

**International Budget Partnership  
OPEN BUDGET QUESTIONNAIRE  
Azerbaijan, September 2009**

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# International Budget Partnership OPEN BUDGET QUESTIONNAIRE

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## **Section One: The Availability of Budget Documents**

**Table 1. Budget Year of Documents Used in Completing the Questionnaire\***

<b>Budget Documents Used in Completing the Questionnaire</b>	
	Budget Year Used
Pre-Budget Statement	Not Available
Budget Summary	2009
Executive's Budget Proposal	2009
Supporting Budget Documents	2009
Citizens Budget	Not Available
Enacted Budget	2009
In-Year Reports	2008/2009
Mid-Year Report	2008
Year-End Report	2008
Audit Report	2008

**\* Government Comments for Table 1 are available at the end of the Questionnaire**

**Table 2. Key Budget Documents Used: Full Titles and Internet Links\***

Budget Document	Full Title, Date, and Internet Link
Pre-Budget Statement	Not produced as a separate document
Budget Summary	Speech by President and Ministry of Finance in general assembly of government at 16.01.2009. <a href="http://www.azerbaijan-news.az/index.php?Lng=aze&amp;year=2009&amp;Pid=367">http://www.azerbaijan-news.az/index.php?Lng=aze&amp;year=2009&amp;Pid=367</a>
Executive's Budget Proposal	Draft budget law for 2009 (extraction from proposal) (06.11.2008). <a href="http://www.xalqqazeti.com/public/print.php?lngs=aze&amp;ids=22490">http://www.xalqqazeti.com/public/print.php?lngs=aze&amp;ids=22490</a> This document (only short version is inputted to the web-site of the official newspaper) comprises economic, functional and administrative classification of the budget incomes and expenditures, funding of the state debt and budget deficit.
Budget Document One in Support of the Executive's Budget Proposal	Government deliveries 16 supporting documents to the parliament at the same time with main budget proposal: budget forecasts for the next three years, main dimension of the fiscal policy, draft budget laws on the extrabudgetary funds, general financial balance of the country, proposed structure of the consolidated budget etc. But almost all these documents are accessible in hardcopy/paper version. Only budget law (2009) on State Social Protection Fund as a extrabudgetary fund is disposed to the suitable web-site: <a href="http://www.sspf.gov.az/press_2008.aspx">http://www.sspf.gov.az/press_2008.aspx</a> (30.11.2009).
Budget Document Two in Support of the Executive's Budget Proposal	Presidential decree on implementation of the budget law for 2009. (10.12.2008). <a href="http://www.anfes.gov.az/qanun/files/2009DB.html">http://www.anfes.gov.az/qanun/files/2009DB.html</a> (enacted after budget law and published for broad public)
Budget Document Three in Support of the Executive's Budget Proposal	Not Available
Citizens Budget	Not Produced by Government (but civil society organizations do this work)
Enacted Budget	Budget law for 2009 (enacted, and different from budget proposal). (25.11.2008). <a href="http://www.oilfund.az/az/content/12/169">http://www.oilfund.az/az/content/12/169</a>
In-Year Reports	<a href="http://maliyye.gov.az/store/1/2009m.xls">http://maliyye.gov.az/store/1/2009m.xls</a>

Mid-Year Review	<p>- Budget implementation report (expenditures and revenues) for first 6 month of the 2008 in comparison with same period of the 2009 (June/July 2009):  <a href="http://maliyye.gov.az/store/1/funk_taza_SAYT_2009_6_copy.xls">http://maliyye.gov.az/store/1/funk_taza_SAYT_2009_6_copy.xls</a>  <a href="http://maliyye.gov.az/store/1/funk_taza_SAYT_2009_6.xls">http://maliyye.gov.az/store/1/funk_taza_SAYT_2009_6.xls</a></p> <p>Although these reports don't meet international requirements on mid-year report (because there is not (i) debt estimation and actual debt figures, (ii) and necessary recalculation for the remaining six month), we nonetheless can consider these.</p>
Year-End Report	<p>Report on implementation of the 2007 annual budget (May 2008).  <a href="http://maliyye.gov.az/store/1/04.02.08MM_hesabat_illik.pdf">http://maliyye.gov.az/store/1/04.02.08MM_hesabat_illik.pdf</a></p> <p>Report on implementation of the 2008 annual budget (25.06.2009)  <a href="http://www.respublica.news.az/2009/06/25/5978/">http://www.respublica.news.az/2009/06/25/5978/</a></p> <p>Although it doesn't meet international requirements on year-end report (because it is not very detailed) we can nonetheless consider this document as an annual report.</p>
Audit Report	<p>Audit Report of the Accounting Chamber regarding to implementation of the 2008 budget (18.05.2009).  <a href="http://www.ach.gov.az/index.php/?az/content/318">http://www.ach.gov.az/index.php/?az/content/318</a></p> <p>Audit Report of the Accounting Chamber regarding to draft budget law for 2009 (30.10.2008).  <a href="http://www.ach.gov.az/?/az/content/319/">http://www.ach.gov.az/?/az/content/319/</a></p>
Other Documents	<p><a href="http://maliyye.gov.az/">http://maliyye.gov.az/</a>  <a href="http://www.taxes.gov.az/?name=statistika&amp;lang=">http://www.taxes.gov.az/?name=statistika&amp;lang=</a>  <a href="http://www.xalqqazeti.com/index.php?lngs=aze&amp;cats=1&amp;ids=30442&amp;lng=aze">http://www.xalqqazeti.com/index.php?lngs=aze&amp;cats=1&amp;ids=30442&amp;lng=aze</a></p>
Relevant Ministries & Departments	Ministry of Finance, Ministry of Taxes

**\* Government Comments for Table 2 are available at the end of the Questionnaire**

**Table 3. Distribution of Documents Related to the Executive’s Budget Proposal\***

<b>DISTRIBUTION OF BUDGET DOCUMENTS</b>						
	Pre-budget	Executive’s Budget Proposal				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
A. Not produced, even for internal purposes	Yes					Yes
B. Produced for internal purposes, but not available to the public						
C. Produced and available to the public, but only on request				Yes	Yes	
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)		Yes	Yes			
<b><i>For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them?</i></b>						
	Pre-budget	Executive’s Budget Proposal				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
1. The release date is known at least one month in advance	NA	No	No	No	No	NA
2. Advance notification of release is sent to users, media	NA	No	No	No	No	NA
3. Released to public same day as official release to media	NA	No	No	No	No	NA
4. Available on the Internet free of charge	NA	Yes	Yes	Yes	No	NA
5. Free print copies available, limited distribution	NA	Yes	No	Yes	Yes	NA
6. Free print copies available, mass distribution	NA	Yes	Yes	No	No	NA
7. Readily available outside capital and/or big cities <sup>+</sup>	NA	Yes	Yes	Yes	Yes	NA
8. Written in more than one language	NA	Yes	Yes	No	No	NA
9. News conference is held to discuss release	NA	No	No	No	No	NA

\*A budget summary should be a stand-alone document, which could include a budget speech or a separately published executive summary.

<sup>+</sup>Mark “Yes” if access by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.

**\* Government Comments for Table 3 are available at the end of the Questionnaire**

**Table 4. Distribution of the Enacted Budget and Other Reports\***

<b>DISTRIBUTION OF ENACTED BUDGET AND OTHER REPORTS</b>					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
A. Not produced, even for internal purposes					
B. Produced for internal purposes, but not available to the public					
C. Produced and available to the public, but only on request					
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)	Yes	Yes	Yes	Yes	Yes
<b><i>For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them?</i></b>					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
1. The release date is known at least one month in advance	No	No	No	No	No
2. Advance notification of release sent to users, media	No	No	No	No	No
3. Released to public same day as official release to media	No	No	No	No	No
4. Available on the Internet free of charge	Yes	Yes	Yes	Yes	Yes
5. Free print copies available, limited distribution	No	No	Yes	No	Yes
6. Free print copies available, mass distribution	Yes	No	No	Yes	No
7. Readily available outside capital/big cities <sup>+</sup>	Yes	Yes	Yes	Yes	Yes
8. Written in more than one language	No	No	No	Yes	No
9. News conference is held to discuss release	No	No	No	Yes	No

<sup>+</sup>Mark "Yes" if access is available by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.

**\* Government Comments for Table 4 are available at the end of the Questionnaire**



## Section Two: The Executive's Budget Proposal

*Notes on abbreviations:*

BY = budget year (year for which the budget proposals are being made)

BY+1 = one year beyond the budget year

BY-1 = one year before the budget year

**Note 1:** The Open Budget Survey research process was carried out over a 12-month period and the final version of the Open Budget Questionnaires reflect decisions made after multiple rounds of discussions between Survey researchers, peer reviewers, and the International Budget Partnership (IBP) (in several countries these decisions also considered comments received from governments). When peer reviewers or governments agreed with the answers provided by researchers, they often provided no comment. Thus for many questions, the section in the questionnaire that should contain peer reviewer comments is left blank. However, if the government did not provide any comments to a question (because it did not dispute the answer), the section within the questionnaire that is meant to reflect government comments specifies the answer that the government agreed with (by default).

Since the IBP continued its discussions with the researchers even after receiving peer reviewer and government comments, for some questions these discussions resulted in a mutual decision to change the answers, even if the peer reviewers and governments agreed with the original answer provided by the researcher. Such changes may have happened as a result of:

1. A more consistent application of the Survey methodology;
2. New information identified by the researcher or by IBP that had a bearing on the answer for a particular question; or
3. Decisions made to ensure cross-country comparability of answers.

For more information on these changes for any question please write to [info@internationalbudget.org](mailto:info@internationalbudget.org).

<b>The Executive's Budget Proposal</b>	
<b>Estimates for the Budget Year and Beyond</b>	
<p>1. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by administrative unit (that is, by ministry, department, or agency)?</p> <ol style="list-style-type: none"> <li>All expenditures are classified by administrative unit.</li> <li>Expenditures are classified by administrative unit, but some small units are not shown separately.</li> <li>Expenditures are classified by administrative unit, but a significant number of units are not shown separately.</li> <li>No expenditures classified by administrative unit are presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Information can be found in the document entitled "Functional, economic and administrative classification of the public budget for the year 2009," attached to Part I of the budget proposal for the year 2009.</p> <p><u>Comment:</u></p> <p><b><u>Researcher Response to this Question was "a"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be "b." The Law of the Republic of Azerbaijan on State Budget 2009 doesn't clearly specify some expense items, i.e. there is uncertainty. For example, other services in education and healthcare and etc., budgetary items mislead readers.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher's answer.</p> <p><b><u>Researcher Response:</u></b> I retain my view that "a" is the most appropriate answer, because the peer reviewer's comment isn't relevant to administrative classification.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "a" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the <i>Guide to the Open Budget Questionnaire</i>.</p>	a

2. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by functional classification?

- a. All expenditures are classified by functional classification, and the categorization is compatible with international standards.
- b. All expenditures are classified by functional classification, but the categorization is not compatible with international standards.
- c. Some, but not all, expenditures are classified by function.
- d. No expenditures classified by function are presented.
- e. Not applicable/other (please comment).

Citation:

Information can be found in the document entitled "Functional, Economic and Administrative Classification of the Public Budget for the Year 2009: budget expenditures," attached to Part I, II and III of the budget proposal for the year 2009.

Comment:

When the International Monetary Fund's (IMF) Government Finance Statistics (GFS) was referenced, the functional classification shown in budget proposal did not meet GFS's requirements.

b

**Researcher Response to this Question was "b"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a." Budget classification of Azerbaijan Republic was prepared based on GFS 2001 in close cooperation with IMF and WB.

**Researcher Response:** When I scrutinized government comments the evidence was getting to be obvious that most of them don't overlap with OBI approach and have not essential ground. So, I decided to slightly "vote down" government comments.

**IBP Comment:** IBP editors chose answer "b" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*.

3. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by economic classification?

- a. All expenditures are classified by economic classification, and the categorization is compatible with international standards.
- b. All expenditures are classified by economic classification, but the categorization is not compatible with international standards.
- c. Some, but not all, expenditures are classified by economic classification.
- d. No expenditures classified by economic classification are presented.
- e. Not applicable/other (please comment).

Citation:

Information can be found in the document entitled "Functional, Economic and Administrative Classification of the Public Budget for the Year 2009: budget expenditures," attached to Parts I, II, III and IV of the budget proposal for the year 2009.

Comment:

When the International Monetary Fund's (IMF) Government Finance Statistics (GFS) was referenced, the economic classification shown in budget proposal did not meet GFS's requirements.

**Researcher Response to this Question was "b"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a." Budget classification of Azerbaijan Republic was prepared based on GFS 2001 in close cooperation with IMF and WB.

**IBP Comment:** IBP editors chose answer "b" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*.

b

4. Does the executive's budget or any supporting budget documentation present expenditures for individual programs for the budget year?
- Program-level data are presented for all expenditures.
  - Program-level data are presented for at least two-thirds of, but not all, expenditures.
  - Program-level data are presented, but for less than two-thirds of expenditures.
  - No program-level data are presented.
  - Not applicable/other (please comment).

Citation:

Neither versions (electronic and hardcopy) of the 2008 and 2009 (even 2010), which are available through MPs and web-sites, present program-level data.

Comment:

**Researcher Response to this Question was "d"**

**Peer Reviewer One Comment:** A more appropriate response to this question would be "c." This question in the query implies taking into consideration various areas as program information. There are several program type expense items in the Law of the Republic of Azerbaijan on State Budget 2009. For example, healthcare expenses - "polyclinics and ambulatories," "hospitals," "applied researches in healthcare" and etc., sections and allocations to them are provided separately.

**Peer Reviewer Two Comment:** A more appropriate response to this question would be "c" because expenditures are classified for individual programs such as Education, Health, Science 3 years programs; for instance, "Health Development Program 2009-2014" was approved.

**Government Comment:** A more appropriate response to this question would be "c."

**Researcher Response:** I am in agreement with the Peer Reviewers

**IBP Comment:** IBP editors chose answer "c" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*.

C

<p>5. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for a multi-year period (at least two years beyond the budget year)?</p> <p>a. Yes, multi-year estimates of aggregate expenditure are presented.  b. No, multi-year estimates of aggregate expenditure are not presented.  c. Not applicable/other (please comment).</p> <p><u>Citation:</u>  Information can be found on the document entitled “The Azerbaijan Republic Social and Economic Development Conception and Forecast Indicators for 2009-2012” and “Total Financial Balance” attached to Part I of the budget proposal for the year 2009.</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher’s answer.</p>	<p>a</p>
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6. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover a multi-year period (for at least two years beyond the budget year)?
- a. Yes, multi-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative).
  - b. Yes, multi-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs.
  - c. Yes, multi-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs.
  - d. No, multi-year estimates are presented for aggregate expenditure only, or they are not presented at all.
  - e. Not applicable/other (please comment).

Citation:

Comment:

Multi-year estimates are presented for the aggregate expenditure only.

d

**Researcher Response to this Question was "d"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "e." Multi year budget is prepared by all level of classification, but submission is not required according to legislation.

**IBP Comment:** IBP editors chose answer "d" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*.

<p>7. Does the executive’s budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the budget year?</p> <ul style="list-style-type: none"> <li>a. All sources of tax revenue are identified individually.</li> <li>b. Sources of tax revenue amounting to at least two-thirds of, but not all, tax revenues are identified individually.</li> <li>c. Sources of tax revenue amounting to less than two-thirds of all tax revenues are identified individually.</li> <li>d. No sources of tax revenue are identified individually.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> Information on that can be found in the document entitled “Revenues of the Public Budget for the year 2009 classified by paragraphs of budget revenue classification,” attached to Part II of the budget proposal for the year 2009.</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher’s answer.</p>	a
<p>8. Does the executive’s budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the budget year?</p> <ul style="list-style-type: none"> <li>a. All sources of non-tax revenue are identified individually.</li> <li>b. Sources of non-tax revenue amounting to at least two-thirds of, but not all, non-tax revenues are identified individually.</li> <li>c. Sources of non-tax revenues amounting to less than two-thirds of all non-tax revenue are identified individually.</li> <li>d. No sources of non-tax revenues are identified individually.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> Information on that can be found in the document entitled “Revenues of the Public Budget for the year 2009 classified by paragraphs of budget revenue classification,” attached to Part II of the budget proposal for the year 2009.</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher’s answer.</p>	a



<p>9. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of revenue presented for a multi-year period (at least two years beyond the budget year)?</p> <p>a. Yes, multi-year estimates of aggregate revenue are presented.  b. No, multi-year estimates of aggregate revenue are not presented.  c. Not applicable/other (please comment).</p> <p><u>Citation:</u>  Information can be found in the document entitled “The Azerbaijan Republic Social and Economic Development Conception and Forecast Indicators for 2009-2012,” attached to Part I of the budget proposal for the year 2009.</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher’s answer.</p>	<p>a</p>
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10. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover a multi-year period (for at least two years beyond the budget year)?

- a. Yes, multi-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax).
- b. Yes, multi-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue.
- c. Yes, multi-year estimates are presented, but only for some individual sources of revenue.
- d. No, multi-year estimates are presented for aggregate revenue only, or they are not presented at all.
- e. Not applicable/other (please comment).

Citation:

Comment:

Multi-year estimates are presented for aggregate revenues only. Finance documents of the Statistic Committee are not publicly available. They are distributed among state agencies only. Organizations that may have close personal ties with state institutions can have access to these documents, but the public is not provided access.

d

**Researcher Response to this Question was "d"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "e." Multiyear budget's revenue is prepared by all level of classification, but submission is not required according to legislation.

**IBP Comment:** IBP editors chose answer "d" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*.

11. Does the executive's budget or any supporting budget documentation present data on the total government debt outstanding for the budget year?
- a. Yes, the data reflect the outstanding debt both at the start of the budget year and at the end of the budget year (and thereby reflect the net borrowing requirement of the budget).
  - b. Yes, the data reflect the outstanding debt at the end of the budget year.
  - c. Yes, the data reflect the outstanding debt at the start of the budget year.
  - d. No, data on the outstanding debt are not presented.
  - e. Not applicable/other (please comment).

Citation:

Information on outstanding debt can be found in the document entitled "State of Public Debt of the Azerbaijan Republic as of July 01 2008," attached to Part II of the budget proposal for the year 2009.

Comment:

In the budget proposal for 2008 and 2009, information about the outstanding debt is shown for nine months of the present year. We cannot determine the exact amount of the outstanding debt at the start of the budget year, due to having the necessary information for nine months only. The new loans that could be contracted towards the end of the year are not represented.

b

**Researcher Response to this Question was "b"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a." The detailed information on government debt is submitted according to item 12.1.6 of Budget system Law.

**IBP Comment:** IBP editors chose answer "b" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*.

<p>12. Does the executive’s budget or any supporting budget documentation present interest payments on the debt for the budget year?</p> <p>a. Yes, interest payments on the debt are presented.  b. No, interest payments on the debt are not presented.  c. Not applicable/other (please comment).</p> <p><u>Citation:</u>  Information can be found in the document entitled “Functional, Economic and Administrative Classification of the Public Budget for the year 2008: Budget Expenditures,” attached to Part I of the budget proposal for the year 2009.</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher’s answer.</p>	<p><b>a</b></p>
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13. Does the executive's budget or any supporting budget documentation present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, currency denomination of the debt, or whether it is domestic and external debt) for the budget year?

- a. Yes, extensive information related to the composition of government debt is presented.
- b. Yes, key additional information is presented, but some details are excluded.
- c. Yes, some additional information is presented, but it lacks important details.
- d. No, additional information related to the composition of government debt is not presented.
- e. Not applicable/other (please comment).

Citation:

Information can be found in the document entitled "State of Public Debt of the Azerbaijan Republic" attached to Part II of the budget proposal for the year 2009, and "Functional, Economic and Administrative Classification of the Public Budget for the year 2009: Budget Expenditures."

Comment:

These documents cover the following: payments on interest rates and main debt calculated for external and domestic state debt, expenditures related to domestic and external state debt services, ceilings of external and domestic debt for the budget year, total internal and external state departments, etc. All information except the currency denomination is covered in these documents.

**Researcher Response to this Question was "c"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a." According to the item 12.1.6 of "Budget system law" detailed information on government debt and other liabilities also has submitted

**IBP Comment:** IBP editors chose answer "c" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*.

C

14. Does the executive's budget or any supporting budget documentation present the macroeconomic forecast upon which the budget projections are based?

- a. Yes, an extensive discussion of the macroeconomic forecast is presented, and key assumptions (such as inflation, real GDP growth, unemployment rate, and interest rates) are stated explicitly.
- b. Yes, the macroeconomic forecast is discussed and most of the key assumptions are stated explicitly, but some details are excluded.
- c. Yes, there is some discussion of the macroeconomic forecast (and/or the presentation of key assumptions), but it lacks important details.
- d. No, information related to the macroeconomic forecast is not presented.
- e. Not applicable/other (please comment).

Citation:

Information can be found in the first and second parts of the 2008 and 2009 budget documentation package.

Comment:

**Researcher Response to this Question was "b"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** A more appropriate response to this question would be "c" because only few discussions are held on macroeconomic forecasts, and there is not much information on some key assumptions such as unemployment rate

**Government Comment:** A more appropriate response to this question would be "a." The budget package also included socio-economic concepts of country, which describes macroeconomic assumptions.

**Researcher Response:** I retain my view that "b" is the most appropriate answer, because during last year's macroeconomic forecasts blocks in budget documentation have enriched significantly.

**IBP Comment:** IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

b

<p>15. Does the executive’s budget or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget (including expenditures, revenues, and debt)?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on the impact of macroeconomic assumptions on the budget is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting the impact of the major macroeconomic assumptions, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on the impact of different macroeconomic assumptions on the budget is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Some analysis exists, but doesn’t show full highlights.</p> <p><b><u>Researcher Response to this Question was “c”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be “b.”</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer “c” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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<p>16. Does the executive’s budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect expenditures?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on the impact of policy proposals on expenditures is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting the impact of key policy proposals on expenditures, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on the impact of policy proposals on expenditures is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> Information on how policy proposals impact expenditure can be found in the document entitled “Draft Law of the Azerbaijan Republic on State Budget for the year 2009 and Explanation to that Law,” attached to Part I of the budget proposal for the year 2009.”</p> <p><u>Comment:</u> This information, however, covers only some structural changes in expenditures and does not explain the way they are taking place.</p> <p><b><u>Researcher Response to this Question was “c”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be “a.” The information about impact of proposals on expenditures could be found on Budget Explanation.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer “c” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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17. Does the executive's budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect revenues?

- a. Yes, extensive information on the impact of policy proposals on revenues is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting the impact of key policy proposals on revenues, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on the impact of policy proposals on revenues is not presented.
- e. Not applicable/other (please comment).

Citation:

Information on how policy proposals impact revenue can be found in the document entitled "Draft Law of the Azerbaijan Republic on State Budget for the year 2009 and Explanation to that Law," attached to Part I of the budget proposal for the year 2009."

Comment:

This information covers only general explanations and there are no explanations for changes in revenue structure, or how changes in revenue structure and prices would specifically impact on the overall picture.

**Researcher Response to this Question was "c"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a." The information about impact of proposals on revenues could be found on Budget Explanation.

**IBP Comment:** IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

C

<b>Estimates for Years Prior to the Budget Year</b>	
<p>18. Does the executive’s budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by administrative unit (that is, by ministry, department, or agency)?</p> <ul style="list-style-type: none"> <li>a. All expenditures are classified by administrative unit for BY-1.</li> <li>b. Expenditures are classified by administrative unit for BY-1, but some small units are not shown separately.</li> <li>c. Expenditures are classified by administrative unit for BY-1, but a significant number of units are not shown separately.</li> <li>d. No expenditures classified by administrative unit are presented for BY-1.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> Information can be found in the document entitled “Information about Expected Execution of Public Budget for the first three quarters of 2008, classified by functional, economic and administrative classification,” attached to Part III of the budget proposal for the year 2009.</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher’s answer.</p>	<p>a</p>

19. Does the executive's budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by functional classification?
- a. All expenditures are classified by functional classification for BY-1, and the categorization is compatible with international standards.
  - b. All expenditures are classified by functional classification for BY-1, but the categorization is not compatible with international standards.
  - c. Some, but not all, expenditures are classified by function for BY-1.
  - d. No expenditures classified by function are presented for BY-1.
  - e. Not applicable/other (please comment).

Citation:

Information can be found in the document entitled "Information about Expected Execution of Public Budget for the first three quarters of 2008, classified by functional, economic and administrative classification" attached to Part III of the budget proposal for the year 2009.

Comment:

When the IMF's Government Finance Statistics (GFS) was referenced, the functional classification shown in the budget proposal did not meet GFS's requirements.

b

**Researcher Response to this Question was "b"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a." Budget classification of Azerbaijan Republic was prepared based on GFS 2001 in close cooperation with IMF and WB.

**IBP Comment:** IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

20. Does the executive's budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by economic classification?
- All expenditures are classified by economic classification for BY-1, and the categorization is compatible with international standards.
  - All expenditures are classified by economic classification for BY-1, but the categorization is not compatible with international standards.
  - Some, but not all, expenditures are classified by economic classification for BY-1.
  - No expenditures classified by economic classification are presented for BY-1.
  - Not applicable/other (please comment).

Citation:

Information can be found in the document entitled "Information about Expected Execution of Public Budget for the first three quarters of 2008, classified by functional, economic and administrative classification," attached to Part III of the budget proposal for the year 2009.

Comment:

When the IMF's Government Finance Statistics (GFS) was referenced, the functional classification shown in the budget proposal did not meet GFS's requirements.

**Researcher Response to this Question was "b"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a." Budget classification of Azerbaijan Republic was prepared based on GFS 2001 in close cooperation with IMF and WB.

**IBP Comment:** IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

b

21. Does the executive's budget or any supporting budget documentation present expenditures for individual programs for the year preceding the budget year (BY-1)?
- Program-level expenditure data are presented for all expenditures for BY-1.
  - Program-level expenditure data are presented for at least two-thirds of, but not all, expenditures for BY-1.
  - Program-level expenditure data are presented, but for less than two-thirds of expenditures for BY-1.
  - No program-level expenditure data are presented for BY-1.
  - Not applicable/other (please comment).

Citation:

Comment:

Expenditures are mainly classified by functional, administrative and economic classification. There is only small part classification by program level. In spite of the fact that there is some general program classification, such as education and health, but it is not program-level expenditure data presentation. The Government of Azerbaijan does not apply program-level expenditure classification, yet.

**Researcher Response to this Question was "d"**

**Peer Reviewer One Comment:** A more appropriate response to this question would be "c." The answer to this question is as shown in question 4. The Law of the Republic of Azerbaijan on execution of state budget 2008 ( May 29 2009, [http://www.prezident.az/articles.php?item\\_id=20090625074617893&sec\\_id=67](http://www.prezident.az/articles.php?item_id=20090625074617893&sec_id=67)) also specifies actual expenses in some program type areas.

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "c." The expenditures on individual program finds their reflection on budget data

**Researcher Response:** I retain my view that "d" is the most appropriate answer, because the peer reviewer's link does not indicate any expenditure for individual programs for the year preceding the budget year.

**IBP Comment:** IBP editors chose answer "d." This question refers to the Executive's Budget Proposal only.

d

<p>22. In the executive's budget or any supporting budget documentation, how many months of actual data are reflected in the expenditure estimates of the year prior to the budget year (BY-1)?</p> <ol style="list-style-type: none"> <li>All BY-1 estimates have been updated from the original enacted levels to reflect six or more months of actual expenditure.</li> <li>All BY-1 estimates have been updated from the original enacted levels, but reflect less than six months of actual expenditure.</li> <li>Some BY-1 estimates have been updated from the original enacted levels to reflect actual expenditure.</li> <li>The BY-1 estimates have not been updated from the original enacted levels, or no BY-1 estimates are presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Information can be found in the document entitled "Information on Execution of State Budget of the Azerbaijan Republic in the first three quarters of 2008," attached to Part II of the budget proposal for the year 2009.</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher's answer.</p>	a
<p>23. In the executive's budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?</p> <ol style="list-style-type: none"> <li>Yes, such prior-year estimates of aggregate expenditure are presented.</li> <li>No, such prior-year estimates of aggregate expenditure are not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Information can be found on the document entitled "The Azerbaijan Republic Social and Economic Development Conception and Forecast Indicators for 2009-2012," attached to Part I of the budget proposal for the year 2009.</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher's answer.</p>	a

24. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?
- a. Yes, such prior-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative).
  - b. Yes, such prior-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs.
  - c. Yes, such prior-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs.
  - d. No, such prior-year estimates are presented for aggregate expenditure only, or they are not presented at all.
  - e. Not applicable/other (please comment).

Citation:

Information can be found in the document entitled "Comparative table of the Indicators of Public Budgets for years 2007-2009," attached to Part III of the budget proposal for the year 2009.

Comment:

Actually, prior-year estimates for programs do not exist, because program classification is not applied.

**Researcher Response to this Question was "c"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a."

**IBP Comment:** IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

C

<p>25. In the executive's budget or any supporting budget documentation, what is the most recent year presented for which all expenditures reflect actual outcomes?</p> <ol style="list-style-type: none"> <li>Two years prior to the budget year (BY-2).</li> <li>Three years prior to the budget year (BY-3).</li> <li>Before BY-3.</li> <li>No actual data for all expenditures are presented in the budget or supporting budget documentation.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Information can be found on the document entitled "The Azerbaijan Republic Social and Economic Development Conception and Forecast Indicators for 2009-2012," attached to Part I of the budget proposal for the year 2009.</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher's answer.</p>	a
<p>26. Are the expenditure estimates for the years prior to the budget year adjusted, as needed, to be comparable with the budget-year estimates in terms of classification and presentation?</p> <ol style="list-style-type: none"> <li>Yes, prior-year data are always adjusted to be comparable to the budget year data.</li> <li>Yes, in most cases, prior-year data are adjusted to be comparable.</li> <li>Yes, in some cases, prior-year data are adjusted to be comparable, but significant deviations between prior-year and budget-year classifications exist.</li> <li>No, prior-year data are not adjusted to be comparable, or no prior-year estimates are presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Information can be found in the document entitled "Comparative Table of the Indicators of Public Budgets for years 2007-2009," attached to Part III of the budget proposal for the year 2009.</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher's answer.</p>	a



<p>27. Does the executive’s budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the year preceding the budget year (BY-1)?</p> <ul style="list-style-type: none"> <li>a. All tax revenues are identified individually for BY-1.</li> <li>b. Tax revenues amounting to at least two-thirds of, but not all, tax revenue for BY-1 are identified individually.</li> <li>c. Tax revenues amounting to less than two-thirds of all tax revenues for BY-1 are identified individually.</li> <li>d. No tax revenues are identified individually for BY-1.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> Information can be found in the document entitled “Comparative Table of the Indicators of Public Budgets for years 2007-2009,” attached to Part III of the budget proposal for the year 2009.</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher’s answer.</p>	a
<p>28. Does the executive’s budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the year preceding the budget year (BY-1)?</p> <ul style="list-style-type: none"> <li>a. All non-tax revenues are identified individually for BY-1.</li> <li>b. Non-tax revenues amounting to at least two-thirds of, but not all, non-tax revenue for BY-1 are identified individually.</li> <li>c. Non-tax revenues amounting to less than two-thirds of all non-tax revenues for BY-1 are identified individually.</li> <li>d. No non-tax revenues are identified individually for BY-1.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> Information can be found in the document entitled “Comparative Table of the Indicators of Public Budgets for years 2007-2009,” attached to Part III of the budget proposal for the year 2009.</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher’s answer.</p>	a

<p>29. In the executive’s budget or any supporting budget documentation, how many months of actual data are reflected in the revenues estimates of the year prior to the budget year (BY-1)?</p> <ul style="list-style-type: none"> <li>a. All BY-1 estimates have been updated from the original estimates to reflect six or more months of actual revenue collections.</li> <li>b. All BY-1 estimates have been updated from the original estimates, but reflect less than six months of actual revenue collections.</li> <li>c. Some BY-1 estimates have not been updated from the original estimates to reflect actual revenue collections.</li> <li>d. The BY-1 estimates have not been updated from the original estimates or no BY-1 estimates are presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> Information can be found in the document entitled “Information on Execution of State Budget of the Azerbaijan Republic in the first three quarters of 2008,” attached to Part II of the budget proposal for the year 2009.</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher’s answer.</p>	a
<p>30. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of revenues presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?</p> <ul style="list-style-type: none"> <li>a. Yes, such prior-year estimates of aggregate revenue are presented.</li> <li>b. No, such prior-year estimates of aggregate revenue are not presented.</li> <li>c. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> Information can be found on the document entitled “The Azerbaijan Republic Social and Economic Development Conception and Forecast Indicators for 2009-2012,” attached to Part I of the budget proposal for the year 2009.</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher’s answer.</p>	a

<p>31. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?</p> <ul style="list-style-type: none"> <li>a. Yes, such prior-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax).</li> <li>b. Yes, such prior-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue.</li> <li>c. Yes, such prior-year estimates are presented, but only for some individual sources of revenue.</li> <li>d. No, such prior-year estimates are presented for aggregate revenue only, or they are not presented at all.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> Information can be found in the document entitled “Comparative Table of the Indicators of Public Budgets for years 2009-2012,” attached to Part III of the budget proposal for the year 2009.</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher’s answer.</p>	a
<p>32. In the executive’s budget or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?</p> <ul style="list-style-type: none"> <li>a. Two years prior to the budget year (BY-2).</li> <li>b. Three years prior to the budget year (BY-3).</li> <li>c. Before BY-3.</li> <li>d. No actual data for all revenues are presented in the budget or supporting budget documentation.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> Information can be found on the document entitled “The Azerbaijan Republic Social and Economic Development Conception and Forecast Indicators for 2009-2012,” attached to Part I of the budget proposal for the year 2009.</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher’s answer.</p>	a

<p>33. Does the executive's budget or any supporting budget documentation present information related to the government debt for the year preceding the budget year?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information is presented on the level and composition of government debt for the year preceding the budget year.</li> <li>b. Yes, information on the level of debt is presented, but some important details about the composition of the debt are excluded.</li> <li>c. Yes, but only information on the level of debt is presented.</li> <li>d. No, information related to the government debt for BY-1 is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> Information on that can be found in the document entitled "State of Public Debt of the Azerbaijan Republic as of July 01 2008," attached to Part I of the budget proposal for the year 2009.</p> <p><u>Comment:</u></p> <p><b><u>Researcher Response to this Question was "b"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "a." The extensive information is presented according to the item 12.1.6 of "Budget system law."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>b</p>
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<p>34. In the executive's budget or any supporting budget documentation, what is the most recent year presented for which the debt figures reflect actual outcomes?</p> <ul style="list-style-type: none"> <li>a. Two years prior to the budget year (BY-2).</li> <li>b. Three years prior to the budget year (BY-3).</li> <li>c. Before BY-3.</li> <li>d. No actual data for government debt are presented in the budget or supporting budget documentation.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> Information can be found in the document entitled "Comparative Table of Indicators of Public Budgets for years 2007-2009," attached to Part III of the budget proposal for the year 2009.</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher's answer.</p>	<p>C</p>
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<b>Comprehensiveness</b>	
<p>35. Does the executive's budget or any supporting budget documentation present information for at least the budget year on extra-budgetary funds?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, information is presented, highlighting key extra-budgetary funds, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on extra-budgetary funds is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  There are two extra-budgetary funds in Azerbaijan. The State Social Protection Fund and the State Oil Fund. Budget documentation contains detailed information about the former. This information is shown in the document entitled "Draft Law of the Azerbaijan Republic on Budget of State Social Protection Fund for the year 2009," attached to Part IV of the budget proposal for the year 2009. For the State Petroleum Fund, there is information only at the aggregate level of revenues and expenditure, reflected on the document entitled "The Azerbaijan Republic Social and Economic Development Conception and Forecast Indicators for 2009-2012," attached to Part I of the budget proposal for the year 2009.</p> <p><u>Comment:</u></p> <p><b><u>Researcher Response to this Question was "b"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b> A more appropriate response to this question would be "c." because only general figures are presented. For instance, transfers from state budget to State Social Protection Fund are generally shown, but there is no information on where and how they will be spent.</p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "a."</p> <p><b><u>Researcher Response:</u></b> I retain my view that "b" is the most appropriate answer, because one of the supporting budget documentations is "State Social Protection Fund's Full Budget."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	b

36. Does the executive's budget or any supporting budget documentation present information for at least the budget year on intergovernmental transfers?

- a. Yes, extensive information on intergovernmental transfers is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting key intergovernmental transfers, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on intergovernmental transfers is not presented.
- e. Not applicable/other (please comment).

Citation:

Information on intergovernmental transfers to local and regional governments can be found in the document entitled "Draft Law of the Azerbaijan Republic on State budget for the year 2009 and explanation to that law," attached to Part I of the budget proposal for the year 2009. Although some details are excluded, some information is presented in the draft law in Oil Fund's budget documents for each budget year.

C

Comment:

**Researcher Response to this Question was "c"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a." All information on intergovernmental transfers is presented on annual budget law and explanation.

**IBP Comment:** IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

<p>37. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on transfers to public corporations?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on transfers to public corporations is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting key transfers to public corporations, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on transfers to public corporations is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> Information on transfers to public corporations can be found in the document entitled “Draft Law of the Azerbaijan Republic on State Budget for the year 2009 and Explanation to that law,” attached to Part I of the budget proposal for the year 2009.”</p> <p><u>Comment:</u></p> <p><b><u>Researcher Response to this Question was “c”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be “a.” Transfers to public corporations are reflected on budget separately.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer “c” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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<p>38. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on quasi-fiscal activities?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on quasi-fiscal activities is presented, including both a narrative discussion and, where possible, quantitative estimates.</li> <li>Yes, information is presented, highlighting key quasi-fiscal activities, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on quasi-fiscal activities is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Information can be found in the document entitled “Aggregated Budget of the Azerbaijan Republic for years 2009-2012,” attached to Part II of the budget proposal for the year 2009.</p> <p><u>Comment:</u> In this document there is data on quasi-fiscal subsidies granted to the energy sector. However, only aggregate figures are shown, omitting detailed information. For example, there is no information on inter-enterprise arrears and loans to State Owned Enterprises (SOEs) below market rates by state-owned banks. New government policy reflects willingness on reducing quasi-fiscal activities.</p> <p><b><u>Researcher Response to this Question was “c”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be “b.”</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer “c” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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<p>39. Does the executive's budget or any supporting budget documentation present information on financial assets held by the government?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on financial assets is presented, including a listing of the assets, a discussion of their purpose, and an estimate of their market value.</li> <li>b. Yes, information is presented, highlighting key information, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on financial assets is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Article 2 of the Law of the Republic of Azerbaijan on State Budget for 2009 presents information on revenues from state financial assets and credits lent. Also, the National Bank and Ministry of Finance submit some information when the budget proposal is discussed at the Parliament.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher's answer.</p>	C
<p>40. Does the executive's budget or any supporting budget documentation present information on non-financial assets held by the government?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on non-financial assets is presented, including a listing of the assets, and (where possible) an estimate of their market value.</li> <li>b. Yes, information is presented, highlighting key information, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on non-financial assets is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The National Bank and the Ministry of Finance submit some information when the budget project is discussed at the Parliament.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher's answer.</p>	C

<p>41. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on expenditure arrears?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on expenditure arrears is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting key expenditure arrears, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on expenditure arrears is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> There is no such information in the available budget documentation.</p> <p><b><u>Researcher Response to this Question was “d”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be “e.” With introduction of Treasury system there are not expenditure arrears.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer “d” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>d</p>
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<p>42. Does the executive’s budget or any supporting budget documentation present information on contingent liabilities (such as government loan guarantees)?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on contingent liabilities is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, information is presented, highlighting key contingent liabilities, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on contingent liabilities is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> There is no such information in the available budget documentation.</p> <p><b><u>Researcher Response to this Question was “d”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be “a.” According to the item 12.1.6 of “Budget system law” detailed information on government debt and other liabilities also has submitted.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer “d” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	d
<p>43. Does the executive’s budget or any supporting budget documentation present information on future liabilities, such as civil service pensions?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on future liabilities is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, information is presented, highlighting key future liabilities, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on future liabilities is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> There is no such information in the available budget documentation.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher’s answer.</p>	d

44. Does the executive's budget or any supporting budget documentation provide details on the sources of donor assistance, both financial and in-kind?

- a. All sources of donor assistance are identified individually.
- b. At least two-thirds of, but not all, sources of donor assistance, are identified individually.
- c. Less than two-thirds of sources of donor assistance are identified individually.
- d. No sources of donor assistance are identified individually.
- e. Not applicable/other (please comment).

Citation:

There is a special "grant line" in the fourth part of the 2009 and 2010 year Budget, but figures are not presented.

Comment:

In spite of the fact that not all sources are stated in the budget package, there is a "special grant" paragraph in the package. The State budget reflects only EU grants.

C

**Researcher Response to this Question was "c"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a." In case of existence of donor assistance budget documentation will provide information on it.

**IBP Comment:** IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

<p>45. Does the executive's budget or any supporting budget documentation present information for at least the budget year on tax expenditures?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on tax expenditures is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, information is presented, highlighting key tax expenditures, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on tax expenditures is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> There is no such information in the available budget documentation.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher's answer.</p>	d
<p>46. Does the executive's budget or any supporting budget documentation identify all earmarked revenues?</p> <ol style="list-style-type: none"> <li>All earmarked revenues are identified individually.</li> <li>At least two-thirds of, but not all, earmarked revenues are identified individually.</li> <li>Less than two-thirds of earmarked revenues are identified individually.</li> <li>No earmarked revenues are identified individually.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> Article 3 of the Law of the Republic of Azerbaijan on State Budget for 2009 separately indicates the revenues on Budgetary Fund dedicated to "Motorways."</p> <p><b><u>Researcher Response to this Question was "c"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "a."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	c

<p>47. What percentage of expenditure in the budget year is dedicated to spending on secret items relating to, for instance, national security and military intelligence?</p> <ol style="list-style-type: none"> <li>a. One percent or less of expenditure is dedicated to secret items.</li> <li>b. Three percent or less, but more than one percent, of expenditure is dedicated to secret items.</li> <li>c. Eight percent or less, but more than three percent, of expenditure is dedicated to secret items.</li> <li>d. More than eight percent of expenditure is dedicated to secret items, or the percentage is not available to the public.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u>  There is no such information in the budget documentation. No economic, functional classification of secret items expenditures is presented. Usually, the generally available information does not give any idea about those expenditures.</p> <p><b><u>Researcher Response to this Question was "d"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "e." The budget is preparing at all levels of budget classification. But in discussion process the requirement of State secret law is considered.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>d</p>
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<b>The Budget Narrative &amp; Performance Monitoring</b>	
<p>48. Does the executive’s budget or any supporting budget documentation explain how the proposed budget is linked to government’s stated policy goals, by administrative unit (or functional category), for the budget year?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on the link between the budget and the government’s stated policy goals, by administrative unit (or functional category) is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, information is presented, highlighting the link between major policy goals and the budget, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on the link between the budget and the government’s stated policy goals is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Information on policy goals can be found in the document entitled “Draft law of the Azerbaijan Republic on State budget for the year 2009 and explanation to that law,” attached to Part I of the budget proposal for the year 2009.</p> <p><u>Comment:</u> However, this information covers only some structural changes in expenditures and presents only a few explanations for the way the budget is linked to policy goals.</p> <p><b><u>Researcher Response to this Question was “c”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be “a.”</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer “c” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>



<p>49. Does the executive’s budget or any supporting budget documentation explain how the proposed budget is linked to government’s stated policy goals for a multi-year period (for at least two years beyond the budget year)?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on the link between the budget and the government’s stated policy goals over a multi-year period is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting the major policy goals, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on the link between the budget and the government’s stated policy goals over a multi-year period is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> There is some fragmentary information in public speeches, statements and in the introductory part of the budget proposal.</p> <p><b><u>Researcher Response to this Question was “c”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be “a.”</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer “c” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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<p>50. Does the executive’s budget or any supporting budget documentation present non-financial data, such as the number of beneficiaries, for expenditure programs?</p> <ul style="list-style-type: none"> <li>a. Non-financial data are presented for all programs.</li> <li>b. Non-financial data are presented for programs representing at least two-thirds of, but not all, expenditures.</li> <li>c. Non-financial data are presented for programs representing less than two-thirds of expenditure.</li> <li>d. No non-financial data are presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> There is no such information in the available budget documentation.</p> <p><b><u>Researcher Response to this Question was “d”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be “a.”</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer “d” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>d</p>
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<p>51. Are the non-financial data presented useful for assessing how an expenditure program is performing?</p> <ul style="list-style-type: none"> <li>a. The non-financial data are very useful for assessing program performance.</li> <li>b. The non-financial data are mostly useful for assessing program performance.</li> <li>c. The non-financial data are somewhat useful for assessing program performance.</li> <li>d. No non-financial data are provided or they are not useful for assessing program performance.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> There is no such information in the available budget documentation.</p> <p><b><u>Researcher Response to this Question was "d"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "a."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>d</p>
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<p>52. Does the executive’s budget or any supporting budget documentation contain performance indicators for expenditure programs?</p> <ol style="list-style-type: none"> <li>Performance indicators are presented for all programs.</li> <li>Performance indicators are presented for programs representing at least two-thirds of, but not all, expenditures.</li> <li>Performance indicators are presented for programs representing less than two-thirds of expenditures.</li> <li>No performance indicators are presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> There is no such information in the available budget documentation.</p> <p><b><u>Researcher Response to this Question was “d”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be “a.”</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer “d” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	d
<p>53. Are the performance indicators sufficiently well designed, such that one can assess whether there has been progress toward meeting policy goals?</p> <ol style="list-style-type: none"> <li>All performance indicators are well designed.</li> <li>Most performance indicators are well designed.</li> <li>Some performance indicators are well designed, but most are not.</li> <li>No programs have performance indicators, or they are not well designed.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> There is no such information in the available budget documentation.</p> <p><b><u>Researcher Response to this Question was “d”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be “a.”</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer “d” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	d

54. Are performance indicators used in conjunction with performance targets presented in the executive's budget or any supporting budget documentation?

- a. All performance indicators are used in conjunction with performance targets.
- b. Most performance indicators are used in conjunction with performance targets.
- c. Some performance indicators are used in conjunction with performance targets, but most are not.
- d. No performance indicators are used in conjunction with performance targets.
- e. Not applicable/other (please comment).

Citation:

Comment:

There is no such information in the available budget documentation.

**Researcher Response to this Question was "d"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a."

**IBP Comment:** IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

d

55. Does the executive's budget or any supporting budget documentation present information on policies (both proposals and existing commitments) in at least the budget year that are intended to benefit directly the country's most impoverished populations?

- a. Yes, extensive information on policies intended to alleviate poverty is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting the impact of key policies intended to alleviate poverty, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on policies intended to alleviate poverty is not presented.
- e. Not applicable/other (please comment).

Citation:

Information on policies can be found in the document entitled "Draft Law of the Azerbaijan Republic on State Budget for the year 2009 and explanation to that law," attached to Part I of the budget proposal for the year 2009.

Comment:

The general features of the social policy of the government (dynamics of the minimal salary rate, minimal pension provision etc.) are presented, but data on poverty rate and preventive measures by government are lacking.

**Researcher Response to this Question was "c"**

**Peer Reviewer One Comment:** A more appropriate response to this question would be "b." In their respective speeches, the Country President, the Minister of Finance, and Head of State Social Protection Fund give information about the priority issues for the next budgetary year before the budgetary law is put to discussion at the National Assembly. These priority issues include reduction of poverty level to minimum, improvement of the lives of over 1 million refugees, promotion of pensioner's pensionary provision. For the speech of the Country President see [http://www.prezident.az/browse.php?sec\\_id=11](http://www.prezident.az/browse.php?sec_id=11) and for the speech of Ministry of Finance see [www.maliyye.gov.az](http://www.maliyye.gov.az)

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a."

**Researcher Response:** I retain my view that "c" is the most appropriate answer, because the executive's budget proposal and its supporting budget documentation present just little information on policies for the budget year that are intended to benefit directly the country's most impoverished populations. Peer reviewer indicates only regular speeches which cannot be considered as budget documentation.

**IBP Comment:** IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries. The response should be based on the executive's budget proposal and its supporting budget documentation only.

C

<b>Additional Key Information for Budget Analysis &amp; Monitoring</b>	
<p><i>Please note that the questions in this section ask about information that is generally available to the public. The information need not be included in the executive's budget proposal or supporting documents, but may be found in other documents issued by the executive.</i></p>	
<p>56. Does the executive make available to the public a description of the tax rate or fee schedule for all revenue sources, including commercial projects involving the private sector?</p> <ol style="list-style-type: none"> <li>a. Yes, extensive information on tax rates, fees, royalties and other revenues sources is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting the rates and fees for major revenue sources, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Information on tax rates and fee schedule is presented on the tax Ministry's website: <a href="http://www.taxes.gov.az">http://www.taxes.gov.az</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher's answer.</p>	a

<p>57. Does the executive make available to the public an analysis of the distribution of the tax burden?</p> <ul style="list-style-type: none"> <li>a. Yes, a detailed analysis of the distribution of the tax burden is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, an analysis is presented, highlighting key aspects of the distribution, but some details are excluded.</li> <li>c. Yes, some analysis is presented, but it lacks important details.</li> <li>d. No analysis on the distribution of the tax burden is presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> There is no such information in the available budget documentation.</p> <p><u>Comment:</u></p> <p><b><u>Researcher Response to this Question was "d"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "a."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>d</p>
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58. Does the executive make available to the public an explanation of the conditions associated with assistance from international financial institutions (IFI)?

- a. Yes, extensive information on conditions associated with IFI assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality.
- b. Yes, information is presented, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on conditions associated with IFI assistance is not presented.
- e. Not applicable/other (please comment).

Citation:

Comment:

We can be informed such incomplete conditions through public newspapers.

**Researcher Response to this Question was "c"**

**Peer Reviewer One Comment:** A more appropriate response to this question would be "b." Information is provided about the agreements signed between the international financial institutions and our country, the courses of cooperation with them, and financial resources received from them. For more information, there are even links provided to donor sites in an Internet page containing such information. To find such information, see "technical assistance" and "economic relations" windows at [www.economy.gov.az](http://www.economy.gov.az) and "foreign policy" window at [www.mfa.gov.az](http://www.mfa.gov.az).

**Peer Reviewer Two Comment:** A more appropriate response to this question would be "b" because the Government of Azerbaijan does not present all conditions of such assistances, nor is the regular responsibility for the government to do so. There is no public access to IFI reports all the time.

**Government Comment:** A more appropriate response to this question would be "a."

**Researcher Response:** I retain my view that "c" is the most appropriate answer, because even the second peer reviewer's comment supports it. And the links presented do not provide any detailed information on assistance from international financial institutions.

**IBP Comment:** IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

C

<p>59. Does the executive make available to the public an explanation of the conditions associated with assistance from donor countries?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on conditions associated with donor country assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality.</li> <li>b. Yes, information is presented, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on conditions associated with donor country assistance is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The government of Azerbaijan does not present all the conditions of such assistance, and there is no law requiring the government to present such information. The public has little access to donor countries reports and, since it is considered a prerogative of the government to release this information, little information is provided by the donor countries themselves.</p> <p><b><u>Researcher Response to this Question was "c"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "b."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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<p>60. Does the executive make available to the public a summary that describes the budget and its proposals?</p> <ul style="list-style-type: none"> <li>a. Yes, it provides a summary that is very informative.</li> <li>b. Yes, it provides a summary that is somewhat informative.</li> <li>c. Yes, but the summary is not very informative.</li> <li>d. No, it does not provide a summary.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u>  <a href="http://www.maliyye.gov.az">http://www.maliyye.gov.az</a> and <a href="http://www.azerbaijan-news.az">http://www.azerbaijan-news.az</a></p> <p><u>Comment:</u>  This budget summary does not present program classification and detailed economic and administrative classification.</p> <p><b><u>Researcher Response to this Question was "c"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "a."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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<p>61. Does the executive publish a “citizens budget” or some non-technical presentation intended for a wide audience that describes the budget and its proposals?</p> <p>a. Yes, it publishes a citizens budget that is very informative.  b. Yes, it publishes a citizens budget that is somewhat informative.  c. Yes, but the citizens budget is not very informative.  d. No, it does not publish a citizens budget.  e. Not applicable/other (please comment).</p> <p><u>Citation:</u>  National Budget Group (implementer: Economic Research Center)  <a href="http://erc-az.org/new/uploads/neshrler/Kitab%20VBB.pdf">http://erc-az.org/new/uploads/neshrler/Kitab%20VBB.pdf</a></p> <p><u>Comment:</u>  Officially, a citizens budget is not published in Azerbaijan, but civil society organizations prepare alternative guides for ordinary people.</p> <p><b><u>Researcher Response to this Question was “d”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be “a.” There are lots of discussions on budget on mass-media, TV, meetings.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer “d” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>d</p>
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62. Does the executive make available to the public non-technical definitions of terms used in the budget and other budget-related documents (for instance, in a glossary)?

- a. Yes, thorough definitions of budget terms are provided.
- b. Yes, definitions are provided, but some details are excluded.
- c. Yes, some definitions are provided, but it lacks important details.
- d. No, definitions are not provided.
- e. Not applicable/other (please comment).

Citation:

Comment:

Definitions of terms used in the various budget documents can be found in paragraph 1 of the document entitled "Law of the Azerbaijan Republic on Budgetary System" and this document is released to the public. There are 30 definitions of terms used in the budget system and this document can be seen on the internet at:

<http://www.maliyye.gov.az/?lang=en&mod=main&id=49>

**Researcher Response to this Question was "b"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a."

**IBP Comment:** IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

b

<p>63. Do citizens have the right <i>in law</i> to access government information, including budget information?</p> <ul style="list-style-type: none"> <li>a. Yes, the right has been codified into law, and citizens are generally able in practice to obtain government information, including budget information.</li> <li>b. Yes, the right has been codified into law, but it is sometimes not possible for citizens in practice to obtain government information, including budget information.</li> <li>c. Yes, the right has been codified into law, but it is frequently or always impossible in practice to obtain access to government information, including budget information.</li> <li>d. No, the right to access government information has not been codified into law, or this right does not include access to budget information.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> There is a separate law on public access to information. Link: <a href="http://www.meclis.gov.az/qanunlar/index.htm">http://www.meclis.gov.az/qanunlar/index.htm</a></p> <p><u>Comment:</u></p> <p><b><u>Researcher Response to this Question was "c"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "a."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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64. Are citizens able in practice to obtain financial information on expenditures for individual programs in a format that is more highly disaggregated than that which appears in the executive's budget proposal if they request it (for example, from a ministry or agency)?

- a. In practice, highly disaggregated information is available to the public for all programs except those considered related to national security or military intelligence.
- b. In practice, highly disaggregated information is available to the public for programs representing at least two-thirds of, but not all, expenditures.
- c. In practice, highly disaggregated information is available to the public for programs representing less than two-thirds of expenditures.
- d. In practice, no highly disaggregated expenditure information is available.
- e. Not applicable/other (please comment).

Citation:

Comment:

It is difficult to obtain any form of information regarding the executive's budget proposal.

**Researcher Response to this Question was "d"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a."

**IBP Comment:** IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

d

65. Are citizens able in practice to obtain non-financial information related to expenditures (for example, number of beneficiaries, number of persons employed by the program, etc.) for individual programs in a format that is more highly disaggregated than that which appears in the executive's budget proposal if they request it from a ministry or agency?

- a. In practice, highly disaggregated non-financial information is available to the public for all programs except those considered related to national security or military intelligence.
- b. In practice, highly disaggregated non-financial information is available to the public for programs representing at least two-thirds of, but not all, expenditures.
- c. In practice, highly disaggregated non-financial information is available to the public for programs representing less than two-thirds of expenditures.
- d. In practice, no highly disaggregated non-financial expenditure information is available.
- e. Not applicable/other (please comment).

Citation:

Comment:

It is difficult to obtain any form of information regarding the executive's budget proposal.

**Researcher Response to this Question was "d"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a."

**IBP Comment:** IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

d



## **Section Three: The Budget Process**

<b>The Budget Process</b>		
<b>Executive's Formulation of the Budget</b>		
<p>66. How far in advance of the release of the budget is the day of its release known?</p> <ol style="list-style-type: none"> <li>The release date is set in permanent law.</li> <li>The executive announces the release date at least two months in advance.</li> <li>The executive announces the release date less than two months but more than two weeks in advance.</li> <li>The executive announces the release date two weeks or less before the release, or makes no announcement.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Information can be found in items 13 and 14 of the Law of the Azerbaijan Republic on Budgetary System. Item 13 states that the budget proposal for the Financial Year must be submitted to Parliament by no later than October 15. Item 14 states that the budget proposal for the FY has to be released in the press no later than 10 days after being submitted to Parliament.</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher's answer.</p>	a	

67. Does the executive release to the public its timetable for preparation of 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 what ever central government agency is in charge of coordinating the budget's formulation)?

- a. Yes, a detailed timetable is released to the public.
- b. Yes, a timetable is released, but some details are excluded.
- c. Yes, a timetable is released, but it lacks important details.
- d. No, a timetable is not issued to the public.
- e. Not applicable/other (please comment).

Citation:

A common timetable is codified in the Law of the Azerbaijan Republic on Budgetary System. However, this timetable is not complete. There are several steps in the budget process, and their timetables are not released to the public. There are some suitable interviews (internal discussions) with official persons which can have an impact on the circulation of the budget documents within the government.

Comment:

**Researcher Response to this Question was "c"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a."

**IBP Comment:** IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

C

68. Does the executive adhere to its timetable for the preparation and release of the budget?

- a. The executive adheres to the dates in its timetable.
- b. The executive adheres to most of the key dates in its timetable.
- c. The executive has difficulty adhering to most of the dates in its timetable.
- d. The executive does not adhere to the dates in its timetable, or it does not release to the public its timetable.
- e. Not applicable/other (please comment).

Citation:

In accordance with the calendar indicated in the Law of the Republic of Azerbaijan on Budgetary System, all the executive authorities submit their budgetary proposal to the relevant executive body. They are then approved as per the information obtained from the Ministry of Finance. The executive sends the draft budget to Parliament by October 15, begins to execute the approved budget from January 1, and completes its execution by the date mandated in the Budget System Law. Main factors which create difficulty for the executive to adhere to its timetable are: (i) time consuming content and large composition of the budget package; (ii) the difficulty which stems from world crude oil price fluctuation, which deteriorate budget revenue calculations and forecasting for the next year.

Comment:

**Researcher Response to this Question was "c"**

**Peer Reviewer One Comment:** A more appropriate response to this question would be "b." I must note that lower authorities often alter and submit to higher authorities, the budgetary figures pertaining to last year. Moreover, competent persons of the institutions who failed to submit budgetary papers as per the time schedule set out in Article 11.17 of the Law of the Republic of Azerbaijan on Budgetary system are brought to administrative account. In this connection, all the budgetary organizations do their maximum to observe this schedule.

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a."

**Researcher Response:** I agree with peer reviewer comment.

**IBP Comment:** IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

C

<p>69. Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?</p> <ul style="list-style-type: none"> <li>a. Yes, the executive holds extensive consultations with a wide range of legislators.</li> <li>b. Yes, the executive holds consultations with a range of legislators, but some key members are excluded.</li> <li>c. Yes, the executive holds very limited consultations, involving only a few members of the legislature.</li> <li>d. No, the executive does not typically consult with members of the legislature as part of the budget preparation process.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> While determining budget priorities, members of the government have limited consultations with the heads of parliamentary commissions on economic and social policy, as well as with some members of parliament (MPs) from each commission. The remaining MPs (especially, MP's of oppositional parties), are not involved in the preparatory budget process.</p> <p><u>Comment:</u></p> <p><b><u>Researcher Response to this Question was "c"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "a." The consultation process with parliamentarians holds within a year.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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<p>70. Does the executive hold consultations with the public as part of its process of determining budget priorities?</p> <ul style="list-style-type: none"> <li>a. Yes, the executive holds extensive consultations with a wide range of constituencies.</li> <li>b. Yes, the executive holds consultations with a range of constituencies, but some key constituencies are excluded.</li> <li>c. Yes, the executive holds very limited consultations, involving only a few constituencies.</li> <li>d. No, the executive does not typically consult with the public as part of the budget preparation process.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u>  Civilians are almost not involved in the budget decision-making process.</p> <p><b><u>Researcher Response to this Question was "d"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "b."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>d</p>
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<p>71. When does the executive release a pre-budget statement to the public?</p> <ul style="list-style-type: none"> <li>a. The executive releases a pre-budget statement at least four months in advance of the start of the budget year.</li> <li>b. The executive releases a pre-budget statement at least two months (but less than four months) in advance of the start of the budget year.</li> <li>c. The executive releases a pre-budget statement, but it is released less than two months before the start of the budget year.</li> <li>d. The executive does not release a pre-budget statement.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> No Pre-Budget Statement is released. There is only a small press-release by Ministry of Finance on the final governmental discussions on the state budget for the following year. Link: <a href="http://www.maliyye.gov.az/">http://www.maliyye.gov.az/</a></p> <p><b><u>Researcher Response to this Question was "d"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "c."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>d</p>
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<p>72. Does the pre-budget statement describe the government’s macroeconomic and fiscal framework?</p> <ul style="list-style-type: none"> <li>a. Yes, an extensive explanation of the government’s fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, an explanation is presented, highlighting key aspects of the fiscal and macroeconomic framework, but some details are excluded.</li> <li>c. Yes, some explanation is presented, but it lacks important details.</li> <li>d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Officially, no Pre-Budget Statement is released.</p> <p><b><u>Researcher Response to this Question was “d”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be “a.”</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer “d” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>d</p>
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<p>73. Does the pre-budget statement describe the government’s policies and priorities that will guide the development of detailed estimates for the upcoming budget?</p> <ul style="list-style-type: none"> <li>a. Yes, an extensive explanation of the government’s budget policies and priorities is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, an explanation is presented, highlighting key aspects of the government’s budget policies and priorities, but some details are excluded.</li> <li>c. Yes, some explanation is presented, but it lacks important details.</li> <li>d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Officially, no Pre-Budget Statement is released.</p> <p><b><u>Researcher Response to this Question was “d”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be “a.”</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer “d” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>d</p>
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<b>Legislative Approval of the Budget</b>	
<p>74. How far in advance of the start of the budget year does the legislature receive the budget?</p> <ol style="list-style-type: none"> <li>The legislature receives the budget at least three months before the start of the budget year.</li> <li>The legislature receives the budget at least six weeks, but less than three months, before the start of the budget year.</li> <li>The legislature receives the budget less than six weeks before the start of the budget year.</li> <li>The legislature does not receive the budget before the start of the budget year.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> According to Item 13 of the Law of the Azerbaijan Republic on Budgetary System, the budget proposal for the financial year (FY) must be submitted to Parliament no later than October 15.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher's answer.</p>	b

75. Does a legislative committee (or committees) hold public hearings on the macroeconomic and fiscal framework presented in the budget in which testimony from the executive branch and the public is heard?

- a. Yes, public hearings are held on the macroeconomic and fiscal framework in which testimony is heard from the executive branch and a wide range of constituencies.
- b. Yes, hearings are held in which testimony is heard from the executive branch and some constituencies.
- c. Yes, hearings are held in which testimony from the executive branch is heard, but no testimony from the public is heard.
- d. No, public hearings are not held on the macroeconomic and fiscal framework in which testimony from the executive branch and the public is heard.
- e. Not applicable/other (please comment).

Citation:

[www.meclis.gov.az](http://www.meclis.gov.az)

Comment:

Representatives of the executive authorities and a number of members of the public participate in the discussions held in appropriate commissions of the legislative authority on the Pre-Budget Statement. It is specified in Article 5 of the Law of the Republic of Azerbaijan on Regular Commissions of the National Assembly.

[www.millimeclis.az/?/az/content/40](http://www.millimeclis.az/?/az/content/40)

Also, the draft budget law is presented for public discussions via forum in the following site: [www.meclis.gov.az](http://www.meclis.gov.az)

b

**Researcher Response to this Question was "b"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a."

**IBP Comment:** IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

76. Do legislative committees hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the executive branch is heard?

- a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the executive branch is heard.
- b. Yes, hearings are held, covering key administrative units, in which testimony from the executive branch is heard.
- c. Yes, a limited number of hearings are held in which testimony from the executive branch is heard.
- d. No, public hearings are not held on the budgets of administrative units in which testimony from the executive branch is heard.
- e. Not applicable/other (please comment).

Citation:

Comment:

Representatives of executive authorities and a number of members of the public participate in the discussions held in appropriate commissions of the legislative authority on the Pre-Budget Statement. It is specified in Article 5 of the Law of the Republic of Azerbaijan on Regular Commissions of the National Assembly.

C

**Researcher Response to this Question was "c"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:** A more appropriate response to this question would be "d" because no public hearings on the macroeconomic and fiscal framework are held. Participation of Civil Society Institutes in such a discussions is prohibited, journalists have no right to attend in discussions; they just observe the process.

**Government Comment:** A more appropriate response to this question would be "a."

**Researcher Response:** I retain my view that "c" is the most appropriate answer, because peer reviewer's comment isn't relevant.

**IBP Comment:** IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries. While the public cannot intervene, there are a limited number of hearings where the executive's testimony is heard.

77. Does a legislative committee (or committees) hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the public is heard?

- a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the public is heard.
- b. Yes, hearings are held, covering key administrative units, in which testimony from the public is heard.
- c. Yes, a limited number of hearings are held in which testimony from the public is heard.
- d. No, public hearings are not held on the budgets of administrative units in which testimony from the public is heard.
- e. Not applicable/other (please comment).

Citation:

Comment:

No public hearings are held on the individual budgets of central government administrative units.

**Researcher Response to this Question was "d"**

**Peer Reviewer One Comment:** A more appropriate response to this question would be "c." Although no public discussions are held under the generally adopted standards, public representatives are invited to take part at budget-related discussions. So, there is "take part at the discussion" window at [www.meclis.gov.az](http://www.meclis.gov.az) site after the first discussion of the draft Law in the National Assembly. Besides, according to articles 17 and 39 of the Internal Regulation of the National Assembly of the Republic of Azerbaijan, the public has to be informed about it during the discussion of the draft law, and their representative may be invited to the Committee meetings to take part in the discussions.

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "b."

**Researcher Response:** I retain my view that "d" is the most appropriate answer, because the legislative committee does not organize any public hearings where testimony from the public is heard.

**IBP Comment:** IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

d

78. Do the legislative committees that hold public hearings release reports to the public on these hearings?

- a. Yes, the committees release very informative reports, which include all written testimony presented at the hearings.
- b. Yes, the committees release reports, but some details are excluded.
- c. Yes, the committees release reports, but they are not very informative.
- d. No, the committees do not release reports or do not hold public hearings.
- e. Not applicable/other (please comment).

Citation:

Comment:

No reports are released to the public, and only general information is presented in a table version.

**Researcher Response to this Question was "d"**

**Peer Reviewer One Comment:** A more appropriate response to this question would be "c." Records of the discussions held at the National Assembly Committees on the draft law are placed in the "National Assembly Committees" and "meeting records" windows at [www.meclis.gov.az](http://www.meclis.gov.az) (here a committee relating to the budget is selected from among several committees). But the information here is very superficial.

C

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "b."

**Researcher Response:** I retain my view that "d" is the most appropriate answer. Because we cannot consider the meeting records as public hearing reports by legislative bodies.

**IBP Comment:** IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries. It appears that some information, though perhaps minimal or superficial, is made public with regards to the public hearings.

79. Is the legislature (or the appropriate legislative committee or members of the legislature) given full information for the budget year on the spending of all secret items relating to, for instance, national security and military intelligence?

- a. Yes, the appropriate legislative committee or members of the legislature is provided extensive information on all spending on secret items, which includes detailed, line item descriptions of all expenditures.
- b. No, the legislature is provided information on spending on secret items, but some details are excluded, or some categories are presented in an aggregated manner, or the legislature is provided no information on secret items.
- c. Not applicable/other (please comment).

Citation:

Comment:

Such information is not presented in the budget documentation submitted to MPs. However, when some members of parliament receive some information on secret expenses, the information is discussed. This information often only contains aggregated figures and does not provide detailed data.

b

**Researcher Response to this Question was "b"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a."

**IBP Comment:** IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

80. Does the legislature have authority *in law* to amend the budget presented by the executive?

- a. Yes, the legislature has unlimited authority *in law* to amend the budget.
- b. Yes, the legislature has authority *in law* to amend the budget, with some limitations.
- c. Yes, the legislature has authority *in law* to amend the budget, but its authority is very limited.
- d. No, the legislature does not have any authority *in law* to amend the budget.
- e. Not applicable/other (please comment).

Citation:

Pursuant to Article 8 and 17 of the Internal Charter of the National Assembly of the Republic of Azerbaijan, the legislative authority has the right to make amendments to the draft Budget. The practice is similar to that in the previous period, but researcher reassessment has led to a change in response.

Comment:

The Parliament has authority in law to amend the budget but its authority is very restricted. There is no known case where the parliament has amended the budget proposed by the executive.

**Researcher Response to this Question was "c"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a."

**IBP Comment:** IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

C



<p>81. What is the most detail provided in the appropriation (expenditure budget) approved by the legislature?</p> <ul style="list-style-type: none"> <li>a. The approved budget includes program-level detail.</li> <li>b. The approved budget includes departmental totals and some additional details (for instance, sub-department totals or major programs).</li> <li>c. The approved budget includes only departmental totals.</li> <li>d. The approved budget includes less information than departmental totals or the approved budget is not released to the public.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u>  <a href="http://www.maliyye.gov.az">http://www.maliyye.gov.az</a></p> <p><u>Comment:</u>  The approved budget only includes expenditures at department level. For instance, it is almost impossible to find out what a department is spending on "Protecting of Forests and Re-Production Fund".</p> <p><b><u>Researcher Response to this Question was "c"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "e." According to Budget System Law annual budget approved at para level of functional and economic classification and after that the President of Azerbaijan Republic issues a degree on breakdown of expenditures at administrative classification.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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<b>Executive's Implementation of the Budget</b>	
<p>82. How often does the executive release to the public in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</p> <ol style="list-style-type: none"> <li>a. In-year reports on actual expenditure are released at least every month.</li> <li>b. In-year reports on actual expenditure are released at least every quarter.</li> <li>c. In-year reports on actual expenditure are released at least semi-annually.</li> <li>d. In-year reports on actual expenditure are not released.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> The Executive makes public quarterly reports on budgetary performance; annually, semi-annual reports and quarterly reports are released on time; see <a href="http://maliyye.gov.az/store/1/2009m.xls">http://maliyye.gov.az/store/1/2009m.xls</a></p> <p><u>Comment:</u></p> <p><b><u>Researcher Response to this Question was "b"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "a."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	b

<p>83. What share of expenditure is covered by in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</p> <ul style="list-style-type: none"> <li>a. Yes, in-year reports cover all expenditures.</li> <li>b. Yes, in-year reports cover at least two-thirds, but not all, of expenditures.</li> <li>c. Yes, in-year reports cover less than two-thirds of expenditures.</li> <li>d. No in-year reports are released to the public.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> No detailed information is provided despite the functional classification of expenses in reports on budgetary performance.</p> <p><u>Comment:</u></p> <p><b><u>Researcher Response to this Question was "c"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "a."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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84. What is the most detail provided in the in-year reports on actual expenditures organized by *administrative unit*?

- a. The in-year reports on actual expenditures organized by administrative unit contain program-level detail.
- b. The in-year reports on actual expenditures organized by administrative unit contain departmental totals and some additional details (for instance, sub-department totals or major programs).
- c. The in-year reports on actual expenditures organized by administrative unit contain only departmental totals.
- d. The in-year reports on actual expenditures organized by administrative unit are not released to the public, not produced, or contain less information than departmental totals.
- e. Not applicable/other (please comment).

Citation:

<http://maliyye.gov.az/store/1/2009m.xls>

Comment:

In-year reports cover only expenditure organized by functional classification and in aggregated format.

**Researcher Response to this Question was "d"**

**Peer Reviewer One Comment:** According to your instruction on the budgetary questionnaire, the answer to it has to be "c." In the annual report in the Law of the Republic of Azerbaijan on execution of the state budget 2008, the actual revenue and expenses are shown by economic and functional classifications.

[http://www.prezident.az/articles.php?item\\_id=20090625074617893&sec\\_id=67](http://www.prezident.az/articles.php?item_id=20090625074617893&sec_id=67)

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "c."

**Researcher Response:** I retain my view that "d" is the most appropriate answer, because Peer Reviewer One's comment and link are not at all about in-year reports.

**IBP Comment:** IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

d

85. Do the in-year reports released to the public compare actual year-to-date expenditure with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

- a. Yes, comparisons are made for all expenditures.
- b. Yes, comparisons are made for at least two-thirds, but not all, of expenditures.
- c. Yes, but comparisons are made for less than two-thirds of expenditures.
- d. No, comparisons are not made, or no in-year reports are released to the public.
- e. Not applicable/other (please comment).

Citation:

<http://maliyye.gov.az/store/1/2009m.xls>

Comment:

Expenses organized by functional classification in the reports on budgetary performance are compared against the expenses of the relevant period of the previous year, in terms of both figures and percentage.

C

**Researcher Response to this Question was "c"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a."

**IBP Comment:** IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

<p>86. How often does the executive release to the public in-year reports on actual revenue collections by source of revenue?</p> <ol style="list-style-type: none"> <li>In-year reports on actual revenue collections by source of revenue are released at least every month.</li> <li>In-year reports on actual revenue collections are released at least every quarter.</li> <li>In-year reports on actual revenue collections are released at least semi-annually.</li> <li>In-year reports on actual revenue collections by source of revenue are not released.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  <a href="http://maliyye.gov.az/store/1/2009m.xls">http://maliyye.gov.az/store/1/2009m.xls</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher’s answer.</p>	b
<p>87. What share of revenue is covered by the in-year reports on actual revenue collections?</p> <ol style="list-style-type: none"> <li>In-year reports cover the actual revenue collections of all sources of revenue.</li> <li>In-year reports cover the actual revenue collections of at least two-thirds of, but not all, sources of revenue.</li> <li>In-year reports cover actual revenue collections of less than two-thirds of revenue sources.</li> <li>In-year reports on actual revenue collections are not released to the public.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  <a href="http://maliyye.gov.az/store/1/2009m.xls">http://maliyye.gov.az/store/1/2009m.xls</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher’s answer.</p>	a

88. Do the in-year reports released to the public compare actual year-to-date revenue collections with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

- a. Yes, comparisons are made for all revenue sources.
- b. Yes, comparisons are made for at least two-thirds of, but not all, revenue sources.
- c. Yes, but comparisons are made for less than two-thirds of revenue sources.
- d. No, comparisons are not made, or no in-year reports are released to the public.
- e. Not applicable/other (please comment).

Citation:

<http://maliyye.gov.az/store/1/2009m.xls>

Comment:

Data in the Mid-Year Review relating to budgetary performance are compared against the indicators of the same period of the previous year, both in terms of figures and percentage.

b

**Researcher Response to this Question was "b"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a."

**IBP Comment:** IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

<p>89. Does the executive release to the public in-year reports on actual borrowing?</p> <ol style="list-style-type: none"> <li>Yes, in-year reports on actual borrowing are released at least every month.</li> <li>Yes, in-year reports on actual borrowing are released at least every quarter.</li> <li>Yes, in-year reports on actual borrowing are released at least semi-annually.</li> <li>No, in-year reports on actual borrowing are not released.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  <a href="http://maliyye.gov.az/store/1/2009m.xls">http://maliyye.gov.az/store/1/2009m.xls</a></p> <p><u>Comment:</u>  Brief information on state debt, paid interests and credits is placed at <a href="http://www.maliyye.gov.az">www.maliyye.gov.az</a>, website of the Ministry of Finance. It is shown information on credits attracted to Azerbaijan from abroad and their structure by July 1 2009, and the information on credits attracted to Azerbaijan from abroad and their structure by October 1 2009.</p> <p><b><u>Researcher Response to this Question was "d"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "b."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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90. Do in-year reports released to the public on actual borrowing present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, and currency denomination of the debt) for the budget year?
- a. Yes, extensive information related to the composition of government debt is presented.
  - b. Yes, key additional information is presented, but some details are excluded.
  - c. Yes, some additional information is presented, but it lacks important details.
  - d. No, additional information related to the composition of government debt is not presented, or such in-year reports on borrowing are not released.
  - e. Not applicable/other (please comment).

Citation:

<http://maliyye.gov.az/store/1/2009m.xls>

Comment:

There is not such information in the in-year report.

**Researcher Response to this Question was "d"**

**Peer Reviewer One Comment:** A more appropriate response to this question would be "c." Brief information is available on state budget, paid interests, areas for which debts are borrowed, and per capital debt amount in information papers on credits attracted to Azerbaijan from abroad and their structure by July 1 2009, and credits attracted to Azerbaijan from abroad and their structure by October 1 2009.

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a."

**Researcher Response:** I retain my view that "d" is the most appropriate answer. Because in-year reports on borrowing don't cover figures on interest rates of the debt, maturity profile of the debt, and currency denomination of the debt.

**IBP Comment:** IBP editors chose answer "c" as it seems that a small amount of information on the composition of the debt is included.

C

91. For in-year reports on actual expenditure released to the public by the executive, how much time typically elapses between the end of the reporting period and when the report is released (e.g., are quarterly reports released less than 4 weeks after the end of the quarter)?
- a. Reports are released 1 month or less after the end of the period.
  - b. Reports are released 2 months or less (but more than 1 month) after the end of the period.
  - c. Reports are released more than 2 months after the end of the period.
  - d. In-year reports are not released.
  - e. Not applicable/other (please comment).

Citation:

<http://maliyye.gov.az/store/1/2009m.xls>

Comment:

Quarterly reports on budgetary performance are made public, in conformance to Article 20 of the Law of the Republic of Azerbaijan on Budgetary System.

b

**Researcher Response to this Question was "b"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a."

**IBP Comment:** IBP editors chose answer "b" as it seems that a small amount of information on the composition of the debt is included.

<p>92. Does the executive release to the public a mid-year review of the budget that discusses the changes in economic outlook since the budget was enacted?</p> <ul style="list-style-type: none"> <li>a. Yes, the mid-year review includes an extensive discussion of the economy that includes a revised forecast for the full fiscal year and its effects on the budget.</li> <li>b. Yes, the mid-year review includes a discussion of the economy, but it lacks some details.</li> <li>c. Yes, the mid-year review includes a discussion of the economy, but it lacks important details.</li> <li>d. No, the mid-year review does not include a discussion of the economy, or the executive does not release a mid-year review of the budget.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> A Mid-Year Review exists and is posted on the website of the Ministry of Finance: <a href="http://maliyye.gov.az">http://maliyye.gov.az</a>. But it excludes such details: there is no information on changes taking place in the economic situation.</p> <p><u>Comment:</u></p> <p><b><u>Researcher Response to this Question was "c"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "b."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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<p>93. Does the executive release to the public a mid-year review of the budget that includes updated expenditure estimates for the budget year underway?</p> <ul style="list-style-type: none"> <li>a. Yes, the mid-year review includes updated expenditure estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels.</li> <li>b. Yes, the mid-year review includes updated estimates of expenditure, but some details on why estimates have changed are not provided.</li> <li>c. Yes, the mid-year review includes updated estimates of expenditure, but important details on why estimates have changed are not provided.</li> <li>d. No, the mid-year review does not include updated expenditure estimates for the budget year, or the executive does not release a mid-year review of the budget.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> A Mid-Year Review exists and is posted on the website of the Ministry of Finance: <a href="http://maliyye.gov.az">http://maliyye.gov.az</a>. But it excludes several details.</p> <p><u>Comment:</u></p> <p><b><u>Researcher Response to this Question was "c"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "b."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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<p>94. What is the most detail provided in the mid-year review for expenditures?</p> <ol style="list-style-type: none"> <li>The mid-year review includes program-level detail for expenditures.</li> <li>The mid-year review includes departmental totals (or functional totals) and some additional details (for instance, sub-department totals or major programs).</li> <li>The mid-year review includes only departmental totals (or functional totals).</li> <li>The mid-year review includes less information than departmental totals (or functional totals) for expenditures, or the executive does not release a mid-year review of the budget.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> A Mid-Year Review exists and is posted on the website of the Ministry of Finance: <a href="http://maliyye.gov.az">http://maliyye.gov.az</a>. But it excludes detail: expenses for each function are presented in their total.</p> <p><u>Comment:</u></p> <p><b><u>Researcher Response to this Question was "c"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "b."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	C
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<p>95. Does the executive release to the public a mid-year review of the budget that includes updated revenue estimates for the budget year underway?</p> <ol style="list-style-type: none"> <li>a. Yes, the mid-year review includes updated revenue estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels.</li> <li>b. Yes, the mid-year review includes updated estimates of revenue, but some details on why estimates have changed are not provided.</li> <li>c. Yes, the mid-year review includes updated estimates of revenue, but important details on why estimates have changed are not provided.</li> <li>d. No, the mid-year review does not include updated revenue estimates for the budget year, or the executive does not release a mid-year review of the budget.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> A Mid-Year Review exists and is posted on the website of the Ministry of Finance: <a href="http://maliyye.gov.az">http://maliyye.gov.az</a></p> <p><u>Comment:</u></p> <p><b><u>Researcher Response to this Question was "c"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "b."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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<p>96. Does the executive seek input from the legislature when the executive shifts funds between administrative units (except when the amounts are below a certain <i>minimal</i> level specified in law or regulation)?</p> <ol style="list-style-type: none"> <li>a. Yes, the executive seeks approval from the legislature before shifting funds between administrative units.</li> <li>b. Yes, the executive gives prior notification to the legislature before shifting funds, giving the legislature an opportunity to block or modify the proposed adjustment.</li> <li>c. Yes, the executive seeks legislative approval, but only after the shift of funds has been implemented.</li> <li>d. No, the executive shifts funds between administrative units without seeking input from the legislature, or the amount allowed under the law or by regulation is significantly large enough to undermine public scrutiny and accountability (please describe arrangements below).</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> According to item 18.4 of the Law of the Azerbaijan Republic on Budgetary System, in case of necessity, the Cabinet of Ministers and the Ministry of Finance are authorized to shift funds between administrative units within certain item of expenditures. For example, the Ministry of Finance is authorized to cut funds from one hospital to move it to another while keeping total expenses on health care unchanged.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher’s answer.</p>	<p>d</p>
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<p>97. During the past year, have there been credible reported instances in which the procurement of goods and services has not followed an open and competitive process in practice?</p> <ul style="list-style-type: none"> <li>a. There were no credible reported instances of procurement failing to follow an open and competitive process in practice during the past year.</li> <li>b. The procurement of goods and services frequently followed an open and competitive process in practice, but there were some reported instances of irregularities.</li> <li>c. The procurement of goods and service followed an open and competitive process in many instances, but there were significant reported examples of irregularities.</li> <li>d. No, the procurement process was not open and competitive in practice.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> You can find tender information in the web-site of the State Agency of Azerbaijan Republic on Procurement: <a href="http://www.tender.gov.az">http://www.tender.gov.az</a></p> <p><u>Comment:</u></p> <p><b><u>Researcher Response to this Question was "c"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "e." The information about procurement could be found in the report of State Procurement Agency.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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<p>98. When does the legislature typically approve supplemental budgets?</p> <ul style="list-style-type: none"> <li>a. Supplemental budgets are approved before the funds are expended, or the executive rarely proposes a supplemental budget (please specify).</li> <li>b. Supplemental budgets are approved after the funds are expended, or the executive implements supplemental budgets without ever receiving approval from the legislature (please specify).</li> <li>c. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Supplemental budgets are approved by the Legislature before the funds are expended.</p> <p><b><u>Researcher Response to this Question was "a"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> The item 23 of Budget system Law regulates issues on revision of state budget.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "a" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>a</p>
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99. In most years, how large are supplemental budget requests relative to the size of the original budget?

- a. Supplemental budgets are generally equal to 2 percent or less of the original budget.
- b. Supplemental budgets are generally equal to more than 2 percent, but less than 5 percent, of the original budget.
- c. Supplemental budget are generally equal to more than 5 percent, but less than 10 percent, of the original budget.
- d. Supplemental budget are generally equal to 10 percent or more of the original budget, or insufficient information is available to the public regarding the amount of supplemental budgets.
- e. Not applicable/other (please comment).

Citation:

Comment:

Almost no information is disclosed to the public, in relation to the amount of supplementary budgets, and supplemental budget are generally equal to more than 10 per cent of the original budget.

d

**Researcher Response to this Question was "d"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "e." Supplemental budget for last years are generally equal more than 10 percent and information is available to public.

**IBP Comment:** IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

100. When does the legislature approve the expenditure of contingency funds or other funds for which no specific purpose was identified in the budget?

- a. Expenditures are approved before the funds are expended, or contingency funds or other funds with no specific purposes are not included in the budget.
- b. Expenditures are approved after the funds are expended, but before the end of the fiscal year.
- c. Expenditures are approved after the end of the fiscal year, for example in the next budget.
- d. Such expenditure takes place without legislative approval.
- e. Not applicable/other (please comment).

Citation:

Comment:

There is a Reserve Fund in the Public Budget of the Azerbaijan Republic. According to Item 6.2 of the Law of the Azerbaijan Republic on Budgetary System, no more than 5% of the revenues are accumulated in this fund. In case of contingency expenses, the government is free to use these funds without legislative approval. In addition, a President Fund was created to finance contingency expenses. According to the Law of the Azerbaijan Republic on Budgetary System, no more than 2% of the expenditures are accumulated in this fund. In case of contingency expenses, the president is free to use these funds without legislative approval.

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** Government did not dispute researcher's answer.

d

<b>Executive's Year-end Report and the Supreme Audit Institution</b>	
<p>101. How long after the end of the budget year does the executive release to the public a year-end report that discusses the budget's actual outcome for the year?</p> <ol style="list-style-type: none"> <li>The report is released six months or less after the end of the fiscal year.</li> <li>The report is released 12 months or less (but more than six months) after the end of the fiscal year.</li> <li>The report is released more than 12 months after the end of the fiscal year.</li> <li>The executive does not release a year-end report.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  The Year-End Report (which has law status) is available in the web-site of the Ministry of Finance. According to Item 20.7 of the Law of Azerbaijan Republic on Budgetary System, the Ministry of Finance publishes quarterly and year-end reports in the media. The report can be found at <a href="http://maliyye.gov.az/store/1/04.02.08MM_hesabat_illik.pdf">http://maliyye.gov.az/store/1/04.02.08MM_hesabat_illik.pdf</a> But in the last two years the government infringed this rule and did not release the final Year-End Report in a timely manner.</p> <p><u>Comment:</u>  The budget law requires the document to be released no later than 15<sup>th</sup> of May for the previous year executed budget; the government sometimes does not follow this rule. But the government announces the release of the Year-End Report within six month (including 2007, 2008 and 2009 years).</p> <p><b><u>Researcher Response to this Question was "b"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "a."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>b</p>

<p>102. In the year-end report have the data on the actual outcomes been audited?</p> <ul style="list-style-type: none"> <li>a. Yes, all data on actual outcomes have been audited.</li> <li>b. At least two-thirds, but not all, of the data on actual outcomes have been audited.</li> <li>c. Less than two-thirds of the data on actual outcomes have been audited.</li> <li>d. None of the data on actual outcomes has been audited, or a year-end report is not released.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> None of the data on actual outcomes has been audited.</p> <p><b><u>Researcher Response to this Question was "d"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "a."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>d</p>
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<p>103. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?</p> <ul style="list-style-type: none"> <li>a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.</li> <li>c. Yes, some explanation is presented, but it lacks important details.</li> <li>d. No, an explanation is not presented, or such a report is not released.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The year-end report indicates some of the reasons for the existing discrepancies.</p> <p><b><u>Researcher Response to this Question was "c"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "a."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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104. What level of detail is the focus of the explanation of the differences between the enacted levels and the actual outcome for expenditures presented in the year-end report?

- a. The explanation of the differences between the enacted expenditure levels and the actual outcome focuses on the program level.
- b. The explanation focuses on departmental totals (or functional totals) or some lower level of detail (but not the program level in all cases).
- c. The explanation focuses on a higher level of aggregation than departmental totals (or functional totals).
- d. No explanation of the differences is provided, or such a report is not released.
- e. Not applicable/other (please comment).

Citation:

Comment:

The year-end report shows some reasons of discrepancies, especially in functional totals.

C

**Researcher Response to this Question was "c"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a."

**IBP Comment:** IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

<p>105. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?</p> <ul style="list-style-type: none"> <li>a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.</li> <li>c. Yes, some explanation is presented, but it lacks important details.</li> <li>d. No, an explanation is not presented, or such a report is not released.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The year-end report indicates some of the reasons for the existing discrepancies.</p> <p><b><u>Researcher Response to this Question was "c"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "a."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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<p>106. Does the year-end report explain the difference between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?</p> <ul style="list-style-type: none"> <li>a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.</li> <li>c. Yes, some explanation is presented, but it lacks important details.</li> <li>d. No, an explanation is not presented, or such a report is not released.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Such explanation is not released to the public. Such information is only available for internal purposes.</p> <p><b><u>Researcher Response to this Question was "d"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "a."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>d</p>
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<p>107. Does the year-end report explain the difference between the original estimates of non-financial data and the actual outcome?</p> <ol style="list-style-type: none"> <li>Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, an explanation is presented, highlighting key differences, but some details are excluded.</li> <li>Yes, some explanation is presented, but it lacks important details.</li> <li>No, an explanation is not presented, or such a report is not released.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The Year-End Report does not explain the difference between the original estimates of non-financial data and the actual outcome.</p> <p><b><u>Researcher Response to this Question was “d”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be “e.” It’s not required by legislation.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer “d” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	d
<p>108. Does the year-end report explain the difference between the original performance indicators and the actual outcome?</p> <ol style="list-style-type: none"> <li>Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, an explanation is presented, highlighting key differences, but some details are excluded.</li> <li>Yes, some explanation is presented, but it lacks important details.</li> <li>No, an explanation is not presented, or such a report is not released.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> But only with aggregated indicators. See question 52.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher’s original answer “c,” which the IBP modified for consistency purposes.</p> <p><b><u>IBP Comment:</u></b> Please see Note 1.</p>	d

<p>109. Does the year-end report explain the difference between the enacted level of funds intended to benefit directly the country’s most impoverished populations and the actual outcome?</p> <ul style="list-style-type: none"> <li>a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.</li> <li>c. Yes, some explanation is presented, but it lacks important details.</li> <li>d. No, an explanation is not presented, or such a report is not released.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The Year-End Report does not contain such assessments and explanations.</p> <p><b><u>Researcher Response to this Question was “d”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be “a.”</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer “d” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>d</p>
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<p>110. Does the year-end report present the actual outcome for extra-budgetary funds?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on the actual outcome for extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting key issues, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information is not presented on extra-budgetary funds, or such a report is not released.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u>  Extra-budgetary funds have their own reports. For example, the annual report of State Oil Fund. Link:  <a href="http://www.oilfund.az/pub/tiny_upload/fondbudce2008icra.htm">http://www.oilfund.az/pub/tiny_upload/fondbudce2008icra.htm</a></p> <p><u>Comment:</u></p> <p><b><u>Researcher Response to this Question was "c"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "a."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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<b>The Independence and Performance of the Supreme Audit Institution</b>	
<p>111. How long after the end of the fiscal year are the final annual expenditures of national departments audited and (except for secret programs) released to the public?</p> <ol style="list-style-type: none"> <li>a. Final audited accounts are released to the public six months or less after the end of the fiscal year.</li> <li>b. Final audited accounts are released 12 months or less (but more than six months) after the end of the fiscal year.</li> <li>c. Final audit accounts are released more than 12 months, but within 24 months of the end of the fiscal year.</li> <li>d. Final audited accounts are not completed within 24 months after the end of the fiscal year or they are not released to the public.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Audit Report of the Accounting Chamber regarding to draft budget law for 2009 (30.10.2008). <a href="http://www.ach.gov.az/?/az/content/319/">http://www.ach.gov.az/?/az/content/319/</a></p> <p><u>Comment:</u> The Accounting Chamber published on its website only one evaluation report to the draft budget law for 2009. Reassessments of the evaluation reports have changed our approach to that document. Although it has some shortcomings, we can consider this as an audit report.</p> <p><b><u>Researcher Response to this Question was "b"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "a."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	b

112. Two years after the completion of a fiscal year, what percentage of annual expenditures has been audited and (except for secret programs) the report(s) released to the public?

- a. All expenditures have been audited and the reports released to the public.
- b. Expenditures representing at least two-thirds of, but not all, expenditure have been audited.
- c. Expenditure representing less than two-thirds of expenditure have been audited.
- d. No expenditures have been audited, the reports have not been released to the public, or was released more than 24 months after the end of the fiscal year.
- e. Not applicable/other (please comment).

Citation:

<http://www.ach.gov.az/?/az/content/319/>

Comment:

Significant part of the expenditure has been audited, but results have not been released timely.

b

**Researcher Response to this Question was "b"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "c."

**IBP Comment:** IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

<p>113. Does the annual audit report(s) that is released to the public include an executive summary?</p> <ul style="list-style-type: none"> <li>a. The annual audit report(s) includes one or more executive summaries summarizing the report's content.</li> <li>b. No, the audit report(s) does not include an executive summary, or such reports are not released to the public, or was released more than 24 months after the end of the fiscal year.</li> <li>c. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u>  <a href="http://www.ach.gov.az/?/az/content/319/">http://www.ach.gov.az/?/az/content/319/</a>  <a href="http://www.ach.gov.az/files/uploader/Sayt_HP_hes_2008_son.pdf">http://www.ach.gov.az/files/uploader/Sayt_HP_hes_2008_son.pdf</a></p> <p><u>Comment:</u>  The Audit Report of the Accounting Chamber regarding to draft budget law for 2009 contains an executive summary.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher's answer.</p>	a
<p>114. 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?</p> <ul style="list-style-type: none"> <li>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 they are removed.</li> <li>b. No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature.</li> <li>c. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u>  According to the Law of the Azerbaijan Republic on Accounting Chamber, the head of the Accounting Chamber may only be removed by the Speaker. There has not been an instance nor has it been established in law whether (and how) the head of the SAI may be removed from office, apart from health reasons.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher's answer.</p>	a

<p>115. Does the Supreme Audit Institution release to the public audits of extra-budgetary funds?</p> <ul style="list-style-type: none"> <li>a. Yes, the SAI releases to the public audits of all extra-budgetary funds.</li> <li>b. Yes, the SAI releases audits representing at least two-thirds of, but not all, extra-budgetary funds.</li> <li>c. Yes, the SAI releases audits representing less than two-thirds of all extra-budgetary funds.</li> <li>d. No, the SAI does not release to the public audits of extra-budgetary funds, or it does not audit such funds, or such a report was released more than 24 months after the end of the fiscal year.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Audits of extra-budgetary funds are not released to the public. But the budget of State Oil Fund is audited by an independent audit company within EITI requirements.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher’s answer.</p>	<p>d</p>
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116. Beyond the established year-end attestation audits, does the Supreme Audit Institution (SAI) have *the discretion in law* to undertake those audits it may wish to?

- a. The SAI has full discretion to decide which audits it wishes to undertake.
- b. The SAI has significant discretion, but faces some limitations.
- c. The SAI has some discretion, but faces considerable limitations.
- d. The SAI has no discretion to decide which audits it wishes to undertake.
- e. Not applicable/other (please comment).

Citation:

Comment:

The Accounting Chamber is only authorized to undertake audits that are permitted by the Law of the Azerbaijan Republic on Accounting Chamber.

**Researcher Response to this Question was "d"**

**Peer Reviewer One Comment:** A more appropriate response to this question would be "c." According to the amendments made to the Law of the Republic of Azerbaijan "On Counting Chamber" in 2008 ([http://www.ach.gov.az/files/uploader/Sayt\\_HP\\_hes\\_2008\\_son.pdf](http://www.ach.gov.az/files/uploader/Sayt_HP_hes_2008_son.pdf)), the Chamber has been delegated with a number of vast authorities. But these are not sufficient.

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "b."

**Researcher Response:** I retain my view that "d" is the most appropriate answer, because amendments made to the Law of the Republic of Azerbaijan "On Counting Chamber" in 2008 do not reflect a clause on discretion to decide which audits the Chamber wishes to undertake.

**IBP Comment:** IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

d

117. Who determines the budget of the Supreme Audit Institution?

- a. 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.
- b. The budget of the SAI is determined by the executive, and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.
- c. The budget of the SAI is determined by the legislature or judiciary (or some independent body), but the funding level is not consistent with the resources the SAI needs to fulfill its mandate.
- d. The budget of the SAI is determined by the executive, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate.
- e. Not applicable/other (please comment).

Citation:

Comment:

The SAI creates its own budget in accordance with the Accounting Law of the Azerbaijan Republic on Accounting Chamber; the budget is then approved by Parliament. But in practice, the Finance Ministry creates a de facto budget for the Accounting Chamber, which it must adopt.

d

**Researcher Response to this Question was "d"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "a." The budget of Chamber of Accounts of Azerbaijan Republic is approved by Parliament.

**IBP Comment:** IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

118. Does the Supreme Audit Institution employ designated staff for undertaking audits of the central government agencies pertaining to the security sector (military, police, intelligence services)?

- a. The SAI employs designated staff, and the staffing levels are broadly consistent with the resources the SAI needs to fulfill its mandate.
- b. The SAI employs designated staff, but the staffing levels are a cause of some constraints to the SAI in fulfilling its mandate.
- c. The SAI employs designated staff, but the staffing levels pose a significant constraint on the SAI in fulfilling its mandate.
- d. The SAI does not employ designated staff for auditing of the security sector, or does not undertake audits of the security sector.
- e. Not applicable/other (please comment).

Citation:

Comment:

The security sector has no accountability and is out of any auditing process.

**Researcher Response to this Question was "d"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "b."

**IBP Comment:** IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

d

119. Does the Supreme Audit Institution maintain formal mechanisms of communication with the public to receive complaints and suggestions to assist it in determining its audit program (that is, to identify the agencies, programs, or projects it will audit)?

- a. Yes, the SAI maintains mechanisms of communication with the public, and received more than 100 communications from the public during the past year.
- b. Yes, the SAI maintains mechanisms of communication with the public, and received less than 100 but more than ten communications from the public during the past year.
- c. Yes, the SAI maintains mechanisms of communication with the public but it receives very little (less than ten) or no information from the public on potential subjects for audit.
- d. No, the SAI does not maintain any formal mechanisms of communication with the public.
- e. Not applicable.

Citation:

Comment:

As reported by the Counting Chamber of the Republic of Azerbaijan on activity in 2008 ([http://www.ach.gov.az/files/uploader/Sayt\\_HP\\_hes\\_2008\\_son.pdf](http://www.ach.gov.az/files/uploader/Sayt_HP_hes_2008_son.pdf)), the Chamber received 1631 requests (papers) in the year. Of these, 188 were filed by foreign organizations and 26-private and non-government entities.

**Researcher Response to this Question was "d"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "c."

**IBP Comment:** IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

C

<p>120. Does a committee of the legislature view and scrutinize the audit reports?</p> <ol style="list-style-type: none"> <li>Yes, all audit reports are scrutinized.</li> <li>Yes, most audit reports are scrutinized.</li> <li>Yes, some audit reports are scrutinized.</li> <li>No, audit reports are not scrutinized.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u></p> <p><b><u>Researcher Response to this Question was "d"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "c."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	d
<p>121. 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?</p> <ol style="list-style-type: none"> <li>Yes, the executive reports publicly on what steps it has taken to address audit findings.</li> <li>Yes, the executive reports publicly on most audit findings.</li> <li>Yes, the executive reports publicly on some audit findings.</li> <li>No, the executive does not report on steps it has taken to address audit findings.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> No such practice exists, and no such responsibility is delineated by the Law of the Azerbaijan Republic on the budgetary system.</p> <p><b><u>Researcher Response to this Question was "d"</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> A more appropriate response to this question would be "c."</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	d

<p>122. Does either the Supreme Audit Institution or the legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?</p> <ul style="list-style-type: none"><li>a. Yes, a comprehensive report is released regularly that tracks actions taken by the executive to address audit recommendations.</li><li>b. Yes, a report is released, covering key audit recommendations, but some details are excluded.</li><li>c. Yes, a report is released, but it lacks important details.</li><li>d. No, a report is not produced or it is prepared for internal purposes only (please specify).</li><li>e. Not applicable/other (please comment).</li></ul> <p><u>Citation:</u></p> <p><u>Comment:</u> No such practice exists, and no such responsibility is delineated by the Law of the Azerbaijan Republic on the Accounting Chamber.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Government Comment:</u></b> Government did not dispute researcher’s answer.</p>	<p>d</p>
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123. Are audit reports of the annual accounts of the security sector (military, police, intelligence services) and other secret programs provided to the legislature (or relevant committee)?

- a. Yes, legislators are provided with detailed audit reports related to the security sector and other secret programs.
- b. Yes, legislators are provided audit reports on secret items, but some details are excluded.
- c. Yes, legislators are provided audit reports on secret items, but they lack important details.
- d. No, legislators are not provided audit reports on secret items, or secret programs are not audited (please specify).
- e. Not applicable/other (please comment).

Citation:

Comment:

Generally, there is little information concerning the budget of the security sector.

d

**Researcher Response to this Question was "d"**

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

**Government Comment:** A more appropriate response to this question would be "b."

**IBP Comment:** IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

## Government Comments: Section One

**Table 1. Budget Year of Documents Used in Completing the Questionnaire**

<b>Budget Documents Used in Completing the Questionnaire</b>	
	Budget Year Used
Pre-Budget Statement	Not Available <b><u>Government Comment:</u></b> 2009, 2010
Budget Summary	2009
Executive's Budget Proposal	2009
Supporting Budget Documents	2009
Citizens Budget	Not Available <b><u>Government Comment:</u></b> periodically
Enacted Budget	2009
In-Year Reports	2008/2009
Mid-Year Report	2008
Year-End Report	2007/2008
Audit Report	2008/2009 (Report of the Accounting Chamber)



**Table 2. Key Budget Documents Used: Full Titles and Internet Links**

Budget Document	Full Title, Date, and Internet Link
Pre-Budget Statement	<p>Not produced as a separate document</p> <p><b>Government Comment:</b> Regarding to the item 12 of "Budget system law" law on state budget and explanation to this law, main directions of fiscal policy, socio-economic concept of country, draft budget on para level, public investment program and other documents are submitted with draft state budget to Parliament. The main direction of policy on revenue, expenditure and deficit for next year is described in the direction of fiscal policy.</p> <p>At the same time regarding to the item 14 of Law several documents, including law on state budget for next year are published and posted on official web site of Ministry of Finance.</p>
Budget Summary	<p>Speech by President and Ministry of Finance in general assembly of government at 16.01.2009.  <a href="http://www.azerbaijan-news.az/index.php?Lng=aze&amp;year=2009&amp;Pid=367">http://www.azerbaijan-news.az/index.php?Lng=aze&amp;year=2009&amp;Pid=367</a></p> <p><b>Government Comment:</b> Regarding to the item 12 of "Budget system law" in the document included to budget package wide explanation and comment on functional, economic and administrative classification are given, which allow to have information on state budget</p>
Executive's Budget Proposal	<p>Draft budget law for 2009 (extraction from proposal) (06.11.2008).  <a href="http://www.xalqqazeti.com/public/print.php?lngs=aze&amp;ids=22490">http://www.xalqqazeti.com/public/print.php?lngs=aze&amp;ids=22490</a></p> <p>This document (only short version is inputted to the web-site of the official newspaper) comprises economic, functional and administrative classification of the budget incomes and expenditures, funding of the state debt and budget deficit.</p>
Budget Document One in Support of the Executive's Budget Proposal	<p>Government deliveries 16 supporting documents to the parliament at the same time with main budget proposal: budget forecasts for the next three years, main dimension of the fiscal policy, draft budget laws on the extrabudgetary funds, general financial balance of the country, proposed structure of the consolidated budget etc. But almost all these documents are accessible in hardcopy/paper version. Only budget law (2009) on State Social Protection Fund as a extrabudgetary fund is disposed to the suitable web-site:  <a href="http://www.sspf.gov.az/press_2008.aspx">http://www.sspf.gov.az/press_2008.aspx</a>            (30.11.2009).</p>
Budget Document Two in Support of the Executive's Budget Proposal	<p>Presidential decree on implementation of the budget law for 2009. (10.12.2008).</p>

	<a href="http://www.anfes.gov.az/qanun/files/2009DB.html">http://www.anfes.gov.az/qanun/files/2009DB.html</a> (enacted after budget law and published for broad public)
Budget Document Three in Support of the Executive's Budget Proposal	Not Available  <b>Government Comment:</b> Socio-economic concept and forecast indicators <a href="http://www.economy.gov.az">www.economy.gov.az</a>
Citizens Budget	Not Produced by Government (but civil society organizations do this work)  <b>Government Comment:</b> It's not required by legislation preparation of Citizens Budget by government. But indicators of state budget are published in official and other mass media. At the same time representatives of leading media organization are invited to Parliament's discussion process of state budget. Along with this discussions on state TV take place with the representatives of leading government agencies, such as Ministry of Finance, Ministry of Economic Development, Ministry of Taxes, State Customs Committee, State Oil fund, State Protection fund, as well as Economic policy and other committees of Parliament where broad information about state budget indicators are given to public. Information about budget are posted on official web site of Ministry of Finance and are published on "Finance and Accounting" (Maliyyə və uçot") journal. At the same time several non-government organizations, such as National Budget Group, Center of Economic Research organize discussion on state budget and the booklet on different sections of functional classification of state budget are produced by them.
Enacted Budget	Budget law for 2009 (enacted, and different from budget proposal). (25.11.2008). <a href="http://www.oilfund.az/az/content/12/169">http://www.oilfund.az/az/content/12/169</a>
In-Year Reports	<a href="http://maliyye.gov.az/store/1/2009m.xls">http://maliyye.gov.az/store/1/2009m.xls</a>

Mid-Year Review	<p>- Budget implementation report (expenditures and revenues) for first 6 month of the 2008 in comparison with same period of the 2009 (June/July 2009):  <a href="http://maliyye.gov.az/store/1/funk_taza_SAYT_2009_6_copy.xls">http://maliyye.gov.az/store/1/funk_taza_SAYT_2009_6_copy.xls</a>  <a href="http://maliyye.gov.az/store/1/funk_taza_SAYT_2009_6.xls">http://maliyye.gov.az/store/1/funk_taza_SAYT_2009_6.xls</a></p> <p>Notwithstanding that these reports don't meet international requirements on mid-year report (because there is not (i) debt estimation and actual debt figures, (ii) and necessary recalculation for the remaining six month) quite we can consider these.</p> <p><b>Government Comment:</b> It's not required by Azerbaijan legislation including of debt estimation and recalculation for remaining months to report. Information on state budget is posted on official web site of Ministry of Finance.</p>
Year-End Report	<p>Report on implementation of the 2007 annual budget (May 2008).  <a href="http://maliyye.gov.az/store/1/04.02.08MM_hesabat_illik.pdf">http://maliyye.gov.az/store/1/04.02.08MM_hesabat_illik.pdf</a></p> <p>Report on implementation of the 2008 annual budget (25.06.2009)  <a href="http://www.respublica.news.az/2009/06/25/5978/">http://www.respublica.news.az/2009/06/25/5978/</a></p> <p>Notwithstanding that it doesn't meet international requirements on year-end report (because, it is not very detailed) quite we can consider this as an annual report.</p>
Audit Report	<p>Audit Report of the Accounting Chamber regarding to implementation of the 2008 budget (18.05.2009).  <a href="http://www.ach.gov.az/index.php?/az/content/318">http://www.ach.gov.az/index.php?/az/content/318</a></p> <p>Audit Report of the Accounting Chamber regarding to draft budget law for 2009 (30.10.2008).  <a href="http://www.ach.gov.az/?/az/content/319/">http://www.ach.gov.az/?/az/content/319/</a></p>
Other Documents	<p><a href="http://maliyye.gov.az/">http://maliyye.gov.az/</a>  <a href="http://www.taxes.gov.az/?name=statistika&amp;lang=">http://www.taxes.gov.az/?name=statistika&amp;lang=</a>  <a href="http://www.xalqqazeti.com/index.php?lngs=aze&amp;cats=1&amp;ids=30442&amp;lng=aze">http://www.xalqqazeti.com/index.php?lngs=aze&amp;cats=1&amp;ids=30442&amp;lng=aze</a></p>
Relevant Ministries & Departments	Ministry of Finance, Ministry of Taxes

**Table 3. Distribution of Documents Related to the Executive's Budget Proposal**

<b>DISTRIBUTION OF BUDGET DOCUMENTS</b>						
	Pre-budget	Executive's Budget Proposal				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
A. Not produced, even for internal purposes	Yes					Yes
B. Produced for internal purposes, but not available to the public						
C. Produced and available to the public, but only on request				Yes	Yes	
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)	<b>GC:</b> Yes	Yes	Yes			<b>GC:</b> Yes
<b><i>For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them?</i></b>						
	Pre-budget	Executive's Budget Proposal				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
1. The release date is known at least one month in advance	NA <b>GC:</b> Yes	No <b>GC:</b> Yes	No <b>GC:</b> Yes	No <b>GC:</b> Yes	No <b>GC:</b> Yes	NA <b>GC:</b> Yes
2. Advance notification of release is sent to users, media	NA <b>GC:</b> Yes	No <b>GC:</b> Yes	No <b>GC:</b> Yes	No <b>GC:</b> Yes	No <b>GC:</b> Yes	NA <b>GC:</b> Yes
3. Released to public same day as official release to media	NA <b>GC:</b> Yes	No <b>GC:</b> Yes	No <b>GC:</b> Yes	No <b>GC:</b> Yes	No <b>GC:</b> Yes	NA <b>GC:</b> Yes
4. Available on the Internet free of charge	NA <b>GC:</b> Yes	Yes <b>GC:</b> Yes	Yes <b>GC:</b> Yes	Yes <b>GC:</b> Yes	No <b>GC:</b> Yes	NA <b>GC:</b> Yes
5. Free print copies available, limited distribution	NA <b>GC:</b> Yes	Yes <b>GC:</b> Yes	No <b>GC:</b> Yes	Yes <b>GC:</b> Yes	Yes <b>GC:</b> Yes	NA <b>GC:</b> Yes
6. Free print copies available, mass distribution	NA <b>GC:</b> Yes	Yes <b>GC:</b> Yes	Yes <b>GC:</b> Yes	No <b>GC:</b> Yes	No <b>GC:</b> Yes	NA <b>GC:</b> Yes
7. Readily available outside capital and/or big cities <sup>†</sup>	NA <b>GC:</b> Yes	Yes <b>GC:</b> Yes	Yes <b>GC:</b> Yes	Yes <b>GC:</b> Yes	Yes <b>GC:</b> Yes	NA <b>GC:</b> Yes
8. Written in more than one language	NA <b>GC:</b> Yes	Yes <b>GC:</b> Yes	Yes <b>GC:</b> Yes	No <b>GC:</b> Yes	No <b>GC:</b> Yes	NA <b>GC:</b> Yes
9. News conference is held to discuss release	NA <b>GC:</b> Yes	No <b>GC:</b> Yes	No <b>GC:</b> Yes	No <b>GC:</b> Yes	No <b>GC:</b> Yes	NA <b>GC:</b> Yes

\*A budget summary should be a stand-alone document, which could include a budget speech or a separately published executive summary.

<sup>†</sup>Mark "Yes" if access by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.

**GC:** Government Comment

**Table 4. Distribution of the Enacted Budget and Other Reports**

<b>DISTRIBUTION OF ENACTED BUDGET AND OTHER REPORTS</b>					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
A. Not produced, even for internal purposes					
B. Produced for internal purposes, but not available to the public					
C. Produced and available to the public, but only on request		Yes			
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)	Yes	<u>GC</u> : Yes	Yes	Yes	Yes
<b><i>For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them?</i></b>					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
1. The release date is known at least one month in advance	No <u>GC</u> : Yes	No <u>GC</u> : Yes	No <u>GC</u> : Yes	No <u>GC</u> : Yes	No <u>GC</u> : Yes
2. Advance notification of release sent to users, media	No <u>GC</u> : Yes	No <u>GC</u> : Yes	No <u>GC</u> : Yes	No <u>GC</u> : Yes	No <u>GC</u> : Yes
3. Released to public same day as official release to media	No <u>GC</u> : Yes	No <u>GC</u> : Yes	No <u>GC</u> : Yes	No <u>GC</u> : Yes	No <u>GC</u> : Yes
4. Available on the Internet free of charge	Yes <u>GC</u> : Yes	Yes <u>GC</u> : Yes	Yes <u>GC</u> : Yes	Yes <u>GC</u> : Yes	Yes <u>GC</u> : Yes
5. Free print copies available, limited distribution	No <u>GC</u> : Yes	No <u>GC</u> : Yes	Yes <u>GC</u> : Yes	No <u>GC</u> : Yes	Yes <u>GC</u> : Yes
6. Free print copies available, mass distribution	Yes <u>GC</u> : Yes	No <u>GC</u> : Yes	No <u>GC</u> : Yes	Yes <u>GC</u> : Yes	No <u>GC</u> : Yes
7. Readily available outside capital/big cities <sup>+</sup>	Yes <u>GC</u> : Yes	Yes <u>GC</u> : Yes	Yes <u>GC</u> : Yes	Yes <u>GC</u> : Yes	Yes <u>GC</u> : Yes
8. Written in more than one language	No <u>GC</u> : Yes	No <u>GC</u> : Yes	No <u>GC</u> : Yes	Yes <u>GC</u> : Yes	No <u>GC</u> : Yes
9. News conference is held to discuss release	No <u>GC</u> : Yes	No <u>GC</u> : Yes	No <u>GC</u> : Yes	Yes <u>GC</u> : Yes	No <u>GC</u> : Yes

<sup>+</sup>Mark "Yes" if access is available by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.

GC: Government Comment