

International Budget Partnership  
**OPEN BUDGET QUESTIONNAIRE**

# **AZERBAIJAN**

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# International Budget Partnership OPEN BUDGET QUESTIONNAIRE AZERBAIJAN

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

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

*Please indicate the budget year of the document used to complete the questionnaire. If the document is not available to the public, please state, "Not Available."*

<b>Budget Documents Used in Completing the Questionnaire</b>	
<i>As explained in the guide to the questionnaire, documents from a variety of fiscal years are referred to throughout the questionnaire. Please indicate below for which fiscal year responses to questions relating to each report or experience were based on.</i>	
	Budget Year Used
Pre-Budget Statement	Not Available
Budget Summary	2006/2007
Executive's Budget Proposal	2006/2007
Supporting Budget Documents	2006/2007
Citizens Budget	Not Available
Enacted Budget	2006/2007
In-Year Reports	Not Available
Mid-Year Report	2006/2007
Year-End Report	2005/2006
Audit Report	2006 (Report of the Accounting Chamber); Not publicly available

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

*Please provide the full title, date and Internet link for all documents to be cited in Sections 2 & 3.*

*If an Internet link is not available for the document, please indicate one of these three answers: “Not Produced,” “Produced but Not Available to the Public,” “Publicly Available, but Not on the Internet.”*

Budget Document	Full Title, Date, and Internet Link
Pre-Budget Statement	Not Produced
Budget Summary	<a href="http://www.maliyye.gov.az/download/dovlet_budcesi/qanun_2006.pdf">http://www.maliyye.gov.az/download/dovlet_budcesi/qanun_2006.pdf</a>
Executive’s Budget Proposal	<a href="http://www.xalqqazeti.com/index.php?lngs=aze&amp;cats=3&amp;ids=10707">http://www.xalqqazeti.com/index.php?lngs=aze&amp;cats=3&amp;ids=10707</a> <a href="http://www.maliyye.gov.az/download/news/01.06.2007_GANUN-2006.pdf">http://www.maliyye.gov.az/download/news/01.06.2007_GANUN-2006.pdf</a>
Budget Document One in Support of the Executive’s Budget Proposal	Publicly available, but Not on the Internet
Budget Document Two in Support of the Executive’s Budget Proposal	Publicly available, but Not on the Internet
Budget Document Three in Support of the Executive’s Budget Proposal	Publicly available, but Not on the Internet
Citizens Budget	Not Produced
Enacted Budget	<a href="http://www.xalqqazeti.com/index.php?lngs=aze&amp;cats=3&amp;ids=10707">http://www.xalqqazeti.com/index.php?lngs=aze&amp;cats=3&amp;ids=10707</a> <a href="http://www.maliyye.gov.az/download/dovlet_budcesi/qanun_2006.pdf">http://www.maliyye.gov.az/download/dovlet_budcesi/qanun_2006.pdf</a>
In-Year Reports	Produced, but Not Available to the Public
Mid-Year Review	Reference on the performance (operative) of the state budget during the six months of 2007, <a href="http://www.maliyye.gov.az/store/10/hesabat.pdf">www.maliyye.gov.az/store/10/hesabat.pdf</a>

Year-End Report	<a href="http://www.maliyye.gov.az/download/news/01.06.2007GANUN-2006.pdf">http://www.maliyye.gov.az/download/news/01.06.2007GANUN-2006.pdf</a>
Audit Report	Produced but not Available to the Public
Other Documents	Publicly available, but Not on the Internet
Relevant Ministries & Departments	Ministry of Finance <a href="http://www.maliyye.gov.az">http://www.maliyye.gov.az</a> Ministry of Taxes <a href="http://www.taxes.gov.az">http://www.taxes.gov.az</a> Ministry of Economic Development <a href="http://www.economy.gov.az">http://www.economy.gov.az</a>

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

<b>DISTRIBUTION OF BUDGET DOCUMENTS</b>						
<i>For the following reports, place “Yes” in the appropriate row below to indicate if the report is:</i>						
	Pre-budget	<b>Executive’s Budget Proposal</b>				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			
<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? For each characteristic, mark “Yes” if yes, “No” if no, or “NA” if Not Available.</i>						
	Pre-budget	<b>Executive’s Budget</b>				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
1. The release date is known at least one month in advance		No				
2. Advance notification of release is sent to users, media		No				
3. Released to public same day as official release to media		No				
4. Available on the Internet free of charge		Yes	Yes			
5. Free print copies available, limited distribution		Yes	Yes			
6. Free print copies available, mass distribution		No	Yes			
7. Readily available outside capital and/or big cities <sup>+</sup>		Yes	Yes			
8. Written in more than one language		Yes	Yes			
9. News conference is held to discuss release		No	No			

\*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.



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

<b>DISTRIBUTION OF ENACTED BUDGET AND OTHER REPORTS</b>					
<i>For the following reports, place a “Yes” in the appropriate row below to indicate if the report is:</i>					
	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		Yes			Yes
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	
<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? For each characteristic, mark “Yes” if yes, “No” if no, or “NA” if Not Available.</i>					
	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				
2. Advance notification of release sent to users, media	No				
3. Released to public same day as official release to media	No				
4. Available on the Internet free of charge	Yes	NA	Yes	Yes	
5. Free print copies available, limited distribution	Yes			Yes	
6. Free print copies available, mass distribution	No				
7. Readily available outside capital/big cities <sup>+</sup>	Yes		Yes	Yes	
8. Written in more than one language	Yes				
9. News conference is held to discuss release	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.

## 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

*Please mark your answer by placing the appropriate letter in the box to the right of the question. For all answers marked "not applicable/other," please provide a brief explanation indicating either why the answer choices provided are not applicable or why another response would be more appropriate.*

<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 2007" attached to Part I of the budget proposal for the year 2007.</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>	a
<p>2. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by functional classification?</p> <ol style="list-style-type: none"> <li>All expenditures are classified by functional classification, and the categorization is compatible with international standards.</li> <li>All expenditures are classified by functional classification, but the categorization is not compatible with international standards.</li> <li>Some, but not all, expenditures are classified by function.</li> <li>No expenditures classified by function 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 2007: budget expenditures," attached to Part I of the budget proposal for the year 2007.</p> <p><u>Comment:</u> 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.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b> The functional classification does not meet a number of international standards. The classification is prepared based on Commonwealth Independent States (CIS) standards.</p>	b

<p>3. Does the executive’s budget or any supporting budget documentation present expenditures for the budget year that are classified by economic classification?</p> <ul style="list-style-type: none"> <li>a. All expenditures are classified by economic classification, and the categorization is compatible with international standards.</li> <li>b. All expenditures are classified by economic classification, but the categorization is not compatible with international standards.</li> <li>c. Some, but not all, expenditures are classified by economic classification.</li> <li>d. No expenditures classified by economic classification are presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> Information can be found in the document entitled “Functional, Economic and Administrative Classification of the Public Budget for the Year 2007: budget expenditures,” attached to Part I of the budget proposal for the year 2007.</p> <p><u>Comment:</u> 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.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b> The right answer would be “c.” First, not all expenditure is classified by economic classification in the last budget years due to enormous increasing in the budget revenues. For instance, there is no almost economic classification for construction expenditures. According to the expert calculation about 40 per cent of budget expenditures are not classified by economic classification. Second, the economic classification does not meet a number of international standards. The classification is prepared based on Commonwealth Independent States (CIS) standards.</p> <p><b><u>Researcher Response:</u></b> There is economic classification for all categories but sub-elements are not completed. So, the right option is “b.”</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “b” to maintain the consistency of the data across the countries.</p>	<p>b</p>
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<p>4. Does the executive’s budget or any supporting budget documentation present expenditures for individual programs for the budget year?</p> <ul style="list-style-type: none"> <li>a. Program-level data are presented for all expenditures.</li> <li>b. Program-level data are presented for at least two-thirds of, but not all, expenditures.</li> <li>c. Program-level data are presented, but for less than two-thirds of expenditures.</li> <li>d. No program-level data are presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Programme expenditures are presented unsystematically.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b> The best answer would be “d.” Because in the budget packet it is very hard to realize what program expenditure are presented. Beside that no Program Classification is applied in Azerbaijan. According to the GoA, the program classification is scheduled to be applied in 3 years.</p> <p><b><u>Researcher Response:</u></b> There is some information on program classification. But I agree that we cannot consider this as a full program budgeting. So, in this case we can choice “d.”</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “d” 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>	d
<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> <ul style="list-style-type: none"> <li>a. Yes, multi-year estimates of aggregate expenditure are presented.</li> <li>b. No, multi-year estimates of aggregate expenditure are not presented.</li> <li>c. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Information can be found on the document entitled “The Azerbaijan Republic Social and Economic Development Conception and Forecast Indicators for 2007-2010” and "Total Financial Balance" attached to Part I of the budget proposal for the year 2007.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>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)?</p> <ul style="list-style-type: none"> <li>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).</li> <li>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.</li> <li>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.</li> <li>d. No, multi-year estimates are presented for aggregate expenditure only, or they are not presented at all.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Multi-year estimates are presented for the aggregate expenditure only.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d
<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 2007 classified by paragraphs of budget revenue classification,” attached to Part II of the budget proposal for the year 2007.</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>	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 2007 classified by paragraphs of budget revenue classification,” attached to Part II of the budget proposal for the year 2007.</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>	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> <ul style="list-style-type: none"> <li>a. Yes, multi-year estimates of aggregate revenue are presented.</li> <li>b. No, multi-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 page 86 of the document entitled “The Azerbaijan Republic Social and Economic Development Conception and Forecast Indicators for 2007-2010,” attached to Part I of the budget proposal for the year 2007.</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>	a

<p>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)?</p> <ul style="list-style-type: none"> <li>a. Yes, multi-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax).</li> <li>b. Yes, multi-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, multi-year estimates are presented, but only for some individual sources of revenue.</li> <li>d. No, multi-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></p> <p><u>Comment:</u> 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 organizations can have access to these documents but the public is not provided access.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>d</p>
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<p>11. Does the executive’s budget or any supporting budget documentation present data on the total government debt outstanding for the budget year?</p> <p>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).</p> <p>b. Yes, the data reflect the outstanding debt at the end of the budget year.</p> <p>c. Yes, the data reflect the outstanding debt at the start of the budget year.</p> <p>d. No, data on the outstanding debt are not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Information on outstanding debt can be found in the document entitled “State of Public Debt of the Azerbaijan Republic as of July 01 2006,” attached to Part II of the budget proposal for the year 2007.</p> <p><u>Comment:</u> In the budget proposal for 2007, 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.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b> A more appropriate response would be “b.” First, general information about total government debt is presented. Information can be found at Finance Documents of Statistic Committee. Second, the Ministry of Economic Development presented the amount of debt and how much will be paid to this direction for the budget year.</p> <p><b><u>Researcher Response:</u></b> There is information on government debt in Ministry of Finance’s web-site too. We appreciate this improvement.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “b” consistent with researcher comment.</p>	<p>b</p>
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<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 2007: Budget Expenditures,” attached to Part I of the budget proposal for the year 2007.</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>a</p>
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<p>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?</p> <p>a. Yes, extensive information related to the composition of government debt is presented.</p> <p>b. Yes, key additional information is presented, but some details are excluded.</p> <p>c. Yes, some additional information is presented, but it lacks important details.</p> <p>d. No, additional information related to the composition of government debt is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Information on that 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 2007 and “Functional, Economic and Administrative Classification of the Public Budget for the year 2007: Budget Expenditures.”</p> <p><u>Comment:</u> 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 but the currency denomination is covered in these documents.</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.” No, maturity of the debt and currency denomination are presented either in the budget or in any supporting documents.</p> <p><b><u>Researcher Response:</u></b> I agree with choice “c.”</p>	<p>C</p>
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<p>14. Does the executive’s budget or any supporting budget documentation present the macroeconomic forecast upon which the budget projections are based?</p> <ul style="list-style-type: none"> <li>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.</li> <li>b. Yes, the macroeconomic forecast is discussed and most of the key assumptions are stated explicitly, but some details are excluded.</li> <li>c. Yes, there is some discussion of the macroeconomic forecast (and/or the presentation of key assumptions), but it lacks important details.</li> <li>d. No, information related to the macroeconomic forecast is not presented.</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 2007-2010,” attached to Part I of the budget proposal for the year 2007.</p> <p><u>Comment:</u> Details such as unemployment rates and interest rates are not presented in the macroeconomic forecast.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b> The best answer would be “c.” Only few discussions are held on macroeconomic forecasts, no any information on some key assumptions such as unemployment rate.</p> <p><b><u>Researcher Response:</u></b> I mentioned lack of info about unemployment rate before. But we can choose “c.”</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>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 exist. But doesn’t show full highlights.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b> The appropriate response to this question would be “c.” As mentioned here, only little analysis is presented. Even no sensitivity analysis is done.</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 policy proposals’ impact on expenditure can be found in the document entitled “Draft Law of the Azerbaijan Republic on State Budget for the year 2007 and Explanation to that Law,” attached to Part I of the budget proposal for the year 2007.”</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>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>C</p>
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<p>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?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on the impact of policy proposals on revenues is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, information is presented, highlighting the impact of key policy proposals on revenues, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on the impact of policy proposals on revenues is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Information on that can be found in the document entitled “Draft Law of the Azerbaijan Republic on State Budget for the year 2007 and explanation to that law,” attached to Part I of the budget proposal for the year 2007.”</p> <p><u>Comment:</u> 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.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	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> <ol style="list-style-type: none"> <li>All expenditures are classified by administrative unit for BY-1.</li> <li>Expenditures are classified by administrative unit for BY-1, but some small units are not shown separately.</li> <li>Expenditures are classified by administrative unit for BY-1, but a significant number of units are not shown separately.</li> <li>No expenditures classified by administrative unit are presented for BY-1.</li> <li>Not applicable/other (please comment).</li> </ol> <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 2006, classified by functional, economic and administrative classification,” attached to Part III of the budget proposal for the year 2007.</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>	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?</p> <ul style="list-style-type: none"> <li>a. All expenditures are classified by functional classification for BY-1, and the categorization is compatible with international standards.</li> <li>b. All expenditures are classified by functional classification for BY-1, but the categorization is not compatible with international standards.</li> <li>c. Some, but not all, expenditures are classified by function for BY-1.</li> <li>d. No expenditures classified by function 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 2006, classified by functional, economic and administrative classification” attached to Part III of the budget proposal for the year 2007.</p> <p><u>Comment:</u> When the IMF’s Government Finance Statistics (GFS) was referenced, the functional classification shown in the budget proposal did not meet GFS’s requirements.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>b</p>
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<p>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?</p> <ul style="list-style-type: none"> <li>a. All expenditures are classified by economic classification for BY-1, and the categorization is compatible with international standards.</li> <li>b. All expenditures are classified by economic classification for BY-1, but the categorization is not compatible with international standards.</li> <li>c. Some, but not all, expenditures are classified by economic classification for BY-1.</li> <li>d. No expenditures classified by economic classification 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 2006, classified by functional, economic and administrative classification,” attached to Part III of the budget proposal for the year 2007.</p> <p><u>Comment:</u> When the IMF’s Government Finance Statistics (GFS) was referenced, the functional classification shown in the budget proposal did not meet GFS’s requirements.</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.” Not all expenditure is classified by economic classification and the economic classification does not meet a number of international standards. The classification is prepared based on Commonwealth Independent States (CIS) standards.</p> <p><b><u>Researcher Response:</u></b> The more appropriate response should be “b.”</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>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)?</p> <ul style="list-style-type: none"> <li>a. Program-level expenditure data are presented for all expenditures for BY-1.</li> <li>b. Program-level expenditure data are presented for at least two-thirds of, but not all, expenditures for BY-1.</li> <li>c. Program-level expenditure data are presented, but for less than two-thirds of expenditures for BY-1.</li> <li>d. No program-level expenditure data are presented for BY-1.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Expenditures are mainly classified by functional, administrative and economic classification. There is only small part classification by program level.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b> The right answer would be “d.” 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 GoA does not apply program-level expenditure classification, yet.</p> <p><b><u>Researcher Response:</u></b> We can choose “d” regarding question 4.</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>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> <ul style="list-style-type: none"> <li>a. All BY-1 estimates have been updated from the original enacted levels to reflect six or more months of actual expenditure.</li> <li>b. All BY-1 estimates have been updated from the original enacted levels, but reflect less than six months of actual expenditure.</li> <li>c. Some BY-1 estimates have been updated from the original enacted levels to reflect actual expenditure.</li> <li>d. The BY-1 estimates have not been updated from the original enacted levels, 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 2006,” attached to Part II of the budget proposal for the year 2007.</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>	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> <ul style="list-style-type: none"> <li>a. Yes, such prior-year estimates of aggregate expenditure are presented.</li> <li>b. No, such prior-year estimates of aggregate expenditure are not presented.</li> <li>c. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> Information can be found on page 86 of the document entitled “The Azerbaijan Republic Social and Economic Development Conception and Forecast Indicators for 2007-2010,” attached to Part I of the budget proposal for the year 2007.</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>	a

<p>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)?</p> <ol style="list-style-type: none"> <li>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).</li> <li>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.</li> <li>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.</li> <li>No, such prior-year estimates are presented for aggregate expenditure only, or they are not presented at all.</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 2005-2007,” attached to Part III of the budget proposal for the year 2007.</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>	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 2007-2010,” attached to Part I of the budget proposal for the year 2007.</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>	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> <ul style="list-style-type: none"> <li>a. Yes, prior-year data are always adjusted to be comparable to the budget year data.</li> <li>b. Yes, in most cases, prior-year data are adjusted to be comparable.</li> <li>c. 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>d. No, prior-year data are not adjusted to be comparable, or no prior-year 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 “Comparative Table of the Indicators of Public Budgets for years 2005-2007,” attached to Part III of the budget proposal for the year 2007.</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>	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 2005-2007,” attached to Part III of the budget proposal for the year 2007.</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>	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 2005-2007,” attached to Part III of the budget proposal for the year 2007.</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>	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 2006,” attached to Part II of the budget proposal for the year 2007.</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>	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> <p>a. Yes, such prior-year estimates of aggregate revenue are presented.  b. No, such prior-year estimates of aggregate revenue 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 2007-2010,” attached to Part I of the budget proposal for the year 2007.</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>	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> <p>a. Yes, such prior-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax).  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.  c. Yes, such prior-year estimates are presented, but only for some individual sources of revenue.  d. No, such prior-year estimates are presented for aggregate revenue only, or they are not presented at all.  e. Not applicable/other (please comment).</p> <p><u>Citation:</u>  Information can be found in the document entitled “Comparative Table of the Indicators of Public Budgets for years 2007-2010,” attached to Part III of the budget proposal for the year 2007.</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>	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> <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 revenues 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 2007-2010,” attached to Part I of the budget proposal for the year 2007.</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>	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> <ol style="list-style-type: none"> <li>Yes, extensive information is presented on the level and composition of government debt for the year preceding the budget year.</li> <li>Yes, information on the level of debt is presented, but some important details about the composition of the debt are excluded.</li> <li>Yes, but only information on the level of debt is presented.</li> <li>No, information related to the government debt for BY-1 is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <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 2006,” attached to Part I of the budget proposal for the year 2007.</p> <p><u>Comment:</u> This information does not provide any figures on how much the government is planning to borrow and how much of the debt is to be repaid. The budget does not present a complete picture of the government debt for the year preceding the current budget year.</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 “b.” When the budget is submitted to the Parliament, the Ministry of Economic Development discloses this information.</p> <p><b><u>Researcher Response:</u></b> I agree with choice “b.”</p>	b



<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 2005-2007,” attached to Part III of the budget proposal for the year 2007.</p> <p><u>Comment:</u> Since this question is about outcomes, we can say that such figures are presented in the document mentioned above. The budget proposal for every year contains information on public debt for the first three quarters of the current year. For example, in budget proposal for 2007, public debt is presented for the January-September 2006 period. No information on forthcoming borrowings and payments is presented to calculate the amount of the debt as on the end of the current year (on the beginning of the new budget year). So we can say that there are no actual outcomes for any of previous years.</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.” information before BY-3 can be found in the supporting documents presented by Ministry of Finance.</p> <p><b><u>Researcher Response:</u></b> You can find suitable information only for before BY-3.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “c” 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>	<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>a. Yes, extensive information on extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting key extra-budgetary funds, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on extra-budgetary funds is not presented.</li> <li>e. 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 2007,” attached to Part IV of the budget proposal for the year 2007. 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 2007-2010,” attached to Part I of the budget proposal for the year 2007.</p> <p><u>Comment:</u>  Only general figures are presented. For instance, transfers from state budget to State Social Protection Fund are generally shown, but no information regarding where and how they will be spent is provided.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “b.” Before only general figures were presented. Now information about on extra-budgetary funds, especially State Oil Fund can be obtained even on the internet. Only some details are excluded</p> <p><u>Researcher Response:</u> I agree with choice “b.”</p>	b

<p>36. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on intergovernmental transfers?</p> <ol style="list-style-type: none"> <li>a. Yes, extensive information on intergovernmental transfers is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting key intergovernmental transfers, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on intergovernmental transfers is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> 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 2007 and explanation to that law,” attached to Part I of the budget proposal for the year 2007.</p> <p><u>Comment:</u> This information reflects transfers to local and regional governments and contains only aggregate figures without any details.</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 “b.” Although some details are excluded bit information is presented on the draft law on state budget for each budget year.</p> <p><b><u>Researcher Response:</u></b> I decide to keep my answer, “c.”</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>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 2007 and Explanation to that law,” attached to Part I of the budget proposal for the year 2007.” But this information does not contain important details.</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> A more appropriate response to this question would be “b.” Information is presented in the draft law on the state budget, only some details are excluded.</p> <p><b><u>Researcher Response:</u></b> There are huge shortcomings in this direction. Only “c” is a suitable option.</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> <ul style="list-style-type: none"> <li>a. Yes, extensive information on quasi-fiscal activities is presented, including both a narrative discussion and, where possible, quantitative estimates.</li> <li>b. Yes, information is presented, highlighting key quasi-fiscal activities, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on quasi-fiscal activities 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 “Aggregated Budget of the Azerbaijan Republic for years 2007-2010,” attached to Part II of the budget proposal for the year 2007.</p> <p><u>Comment:</u> There is data on quasi-fiscal subsidies granted to the energy sector in this document. 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>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></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> <ol style="list-style-type: none"> <li>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>Yes, information is presented, highlighting key information, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on financial assets 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 budget documentation.</p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “c.” Article 2 of the Law of the Republic of Azerbaijan on State Budget for 2007 presents information on the revenues from state financial assets and credits lent.</p> <p><b><u>Peer Reviewer Two Comment:</u></b> A more appropriate response to this question would be “c.” The National Bank and Ministry of Finance submit some information when the budget project is discussed at the Parliament.</p> <p><b><u>Researcher Response:</u></b> I agree with choice “c.”</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> <ol style="list-style-type: none"> <li>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>Yes, information is presented, highlighting key information, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on non-financial assets is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></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> The National Bank and Ministry of Finance submit some information when the budget project is discussed at the Parliament.</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 budget documentation.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>d</p>
<p>42. Does the executive’s budget or any supporting budget documentation present information on contingent liabilities (such as government loan guarantees)?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on contingent liabilities is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting key contingent liabilities, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on contingent liabilities 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 budget documentation.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>d</p>

<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 budget documentation.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d
<p>44. Does the executive’s budget or any supporting budget documentation provide details on the sources of donor assistance, both financial and in-kind?</p> <ol style="list-style-type: none"> <li>All sources of donor assistance are identified individually.</li> <li>At least two-thirds of, but not all, sources of donor assistance, are identified individually.</li> <li>Less than two-thirds of sources of donor assistance are identified individually.</li> <li>No sources of donor assistance are identified individually.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The State budget reflects only EU grants.</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 “b.” In spite of the fact that not all sources are stated in the budget packet, there is special grant paragraph in the packet.</p> <p><b><u>Researcher Response:</u></b> The Executive’s budget or any supporting budget documentation provides details on the sources of donor assistance, both financial and in-kind. But only less than two-thirds of sources of donor assistance are identified individually.</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>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 budget documentation.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></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> There is no such information in the budget documentation.</p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “c.” Article 3 of the Law of the Republic of Azerbaijan on State Budget for 2007 separately indicates the revenues on Budgetary Fund dedicated to “Motorways.”</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Researcher Response:</u></b> I agree with choice “c.”</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> <ul 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> </ul> <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>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></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>a. 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>b. Yes, information is presented, highlighting the link between major policy goals and the budget, 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 is not presented.</li> <li>e. 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 2007 and explanation to that law,” attached to Part I budget proposal for the year 2007.</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>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 “d.” Because, none the executive’s budget or any supporting budget documentation explain how the proposal budget is linked to the government’s policy goals. Only general words are presented and no links/or deeper explain is provided.</p> <p><b><u>Researcher Response:</u></b> I retain my answer “c.” Of course these are general words on link. But it exists.</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 are some fragmentar informations.</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 “d.” No any explanatory links between proposed budget and GoA’s policy goals. Only common words are presented.</p> <p><b><u>Researcher Response:</u></b> I retain my answer “c.”</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> <ol style="list-style-type: none"> <li>Non-financial data are presented for all programs.</li> <li>Non-financial data are presented for programs representing at least two-thirds of, but not all, expenditures.</li> <li>Non-financial data are presented for programs representing less than two-thirds of expenditure.</li> <li>No non-financial data are presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Information on that can be found in the document entitled “Draft Law of the Azerbaijan Republic on State Budget for the year 2007 and explanation to that law,” attached to Part I budget proposal for the year 2007.</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> A more appropriate response to this question would be “d.” Both the budget document and any supporting documents have never presented number of beneficiaries for the expenditure programs.</p> <p><b><u>Researcher Response:</u></b> I agree with choice “d.”</p>	d
<p>51. Are the non-financial data presented useful for assessing how an expenditure program is performing?</p> <ol style="list-style-type: none"> <li>The non-financial data are very useful for assessing program performance.</li> <li>The non-financial data are mostly useful for assessing program performance.</li> <li>The non-financial data are somewhat useful for assessing program performance.</li> <li>No non-financial data are provided or they are not useful for assessing program performance.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Information on that can be found in the document entitled “Draft Law of the Azerbaijan Republic on State Budget for the year 2007 and explanation to that law,” attached to Part I of the budget proposal for the year 2007.</p> <p><u>Comment:</u> There are figures regarding indicating the number of people that are going to benefit from increasing expenses on salary, pensions power reducing, etc. The figures do not indicate how the expenditure program is performing in terms of true impact on the quality of life.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d

<p>52. Does the executive’s budget or any supporting budget documentation contain performance indicators for expenditure programs?</p> <ul style="list-style-type: none"> <li>a. Performance indicators are presented for all programs.</li> <li>b. Performance indicators are presented for programs representing at least two-thirds of, but not all, expenditures.</li> <li>c. Performance indicators are presented for programs representing less than two-thirds of expenditures.</li> <li>d. No performance indicators 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 budget documentation.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></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> <ul style="list-style-type: none"> <li>a. All performance indicators are well designed.</li> <li>b. Most performance indicators are well designed.</li> <li>c. Some performance indicators are well designed, but most are not.</li> <li>d. No programs have performance indicators, or they are not well designed.</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 budget documentation.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d

<p>54. Are performance indicators used in conjunction with performance targets presented in the executive’s budget or any supporting budget documentation?</p> <ol style="list-style-type: none"> <li>All performance indicators are used in conjunction with performance targets.</li> <li>Most performance indicators are used in conjunction with performance targets.</li> <li>Some performance indicators are used in conjunction with performance targets, but most are not.</li> <li>No performance indicators are used in conjunction with performance targets.</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 budget documentation.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d
<p>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?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on policies intended to alleviate poverty is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, information is presented, highlighting the impact of key policies intended to alleviate poverty, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on policies intended to alleviate poverty is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Information on policies can be found in the document entitled “Draft Law of the Azerbaijan Republic on State Budget for the year 2007 and explanation to that law,” attached to Part I of the budget proposal for the year 2007.</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> A more appropriate response to this question would be “d.” No information about for instance on policies are intended to benefit directly the country’s most impoverished populations are presented in any documents.</p> <p><b><u>Researcher Response:</u></b> I retain my answer “c.”</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

<b>Additional Key Information for Budget Analysis &amp; Monitoring</b>	
<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>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>Yes, extensive information on tax rates, fees, royalties and other revenues sources is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, information is presented, highlighting the rates and fees for major revenue sources, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information is not presented.</li> <li>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 web site: <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>	a
<p>57. Does the executive make available to the public an analysis of the distribution of the tax burden?</p> <ol style="list-style-type: none"> <li>Yes, a detailed analysis of the distribution of the tax burden is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, an analysis is presented, highlighting key aspects of the distribution, but some details are excluded.</li> <li>Yes, some analysis is presented, but it lacks important details.</li> <li>No analysis on the distribution of the tax burden is presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> This information is not available.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d



<p>58. Does the executive make available to the public an explanation of the conditions associated with assistance from international financial institutions (IFI)?</p> <ul style="list-style-type: none"> <li>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.</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 IFI assistance is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> There is information about only assistance from EU in budget documentation.</p> <p><b><u>Researcher’s 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 the GoA never presents all conditions of such assistances, no any regular responsibility for the government to do it. There is not all time public access to IFI reports.</p> <p><b><u>Researcher Response:</u></b> I retain my answer, "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>59. Does the executive make available to the public an explanation of the conditions associated with assistance from donor countries?</p> <ol 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> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The government of Azerbaijan does not present all the conditions of such assistances, 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>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 “d.” Such explanations could be found in the budget documents only 2 years ago. Now, no information on conditions associated with donor country assistance is presented.</p> <p><b><u>Researcher Response:</u></b> Because objectively donor assistance reduced last two year. I keep my answer “c.”</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></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> A more appropriate response to this question would be “c.” Not The summary only the budget law is published Beside that it is very difficult for ordinary people to have access to the summary.</p> <p><b><u>Researcher Response:</u></b> Yes, we can chose “c.”</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>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> <ul style="list-style-type: none"> <li>a. Yes, it publishes a citizens budget that is very informative.</li> <li>b. Yes, it publishes a citizens budget that is somewhat informative.</li> <li>c. Yes, but the citizens budget is not very informative.</li> <li>d. No, it does not publish a citizens budget.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> A citizens budget is not published in Azerbaijan.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d

<p>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)?</p> <ol style="list-style-type: none"> <li>Yes, thorough definitions of budget terms are provided.</li> <li>Yes, definitions are provided, but some details are excluded.</li> <li>Yes, some definitions are provided, but it lacks important details.</li> <li>No, definitions are not provided.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u>  Definitions of terms used in 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:  <a href="http://www.maliyye.gov.az/?lang=en&amp;mod=main&amp;id=49">http://www.maliyye.gov.az/?lang=en&amp;mod=main&amp;id=49</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> A more appropriate response to this question would be “c.” Because some not all definitions are provided on the law, but first, it lack important details, second, no ordinary people can have access to the law. Beside that, the government institutes have never presented the glossary to the public when the budget proposal is discussed.</p> <p><b><u>Researcher Response:</u></b> A more appropriate response to this question would be “b.”</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>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>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 “d.” Citizens can not have free access government information. The link was provided above is very seldom active and covers only some laws.</p> <p><b><u>Researcher Response:</u></b> I retain in my position: “c.” Access in law exists.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “c” consistent with researcher’s response.</p>	<p>C</p>
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<p>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)?</p> <ul style="list-style-type: none"> <li>a. In practice, highly disaggregated information is available to the public for all programs except those considered related to national security or military intelligence.</li> <li>b. In practice, highly disaggregated information is available to the public for programs representing at least two-thirds of, but not all, expenditures.</li> <li>c. In practice, highly disaggregated information is available to the public for programs representing less than two-thirds of expenditures.</li> <li>d. In practice, no highly disaggregated expenditure information is available.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> It is difficult to obtain any form of information regarding the executive’s budget proposal.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>d</p>
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<p>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?</p> <p>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.</p> <p>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.</p> <p>c. In practice, highly disaggregated non-financial information is available to the public for programs representing less than two-thirds of expenditures.</p> <p>d. In practice, no highly disaggregated non-financial expenditure information is available.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> It is difficult to obtain any form of information regarding the executive’s budget proposal.</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>d</p>
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## **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>a. The release date is set in permanent law.</li> <li>b. The executive announces the release date at least two months in advance.</li> <li>c. The executive announces the release date less than two months but more than two weeks in advance.</li> <li>d. The executive announces the release date two weeks or less before the release, or makes no announcement.</li> <li>e. 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>	a	

<p>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)?</p> <p>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).</p> <p><u>Citation:</u>  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 to the budget process, and their timetables are not released to the public. There are, however, some suitable interviews with official persons.</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “c” The Article 11 of the Law of the Republic of Azerbaijan on Budgetary System clearly shows budgetary calendar.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Researcher Response:</u></b> We can choose “c.”</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>68. Does the executive adhere to its timetable for the preparation and release of the budget?</p> <ol style="list-style-type: none"> <li>The executive adheres to the dates in its timetable.</li> <li>The executive adheres to most of the key dates in its timetable.</li> <li>The executive has difficulty adhering to most of the dates in its timetable.</li> <li>The executive does not adhere to the dates in its timetable, or it does not release to the public its timetable.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> The executive does not release to the public its timetable. But every year, 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.</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “c” “In accordance with the calendar indicated in the Law of the Republic of Azerbaijan on Budgetary System all the executive authorities submit budgetary proposal to the relevant executive body. It has been approved as per the information obtained from the Ministry of Finance.”</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Researcher Response:</u></b> We can choose “c.”</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>69. Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?</p> <ol 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> </ol> <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>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	c
<p>70. Does the executive hold consultations with the public as part of its process of determining budget priorities?</p> <ol 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> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> Civilians are almost not involved in the budget process.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d

<p>71. When does the executive release a pre-budget statement to the public?</p> <ol style="list-style-type: none"> <li>The executive releases a pre-budget statement at least four months in advance of the start of the budget year.</li> <li>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>The executive releases a pre-budget statement, but it is released less than two months before the start of the budget year.</li> <li>The executive does not release a pre-budget statement.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> There is small press-release of Ministry of Finance on final governmental discussions of state budget for next year. Link: <a href="http://www.maliyye.gov.az/">http://www.maliyye.gov.az/</a></p> <p><u>Comment:</u> No Pre-budget statement is released.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d
<p>72. Does the pre-budget statement describe the government’s macroeconomic and fiscal framework?</p> <ol style="list-style-type: none"> <li>Yes, an extensive explanation of the government’s fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, an explanation is presented, highlighting key aspects of the fiscal and macroeconomic framework, 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 the executive does not release to the public a pre-budget statement.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> No Pre-budget statement is released.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d

<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> No Pre-budget statement is released.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d
<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> <ul style="list-style-type: none"> <li>a. The legislature receives the budget at least three months before the start of the budget year.</li> <li>b. The legislature receives the budget at least six weeks, but less than three months, before the start of the budget year.</li> <li>c. The legislature receives the budget less than six weeks before the start of the budget year.</li> <li>d. The legislature does not receive the budget before the start of the budget year.</li> <li>e. Not applicable/other (please comment).</li> </ul> <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>	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:

Comment:

Citizens are not invited to partake in the discussions on the budget proposal held by the legislative committee. To report on these discussions, journalists must obtain a special pass that permits entry into the parliament building. Each news agency is allotted one pass for one journalist at the beginning of the year. In addition, such hearings are not often broadcast via television.

**Peer Reviewer One Comment:** A more appropriate response to this question would be “b.” Representatives of executive authorities and a number of public members participate at the discussions held in appropriate commissions of the legislative authority on 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, draft budgetary law is presented for public discussions via form in the following website [www.millimeclis.az](http://www.millimeclis.az).

**Peer Reviewer Two Comment:**

**Researcher Response:** There aren’t publicly open discussions. Representatives of executive authorities obtain invitations as official experts. The answer “c” is a suitable option.

**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>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?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the executive branch is heard.</li> <li>b. Yes, hearings are held, covering key administrative units, in which testimony from the executive branch is heard.</li> <li>c. Yes, a limited number of hearings are held in which testimony from the executive branch is heard.</li> <li>d. No, public hearings are not held on the budgets of administrative units in which testimony from the executive branch is heard.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> No public hearings are held. Only general information is submitted to journalists without fielding their questions.</p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “c.” Representatives of executive authorities and a number of public members participate at the discussions held in appropriate commissions of the legislative authority on pre-budget statement. It is specified in Article 5 of the Law of the Republic of Azerbaijan on Regular Commissions of the National Assembly. <a href="http://www.millimeclis.az/?/az/content/40">www.millimeclis.az/?/az/content/40</a>.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Researcher Response:</u></b> We agree with answer “c.”</p>	<p>C</p>
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<p>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?</p> <p>a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the public is heard.</p> <p>b. Yes, hearings are held, covering key administrative units, in which testimony from the public is heard.</p> <p>c. Yes, a limited number of hearings are held in which testimony from the public is heard.</p> <p>d. No, public hearings are not held on the budgets of administrative units in which testimony from the public is heard.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> No Public hearings are held on the individual budgets of central government administrative units.</p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “c.” It is specified in Article 5 of the Law of the Republic of Azerbaijan on Regular Commissions of the National Assembly. <a href="http://www.millimeclis.az/?/az/content/40">www.millimeclis.az/?/az/content/40</a>. Also, draft budgetary law is put for public discussion via form in the following website: <a href="http://www.millimeclis.az">www.millimeclis.az</a></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Researcher Response:</u></b> I keep my answer “d.”</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “d” 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>	<p>d</p>
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<p>78. Do the legislative committees that hold public hearings release reports to the public on these hearings?</p> <ul style="list-style-type: none"> <li>a. Yes, the committees release very informative reports, which include all written testimony presented at the hearings.</li> <li>b. Yes, the committees release reports, but some details are excluded.</li> <li>c. Yes, the committees release reports, but they are not very informative.</li> <li>d. No, the committees do not release reports or do not hold public hearings.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> No reports are released to the public, and only general information is presented in the table version.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>d</p>
<p>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?</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>c. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Such information is not presented in the budget documentation submitted to MPs. However, once some members of parliament receive some of some information on secret expenses, the information is discussed. This information often only contains aggregated figures and does not provide detailed data.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>b</p>

<p>80. Does the legislature have authority <i>in law</i> to amend the budget presented by the executive?</p> <p>a. Yes, the legislature has unlimited authority <i>in law</i> to amend the budget.</p> <p>b. Yes, the legislature has authority <i>in law</i> to amend the budget, with some limitations.</p> <p>c. Yes, the legislature has authority <i>in law</i> to amend the budget, but its authority is very limited.</p> <p>d. No, the legislature does not have any authority <i>in law</i> to amend the budget.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> The Parliament has the right to advise the executive to make amendments to the budget proposal, but it is not authorized to make any amendments. Azerbaijan is a presidential republic and the president has the right to decline/veto laws approved by Parliament.</p> <p><b><u>Researcher's Response to this Question was "d."</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “b.” 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. <a href="http://www.millimeclis.az/?/az/content/39">www.millimeclis.az/?/az/content/39</a>.</p> <p><b><u>Peer Reviewer Two Comment:</u></b> A more appropriate response to this question would be “c.” The Parliament has authority in law to amend the budget but its authority is very restricted. There is not any case that the parliament has amended the budget proposed by the executive.</p> <p><b><u>Researcher Response:</u></b> The legislature does not have any clear authority <i>in law</i> to amend the budget. The Internal Charter does not have the status of a law. We keep our choice, “d.”</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>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.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The budget expenditures in Azerbaijan do not include program level detail. However, department level details are provided.</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 “d.” Because no all expenditures includes the department level. For instance, it is almost impossible to find what departments are spending “Protecting of Forests and Re-Production Fund” expenditures.</p> <p><b><u>Researcher Response:</u></b> We keep our answer “c.”</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> <p>a. In-year reports on actual expenditure are released at least every month.  b. In-year reports on actual expenditure are released at least every quarter.  c. In-year reports on actual expenditure are released at least semi-annually.  d. In-year reports on actual expenditure are not released.  e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “c.” The Executive authority makes public quarterly reports on budgetary performance annually and semi-annual reports on time. For example, “reference on the performance (operative) of the state budget in the first quarter of 2006” <a href="http://www.maliyye.gov.az/download/dovlet_budcesi/dovlet_budcesi_1_rub.pdf">www.maliyye.gov.az/download/dovlet_budcesi/dovlet_budcesi_1_rub.pdf</a>.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Researcher Response:</u></b> We can choose “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. The in-year report cited by the Peer Reviewer does not pertain to the most recent budget year.</p>	d

<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> <ol style="list-style-type: none"> <li>Yes, in-year reports cover all expenditures.</li> <li>Yes, in-year reports cover at least two-thirds, but not all, of expenditures.</li> <li>Yes, in-year reports cover less than two-thirds of expenditures.</li> <li>No in-year reports are released to the public.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u></p> <p><b>Peer Reviewer One Comment:</b> A more appropriate response to this question would be “c.” No detailed information is provided despite the functional classification of expenses in reports on budgetary performance. As a reference “budgetary performance (operative) in the first quarter of 2006. <a href="http://www.maliyye.gov.az/download/dovlet_budcesi/dovlet_budcesi_1_rub.pdf">www.maliyye.gov.az/download/dovlet_budcesi/dovlet_budcesi_1_rub.pdf</a>.”</p> <p><b>Peer Reviewer Two Comment:</b></p> <p><b>Researcher Response:</b> We can choose “c.”</p> <p><b>IBP Comment:</b> IBP editors chose answer, “d” to maintain the consistency of the assumptions used in selecting answers across the countries. The in-year report cited by the Peer Reviewer does not pertain to the most recent budget year.</p>	d
<p>84. What is the most detail provided in the in-year reports on actual expenditures organized by <i>administrative unit</i>?</p> <ol style="list-style-type: none"> <li>The in-year reports on actual expenditures organized by administrative unit contain program-level detail.</li> <li>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).</li> <li>The in-year reports on actual expenditures organized by administrative unit contain only departmental totals.</li> <li>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.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> In-year reports cover only with functional classification and aggregated format.</p> <p><b>Peer Reviewer One Comment:</b></p> <p><b>Peer Reviewer Two Comment:</b></p>	d

<p>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?</p> <p>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).</p> <p><u>Citation:</u></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “c.” Expenses on 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. As a reference “budgetary performance (operative) in the first quarter of 2006”  <a href="http://www.maliyye.gov.az/download/dovlet_budcesi/dovlet_budcesi_1_rub.pdf">www.maliyye.gov.az/download/dovlet_budcesi/dovlet_budcesi_1_rub.pdf</a>.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Researcher Response:</u></b> We can choose “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. The in-year report cited by the Peer Reviewer does not pertain to the most recent budget year.</p>	<p>d</p>
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<p>86. How often does the executive release to the public in-year reports on actual revenue collections by source of revenue?</p> <ul style="list-style-type: none"> <li>a. In-year reports on actual revenue collections by source of revenue are released at least every month.</li> <li>b. In-year reports on actual revenue collections are released at least every quarter.</li> <li>c. In-year reports on actual revenue collections are released at least semi-annually.</li> <li>d. In-year reports on actual revenue collections by source of revenue are not released.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation and/or comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “c.” the Executive authority makes public quarterly reports on budgetary performance once a year. For example, “budgetary performance (operative) in the first quarter of 2006.  <a href="http://www.maliyye.gov.az/download/dovlet_budcesi/dovlet_budcesi_1_rub.pdf">www.maliyye.gov.az/download/dovlet_budcesi/dovlet_budcesi_1_rub.pdf</a>.”</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Researcher Response:</u></b> We can choose “c.”</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “d” 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>	<p>d</p>
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<p>87. What share of revenue is covered by the in-year reports on actual revenue collections?</p> <ul style="list-style-type: none"> <li>a. In-year reports cover the actual revenue collections of all sources of revenue.</li> <li>b. In-year reports cover the actual revenue collections of at least two-thirds of, but not all, sources of revenue.</li> <li>c. In-year reports cover actual revenue collections of less than two-thirds of revenue sources.</li> <li>d. In-year reports on actual revenue collections are not released to the public.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “b.” There is detailed information provided in “budgetary performance (operative) in the first quarter of 2006,” <a href="http://www.maliyye.gov.az/download/dovlet_budcesi/dovlet_budcesi_1_rub.pdf">www.maliyye.gov.az/download/dovlet_budcesi/dovlet_budcesi_1_rub.pdf</a>.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Researcher Response:</u></b> We can choose only “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. The in-year report cited by the Peer Reviewer does not pertain to the most recent budget year.</p>	<p>d</p>
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<p>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?</p> <ol style="list-style-type: none"> <li>Yes, comparisons are made for all revenue sources.</li> <li>Yes, comparisons are made for at least two-thirds of, but not all, revenue sources.</li> <li>Yes, but comparisons are made for less than two-thirds of revenue sources.</li> <li>No, comparisons are not made, or no in-year reports are released to the public.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u></p> <p><b><u>The Researcher’s Response to this Question was “d.”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b>  A more appropriate response to this question would be “b.” Data in mid-year reports relating to budgetary performance are compared against the indicators of the same period of the previous year both in terms of figures and percentage. For example “budgetary performance (operative) in the first quarter of 2006” <a href="http://www.maliyye.gov.az/download/dovlet_budcesi/dovlet_budcesi_1_rub.pdf">www.maliyye.gov.az/download/dovlet_budcesi/dovlet_budcesi_1_rub.pdf</a>.</p> <p><b><u>Peer Reviewer Two Comment:</u></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. The in-year report cited by the Peer Reviewer does not pertain to the most recent budget year.</p>	d
<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></p> <p><u>Comment:</u>  There is no such information in the in-year reports.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d

<p>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?</p> <ol style="list-style-type: none"> <li>Yes, extensive information related to the composition of government debt is presented.</li> <li>Yes, key additional information is presented, but some details are excluded.</li> <li>Yes, some additional information is presented, but it lacks important details.</li> <li>No, additional information related to the composition of government debt is not presented, or such in-year reports on borrowing are not released.</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 in-year reports.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d
<p>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)?</p> <ol style="list-style-type: none"> <li>Reports are released 1 month or less after the end of the period.</li> <li>Reports are released 2 months or less (but more than 1 month) after the end of the period.</li> <li>Reports are released more than 2 months after the end of the period.</li> <li>In-year reports are not released.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “b.” Quarterly reports on budgetary performance are made public, according to Article 20 of the Law of the Republic of Azerbaijan on Budgetary System.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Researcher Response:</u></b> We can choose only “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. The in-year report cited by the Peer Reviewer does not pertain to the most recent budget year.</p>	d

<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> <ol 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> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> A mid-year review exists, but is not released to the public, being available only for internal purposes and for members of parliament.</p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “c.” There is brief information on changes taking place in the economic situation in mid-year reports on budgetary performance. For example “reference on the performance (operative) of the state budget during the six months of 2007” <a href="http://www.maliyye.gov.az/store/10/hesabat.pdf">www.maliyye.gov.az/store/10/hesabat.pdf</a>.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Researcher Response:</u></b> We can choice “c.” Mid-year reports contain reference to the previous six months' revenues/expenditures, and on the estimates for the remaining 6 months.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “c” 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>	<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></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>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></p> <p><u>Comment:</u> A mid-year review exists, but is not released to the public, being available only for internal purposes and for members of parliament. There are also some comments in semi-annually report.</p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “c.” Expenses in mid-year reports on budgetary performance per each function are given in total. For example “reference on the performance (operative) of the state budget during the six months of 2007” <a href="http://www.maliyye.gov.az/store/10/hesabat.pdf">www.maliyye.gov.az/store/10/hesabat.pdf</a>.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>Researcher Response:</u></b> We can choose “c.”</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “c” 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>	<p>C</p>
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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> <ul 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> </ul> <p><u>Citation:</u></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>d</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>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> <ol style="list-style-type: none"> <li>There were no credible reported instances of procurement failing to follow an open and competitive process in practice during the past year.</li> <li>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>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>No, the procurement process was not open and competitive in practice.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> You can find tender information at the web-site of the State Agency of Azerbaijan Republic on Procurement <a href="http://www.tender.gov.az/formaz.php">http://www.tender.gov.az/formaz.php</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> A more appropriate response to this question would be “d.” The procurement process was not open and competitive in practice, since not all information is posted in the above mentioned site and there are bureaucratic obstacles to participate in procurement process.</p> <p><b><u>Researcher Response:</u></b> We keep our original answer, “c.”</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>98. When does the legislature typically approve supplemental budgets?</p> <ol style="list-style-type: none"> <li>Supplemental budgets are approved before the funds are expended, or the executive rarely proposes a supplemental budget (please specify).</li> <li>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>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> Supplemental budgets must be adopted before the funds are expended.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>99. In most years, how large are supplemental budget requests relative to the size of the original budget?</p> <ol style="list-style-type: none"> <li>a. Supplemental budgets are generally equal to 2 percent or less of the original budget.</li> <li>b. Supplemental budgets are generally equal to more than 2 percent, but less than 5 percent, of the original budget.</li> <li>c. Supplemental budget are generally equal to more than 5 percent, but less than 10 percent, of the original budget.</li> <li>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.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> There are differences between supplemental revenues and expenditures. According to amendments and additions to the Public Budget of the Azerbaijan Republic for the year 2007, revenues were increased by 8.2%, and expenditures by 10.5%.</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 “d.” Because almost no information is disclosed to the public related amount of supplementary budgets and supplemental budget are generally equal to more than 10 per cent of the original budget.</p> <p><b><u>Researcher Response:</u></b> Since 2007 it was equal to more than 5 percent, but less than 10 percent, of the original budget. We keep out answer, “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. The supplemental budget for expenditures was greater than 10 percent.</p>	<p>d</p>
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<p>100. When does the legislature approve the expenditure of contingency funds or other funds for which no specific purpose was identified in the budget?</p> <ul style="list-style-type: none"><li>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.</li><li>b. Expenditures are approved after the funds are expended, but before the end of the fiscal year.</li><li>c. Expenditures are approved after the end of the fiscal year, for example in the next budget.</li><li>d. Such expenditure takes place without legislative approval.</li><li>e. Not applicable/other (please comment).</li></ul> <p><u>Citation:</u></p> <p><u>Comment:</u> 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.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>d</p>
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<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> Year-end report (which has law status) is available via 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://www.maliyye.gov.az/download/news/01.06.2007GANUN-2006.pdf">http://www.maliyye.gov.az/download/news/01.06.2007GANUN-2006.pdf</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>	a
<p>102. In the year-end report have the data on the actual outcomes been audited?</p> <ol style="list-style-type: none"> <li>Yes, all data on actual outcomes have been audited.</li> <li>At least two-thirds, but not all, of the data on actual outcomes have been audited.</li> <li>Less than two-thirds of the data on actual outcomes have been audited.</li> <li>None of the data on actual outcomes has been audited, or a year-end report is not released.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> None of the data on actual outcomes has been audited.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d

<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>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 “d.” Such report is not released to the public. They are only for internal purposes.</p> <p><b><u>Researcher Response:</u></b> The year-end report explains the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures. But it isn’t full 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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<p>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?</p> <ul style="list-style-type: none"> <li>a. The explanation of the differences between the enacted expenditure levels and the actual outcome focuses on the program level.</li> <li>b. The explanation focuses on departmental totals (or functional totals) or some lower level of detail (but not the program level in all cases).</li> <li>c. The explanation focuses on a higher level of aggregation than departmental totals (or functional totals).</li> <li>d. No explanation of the differences is provided, 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 shows some reasons of discrepancies, especially in functional totals.</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 “d.” Such explanation is not released to the public. They are only for internal purposes.</p> <p><b><u>Researcher Response:</u></b> We keep our response, “c.”</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>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>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 “d.” Such explanation is not released to the public. They are only for internal purposes.</p> <p><b><u>Researcher Response:</u></b> We keep our response, “c.”</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></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 “d.” Such explanation is not released to the public. They are only for internal purposes.</p> <p><b><u>Researcher Response:</u></b> We keep our answer “c.”</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>107. Does the year-end report explain the difference between the original estimates of non-financial data 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> Year-end report does not explain the difference between the original estimates of non-financial data.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d



<p>108. Does the year-end report explain the difference between the original performance indicators 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> But only with aggregated indicators.</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 “d.” Such explanation is not released to the public. They are only for internal purposes.</p> <p><b><u>Researcher Response:</u></b> We keep our response, “c.”</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>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> <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> There are some scattered informations.</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 “d.” Such report is not released to the public. They are only for internal purposes.</p> <p><b><u>Researcher Response:</u></b> I suggest the answer should remain as I indicated in the questionnaire, “c.”</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>110. Does the year-end report present the actual outcome for extra-budgetary funds?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on the actual outcome for extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, information is presented, highlighting key issues, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information is not presented on extra-budgetary funds, 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> Extra-budgetary funds have their own reports. For example, the annual report of State Oil Fund. Link: <a href="http://www.oilfund.az/download/OilfundAz_2006.pdf">http://www.oilfund.az/download/OilfundAz_2006.pdf</a></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	c
<p><i>The Independence and Performance of the Supreme Audit Institution</i></p>	

<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>Final audited accounts are released to the public six months or less after the end of the fiscal year.</li> <li>Final audited accounts are released 12 months or less (but more than six months) after the end of the fiscal year.</li> <li>Final audit accounts are released more than 12 months, but within 24 months of the end of the fiscal year.</li> <li>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>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The Accounting Chamber only published one evaluation report on its website. In this report, only comparative data is presented. For example, it could be said that the value of health care expenses was \$60 million instead of \$61.8 million. I do not consider evaluation reports to be audit reports, which are not released to the public.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d
<p>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?</p> <ol style="list-style-type: none"> <li>All expenditures have been audited and the reports released to the public.</li> <li>Expenditures representing at least two-thirds of, but not all, expenditure have been audited.</li> <li>Expenditure representing less than two-thirds of expenditure have been audited.</li> <li>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.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> Audit reports are not released to the public.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d

<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></p> <p><u>Comment:</u> Audit reports are not released to the public.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p><b>b</b></p>
<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 on 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>a</b></p>

<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 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>	d
<p>116. Beyond the established year-end attestation audits, does the Supreme Audit Institution (SAI) have <i>the discretion in law</i> to undertake those audits it may wish to?</p> <ul style="list-style-type: none"> <li>a. The SAI has full discretion to decide which audits it wishes to undertake.</li> <li>b. The SAI has significant discretion, but faces some limitations.</li> <li>c. The SAI has some discretion, but faces considerable limitations.</li> <li>d. The SAI has no discretion to decide which audits it wishes to undertake.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The Accounting Chamber is only authorized to undertake audits that are permitted by the Law of the Azerbaijan Republic on Accounting Chamber.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d

<p>117. Who determines the budget of the Supreme Audit Institution?</p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The SAI creates its own budget in accordance with the Accounting Law of the Azerbaijan Republic on Accounting Chamber and it is approved by Parliament. But in practice, the Finance Ministry creates a de facto budget for the Accounting Chamber, which it must adopt.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d
<p>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)?</p> <ol style="list-style-type: none"> <li>The SAI employs designated staff, and the staffing levels are broadly consistent with the resources the SAI needs to fulfill its mandate.</li> <li>The SAI employs designated staff, but the staffing levels are a cause of some constraints to the SAI in fulfilling its mandate.</li> <li>The SAI employs designated staff, but the staffing levels pose a significant constraint on the SAI in fulfilling its mandate.</li> <li>The SAI does not employ designated staff for auditing of the security sector, or does not undertake audits of the security sector.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The security sector has no accountability and is out of any auditing process.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d

<p>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)?</p> <ul style="list-style-type: none"> <li>a. Yes, the SAI maintains mechanisms of communication with the public, and received more than 100 communications from the public during the past year.</li> <li>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.</li> <li>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.</li> <li>d. No, the SAI does not maintain any formal mechanisms of communication with the public.</li> <li>e. Not applicable.</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Citizens cannot participate in this process. Additionally, there are no explicit mechanisms.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d
<p>120. Does a committee of the legislature view and scrutinize the audit reports?</p> <ul style="list-style-type: none"> <li>a. Yes, all audit reports are scrutinized.</li> <li>b. Yes, most audit reports are scrutinized.</li> <li>c. Yes, some audit reports are scrutinized.</li> <li>d. No, audit reports are not scrutinized.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> No audit reports are published and the evaluation reports are scrutinized by the committee of the legislature.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></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> <ul style="list-style-type: none"> <li>a. Yes, the executive reports publicly on what steps it has taken to address audit findings.</li> <li>b. Yes, the executive reports publicly on most audit findings.</li> <li>c. Yes, the executive reports publicly on some audit findings.</li> <li>d. No, the executive does not report on steps it has taken to address audit findings.</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 budgetary system.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></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>	d



<p>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)?</p> <ul style="list-style-type: none"> <li>a. Yes, legislators are provided with detailed audit reports related to the security sector and other secret programs.</li> <li>b. Yes, legislators are provided audit reports on secret items, but some details are excluded.</li> <li>c. Yes, legislators are provided audit reports on secret items, but they lack important details.</li> <li>d. No, legislators are not provided audit reports on secret items, or secret programs are not audited (please specify).</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Generally, there is little information concerning the budget of the security sector.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>d</p>
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