronic kidney disease" and inputs "Amount of purchase of a hemodialysis equipment" as it identified in the text. page 30, line 1.1 - program "measures on medication/treatment to patients with diabetes " and indicator "provision of medicines and appropriate devices for diabetics". So, inputs are shown in line with expected results in the programs. Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

IBP Comment

We welcome the government reviewer's comment and, to maintain consistency of responses across countries, we upgraded the response from "d" to "c". It should be stated, however, that the presentation of these inputs is a little confusing, because they are included in the "Expected results" column in the table that has been cited and reviewed. Inputs and outputs are therefore mixed up.

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:

c. Yes, nonfinancial data on results are presented for some programs and/or some administrative units (or functions).

Source:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, nonfinancial data on results are presented for some programs and/or some administrative units (or functions).

Comments: The narrative budget includes separate tables for programs in order to present outputs/outcomes and performance measurement indicators. (page 30-36) The outcomes presented in the EBP intended impact or policy goals achieved. For instance, "a reduction in early disability among children with hemophilia" (page30, line 1.2); "improve the lifestyle and prolong the life of people with oncological diseases" (page30, line 1.5) Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

IBP Comment

Having reviewed the evidence provided by the Government Reviewer and after further consultations with the researcher, the response has been changes from "d" to "c".

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:

d. No, performance targets are not assigned to nonfinancial data on results, or the budget does not present nonfinancial data on results.

Source:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, performance targets are assigned to some nonfinancial data on results.

Comments: EBP 2021 includes separate tables (Financing, Expected Outcome, and Indicators of the Budget Programs) for programs in order to present the performance targets, outputs/outcomes, and performance measurement indicators (page 30-36). Non-financial data and target indicators for some programs are given under one heading together in the table. Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat);
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf

IBP Comment

We welcome the Government Reviewer's comment, but while we agree there is some information on results (see the previous question), it was not possible to identify numbers (i.e., targets) associated with those inputs/outputs. The response remains unchanged.

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:

Narrative on the Draft Budget of the Republic of Azerbaijan for 2021 (Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsi haqqında "Azərbaycan Respublikasının Qanun layihəsinə dair izahat); http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/5fe0996cc4b44.pdf , p.27-34

Comment:

The Narrative presents estimates of policies that are intended to benefit directly the country's most impoverished populations, such as vulnerable groups within public health programs (p.27-32), refugee and IDP's (p. 32-33), unemployment (p.34). This is an improvement from the OBS 2019 assessment. Now all of the aspects of the social policies were covered by this Narrative.

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:

<http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/5bd965c514197.pdf>

Comment:

The timetable for formulating EBP available on the website of MoF, Besides, the Citizen's Budget Guide consists of the timetable as well.

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:

b. Yes, the core information is presented for the macroeconomic forecast.

Source:

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f522c3912a48.pdf p. 3-7

Comment:

The PBS provides the nominal and real GDP growth info on the p.3-5, inflation rate- on the p.6. No information about interest rates.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, the core information is presented for the macroeconomic forecast.

Comments: The Pre-Budget Statement present the following information: Nominal GDP level and real GDP growth – as the text, and Graphs 1-2-3, page 4-5 ; Inflation rate – as the text, and Graphs 4, page 6 ; However, in the Pre-Budget Statement, there is no information about interest rates. According to the OBS methodology, there are a lot of information beyond the core information: The composition of GDP growth, oil and non-oil GDP, (page 5, Graph 2 and 3), Current account balance forecast, and Current Account to GDP (page 6-7, Graph 5), the exchange rate (page 7) Source: http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f522c3912a48.pdf

IBP Comment

Having reviewed the information provided by the Government Reviewer, and in agreement with the researcher, the response has been upgraded from "c" to "b". The information provide by the Government Reviewer shows beyond-the-core information that compensates for piece of core information that's missing (i.e., interest rates).

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:

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f522c3912a48.pdf , p.10-11, 12-15

Comment:

The Government expenditures policy aspects provided on the p.10-11 of PBS, estimate of expenditures priorities info on the p.12-15.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, information beyond the core elements is presented for the government's expenditure policies and priorities.

Comments: The Pre-Budget Statement provides information on the government's policies, expenditure priorities, and estimate of total expenditures (page 12-15). In addition, it is included the estimates of expenditures by functional classification (page 13, graph). Furthermore, on page 14 there is information about expenditure policy, allocated expenditures, and targets/outputs on Educational programs (such as preschool education, general education", vocational education), Agricultural programs, and programs on Environmental protection. Starting from the 2021 budget year, in order to implement the result-based budgeting mechanism, expenditures on the three pilot sections of the functional classification of state budget expenditures for 2021 ("Education", "Agriculture" and "Environmental Protection") were linked to strategic plans of sectors and subdivided into programs, sub-programs, and activities. Source: http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f522c3912a48.pdf

IBP Comment

In light of the additional information provided by the Government Reviewer (GR), and in agreement with the researcher, the response has been upgraded from "b" to "a". The information presented by the GR does include some beyond-the-core information, in that the expenditures estimates go beyond the total, and show a breakdown.

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:

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f522c3912a48.pdf , p.9-10, 12

Comment:

The Government revenue policy aspects provided on the p.9-10 of PBS, estimate of revenues info on the p.12.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, information beyond the core elements is presented for the government's revenue policies and priorities.

Comments: The Pre-Budget Statement provides revenue policies, revenue priorities on pages 9-10, the estimate of total revenues on page 12.

Moreover, the PBS-2021 presents 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. For instance, with estimates provided by revenue category – taxes and non-taxes context info, taxes from the oil sector, total oil, and non-oil revenues, on page 12. In addition, some of the major individual sources of revenue, such as the amount of transfer from the Oil Fund to the state budget are provided in the same section. Source:

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f522c3912a48.pdf

IBP Comment

In light of the Government Reviewer's comment and after further consultations with the researcher, the response is changed from "b" to "a", on the basis that there is more than just the "core" information in the document, in that we do not only find total revenue, but a general breakdown.

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:

c. Yes, one of the three estimates related to government borrowing and debt are presented.

Source:

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f522c3912a48.pdf, p.13, 15

Comment:

The PBS provides info on the amount of debt servicing information at the bottom of the table on p.15 (Dövlət borcuna xidmətləbağlı xərclər). Information is shown for the upcoming budget year on the p13, and for another 3 years (2022-2024) on p.15.

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:

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5f522c3912a48.pdf , p.15

Comment:

The PBS provides info on multi-year expenditure estimates on the p.15

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:

LAW OF THE REPUBLIC OF AZERBAIJAN “ON 2021 STATE BUDGET OF THE REPUBLIC OF AZERBAIJAN”:
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee1408cfe1.pdf

DECREE OF THE PRESIDENT OF THE REPUBLIC OF AZERBAIJAN ON ISSUES REGARDING THE APPLICATION OF THE LAW OF THE REPUBLIC OF AZERBAIJAN “ON 2021 STATE BUDGET OF THE REPUBLIC OF AZERBAIJAN”:
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee1408eaa9.pdf

Comment:

The Enacted Budget for 2021 provides functional (pp. 3-6 of the Budget Law) and administrative classification (Decree of the President), but not economic one.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the Enacted Budget presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

Comments: Enacted Budget’s supporting budget documentation provides information on expenditures by all three expenditure classifications for the budget year. The first PDF from the top presents expenditure estimates by all three expenditure classifications. Indicators of state budget expenditures for 2021 by functional, economic and administrative classifications (Original: “2021-ci il dövlət büdcəsinin xərclərinin funksional, iqtisadi və inzibati təsnifatların paraqrafları səviyyəsində göstəriciləri”) <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?>

file=/uploads/static-pages/files/5ffd57f0836af.pdf Source: <http://www.maliyye.gov.az/en/static/254/main-indicators-of-the-approved-state-budget>

IBP Comment

In light of the additional web link provided by the Government Reviewer, <http://www.maliyye.gov.az/en/static/254/main-indicators-of-the-approved-state-budget>, the response has been upgraded from "b" to "a". All three classifications are presented.

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

Functional classification

Economic classification

Source:

LAW OF THE REPUBLIC OF AZERBAIJAN "ON 2021 STATE BUDGET OF THE REPUBLIC OF AZERBAIJAN":
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee1408cfe1.pdf

DECREE OF THE PRESIDENT OF THE REPUBLIC OF AZERBAIJAN ON ISSUES REGARDING THE APPLICATION OF THE LAW OF THE REPUBLIC OF AZERBAIJAN "ON 2021 STATE BUDGET OF THE REPUBLIC OF AZERBAIJAN":
http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee1408eaa9.pdf

Comment:

The Enacted Budget for 2021 provides functional and administrative classification, but not economic one.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: Administrative classification Economic classification Functional classification

Comments: Enacted Budget's supporting budget documentation provides information on expenditures by all three expenditure classifications for the budget year. The first PDF from the top presents expenditure estimates by all three expenditure classifications. Indicators of state budget expenditures for 2021 by functional, economic and administrative classifications (Original: "2021-ci il dövlət büdcəsinin xərclərinin funksional, iqtisadi və inzibati təsnifatların paraqrafları səviyyəsində göstəriciləri") <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ffd57f0836af.pdf>

Researcher Response

See previous comment

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:

b. Yes, the Enacted Budget presents estimates for programs accounting for at least two-thirds of, but not all, expenditures.

Source:

LAW OF THE REPUBLIC OF AZERBAIJAN "ON 2021 STATE BUDGET OF THE REPUBLIC OF AZERBAIJAN":

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee1408cfe1.pdf

DECREE OF THE PRESIDENT OF THE REPUBLIC OF AZERBAIJAN ON ISSUES REGARDING THE APPLICATION OF THE LAW OF THE REPUBLIC OF AZERBAIJAN "ON 2021 STATE BUDGET OF THE REPUBLIC OF AZERBAIJAN":

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee1408eaa9.pdf

Comment:

The Decree of the President on the application of the Law on 2021 Budget includes most of the individual programs info. (See the table starting on page 1, that shows information by ministry and under each ministry, "sub units", which for the purposes of the Survey can be considered "programs")

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:

b. No, the Enacted Budget does not present revenue estimates by category.

Source:

LAW OF THE REPUBLIC OF AZERBAIJAN "ON 2021 STATE BUDGET OF THE REPUBLIC OF AZERBAIJAN":

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee1408cfe1.pdf

DECREE OF THE PRESIDENT OF THE REPUBLIC OF AZERBAIJAN ON ISSUES REGARDING THE APPLICATION OF THE LAW OF THE REPUBLIC OF AZERBAIJAN "ON 2021 STATE BUDGET OF THE REPUBLIC OF AZERBAIJAN":

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee1408eaa9.pdf

Comment:

The Enacted Budget doesn't indicate revenues by category (tax, non-tax sources)

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the Enacted Budget presents revenue estimates by category.

Comments: all tax directions (such as VAT, Excise, income tax etc.) LAW OF THE REPUBLIC OF AZERBAIJAN "ON 2021 STATE BUDGET OF THE REPUBLIC OF AZERBAIJAN": http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee1408cfe1.pdf page: 1-3

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the Enacted Budget presents revenue estimates by category.

Comments: Individual sources of tax and non-tax revenues are presented and tax, non-tax sources of revenue are shown separately in the Enacted Budget. For example, Taxes- Income tax, Profit tax, Property tax, other taxes; Non-taxes- Fees, Property revenues, Oil Fund transfers, and other non-tax revenues. Revenues from the taxes and non-taxes can be derived from the figures provided in the EB. LAW OF THE REPUBLIC OF AZERBAIJAN "ON 2021 STATE BUDGET OF THE REPUBLIC OF AZERBAIJAN": http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee1408cfe1.pdf (page 1-2) DECREE OF THE PRESIDENT OF THE REPUBLIC OF AZERBAIJAN ON ISSUES REGARDING THE APPLICATION OF THE LAW OF THE REPUBLIC OF AZERBAIJAN "ON 2021 STATE BUDGET OF THE REPUBLIC OF AZERBAIJAN": http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee1408eaa9.pdf

Researcher Response

The Guidelines requires to present info by categories, meaning separation tax category from non-tax one, in order to identify what % is tax one, what is non-tax. There isn't such information in the Enacted Budget.

IBP Comment

In light of the researcher's response to the Government and Peer Reviewers comments, the response remains unchanged. Individual sources of revenue are presented, but they do not seem to be grouped into higher level categories, which is what this question is assessing.

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:

a. Yes, the Enacted Budget presents individual sources of revenue accounting for all revenue.

Source:

LAW OF THE REPUBLIC OF AZERBAIJAN "ON 2021 STATE BUDGET OF THE REPUBLIC OF AZERBAIJAN": http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee1408cfe1.pdf

DECREE OF THE PRESIDENT OF THE REPUBLIC OF AZERBAIJAN ON ISSUES REGARDING THE APPLICATION OF THE LAW OF THE REPUBLIC OF AZERBAIJAN "ON 2021 STATE BUDGET OF THE REPUBLIC OF AZERBAIJAN": http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee1408eaa9.pdf

Comment:

The Law on 2021 State Budget presents individual sources for all revenues (pp. 1-2).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

LAW OF THE REPUBLIC OF AZERBAIJAN "ON 2021 STATE BUDGET OF THE REPUBLIC OF AZERBAIJAN":

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee1408cfe1.pdf

DECREE OF THE PRESIDENT OF THE REPUBLIC OF AZERBAIJAN ON ISSUES REGARDING THE APPLICATION OF THE LAW OF THE REPUBLIC OF AZERBAIJAN "ON 2021 STATE BUDGET OF THE REPUBLIC OF AZERBAIJAN":

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5ffee1408eaa9.pdf

Comment:

The Law on 2021 State Budget provides two of three estimates on government borrowing (debt servicing including interest payments and borrowing limits) in Article 11,12 on p. 9.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: Enacted Budget's supporting budget documentation provides information on all three estimates related to government borrowing for the budget year. The 4th PDF from the top presents net new borrowing, total debt outstanding, and the interest payments in one table. Original: "2021-ci il üzrə dövlət borcu üzrə proqnoz göstəriciləri (yeni borclanmalar, ümumi borclanmanın məbləği və ödəniləcək faizləri)"

<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ffc5ab9596e5.pdf> Source:

<http://www.maliyye.gov.az/en/static/254/main-indicators-of-the-approved-state-budget>

IBP Comment

We welcome the Government Reviewer's comment and complete citation, and on the basis of the additional evidence produced, the response is upgraded from "b" to "a."

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:

a. The Citizens Budget provides information beyond the core elements.

Source:

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5dfa007ba756d.pdf

Comment:

The Citizen's Budget Guide for 2020 consists of a description of the budget process, economic outlook and government policy objectives (p.19-21) , Macroeconomic forecasts and the main macroeconomic assumptions underlying the budget (p.13-19); the sensitivity of the fiscal aggregates to variations in key economic assumptions (p 50-51) . , aggregate revenues, expenditures (p 22-50)., the Law and President Decree on budget 2020, etc. In addition to core elements Citizen's Budget Guide provide the budget calendar (pp. 11-12) and explanation of key definitions and terms (pp. 95-98).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

b. A Citizens Budget is published by using at least two, but less than three, means of dissemination, but no other dissemination efforts are undertaken by the executive.

Source:

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5dfa007ba756d.pdf

Comment:

The Citizen's budget guide is disseminated at least by two tools: internet and radio.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. A Citizens Budget is disseminated widely through a combination of at least three different appropriate tools and media (such as the Internet, billboards, radio programs, newspapers, etc.).

Comments: 1. PDF version was made available on the website of the Ministry of Finance

(http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5dfa007ba756d.pdf) ; 2. The Citizen's budget guide is disseminated by the radio. 3. In addition, information on Citizens budget has also been disseminated through online media

(https://azertag.az/xeber/Maliyye_Nazirliyi_Vetendasin_budce_beledchisi_adli_kitab_hazirlyib-1369947)

IBP Comment

We welcome the Government Reviewer's response, but after further consultation with the researcher and to maintain consistency of responses across countries, the response remains unchanged. The last item listed by the government reviewer is a web article that has been written about the Citizens Budget. Radio and internet are the two means of dissemination. Response "b" applies.

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:

c. Yes, the executive has established mechanisms to identify the public's requirements for budget information in the Citizen's Budget, but these mechanisms are not accessible.

Source:

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5dfa007ba756d.pdf

Comment:

Ministry of Finance is still discussing with the CSO leading group (Eurasia Hub team) on the content of Citizen's budget guide before publishing.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/5dfa007ba756d.pdf

Comment:

The Citizen's budget guide is published for the enactment stage of the budget process, but also includes information on the previous formulation phase.

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:

<http://www.maliyye.gov.az/en/static-page/periodic-reports>

<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2020/1/3.pdf>

Comment:

The monthly reports are made up of a big table that shows (as per the title) functional and economic classification of expenditures (and the level of detail is such that we can consider those sub-items as "programs"). Administrative classification is missing.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Economic classification
Functional classification

Source:

<http://www.maliyye.gov.az/en/static-page/periodic-reports>

<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2020/1/3.pdf>

Comment:

The MoF publishes actual expenditures by two expenditure classifications (economic and functional) monthly

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Just FYI, the second link for the document which is mentioned by the researcher doesn't work. It would be

<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2020/1/3.pdf>

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:

<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2020/7/3.pdf>

<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2020/12/3.pdf>

Comment:

The MoF publishes actual expenditures for all individual programs monthly

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:

<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2020/7/2.pdf>

<http://www.maliyye.gov.az/en/news/index/5491?slug=2020-ci-ilin-doqquz-ayinda-dovlet-budcesinin-icrasina-operativ-dair-melumat>

Comment:

Monthly Reports compare actuals and forecast for the month in question, but not with the same month of the previous year. See for example the January 2020 report that shows actuals vs. forecast for that month,

In other report (tax and non-tax incomes), however, there is comparison with the same month for the previous budget year (2019).

<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2020/1/2.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: In-Year Reports provide information comparatively with the same period in the previous year as well as with the original estimates for that period.

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:

<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2020/7/1.pdf>

Comment:

MoF publishes monthly actual revenue by tax and non tax categories

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:

a. Yes, In-Year Reports present individual sources of actual revenue accounting for all revenue.

Source:

<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2020/9/2.pdf>

Comment:

MoF publishes individual sources of actual revenue, such as income taxes, VAT, etc. monthly.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2020/9/2.pdf>

Comment:

Monthly Reports compare actual revenues with the same period in the previous year

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:

<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2020/9/5.pdf>

<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2020/9/6.pdf>

Comment:

Monthly Reports provide all three estimates (net new borrowing; the total debt outstanding; and interest payments) of actual government borrowing and debt.

For example: in the link below there are 3 types of the required info;

1. new borrowing (xalis borcalma); 2. interest payment (faiz dereceleri); 3. total debt outstanding (dovrun sonuna birbasa devlet borcu).

<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2020/9/5.pdf>

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:

<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2020/9/6.pdf>

Comment:

Monthly Reports provide the composition of the actual debt outstanding, beyond the core elements, such as interest rates on the debt; maturity profile of the debt; whether the debt is domestic or external, and also fixed or variable interest rate info, borrowing by currency, profile of creditors, etc.

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:

b. Yes, the estimates for macroeconomic forecast have been updated, and an explanation of some of the differences between the original and updated forecasts is presented.

Source:

n/a

Comment:

MYR is not produced at all

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, the estimates for macroeconomic forecast have been updated, and an explanation of some of the differences between the original and updated forecasts is presented.

Comments: The MYR and its supporting documentation were made available to the public on the website of the MoF on 07/08/2020. The macroeconomic situation in H1 2020 and expected trends by the end of the year, and updated macroeconomic forecast (but only real GDP growth and oil price), and the differences between the initial and updated real GDP growth are explained in the Explanation of MYR on page 2. Source: The parameters of the revised state and consolidated budgets for 2020 (Original: "2020-ci il dürüstləşdirilmiş dövlət və icmal büdcələrinin layihələri və parametrləri") <http://www.maliyye.gov.az/static-page/page/185> "Explanation on Revised State Budget of the Republic of Azerbaijan for 2020" (Original: "Azərbaycan Respublikasının 2020-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanununda dəyişikliklər edilməsi barədə" Azərbaycan Respublikasının Qanun layihəsinə dair izahat") <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f27a843877cd.pdf>

IBP Comment

In light of the detailed government reviewer's comment, and after further consultations with the researcher and IBP staff, the response is upgraded

from "d" to "b", confirming an improvement in practice. A package (set of documents) that complies with the basic criteria required in a Mid-Year Review, is indeed produced and published in a timely manner, for BY 2020.

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:

a. Yes, expenditure estimates have been updated, and an explanation of all of the differences between the original and updated expenditure estimates is presented.

Source:

n/a

Comment:

MYR is not produced at all

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, expenditure estimates have been updated, and an explanation of all of the differences between the original and updated expenditure estimates is presented.

Comments: The MYR and its supporting documentation were made available to the public on the website of the MoF on 07/08/2020. The updated estimates of expenditure including the reallocation of funds between functional, economic, administrative classification, expenditure policies, and priorities are presented in the Explanation of MYR on pages 7-9. On the same page explains all of the differences between the initial levels and the updated estimates were presented with the comprehensive discussion of any estimate adjustments. All revised estimates of expenditure within functional, economic units were also presented in another annex of MYR <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f279f93a2294.pdf> Source: The parameters of the revised state and consolidated budgets for 2020 (Original: "2020-ci il dürüstləşdirilmiş dövlət və icmal büdcələrinin layihələri və parametrləri") <http://www.maliyye.gov.az/static-page/page/185> "Explanation on Revised State Budget of the Republic of Azerbaijan for 2020" (Original: "Azərbaycan Respublikasının 2020-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanununda dəyişikliklər edilməsi barədə" Azərbaycan Respublikasının Qanun layihəsinə dair izahat") <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f27a843877cd.pdf>

IBP Comment

In light of the detailed government reviewer's comment, and after further consultations with the researcher and IBP staff, the response is upgraded from "d" to "a", confirming an improvement in practice. A package (set of documents) that complies with the basic criteria required in a Mid-Year Review, is indeed produced and published in a timely manner, for BY 2020. In addition to the "Explanation" document cited by the government reviewer, we also mention the last (and very detailed) document in the MYR package, which highlights all "Expenditures of the adjusted state budget of the Republic of Azerbaijan for 2020 at the level of paragraphs in accordance with the functional and economic classification." - <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f279f93a2294.pdf>

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:

b. Yes, the Mid-Year Review presents expenditure estimates by two of the three expenditure classifications.

Source:

n/a

Comment:

MYR is not produced at all

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the Mid-Year Review presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

Comments: All revised estimates of expenditure within functional, economic units were presented in another annex of MYR

<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f279f93a2294.pdf> There is a small example of administrative units (such as the Prosecutor General's Office of the Republic of Azerbaijan, the Customs Committee, the Ministry of Internal Affairs, the Ministry of Labor and Social Protection) on Explanation on Revised State on page 8. In addition, the updated estimates of expenditure including the reallocation of funds between functional, economic, administrative classification, expenditure policies, and priorities are presented in the MYR on pages 7-9. On the same page explains all of the differences between the initial levels and the updated estimates were presented with the comprehensive discussion of any estimate adjustments. Source: The parameters of the revised state and consolidated budgets for 2020 (Original: "2020-ci il dürüstləşdirilmiş dövlət və icmal büdcələrinin layihələri və parametrlər") <http://www.maliyye.gov.az/static-page/page/185> "Explanation on Revised State Budget of the Republic of Azerbaijan for 2020" (Original: "Azərbaycan Respublikasının 2020-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanununda dəyişikliklər edilməsi barədə" Azərbaycan Respublikasının Qanun layihəsinin Qanun layihəsinə dair izahat") <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f27a843877cd.pdf>

IBP Comment

In light of the detailed government reviewer's comment, and after further consultations with the researcher and IBP staff, the response is upgraded from "d" to "b", confirming an improvement in practice. A package (set of documents) that complies with the basic criteria required in a Mid-Year Review, is indeed produced and published in a timely manner, for BY 2020. The last document in the package (<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f279f93a2294.pdf>) includes detailed updated expenditures by functional and economic classification. A clear administrative breakdown was not found.

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:

Economic classification
Functional classification

Source:

n/a

Comment:

MYR is not produced at all

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: Administrative classification Economic classification Functional classification

Comments: All revised estimates of expenditure within functional, economic units were presented in another annex of MYR.

<http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/5f279f93a2294.pdf> There is a small example of administrative units (such as the Prosecutor General's Office of the Republic of Azerbaijan, the Customs Committee, the Ministry of Internal Affairs, the Ministry of Labor and Social Protection) on Explanation on Revised State on page 8. "Explanation on Revised State Budget of the Republic of Azerbaijan for 2020" (Original: "Azərbaycan Respublikasının 2020-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanununda dəyişikliklər edilməsi barədə" Azərbaycan Respublikasının Qanun layihəsinə dair izahat")

<http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/5f27a843877cd.pdf> Source: The parameters of the revised state and consolidated budgets for 2020 (Original: "2020-ci il dürlütləşdirilmiş dövlət və icmal büdcələrinin layihələri və parametrlər")
<http://www.maliyye.gov.az/static-page/page/185>

IBP Comment

In light of the detailed government reviewer's comment, and after further consultations with the researcher and IBP staff, the response is upgraded from "none of the above" to "economic and functional", confirming an improvement in practice. A package (set of documents) that complies with the basic criteria required in a Mid-Year Review, is indeed produced and published in a timely manner, for BY 2020.

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:

n/a

Comment:

MYR is not produced at all

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

d. No, the Mid-Year Review does not present expenditure estimates by program.

Comments: The MYR and its supporting documentation were made available to the public on the website of the MoF on 07/08/2020. But MYR does not present expenditure estimates by the program. Source: The parameters of the revised state and consolidated budgets for 2020 (Original: "2020-ci il dürüstləşdirilmiş dövlət və icmal büdcələrinin layihələri və parametrlər") <http://www.maliyye.gov.az/static-page/page/185> "Explanation on Revised State Budget of the Republic of Azerbaijan for 2020" (Original: "Azərbaycan Respublikasının 2020-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanununda dəyişikliklər edilməsi barədə" Azərbaycan Respublikasının Qanun layihəsinə dair izahat") <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f27a843877cd.pdf>

IBP Comment

In light of the detailed government reviewer's comment, and after further consultations with the researcher and IBP staff, we confirm that a package (set of documents) that complies with the basic criteria required in a Mid-Year Review, is indeed produced and published in a timely manner, for BY 2020. The package does not, however, include the information assessed in this question. The response remains therefore unchanged, "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:

a. Yes, revenue estimates have been updated, and an explanation of all of the differences between the original and updated revenue estimates is presented.

Source:

n/a

Comment:

MYR is not produced at all

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, revenue estimates have been updated, and an explanation of all of the differences between the original and updated revenue estimates is presented.

Comments: The MYR and its supporting documentation were made available to the public on the website of the MoF on 07/08/2020. The updated estimates of revenues by category, individual sources of revenues, revenue policies and, priorities were presented in the MYR (Explanation on Revised State Budget) on pages 3-7. On the same pages explain all of the differences between the initial levels and the updated estimates were

presented with the comprehensive discussion of any estimate adjustments. Source: The parameters of the revised state and consolidated budgets for 2020 (Original: "2020-ci il dürlstlşdirilmş dövlət və icmal büdcələrinin layihələri və parametrlər") <http://www.maliyye.gov.az/static-page/page/185> "Explanation on Revised State Budget of the Republic of Azerbaijan for 2020" (Original: "Azərbaycan Respublikasının 2020-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanununda dəyişikliklər edilməsi barədə" Azərbaycan Respublikasının Qanun layihəsinə dair izahat") <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f27a843877cd.pdf> (4th pdf from the top) Individual sources of revenues were presented also in another annex of MYR pages 1-2 <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f27a8438a248.pdf> (1st pdf from the top)

IBP Comment

In light of the detailed government reviewer's comment, and after further consultations with the researcher and IBP staff, the response is upgraded from "d" to "a", confirming an improvement in practice. A package (set of documents) that complies with the basic criteria required in a Mid-Year Review, is indeed produced and published in a timely manner, for BY 2020.

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:

n/a

Comment:

MYR is not produced at all

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the Mid-Year Review presents revenue estimates by category.

Comments: The MYR and its supporting documentation were made available to the public on the website of the MoF on 07/08/2020. The updated estimates of revenues by category, individual sources of revenues, revenue policies and, priorities were presented in the MYR (Explanation on Revised State Budget) on pages 3-7. On the same pages explain all of the differences between the initial levels and the updated estimates were presented with the comprehensive discussion of any estimate adjustments. Source: The parameters of the revised state and consolidated budgets for 2020 (Original: "2020-ci il dürlstlşdirilmş dövlət və icmal büdcələrinin layihələri və parametrlər") <http://www.maliyye.gov.az/static-page/page/185> "Explanation on Revised State Budget of the Republic of Azerbaijan for 2020" (Original: "Azərbaycan Respublikasının 2020-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanununda dəyişikliklər edilməsi barədə" Azərbaycan Respublikasının Qanun layihəsinə dair izahat") <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f27a843877cd.pdf> (4th PDF from the top) Such as taxes (income taxes, profit taxes and etc) and non-tax (Oil Fund transfer, custom duties, and etc) sources of revenue are shown separately in another annex of MYR pages 1-2. Tax revenues: Subsections 2.1 to 2.9 Non-tax revenues: Subsections 2.10 to 2.20. <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f27a8438a248.pdf> (1st PDF from the top)

IBP Comment

While acknowledging the improvement in practice, in that a Mid-Year Review for BY 2020 was produced and published in a timely manner, the response to this question remains unchanged ("d"), because revenue categories are not presented. The document cited by the government reviewer includes individual sources of revenue, which are - however - not grouped by macro categories.

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:

a. Yes, the Mid-Year Review presents individual sources of revenue accounting for all revenue.

Source:

n/a

Comment:

MYR is not produced at all

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the Mid-Year Review presents individual sources of revenue accounting for all revenue.

Comments: The MYR and its supporting documentation were made available to the public on the website of the MoF on 07/08/2020. The updated estimates of revenues by category, individual sources of revenues, revenue policies and, priorities were presented in the MYR (Explanation on Revised State Budget) on pages 3-7. Source: The parameters of the revised state and consolidated budgets for 2020 (Original: "2020-ci il düürüstləşdirilmiş dövlət və icmal büdcələrinin layihələri və parametrlər") <http://www.maliyye.gov.az/static-page/page/185> "Explanation on Revised State Budget of the Republic of Azerbaijan for 2020" (Original: "Azərbaycan Respublikasının 2020-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanununda dəyişikliklər edilməsi barədə" Azərbaycan Respublikasının Qanun layihəsinə dair izahat") <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f27a843877cd.pdf> (4th PDF from the top) Revenue estimates by the detailed breakdown of individual sources of revenue below the revenue categories were presented also in another annex of MYR. Such as taxes income taxes, profit taxes, Oil Fund transfer, custom duties, and etc sources of revenue are shown separately on pages 1-2. <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f27a8438a248.pdf> (1st PDF from the top)

IBP Comment

From the document cited by the government reviewer, <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f27a8438a248.pdf>, we can see that the "other revenue" category is very small, therefore justifying an "a" response. The response is therefore upgraded, from "d" to "a" in light of the additional information provided, and to maintain consistency of responses across countries.

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:

c. Yes, estimates of government borrowing and debt have been updated, but information on the differences between the original and updated estimates is not presented.

Source:

n/a

Comment:

MYR is not produced at all

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, estimates of government borrowing and debt have been updated, but information on the differences between the original and updated estimates is not presented.

Comments: Information on total public debt, foreign and domestic public debt, as well as interest payments on public debt as of 1 July 2020, were presented in MYR (Explanation on Revised State Budget) on page 2. However, only updated figures on interest payments on public debt were given on page 8. Source: The parameters of the revised state and consolidated budgets for 2020 (Original: "2020-ci il dürüstləşdirilmiş dövlət və icmal büdcələrinin layihələri və parametrlər") <http://www.maliyye.gov.az/static-page/page/185> "Explanation on Revised State Budget of the Republic of Azerbaijan for 2020" (Original: "Azərbaycan Respublikasının 2020-ci il dövlət büdcəsi haqqında" Azərbaycan Respublikasının Qanununda dəyişikliklər edilməsi barədə" Azərbaycan Respublikasının Qanun layihəsinə dair izahat") <http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/5f27a843877cd.pdf> (4th pdf from the top)

IBP Comment

In light of the detailed government reviewer's comment, and after further consultations with the researcher and IBP staff, the response is upgraded from "d" to "c", confirming an improvement in practice. A package (set of documents) that complies with the basic criteria required in a Mid-Year Review, is indeed produced and published in a timely manner, for BY 2020.

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:

c. Yes, estimates of the differences between the enacted levels and the actual outcome for some but not all expenditures are presented.

Source:

<http://www.e-qanun.az/framework/45413>

<http://www.e-qanun.az/framework/45414>

<http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019->

Comment:

YER doesn't provide differences btw enacted and actual expenditures.

However, MoF brief report provides comparative info, but limited only to total revenues and expenditures:

<http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019->

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, estimates of the differences between the enacted levels and the actual outcome for some but not all expenditures are presented.

Comments: Regarding the Year-end report, the researcher referred only to the budget execution laws shared on the "www.e-qanun.az" portal. But beyond the publishing of YER laws on the "e-qanun" portal, the Narrative on the YER was published on the website of MoF. So, the Narrative on the YER for 2019 provides information on explanation and discussion of changes in expenditures and revenues, the macroeconomic environment during the year, information on public finance management, information on public debt, and other necessary information. For example, on page 10, it was provided the differences between enacted and actual for some expenditures: "Expenditures of the state budget for 2019 were executed AZN 24425.9 million or 97.0 percent comparing to the enacted level of AZN 25190.0 million. (Original: 2019-cu il dövlət büdcəsinin xərcləri 25190,0 milyon manat proqnoza qarşı 24425,9 milyon manat və ya 97,0 faiz icra edilmişdir.) <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf> (on page 10) Source: <http://www.maliyye.gov.az/static/153/dovlet-budcesinin-icrasina-dair-illik-hesabat> Narrative on the Year-end Report of the Republic of Azerbaijan for 2019 (Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası barədə hesabat); <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf>

IBP Comment

After carefully reviewing the Government Reviewer's comment and discussing with the researcher, we change the response from "d" to "c."
Comparison between approved and actual *total* expenditure is presented, but it only consists of one number, without any breakdowns.

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:

<http://www.e-qanun.az/framework/45413>

<http://www.e-qanun.az/framework/45414>

<http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019->

Comment:

The Year-End Report presents expenditures on functional and administrative classification (see the first, and second link, respectively).

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the Year-End Report presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

Comments: <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/60daca9478ccb.pdf>

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the Year-End Report presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

Comments: Beyond the functional and administrative classification of expenditures, Narrative on the YER provides budget expenditures by economic classification as in the text, and graph on pages 11-21. For example: "According to the economic classification, AZN 7342.8 million or 30.1 percent of the state budget expenditures in 2019 (AZN 283.5 million or 4.0 percent more than in 2018) was spent on the acquisition of Non-financial assets, AZN 4997.1 million or 20.5 percent for wages, AZN 3836.8 million or 15.7 percent for Goods and Services procurement, AZN 2153.6 million or 8.8 percent for Social Security Benefits, AZN 3086.8 million or 12.6 percent for other expenses, AZN 1122.8 million or 4.6 percent on liabilities financial transactions, AZN 1421.4 million or 5.8 percent for Subsidies, AZN 401.5 million or 1.6 percent for interest payments, AZN 62.5 million or 0.3 percent on grants, AZN 0.6 million operations on financial assets" (on page 11). "İqtisadi təsnifata uyğun olaraq 2019-cu il dövlət büdcəsi xərclərinin 7342,8 milyon manatı və ya 30,1 faizi (2018-ci ilə nisbətən 283,5 milyon manat və ya 4,0 faiz çox) qeyri-maliyyə aktivlərinin alınmasına (əsas vəsaitlərin alınması və tikilməsi, dövlət əsaslı vəsait qoyuluşu), 4997,1 milyon manatı və ya 20,5 faizi əməyin ödənişinə (2018-ci ilə nisbətən 584,7 milyon manat və ya 13,3 faiz çox), 3836,8 milyon manatı və ya 15,7 faizi malların (işlərin və xidmətlərin) satın alınmasına (2018-ci ilə nisbətən 299,6 milyon manat və ya 8,5 faiz çox), 2153,6 milyon manatı və ya 8,8 faizi təqaüdlərə və sosial müavinətlərə, 3086,8 milyon manatı və ya 12,6 faizi digər xərclərə (icarə və maddəli xidmətlər, mənzil fondunun, müxtəlif təyinatlı obyektlərin və yolların əsaslı təmiri, bank xərcləri, ehtiyat fondu) (2018-ci ilə nisbətən 1119,5 milyon manat və ya 56,9 faiz çox), 1122,8 milyon manatı və ya 4,6 faizi öhdəliklər üzrə maliyyə əməliyyatlarına, 1421,4 milyon manatı və ya 5,8 faizi subsidiyalara və cari transfertlərə (2018-ci ilə nisbətən 212,6 milyon manat və ya 17,6 faiz çox), 401,5 milyon manatı və ya 1,6 faizi faizlər üzrə ödənişlərə, 62,5 milyon manatı və ya 0,3 faizi qrantlara və digər ödənişlərə, 0,6 milyon manatı maliyyə aktivləri üzrə əməliyyatlara (2019-cu ildə xarici valyuta mövqeyinin yenidən qiymətləndirilməsi üzrə yaranan fərq məbləği) yönəldilmişdir" on page 11. Source: Narrative on the Year-end Report of the Republic of Azerbaijan for 2019 (Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası barədə hesabat); <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf>

IBP Comment

Both peer and government reviewers provided additional information, and while the peer reviewer cited a document that's too recent (2020 YER) and was published well after the cutoff date of the Open Budget Survey, the document cited by the Government Reviewer includes all three classifications of expenditure. The response is changed from "b" to "a".

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

Functional classification

Economic classification

Source:

<http://www.e-qanun.az/framework/45413>

<http://www.e-qanun.az/framework/45414>

<http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019->

Comment:

The Year-End Report presents expenditures on functional and administrative classification

Peer Reviewer

Opinion: Disagree

Suggested Answer: Administrative classification Economic classification Functional classification

<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/60daca9478ccb.pdf>

Government Reviewer

Opinion: Disagree

Suggested Answer: Administrative classification Economic classification Functional classification

Comments: Narrative on the Year-end Report of the Republic of Azerbaijan for 2019 (Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası barədə hesabat"); <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf> (by Administrative, Economic, and Functional classification) <http://www.e-qanun.az/framework/45413> (by Functional classification) <http://www.e-qanun.az/framework/45414> (by Functional and Administrative classification)

Researcher Response

Agree, all three classification

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:

b. Yes, the Year-End Report presents estimates for programs accounting for at least two-thirds of, but not all, expenditures.

Source:

<http://www.e-qanun.az/framework/45413>

<http://www.e-qanun.az/framework/45414>

<http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019->

Comment:

The Year-End Report presents substantial info on program level expenditures, meaning levels below ministry/department, such as expenditures for "Thalassemia" program, "ADA" University, Metropolitan, Old City (Icerisheher) museum, etc.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The Narrative includes a separate section for programs in order to present the allocated expenditures, outputs/outcomes, and performance measurement indicators (page 30-37). Under the section of 3.2.9 ("Dövlət büdcəsinin vəsaiti hesabına həyata keçirilən dövlət proqramları və tədbirlər") it is provided individual programs information, within the education unit (p.31-34), health programs (p.35-36), social

security (p.37), culture, art. etc. (p.38-40), but not all expenditure programs. Source: <http://www.maliyye.gov.az/static/153/dovlet-budcesinin-icrasina-dair-illik-hesabat> Narrative on the Year-end Report of the Republic of Azerbaijan for 2019 (Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası barədə hesabat"); <http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf> Page.30-40

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:

<http://www.e-qanun.az/framework/45413>

<http://www.e-qanun.az/framework/45414>

<http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019->

Comment:

YER doesn't provide differences btw enacted and actual revenues.

However, MoF brief report provides comparative info, but limited only to total revenues and expenditures:

<http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019->

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, but a narrative discussion is not included.

Comments: <http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/60daca9478ccb.pdf>

Government Reviewer

Opinion: Disagree

Suggested 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.

Comments: Beyond the publishing of YER laws on the "e-qanun" portal, the Narrative on the YER was published on the website of MoF. So, the Narrative on the YER for 2019 provides information on explanation and discussion of changes in expenditures and revenues, the macroeconomic environment during the year, information on public finance management, information on public debt, and other necessary information. For example, on page 5, it was provided the differences between enacted and actual for total revenues: "Revenues of the state budget for 2019 were executed AZN 24218.1 million comparing to the enacted level of AZN 23168.0 million. This is AZN 1,050.1 million or 4.5 percent more than the enacted level, and AZN 1,709.2 million or 7.6 percent more than in 2018." (Original: 2019-cu ildə dövlət büdcəsinin gəlirləri 23168,0 milyon manat proqnoza qarşı 24218,1 milyon manat təşkil etmişdir. Proqnozla müqayisədə 1050,1 milyon manat və ya 4,5 faiz, 2018-ci illə müqayisədə isə 1709,2 milyon manat və ya 7,6 faiz çox icra təmin olunmuşdur.) On page 5. Moreover, the differences between the enacted levels and the actual outcome for all individual sources of revenues, such as taxes (income taxes, profit taxes and etc) and non-tax revenues (Oil Fund transfer, custom duties, and others) are presented, along with a narrative discussion on pages 7-10. Source: Narrative on the Year-end Report of the Republic of Azerbaijan for 2019 (Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası barədə hesabat"); <http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf>

IBP Comment

In light of both reviewers' comments, and after further discussions with the researcher, the response can be changed from "d" to "a," as all differences between the original and actual revenue estimates are presented, and include explanations of those differences ("the why"). See pages 7-10. <http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf> And also, it describes the explanation "why" The document cited by the peer reviewer is too recent (the 2020 YER was not yet available by the Survey cutoff date of December 31, 2020); but the Year-End Report 2019 cited by the government highlights differences between original and actual revenue estimates.

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:

<http://www.e-qanun.az/framework/45413>

<http://www.e-qanun.az/framework/45414>

<http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019->

Comment:

The Year-End Report (<http://www.e-qanun.az/framework/45413>) provides revenue estimates by category:

Tax revenues: Subsections 1.1 to 1.9

Non-tax revenues: Subsections 1.10 to 1.20

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Beyond the above-mentioned link, the Narrative on the YER-2019 (which was published on the website of MoF) should be considered. Because also the "Narrative on the YER for 2019" provides information on revenue estimates by category and a detailed breakdown of individual sources of actual revenue below the revenue categories. Such as taxes (income taxes, profit taxes and etc) and non-tax (Oil Fund transfer, custom duties, and etc) sources of revenue are shown separately, along with a narrative discussion on pages 5-10. Source: Narrative on the Year-end Report of the Republic of Azerbaijan for 2019 (Original: "Azərbaycan Respublikasının 2019-cü il dövlət büdcəsinin icrası barədə hesabat"); <http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf>

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:

a. Yes, the Year-End Report presents individual sources of revenue accounting for all revenue.

Source:

<http://www.e-qanun.az/framework/45413>

<http://www.e-qanun.az/framework/45414>

<http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019->

Comment:

The Year-End Report provides information on the individual sources of revenues, such as, taxes, (oil/non-oil), custom duties, transfers from the Oil Fund, etc.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Beyond the above-mentioned link, the Narrative on the YER-2019 (which was published on the website of MoF) should be considered. Because also the "Narrative on the YER for 2019" provides information on revenue estimates by category and a detailed breakdown of individual sources of actual revenue below the revenue categories. Such as taxes (income taxes, profit taxes and etc) and non-tax (Oil Fund transfer, custom duties, and etc) sources of revenue are shown separately, along with a narrative discussion on pages 5-10. Source: Narrative on the Year-end Report of the Republic of Azerbaijan for 2019 (Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası barədə hesabat"); <http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf>

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:

d. No, estimates of the differences between the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year is not presented.

Source:

<http://www.e-qanun.az/framework/45413>

<http://www.e-qanun.az/framework/45414>

<http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019->

Comment:

YER doesn't provide info on differences btw original estimates of gov. borrowing and actual outcome for the year.

Peer Reviewer

Opinion: Agree

Comments: Some information seems to have been presented in the most recent YER (published after the OBS cutoff date of December 31, 2020):

<http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/60daca9478ccb.pdf>

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:

None of the above

Source:

<http://www.e-qanun.az/framework/45413>

<http://www.e-qanun.az/framework/45414>

<http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019->

Comment:

YER doesn't provide info on differences btw original estimates of gov. borrowing and actual outcome for the year.

Peer Reviewer

Opinion: Agree

Comments: Information included in the 2020 YER: -Maturity profile of the debt -Whether the debt is domestic or external

<http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/60daca9478ccb.pdf>

Government Reviewer

Opinion: Agree

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:

a. Yes, estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented, along with a narrative discussion.

Source:

<http://www.e-qanun.az/framework/45413>

<http://www.e-qanun.az/framework/45414>

<http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019->

Comment:

The Year-End Report provides no info on macroeconomic forecast and actual outcomes.

Peer 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: <http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/60915f85ad68c.pdf>

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented, along with a narrative discussion.

Comments: Beyond the publishing of YER laws on the "e-qanun" portal, the Narrative on the YER was published on the website of MoF. So, the Narrative on the YER for 2019 provides information on explanation and discussion of changes in expenditures and revenues, original macroeconomic forecast and the actual outcomes, information on public finance management, information on public debt, and other necessary information. The annex to "Narrative on the YER for 2019" presents the information between all of the original macroeconomic assumptions for 2019 and the actual outcome for that year. Such as Nominal GDP level and real GDP growth, Inflation rate. However, in the Annex, there is no information about interest rates. According to the OBS methodology, there are a lot of information beyond the core information along with narrative discussion: The composition of GDP growth, oil and non-oil GDP, Current account balance, and oil price, the exchange rate. Source: <http://www.maliyye.gov.az/static/153/dovlet-budcesinin-icrasina-dair-illik-hesabat> Annex to Narrative "Indicators of forecasts and actual outcomes for 2019" (Original: "2019 proqnoz və fakt göstəriciləri") <http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/5f080a578f3ee.pdf> Narrative on the Year-end Report of the Republic of Azerbaijan for 2019 (Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası barədə hesabat"); <http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf>

IBP Comment

We welcome the additional information provided by the government reviewer, and upgrade the response from "d" to "a."

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:

Nominal GDP level

Inflation rate

Real GDP growth

Interest rates

Information beyond the core elements

Source:

<http://www.e-qanun.az/framework/45413>

<http://www.e-qanun.az/framework/45414>

<http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019->

Comment:

No info on macroeconomic forecast

Peer Reviewer

Opinion: Disagree

Suggested Answer: Nominal GDP level Inflation rate Real GDP growth <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/60915f85ad68c.pdf>

Government Reviewer

Opinion: Disagree

Suggested Answer: Nominal GDP level Inflation rate Real GDP growth Oil and non-oil GDP, Current account balance, Oil price, Exchange rate and other indicators

Comments: Beyond the publishing of YER laws on the "e-qanun" portal, the Narrative on the YER was published on the website of MoF. So, the Narrative on the YER for 2019 provides information on explanation and discussion of changes in expenditures and revenues, original macroeconomic forecast and the actual outcomes, information on public finance management, information on public debt, and other necessary information. The annex to "Narrative on the YER for 2019" presents the information between all of the original macroeconomic assumptions for 2019 and the actual outcome for that year. Such as Nominal GDP level and real GDP growth, Inflation rate. However, in the Annex, there is no information about interest rates. According to the OBS methodology, there is a lot of information beyond the core information along with narrative discussion: The composition of GDP growth, oil and non-oil GDP, Current account balance, and oil price, the exchange rate. Source: <http://www.maliyye.gov.az/static/153/dovlet-budcesinin-icrasina-dair-illik-hesabat> Annex to Narrative "Indicators of forecasts and actual outcomes for 2019" (Original: "2019 proqnoz və fakt göstəriciləri") <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f080a578f3ee.pdf> Narrative on the Year-end Report of the Republic of Azerbaijan for 2019 (Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası barədə hesabat"); <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf>

Researcher Response

see previous comments

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:

c. Yes, estimate of the differences between some but not all of the original estimates of nonfinancial data on inputs and the actual outcome are presented.

Source:

<http://www.e-qanun.az/framework/45413>

<http://www.e-qanun.az/framework/45414>

<http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019->

Comment:

The Year-End Report doesn't provide nonfinancial data info

Peer Reviewer

Opinion: Agree

Government Reviewer**Opinion:** Disagree**Suggested Answer:**

c. Yes, estimate of the differences between some but not all of the original estimates of nonfinancial data on inputs and the actual outcome are presented.

Comments: Narrative on YER-2019 includes separate tables (Financing, Nonfinancial data on inputs, and the actual outcome of Budget Programs) for programs in order to present the results, outputs/outcomes, and performance measurement indicators. Non-financial data and actual outcomes for some programs are given under one heading together in the table. (page 30-40) For example: page 35, №2.1 - "State Program on Diabetes for 2016-2020" and indicator "the number of medicines and appropriate devices for diabetics"; and other indicators "the number of patients provided with insulin"; In regards to education programs, nonfinancial data on inputs such as the number of books to be provided to schools, and actual outcomes such as the provision of free textbooks and methodical aids to secondary school students – №1.4 on page 33. Source:

<http://www.maliyye.gov.az/static/153/dovlet-budcesinin-icrasina-dair-illik-hesabat> Narrative on the Year-end Report of the Republic of Azerbaijan for 2019 (Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası barədə hesabat");
<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf>

IBP Comment

In light of the additional information provided by the government reviewer, the response is upgraded from "d" to "c."

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:

c. Yes, estimate of the differences between some but not all of the original estimates of nonfinancial data on results and the actual outcome are presented.

Source:

<http://www.e-qanun.az/framework/45413>

<http://www.e-qanun.az/framework/45414>

<http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019->

Comment:

The Year-End Report doesn't provide non financial data info

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Disagree**Suggested Answer:**

c. Yes, estimate of the differences between some but not all of the original estimates of nonfinancial data on results and the actual outcome are presented.

Comments: Narrative on YER-2019 includes separate tables for programs in order to present outputs/outcomes, results and performance measurement indicators. (page 30-40) The outcomes presented in the Narrative on YER-2019 intended impact or policy goals achieved. For instance, "the coverage of 5-year-old children with pre-school education has increased to 75 percent" (page 32, №1.2); Source:

<http://www.maliyye.gov.az/static/153/dovlet-budcesinin-icrasina-dair-illik-hesabat> Narrative on the Year-end Report of the Republic of Azerbaijan for 2019 (Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası barədə hesabat");

<http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf>

IBP Comment

Having reviewed the Government Reviewer's comment, and in agreement with the researcher, the response is upgraded from "d" to "c".

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:

b. 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, but a narrative discussion is not included.

Source:

<http://www.e-qanun.az/framework/45413>

<http://www.e-qanun.az/framework/45414>

<http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019->

Comment:

The Year-End Report doesn't provide info on impoverished population benefits specifically

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested 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.

Comments: Beyond the publishing of YER laws on the "e-qanun" portal, the Narrative on the YER was published on the website of MoF. The Narrative presents estimates of policies that are intended to directly benefit the country's most impoverished populations, such as vulnerable groups within education programs (page 32-34), public health programs (page 34-36), refugee and IDP's and unemployment (p.37). This is an improvement from the OBS 2019 assessment. Now all of the aspects of the social policies were covered by this Narrative. Source:

<http://www.maliyye.gov.az/static/153/dovlet-budcesinin-icrasina-dair-illik-hesabat> Narrative on the Year-end Report of the Republic of Azerbaijan for 2019 (Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası barədə hesabat);

<http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf>

IBP Comment

Having carefully reviewed the Government Reviewer's comment with the researcher, it looks like the Narrative piece of the YER was missed, and it does include policy information for all of impoverished populations and actual outcomes. To maintain consistency of responses across countries, the response can be upgraded from "d" to "b" (not "a", because it is not possible to identify all policies in one place - they are scattered through the table beginning on page 32).

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:

c. Yes, estimates of the differences between some but not all of the original estimates of extra-budgetary funds and the actual outcome are presented.

Source:

<http://www.e-qanun.az/framework/45413>

<http://www.e-qanun.az/framework/45414>

<http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019->

Comment:

YER doesn't provide info on the differences between original estimates of extra-budgetary funds and the actual outcome.

Peer Reviewer

Opinion: Disagree

Suggested Answer: c. Yes, estimates of the differences between some but not all of the original estimates of extra-budgetary funds and the actual outcome are presented.

Comments: The Oil Fund Republic of Azerbaijan should be spend 11350,0 AZN beginning of year. But really outcome was 12200.0 AZN. Azərbaycan Respublikasının Dövlət Neft Fondundan transfert (dövlət büdcəsinə yenidən baxılmadan əvvəl transfertin məbləği 11350,0 milyon manat təşkil edirdi) proqnozla nəzərdə tutulmuş məbləğdə və ya 12200,0 milyon manat olmuşdur <http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/60daca9478ccb.pdf> page: 10

Government Reviewer

Opinion: Disagree

Suggested 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.

Comments: Narrative on YER-2019 provides the information on extra-budgetary funds (State Oil Fund of Azerbaijan- SOFAZ, State Social Protection Fund and others) including their revenues and expenditures along with narrative discussion. There is information on the statement of purpose or policy rationale for the extra-budgetary funds. (especially on page 41-42) For example, "Revenues of the State Oil Fund of the Republic of Azerbaijan increased by 23.2% against the forecast of AZN 15450.2 million and accounted to AZN 19030.6 million. And AZN 11364.3 million or 98.3% of the Fund's expenditures were directed to the transfer envisaged in the state budget, AZN 200.0 million or 1.7% to the financing of measures related to social and housing issues of refugees and IDPs." on page 42. Original: ("Azərbaycan Respublikası Dövlət Neft Fondunun büdcəsinin gəlirləri 15450,2 milyon manat proqnoza qarşı 19030,6 milyon manat və ya 23,2 faiz çox olmuşdur. Fondun xərclərinin 11364,3 milyon manatı və ya 98,3 faizi dövlət büdcəsində nəzərdə tutulan transfertə, 200,0 milyon manatı və ya 1,7 faizi qaçqınların və məcburi köçkünlərin sosial-məişət və məskunlaşma məsələləri ilə bağlı tədbirlərin maliyyələşdirilməsinə yönəldilmişdir") (on page 42) Source: <http://www.maliyye.gov.az/static/153/dovlet-budcesinin-icrasina-dair-illik-hesabat> Narrative on the Year-end Report of the Republic of Azerbaijan for 2019 (Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası barədə hesabat); <http://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/5f080b43e68ae.pdf>

IBP Comment

Having carefully reviewed the reviewers' comments with the researcher, the response is changes from "d" to "c."

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:

<http://www.e-qanun.az/framework/45413>

<http://www.e-qanun.az/framework/45414>

<http://www.maliyye.gov.az/en/news/5472/the-milli-majlis-has-adopted-the-law-on-the-implementation-of-the-state-budget-for-2019->

Comment:

The Year-End Report doesn't include financial statement, neither within the report, nor separately.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

The Audit Report on 2019 Budget Execution.

Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası haqqında" Azərbaycan Respublikasının Qanun layihəsinə və dövlət

büdcəsinin icrasına dair illik hesabata Azərbaycan Respublikası Hesablama Palatasının Rəyi"
http://sai.gov.az/files/2019-REY_%C4%B0CRA.pdf

Annual Report of the Chamber of Accountant on 2020 Activity:
Original: Azərbaycan Respublikası Hesablama Palatasının 2020-ci ildə Fəaliyyəti Haqqında Hesabat
http://sai.gov.az/files/Hesabat2020_FINAL_son.pdf

Comment:
performance&compliance audits; p.12.(7.0.3.3.), 24, http://sai.gov.az/files/Hesabat2020_FINAL_son.pdf
financial audit: p. 36-71; http://sai.gov.az/files/Hesabat2020_FINAL_son.pdf

Peer Reviewer

Opinion: Agree

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:

The Audit Report on 2019 Budget Execution.

Original: "Azərbaycan Respublikasının 2019-cü il dövlət büdcəsinin icrasına haqqında" Azərbaycan Respublikasının Qanun layihəsinə və dövlət büdcəsinin icrasına dair illik hesabata Azərbaycan Respublikası Hesablama Palatasının Rəyi"
http://sai.gov.az/files/2019-REY_%C4%B0CRA.pdf

Annual Report of the Chamber of Accountant on 2020 Activity:
Original: Azərbaycan Respublikası Hesablama Palatasının 2020-ci ildə Fəaliyyəti Haqqında Hesabat
http://sai.gov.az/files/Hesabat2020_FINAL_son.pdf

Comment:

The Audit Report on 2019 Budget Execution provides audit info about less than two-thirds of expenditures, excluding military & security, some other sectors.

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:

b. 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.

Source:

The Audit Report on 2019 Budget Execution.

Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası haqqında" Azərbaycan Respublikasının Qanun layihəsinə və dövlət büdcəsinin icrasına dair illik hesabatı Azərbaycan Respublikası Hesablama Palatasının Rəyi"
http://sai.gov.az/files/2019-REY_%C4%B0CRA.pdf

Annual Report of the Chamber of Accountant on 2020 Activity:

Original: Azərbaycan Respublikası Hesablama Palatasının 2020-ci ildə Fəaliyyəti Haqqında Hesabat
http://sai.gov.az/files/Hesabat2020_FINAL_son.pdf

Comment:

The Chamber of Accounts has increased the scope of work on extra-budgetary funds audit. Compared with previous years, CoA has expanded the list of EBF's, like Social Protection Fund (p.53-61), Unemployment Insurance Fund (p.64-71), etc.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

a. Yes, the annual Audit Report(s) includes one or more executive summaries summarizing the report's content.

Source:

http://sai.gov.az/files/Hesabat_2020_t%C9%99qdimat-936904286.pdf

Annual Report of the Chamber of Accountant on 2020 Activity:

Original: Azərbaycan Respublikası Hesablama Palatasının 2020-ci ildə Fəailiyəti Haqqında Hesabat

http://sai.gov.az/files/Hesabat2020_FINAL_son.pdf

Comment:

The Audit Report includes executive summary on the report content.

Annual Report of the Chamber: p.170-175 (http://sai.gov.az/files/Hesabat2020_FINAL_son.pdf)

Chamber's website: http://sai.gov.az/files/Hesabat_2020_t%C9%99qdimat-936904286.pdf

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

The Audit Report on 2019 Budget Execution.

Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrasına haqqında" Azərbaycan Respublikasının Qanun layihəsinə və dövlət büdcəsinin icrasına dair illik hesabatla Azərbaycan Respublikası Hesablama Palatasının Rəyi"

http://sai.gov.az/files/2019-REY_%C4%B0CRA.pdf

Annual Report of the Chamber of Accountant on 2020 Activity:

Original: Azərbaycan Respublikası Hesablama Palatasının 2020-ci ildə Fəailiyəti Haqqında Hesabat

http://sai.gov.az/files/Hesabat2020_FINAL_son.pdf

Comment:

No executive reports on steps that have been taken to address audit findings

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

c. Yes, the SAI or legislature reports publicly on some audit recommendations.

Source:

The Audit Report on 2019 Budget Execution.

Original: "Azərbaycan Respublikasının 2019-cu il dövlət büdcəsinin icrası haqqında" Azərbaycan Respublikasının Qanun layihəsinə və dövlət büdcəsinin icrasına dair illik hesabata Azərbaycan Respublikası Hesablama Palatasının Rəyi"

http://sai.gov.az/files/2019-REY_%C4%B0CRA.pdf

Annual Report of the Chamber of Accountant on 2020 Activity:

Original: Azərbaycan Respublikası Hesablama Palatasının 2020-ci ildə Fəailiyəti Haqqında Hesabat

http://sai.gov.az/files/Hesabat2020_FINAL_son.pdf

Comment:

CA Annual Report on 2020 Activity consists of some audit recommendations on pp.104-108, 123-130.

http://sai.gov.az/files/Hesabat2020_FINAL_son.pdf

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the SAI or legislature reports publicly on what steps the executive has taken to address all audit recommendations.

Comments: Pages 104-108 of the CoA Annual Report on 2020 Activity provide information on what steps the executive has taken to address all audit recommendations conducted prior to the preparation of the activity report. Also, on page 109 of the report, it is indicated that the measures taken on the results of the 5 control measures were not completed by the time the Report was prepared and information on these measures will be included in the next report. At the same time, the CoA tracks the recommendations of audits conducted in previous years, and this information can be found on page 111 of the report. So we strongly believe the answer should be "a" Annual Report of the Chamber of Accountant on 2020 Activity: Original: Azərbaycan Respublikası Hesablama Palatasının 2020-ci ildə Fəailiyəti Haqqında Hesabat http://sai.gov.az/files/Hesabat2020_FINAL_son.pdf on pages 104-108, 109, 111

IBP Comment

We welcome the government reviewer's comment and the improvement in practice, but the document cited was published after the Survey cutoff date of December 31, 2020. The response remains, therefore, unchanged.

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:

<http://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ae077636040c.pdf>

Comment:

There isn't any independent institute, focusing on fiscal issues, based on public funding

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<http://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ae077636040c.pdf>

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<http://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ae077636040c.pdf>

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ae077636040c.pdf>

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<https://www.meclis.gov.az/news.php?id=3104&lang=az>

<https://www.meclis.gov.az/news.php?id=3107&lang=az>

<https://www.meclis.gov.az/news.php?id=3106&lang=az>

Comment:

The Committee for Economic Policy, Industry and Entrepreneurship of the Parliament (Milli Meclis) together with other Committees discussed the EBP-2021 & budget policy prior to the tabling of the EBP, with no approval of recommendations and no records of the debates. Therefore, there isn't any public source that can prove this practice.

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: The MPs had passed favorable verdicts on the draft law during the budget policy&EBP-2021 discussion. At the same time, they had made several proposals. Thus, more detailed discussions and debates were held on the EBP for the coming year and approved recommendations can be found in the transcript of the sessions of the Parliament (Milli Majlis). <https://meclis.gov.az/documents/24.12.2020.pdf>
<https://meclis.gov.az/documents/25.12.2020.pdf> <https://meclis.gov.az/documents/28.12.2020.pdf>
<https://meclis.gov.az/documents/29.12.2020.pdf>

IBP Comment

We welcome the government reviewer's comment, but the transcripts that are cited refer to the discussion of the Executive's Budget Proposal that had been tabled to Parliament. We therefore could not find any evidence to upgrade the response.

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:

d. The legislature receives the Executive's Budget Proposal less than one month before the start of the budget year, or does not receive it all.

Source:

<http://maliyye.gov.az/news/5499/azerbaycan-respublikasinin-2021-ci-il-dovlet-budceinin-layihesi-milli-meclise-teqdim-olunub>

Article 13, The Law on Budget System: <http://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ae077636040c.pdf>

Comment:

The Parliament (Milli Meclis) of Azerbaijan received the EBP on December 21. The Ministry of Finance posted the related info on its official website. The late submitting of the EBP was due to the war with Armenia between September-November, 2020. Due to the "Law on Budget System" "Draft law on the state budget of the next year, alongside with other documents enclosed to it, should be submitted to the discussion and approval of the Milli Majlis (parliament) of the Republic of Azerbaijan not later than the October 15 of the current year in accordance with the provision 2 of the article 109 of the Constitution of the Republic of Azerbaijan".

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Beyond the above-mentioned reason, there were a lot of challenges such as a combination of unprecedented external shocks, pandemic-triggered uncertainties, and others in 2020.

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:

<http://maliyye.gov.az/en/news/5501/the-milli-majlis-had-adopted-a-law-on-the-state-budget-of-the-republic-of-azerbaijan-for-2021>

The article 15, The Law on Budget System; <http://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ae077636040c.pdf>

Comment:

The Legislature (Milli Meclis) approved the EBP-2021 on December 29.

Due to the "Law on Budget System" article: 15.3. "The state budget of the next budget year is approved with law not later than the December 20 of the current year in the Milli Majlis (parliament) of the Republic of Azerbaijan".

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:

b. Yes, the legislature has authority in law to amend the Executive's Budget Proposal, with some limitations.

Source:

<http://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ae077636040c.pdf>

<http://maliyye.gov.az/en/news/5501/the-milli-majlis-had-adopted-a-law-on-the-state-budget-of-the-republic-of-azerbaijan-for-2021>

Comment:

Due to "The Law on Budget System", article 15.5 "A question on additions and changes to the Law on the state budget of the current year can be raised before the Milli Majlis (Parliament) of the Republic of Azerbaijan as a legislative initiative taking into consideration the provision 2 of the article 109 of the Constitution of the Republic of Azerbaijan.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the legislature has unlimited authority in law to amend the Executive's Budget Proposal.

Comments: Considering the OBS methodology the answer "b" would be selected if the legislature is restricted from changing the deficit or surplus, but it still has the power to increase or decrease funding and revenue levels. But in practice and according to Article 23 of the Budget System Law, there is no restriction on the right of the legislature of changing the budget revenues and expenditures (change the size of the proposed deficit or surplus) during amending the state budget. Source: The Budget System Law - <http://www.e-qanun.az/framework/1126>

IBP Comment

The researcher has been consulted further, and he maintains that article 23 (cited by the government reviewer) does not confirm that the Legislatures have an unlimited authority. It says "The issue of revising the state budget for the current year may be raised before the Milli Majlis of the Republic of Azerbaijan" (Original: "Cari ilin dövlət büdcəsinə yenidən baxılması barədə Azərbaycan Respublikasının Milli Məclisi qarşısında məsələ qaldırılı bilər." Response "b" is confirmed, also to maintain consistency of responses with prior Open Budget Surveys.

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:

<https://azertag.az/xeber/1676767>

<https://azertag.az/xeber/1674925>

<https://azertag.az/xeber/1674519>

<https://www.meclis.gov.az/news.php?id=3104&lang=az>

<https://www.meclis.gov.az/news.php?id=3107&lang=az>

<https://www.meclis.gov.az/news.php?id=3106&lang=az>

Comment:

During the discussion, MP's provide a dozen of suggestions to amend to the budget 2021 law, taking into account the tight socio-economic conditions and socially vulnerable categories people needs. The suggestions mostly were focused on increasing the amount of budget spending to the socially vulnerable group of people. After discussion the government decided to increase the budget spending for socially vulnerable group of people, cultural programs, etc.

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:

<https://www.meclis.gov.az/news.php?id=3104&lang=az>

<https://www.meclis.gov.az/news.php?id=3107&lang=az>

<https://www.meclis.gov.az/news.php?id=3106&lang=az>

Comment:

The Committee for Economic Policy, Industry and Entrepreneurship, which is the specialized committee on the budget, examined the EBP, right after entering this document into Parliament, on December 21, 2020, and after that initiated the joint meeting with other related committees. However, there is no evidence of publicly available reports, consist of findings and recommendations.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, a specialized budget or finance committee had less than one month to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted.

Comments: Although it is not in a report format, it is published information on EBP discussion with findings and recommendations prior to the budget being adopted. Here is information that the specialized budget Committee discussed EBP on 23 December 2021.

<https://www.meclis.gov.az/news.php?id=62&lang=en> On 23 December 2021: <https://www.meclis.gov.az/news.php?id=67&lang=en> On 23 December

2021: <https://www.meclis.gov.az/news.php?id=64&lang=en> In addition, the report (consist of findings and recommendations) about the discussion

on EBP-2021 in plenary meetings was published at the budget approval stage. <https://meclis.gov.az/documents/24.12.2020.pdf> 24/12/2020

<https://meclis.gov.az/documents/25.12.2020.pdf> 25/12/2020 <https://meclis.gov.az/documents/28.12.2020.pdf> 28/12/2020

<https://meclis.gov.az/documents/29.12.2020.pdf> 29/12/2020

IBP Comment

We welcome the government reviewer's comment. However, the question asks for a report, while the government reviewer only provided evidence of discussions and minutes. The response remains unchanged, in light of this as well as the peer reviewer being in agreement with the researcher's response, and to maintain consistency of responses across countries and with the methodology,

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:

<https://www.meclis.gov.az/news.php?id=3104&lang=az>

<https://www.meclis.gov.az/news.php?id=3107&lang=az>

<https://www.meclis.gov.az/news.php?id=3106&lang=az>

Comment:

During the budget discussion, all related committees have participated in the 2021 budget law draft and have a joint committees meeting as well. Particularly the Committee of Law, Labour and Social Policy, Science and Education, Human Rights, Youth Policy, International Affairs committees were active in these discussions.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, sector committees had less than one month to examine the Executive's Budget Proposal, and they published reports with findings and recommendations prior to the budget being adopted.

Comments: The Committee for Economic Policy, Industry, and Entrepreneurship, which is the specialized committee on the budget, examined the EBP, right after entering this document into Parliament, on December 21, 2020, and after that initiated the joint meeting with other related committees. The participating sector committees were those of labor and social policy, of science and education, agrarian policy, culture, and health care, family, women's and children's affairs, and youth affairs. Although it is not in a report format, it is a published information sector committee discussion on EBP with findings and recommendations prior to the budget being adopted. Here is information that the sector committees discussed EBP on 23 December 2021. <https://www.meclis.gov.az/news.php?id=62&lang=en> On 23 December 2021: <https://www.meclis.gov.az/news.php?id=67&lang=en> On 23 December 2021: <https://www.meclis.gov.az/news.php?id=64&lang=en>

IBP Comment

Similar to the previous question, we welcome the government reviewer's comment, but we could not find any evidence of a report or even meeting transcripts/minutes including findings and recommendations. The response remains unchanged.

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:

c. Yes, a committee examined in-year implementation, but it did not publish any report with findings and recommendations.

Source:

<https://meclis.gov.az/news.php?id=3001&lang=az>

<https://meclis.gov.az/news.php?id=2983&lang=az>

<https://meclis.gov.az/news.php?id=2946&lang=az>

Comment:

The Committee for Economic Policy, Industry and Entrepreneurship of the Parliament (Milli Meclis) has such kind of practice to discuss in-year budget implementation, inviting for this senior representatives from the relevant government agencies. However, these discussion are not regular and frequent. Besides, there aren't any records and recommendations which might be evidence

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:

d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to shifting funds between administrative units, and in practice the executive shifts funds between administrative units before obtaining approval from the legislature.

Source:

The Law on Budget System. Article 18.4.

<http://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ae077636040c.pdf>

<http://www.e-qanun.az/framework/6038>

Comment:

Per the Law on Budget System, article 18.4. "If necessary, relevant executive power body can make changes at budget allocation limits, within sections of functional classification, among the sections, sub-sections, paragraphs, items and subtotals of economic classification".

Per the Decree on "The Preparation of the State Budget", the Ministry of Finance must request permission from the President to amend the limits of budget allocations, in the sections of the functional classification, among the sections, subsections, paragraphs, paragraphs and subtotals of the economic classification

<http://www.e-qanun.az/framework/6038>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a The executive is required by law or regulation to obtain approval from the legislature prior to spending excess revenues, and it does so in practice.

Source:

The Law on Budget System. Article 18:

<http://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ae077636040c.pdf>

Comment:

Per Article 18. of the Law on Budget System "The execution of the state budget"; 18.4. If necessary, relevant executive power body can make changes at budget allocation limits, within sections of functional classification, among the sections, sub-sections, paragraphs, items and subtotals of economic classification. 18.5. In case incomes and funds envisaged for financing of deficit are less than the approved amount in the process of state budget execution, expenditures of functional and economic classification (excluding justified provisions of expenditures) can be reduced proportionally, while expenditures of administrative classification can be reduced in the manner specified by relevant executive power body. 18.6. The amount of funds envisaged in the state budget of the next year can be increased by 20 percent or reduced in the amount of additional funds entered in comparison with the forecast of local incomes by relevant executive power body in order to regulate local incomes and expenditures of the state budget in the process of state budget execution.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a The executive is required by law or regulation to obtain approval from the legislature prior to spending excess revenues, and it does so in practice.

Comments: Amendments and/or additions to the Annual Budget allocations defined in the Budget System Law (BSL), require such amendments and/or additions to be made to the Annual Budget Law by the Parliament. The researcher made the same comment on this question in 2019 and in previous OBS rankings, but the answer "D" is chosen instead of "A" in draft OBS-2021, and this is not appropriate. The requirements of the BSL and the existing experience show that changes in expenditures (increase in total expenditures) are made only through the revision of the state budget by the Parliament. The Law on Budget System - (<http://www.e-qanun.az/framework/1126>)

IBP Comment

Having reviewed the government comment and the previous Survey response with the researcher, the response to this question is changed from "d" to "a". Practice and law have not changed since the last Open Budget Survey.

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:

a. The executive is required by law or regulation to obtain approval from the legislature prior to reducing spending below the enacted levels in response to revenue shortfalls or other reasons, and it does so in practice.

Source:

The Law on Budget System. Article 18:

<http://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ae077636040c.pdf>

Comment:

Due to the Article 18. of the Law on Budget System "The execution of the state budget"; 18.4. If necessary, relevant executive power body can make changes at budget allocation limits, within sections of functional classification, among the sections, sub-sections, paragraphs, items and subtotals of economic classification. 18.5. In case incomes and funds envisaged for financing of deficit are less than the approved amount in the process of

state budget execution, expenditures of functional and economic classification (excluding justified provisions of expenditures) can be reduced proportionally, while expenditures of administrative classification can be reduced in the manner specified by relevant executive power body. 18.6. The amount of funds envisaged in the state budget of the next year can be increased by 20 percent or reduced in the amount of additional funds entered in comparison with the forecast of local incomes by relevant executive power body in order to regulate local incomes and expenditures of the state budget in the process of state budget execution.

Due to the Article 23. of the Law on Budget System "Review of the state budget and application of curtailment to expenditures"; 23.8. According to the provisions 23.2, 23.3 and 23.4 of this Law, if it is considered to make changes to at the level of sections of the budget income classification and functional classification of the budget expenditures in the framework of approved incomes and expenditures of the state budget, relevant executive power body submits the following documents to the Milli Majlis (parliament) of the Republic of Azerbaijan.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<https://meclis.gov.az/news.php?id=2946&lang=az>

<http://sai.gov.az/xeberler/22>

http://sai.gov.az/files/2019-REY_%C4%B0CRA.pdf

Comment:

The Committee for Economic Policy, Industry and Entrepreneurship of the Parliament (Milli Meclis) examines Audit Report on the annual budget, but did not publish any report with findings and recommendations.

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:

Law on "The Chamber of Accounts": Article 11, 13, 14
<http://sai.gov.az/files/Hesablama-Palatasi-Qanun.pdf>
<http://sai.gov.az/milli-meclisin-qerarlari>

Comment:

The Law on "The Chamber of Accounts" (Articles 11, 13, 14) as well as the Internal Regulation of the Parliament of Azerbaijan indicate that the head of the Chamber is appointed by the Parliament of Azerbaijan.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Law on "The Chamber of Accounts": Article 17;
<http://sai.gov.az/files/Hesablama-Palatasi-Qanun.pdf>

Comment:

The Law on "The Chamber of Accounts" (Article 17) as well as the Internal Regulation of the Parliament of Azerbaijan indicate that Parliament has to have a final consent before removing of the head of the Chamber of Accounts.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. The SAI determines its own budget (i.e., 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 by the legislature or judiciary (or some independent body), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.

Source:

Law on "The Chamber of Accounts": Article 33;
<http://sai.gov.az/files/Hesablama-Palatasi-Qanun.pdf>

Comment:

The Law on "The Chamber of Accounts" (Article 33) indicates that the Chamber of Accounts budget is determined by the Parliament (Milli Meclis) of Azerbaijan.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Law on "The Chamber of Accounts": Article 20;
<http://sai.gov.az/files/Hesablama-Palatasi-Qanun.pdf>

Comment:

The Law on "The Chamber of Accounts" (Article 20) indicates that the Chamber has the right to decide which audits they wish. The only limit is that the list of audits must be included in the workplan beforehand.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<http://sai.gov.az/files/Hesablama-Palatasi-Qanun.pdf>

Comment:

The Law on "The Chamber of Accounts" doesn't contain any such kind of requirement. However, due to Article 18 of the Law, all official reports must be approved by the Board of the SAI, and just after that (board meetings recorded) have to be sent to Parliament.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, an independent agency conducts and publishes a review of the audit processes of the SAI at least once in the past five years, but not annually.

Comments: CoA Annual Report on 2020 Activity provides information that the audit process of the CoA has been reviewed by independent agencies on pages 17 and 154-155. Thus, within the framework of the program organized by INTOSAI and IDI, all activities of the Chamber of Accounts, including the audit process, were evaluated by SAI PMF (Supreme Audit Institutions Performance Measurement Framework) and the results were considered in the new Strategic Plan of the Chamber of Accounts. In addition, under an agreement signed in 2020, the entire process of compliance, financial, and efficiency audits of the CoA was evaluated by the Court of Accounts of the Republic of Turkey through a peer review. Annual Report of the Chamber of Accountant on 2020 Activity: Original: Azərbaycan Respublikası Hesablama Palatasının 2020-ci ildə Fəaliyyəti Haqqında Hesabat http://sai.gov.az/files/Hesabat2020_FINAL_son.pdf on pages 17 and 154-155

IBP Comment

We welcome the government reviewer's comment as it shows that practice has improved. The report, however, was published after the Survey cutoff date of December 31, 2020. While acknowledging progress, we cannot change the response, but look forward to doing so in the next round of the Open Budget Survey, if practice is sustained.

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:

a. Frequently (i.e., five times or more).

Source:

<http://sai.gov.az/xeberler/39>

<http://sai.gov.az/xeberler/38>

<http://sai.gov.az/xeberler/22>

<http://sai.gov.az/xeberler/19>

<http://sai.gov.az/xeberler/17>

<https://meclis.gov.az/news.php?id=2902&lang=az>

Comment:

The Law on "The Chamber of Accounts" (Article 3.1) indicates The Chamber is responsible to the Parliament, it must report to the Parliament and testify regularly. This happens with the speech of the head of the Chamber, mainly in the Economic Policy, Industry and Entrepreneurship Committee of the Parliament. In the past 12 months it happened more than five times.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

The Law on The Public Participation;
<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ae077636040c.pdf>

The Law on the Public Participation;
http://e-qanun.az/alpdata/framework/data/26/c_f_26879.htm

Comment:

The Law on the Public Participation indicates the engagement of the public to the discussion and getting feedback from citizens on formulating and implementation of the government policy (projects), including budget discussion. However, in practice there are rare cases when the Ministry of Finance or Ministry of Economy conducts such kinds of meetings with the relevant groups. There is no evidence, or records of these meetings.

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:

The Law on the Public Participation;
http://e-qanun.az/alpdata/framework/data/26/c_f_26879.htm

Comment:

Option "d" was selected for question 125. Therefore, per the OBS methodology the appropriate response is "b"

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

The Law on The Public Participation;

<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ae077636040c.pdf>

The Law on the Public Participation;

http://e-qanun.az/alpidata/framework/data/26/c_f_26879.htm

Comment:

Option "d" was selected for question 125. Therefore, per the OBS methodology the appropriate response is "d"

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 official. 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:

The Law on The Public Participation;
<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ae077636040c.pdf>

The Law on the Public Participation;
http://e-qanun.az/alpidata/framework/data/26/c_f_26879.htm

Comment:

There is no evidence of such a practice

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

The Law on The Public Participation;

<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ae077636040c.pdf>

The Law on the Public Participation;

http://e-qanun.az/alpdata/framework/data/26/c_f_26879.htm

Comment:

There is no evidence of such a practice

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

N/a

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 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:

n/a

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

n/a

Comment:

No comments

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 take 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:

n/a

Comment:

No comments

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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:

n/a

Comment:

No comments

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:

c. Yes, at least one line ministry uses participation mechanisms during the budget formulation or implementation phase, but either these mechanisms capture only some ad-hoc views, or the executive invites specific individuals or groups for budget discussions (participation is not, in practice, open to everyone).

Source:

<http://idp.gov.az/en/news/1090>

<http://idp.gov.az/en/news/1050>

<http://idp.gov.az/en/news/1033>

Comment:

The State Committee for Affairs of Refugees and IDP's provide such kind of inputs from the relevant group of people and organizations.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

d. The requirements for a "c" response or above are not met.

Source:

n/a

Comment:

No comments

Peer Reviewer

Opinion: Disagree

Suggested 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).

Comments: Every time when Parliament looking for new legislation, they include it in the window by "Bills". There are window for persons who want

to provide input. <https://www.meclis.gov.az/index.php?lang=en>

Government Reviewer

Opinion: I choose not to review this question

IBP Comment

We acknowledge and welcome the peer reviewer's comment. There are indeed rare evidences when legislature invites specific individuals to some Bills discussion. This question, however asks specifically about budget and supplementary documents and there is no evidence on that. Considering that the government reviewer chose not to review this question, and given that practice has not changed since the last Open Budget Survey, the response remains unchanged.

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:

d. The requirements for a "c" response or above are not met.

Source:

n/a

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

d. The requirements for a "c" response or above are not met.

Source:

n/a

Comment:

No comments

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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 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.

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:

n/a

Comment:

No comments

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:

a. Yes, the SAI maintains formal mechanisms through which the public can suggest issues/topics to include in its audit program.

Source:

<http://sai.gov.az/files/HESABAT-2019-FINAL.pdf> P. 116-119

Comment:

The Annual Report of Chamber of Accounts on 2019 includes the information on some suggestions, appeals, received from the citizens, which have been used in the Chamber activity (p.116-119)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

c. Yes, the SAI provides a written record which includes either the list of the inputs received or a report or summary on how they were used.

Source:

<http://sai.gov.az/files/HESABAT-2019-FINAL.pdf> P. 116-119

Comment:

The Annual Report of Chamber of Accounts on 2019 includes the information on some appeals, received from the citizens, which have been used in the Chamber activity (p.116-119)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<http://sai.gov.az/files/HESABAT-2019-FINAL.pdf> P.118-119;

"Hesabat ilində 2 halda vətəndaş müraciətlərinə onların iştirakı ilə baxılmışdır. Hesablama Palatasına Bakı şəhəri Hövsan qəsəbəsində yerləşən Mirzəağa Əliyev adına mədəniyyət evində aparılmış cari təmir işlərinin və mədəniyyət evinin inventarlarının sayının yoxlanılması ilə əlaqədar Hövsan qəsəbəsi sakinindən daxil olmuş şikayət ərizəsi şikayətçinin iştirakı ilə yerində araşdırılmış, kənarlaşma aşkar edilməmiş və şikayətçiyə müvafiq izahatlar verilmişdir. Zəngilan rayonundan məcburi köçkün tərəfindən Zəngilan rayon məktəbləri üzrə nöqsan və çatışmazlıqların olduğu barədə təqdim edilmiş şikayət ərizəsi Azərbaycan Respublikası Təhsil Nazirliyinin 1 sayılı Ərazi Maliyyə Hesablaşma Mərkəzində nəzarət tədbiri keçirən audit qrupu tərəfindən şikayətçinin iştirakı ilə onun ərizəsində göstərilən məsələlər yerində araşdırılmış və ərizədə göstərilən məsələlər təsdiqini tapmamışdır."

Comment:

The Chamber's Annual report on 2019 provides the info related public input and audit investigation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree