



**REPUBLIC of AZERBAIJAN**

**MINISTRY of FINANCE**

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**To: Warren Krafchik**

**Executive Director**

**The International Budget Partnership**

*25 february 2013*  
*No DA-02/06-121*

*Subject: Rating of Azerbaijan in Open Budget Index 2012*

Dear Mr. Krafchik!

I write with regard to the most recent rating of Azerbaijan under Open Budget Index (OBI) 2012. As you are aware, Azerbaijan was first rated by International Budget Partnership's (IBP) OBI 2008 and received an overall score of 37 points. The assessment also provided detailed analysis and usefull recommendations to improve transparency in budget documents and increase the country's ranking in subsequent evaluations.

The index was taken very seriously on our side and together with other relevant state bodies we immediately initiated an agenda to correct the missing points in line with the presented recommendations. This marked the beginning of a successfull cooperation between the Ministry of Finance of the Republic of Azerbaijan and the International Budget Partnership.

Timely and appropriate measures taken were adequately appreciated by the IBP which reflected itself in a six point increase in the country's OBI 2010 score, reaching 43 points. At the same time, OBI 2010 pointed to further improvements necessary to keep bettering the country's budget transparency ranking.


Following the results of OBI 2010, we enlarged our agenda and continued working on advancing budget transparency in Azerbaijan. In line with the recommendations, since 2011 we have been publishing draft state and consolidated budgets, draft public investment programme as well as citizen's budget on our official website well in advance of submitting them to the Cabinet of Ministers and

the Parliament to ensure wide public discussions thereof. Similarly, for the last two years we constantly increased the share of program based expenditures in the state budget and made several amendments to functional, economic and administrative classification of the single budget classification. These are just a few examples of the many reforms carried out in this direction.

Unfortunately, not only these developments were not taken into account, but even worse, Azerbaijan's score in OBI 2012 was lowered by one point to 42. We express our strong dissatisfaction with the current situation and ask you to initiate a detailed investigation of Azerbaijan's OBI 2012 evaluation process as we expect that a miscommunication or misconduct could have taken place in calculating an objective score.

I reiterate the commitment of Azerbaijan to promote greater transparency in budget documents and as such closer cooperation with the IBP given that this cooperation lies on mutual respect and fruitful dialogue.

Sincerely,

  
**Samir Sharifov**  
**Minister of Finance**