

International Budget Partnership
OPEN BUDGET QUESTIONNAIRE

GEORGIA

September 28, 2007

International Budget Partnership
Center on Budget and Policy Priorities
820 First Street, NE
Suite 510
Washington, DC 20002
www.internationalbudget.org
www.openbudgetindex.org

This questionnaire was completed by:

Name:	Tamuna Karosanidze
Organization:	Transparency International Georgia
Address:	26 Rustaveli avenue, Tbilisi 0108, Georgia
Telephone:	+995 32 93 21 29
E-mail:	tamuna@transparency.ge

International Budget Partnership OPEN BUDGET QUESTIONNAIRE GEORGIA

Section One: The Availability of Budget Documents	4
Table 1. Budget Year of Documents Used in Completing the Questionnaire	5
Table 2. Key Budget Documents Used: Full Titles and Internet Links.....	6
Table 3. Distribution of Documents Related to the Executive’s Budget Proposal.....	8
Table 4. Distribution of the Enacted Budget and Other Reports	9
Section Two: The Executive’s Budget Proposal	10
Estimates for the Budget Year and Beyond.....	11
Estimates for Years Prior to the Budget Year.....	27
Comprehensiveness.....	42
The Budget Narrative & Performance Monitoring.....	52
Additional Key Information for Budget Analysis & Monitoring	57
Section Three: The Budget Process	66
Executive’s Formulation of the Budget	67
Legislative Approval of the Budget.....	74
Executive’s Implementation of the Budget.....	80
Year-end Report and the Supreme Audit Institution	93

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."

Budget Documents Used in Completing the Questionnaire	
<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	2007-2010
Budget Summary	2007
Executive's Budget Proposal	2007
Supporting Budget Documents	N/A
Citizens Budget	2007
Enacted Budget	2007
In-Year Reports	2007
Mid-Year Report	2007
Year-End Report	2006
Audit Report	2006

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	Basic Data and Directions 2007-2010, http://www.mof.ge/DinamicPage.aspx?cmd=page&rootid=298&pageid=203
Budget Summary	Explanatory Note to the Draft Law of Georgia on the 2007 State Budget of Georgia, Publicly Available but Not on the Internet
Executive’s Budget Proposal	Draft Law of Georgia on the 2007 State Budget of Georgia, Publicly Available, but Not on the Internet
Budget Document One in Support of the Executive’s Budget Proposal	Not Produced
Budget Document Two in Support of the Executive’s Budget Proposal	Not Produced
Budget Document Three in Support of the Executive’s Budget Proposal	Not Produced
Citizens Budget	A Citizen's Guide to the 2007-2010 State Budget of Georgia, January 2007, Publicly Available, but Not on the Internet
Enacted Budget	Law of Georgia on the 2007 State Budget of Georgia, 29 December 2006, http://www.parliament.ge/_special/kan/files/2093.pdf
In-Year Reports	2006 and 2007 Quarterly Reports on State Budget Fulfillment, Publicly Available, but Not on the Internet
Mid-Year Review	Report on the six months execution of the 2007 State Budget of Georgia, prepared by the Ministry of Finance. Produced and Available to the Public

Year-End Report	2006 Annual Report on State Budget Fulfillment, Publicly Available, but Not on the Internet
Audit Report	Report on the Fulfillment of 2006 State Budget, http://www.control.ge/files/400_65_218171_angarishi%202006%20wlis.pdf , Report on the Six Month Fulfillment of 2006 State Budget, http://www.control.ge/files/400_65_656114_2006%20wlis%206%20tvis%20biujetis%20analizi.pdf
Other Documents	Not Produced
Relevant Ministries & Departments	Ministry of Finance of Georgia www.mof.ge ; Chamber of Control of Georgia www.control.ge ; National Bank of Georgia www.nbg.gov.ge ; Parliament of Georgia www.parliament.ge .

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

DISTRIBUTION OF BUDGET DOCUMENTS						
<i>For the following reports, place “Yes” in the appropriate row below to indicate if the report is:</i>						
	Pre-budget	Executive’s Budget Proposal				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
A. Not produced, even for internal purposes				Yes	Yes	
B. Produced for internal purposes, but not available to the public						
C. Produced and available to the public, but only on request			Yes			Yes
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)	Yes	Yes				
<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	Executive’s Budget				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
1. The release date is known at least one month in advance	Yes	Yes	Yes	NA	NA	No
2. Advance notification of release is sent to users, media	No	No	No	NA	NA	No
3. Released to public same day as official release to media	Yes	Yes	Yes	NA	NA	No
4. Available on the Internet free of charge	No	No	No	NA	NA	No
5. Free print copies available, limited distribution	Yes	Yes	Yes	NA	NA	Yes
6. Free print copies available, mass distribution	No	No	No	No	No	No
7. Readily available outside capital and/or big cities [†]	No	No	No	No	No	No
8. Written in more than one language	No	No	No	No	NA	No
9. News conference is held to discuss release	No	No	No	No	NA	No

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

[†]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

DISTRIBUTION OF ENACTED BUDGET AND OTHER REPORTS					
<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					
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		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	Yes	Yes		Yes	Yes
2. Advance notification of release sent to users, media	No	No		No	No
3. Released to public same day as official release to media	Yes	Yes		Yes	Yes
4. Available on the Internet free of charge	Yes	No		No	Yes
5. Free print copies available, limited distribution	Yes	Yes		Yes	
6. Free print copies available, mass distribution	No	No		No	No
7. Readily available outside capital/big cities ⁺	Yes	No		No	Yes
8. Written in more than one language	No	No		No	No
9. News conference is held to discuss release	No	No		No	No

⁺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.

The Executive's Budget Proposal	
Estimates for the Budget Year and Beyond	
<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"> All expenditures are classified by administrative unit. Expenditures are classified by administrative unit, but some small units are not shown separately. Expenditures are classified by administrative unit, but a significant number of units are not shown separately. No expenditures classified by administrative unit are presented. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Article 6.</p> <p><u>Comment:</u> The annual draft budget law provides detailed information about the expenditures of each spending unit, such as ministries, departments, state agencies and other subdivisions of the state organizations that are financed from the state budget.</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."</p> <p><u>Researcher Response:</u> I chose my answer because in the 2007 state budget all expenditures are indeed classified by administrative unit. This is not only required by Georgia's legislation, but this also is the requirement that is carried out in practice.</p> <p><u>IBP Comment:</u> IBP editors chose answer, "a" to maintain consistency with the criteria used for selecting answers across countries.</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> <ul style="list-style-type: none"> a. All expenditures are classified by functional classification, and the categorization is compatible with international standards. b. All expenditures are classified by functional classification, but the categorization is not compatible with international standards. c. Some, but not all, expenditures are classified by function. d. No expenditures classified by function are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Article 6.</p> <p><u>Comment:</u> The annual draft budget law includes detailed tables providing the information on all state budget expenditures in the functional classification.</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.”</p> <p><u>Researcher Response:</u> I chose my answer because -- same as for question 1. The 2007 budget includes the detailed tables with the functional classifications.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” to maintain consistency with the criteria used for selecting answers across countries.</p>	<p>a</p>
--	----------

<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"> a. All expenditures are classified by economic classification, and the categorization is compatible with international standards. b. All expenditures are classified by economic classification, but the categorization is not compatible with international standards. c. Some, but not all, expenditures are classified by economic classification. d. No expenditures classified by economic classification are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Article 6.</p> <p><u>Comment:</u> The expenditure tables included in Article 6 of the draft budget law provide the information on economic expenditure categories, such as: goods and services, wages and salaries, subsidies and subventions, employer's contributions to social tax. Also, the set of macroeconomic tables that is attached to the draft budget law, as the draft law is presented to the budget, provides more economic breakdown of the consolidated budget expenditures.</p> <p><u>Peer Reviewer One Comment:</u> Response “c” is correct, but instead of word “some” I would suggest “almost all.” I totally agree with the comment.</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “b.”</p> <p><u>Researcher Response:</u> This comment refers to the formulation of the “c” answer, not to the comment of the Researcher. More appropriate formulation would be not “almost all,” but “most, but not all.”</p>	<p>C</p>
---	----------

<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"> a. Program-level data are presented for all expenditures. b. Program-level data are presented for at least two-thirds of, but not all, expenditures. c. Program-level data are presented, but for less than two-thirds of expenditures. d. No program-level data are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Different articles starting from Article 18.</p> <p><u>Comment:</u> The draft budget law describes the major programs financed by budgetary sources. The description of programs can be found under the budgets of each spending unit/line ministry that is responsible for the implementation of the particular program. A large number of such programs can be found under the allocations of the Ministry of Education (budget code: 32), Ministry of Health (budget code 35) and the Ministry of Culture (budget code: 33). The narrative part of the draft budget, following the tables for each ministry provides the information on the programs to be implemented by each ministry.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>b</p>
--	----------

<p>5. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for a multi-year period (at least two years beyond the budget year)?</p> <p>a. Yes, multi-year estimates of aggregate expenditure are presented. b. No, multi-year estimates of aggregate expenditure are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Draft Law of Georgia on Budget Systems, Article 21. aa. Macroeconomic Forecast by the Ministry of Finance. This forecast is a part of the Draft State Budget Law, as submitted to the Parliament.</p> <p><u>Comment:</u> The macroeconomic forecast, supporting the draft annual budget law, presents the information on the estimate of the expenditures for the consequent four-year period.</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.”</p> <p><u>Researcher Response:</u> I chose my answer because the Macroeconomic Forecast, which is the part of the state budget, does present multi-year estimates. In fact, this is the sole purpose of the Forecast.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” to maintain consistency with the criteria used for selecting answers across countries.</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> <ol style="list-style-type: none"> a. Yes, multi-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative). b. Yes, multi-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs. c. Yes, multi-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs. d. No, multi-year estimates are presented for aggregate expenditure only, or they are not presented at all. e. Not applicable/other (please comment). <p>Citation: Draft Law of Georgia on Budget Systems, Article 21. aa. Macroeconomic Forecast by the Ministry of Finance. This forecast is a part of the Draft State Budget Law, as submitted to the Parliament.</p> <p>Comment: The macroeconomic forecast, supporting the draft annual budget law, presents the detailed information on the expenditure estimate for the consequent four-year period in economic breakdown.</p> <p>Peer Reviewer One Comment: A more appropriate response to this question would be “b.”</p> <p>Peer Reviewer Two Comment: A more appropriate response to this question would be “d.”</p> <p>Researcher Response: I chose my answer because multi-year estimates are presented for only some individual programs and for a portion of the expenditure classifications.</p> <p>IBP Comment: IBP editors chose answer, “c” to keep consistency with the criteria used for selecting answers across countries.</p>	<p>c</p>
--	-----------------

<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"> a. All sources of tax revenue are identified individually. b. Sources of tax revenue amounting to at least two-thirds of, but not all, tax revenues are identified individually. c. Sources of tax revenue amounting to less than two-thirds of all tax revenues are identified individually. d. No sources of tax revenue are identified individually. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Article 2.</p> <p><u>Comment:</u> The draft annual budget law provides the information on tax revenues, per type of tax for the current year. The macroeconomic tables, accompanying the draft budget law identify the expected revenues per type of tax for the consequent four year period.</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 “e.”</p> <p><u>Researcher Response:</u> I chose my answer because the budget does provide the information on tax revenues sources for all taxes.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” to maintain consistency with the criteria used for selecting answer across countries.</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"> a. All sources of non-tax revenue are identified individually. b. Sources of non-tax revenue amounting to at least two-thirds of, but not all, non-tax revenues are identified individually. c. Sources of non-tax revenues amounting to less than two-thirds of all non-tax revenue are identified individually. d. No sources of non-tax revenues are identified individually. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Article 3.</p> <p><u>Comment:</u> The draft annual budget law provides the information on non-tax revenues, per type of non-tax for the current year. The macroeconomic tables, accompanying the draft budget law provide only the total for the non-tax revenues expected for the consequent four year period.</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 “e.” Source: 2007 budget proposal. In 2007 the Ministry of Finance amended the new budgetary classification, including two sub-categories, relevant to International Monetary Fund (GFSM 2001).</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” as per researcher and peer reviewer comments.</p>	<p>a</p>
---	----------

<p>9. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of revenue presented for a multi-year period (at least two years beyond the budget year)?</p> <p>a. Yes, multi-year estimates of aggregate revenue are presented. b. No, multi-year estimates of aggregate revenue are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Draft Law of Georgia on Budget Systems, Article 21. aa. Macroeconomic Forecast by the Ministry of Finance. This forecast is a part of the Draft State Budget Law, as the law is submitted to the Parliament.</p> <p><u>Comment:</u> The macroeconomic tables accompanying the draft annual budget present the information on the consolidated revenues of the Government of Georgia for the consequent four-year period.</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.”</p> <p><u>Researcher Response:</u> I chose my answer because the macroeconomic tables attached to the budget provide multi-year estimates.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” in light of researcher’s comment.</p>	<p>a</p>
--	----------

<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"> a. Yes, multi-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax). b. Yes, multi-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue. c. Yes, multi-year estimates are presented, but only for some individual sources of revenue. d. No, multi-year estimates are presented for aggregate revenue only, or they are not presented at all. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on Budget Systems, Article 21. aa. Macroeconomic Forecast by the Ministry of Finance. This forecast is a part of the Draft State Budget Law, as the law is submitted to the Parliament.</p> <p><u>Comment:</u> The macroeconomic tables accompanying the draft budget law present the information on every detail of revenues (tax, non-tax, grants,) for the following four-year period.</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 “d.”</p> <p><u>Researcher Response:</u> I chose my answer because -- same as for question 9.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” in light of researcher’s comment.</p>	<p>a</p>
---	----------

<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> Draft Law of Georgia on 2007 State Budget of Georgia, Article 17.</p> <p><u>Comment:</u> The draft annual budget law provides the information on the total volume of the government's debt: external and internal. The same chapter gives the information on the sources of external debt. However, the domestic debt is presented as a unit figure and no details are available about the sources of domestic debt.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c
<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.</p> <p>b. No, interest payments on the debt are not presented.</p> <p>c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Article 42. budget code 25 04.</p> <p><u>Comment:</u> The information on interest payments is available under the assignments for the Ministry of Finance. The Ministry of Finance is responsible for servicing the government debt and making the due payments (interest as well as principal) on external debt. Still, the information on the amortization of domestic debt is not provided.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

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

Citation:

Draft Law of Georgia on 2007 State Budget of Georgia, Article 13.

Comment:

The draft budget law presents only the breakdown of the amount of the external debt per creditor. The information on maturity profile, reschedulings applied in terms of the Paris Club, or other agreements is not readily available. The Ministry of Finance posts on its web page (<http://www.mof.ge/DinamicPage.aspx?cmd=page&rootid=71&pageid=34>) the information on the stock of the outstanding external debt, considering the monthly repayments and changes in exchange rates. The remaining information (such as maturity profile, payment schedule) can be obtained from the external relations department of the MOF, upon request.

Peer Reviewer One Comment: A more appropriate response to this question would be "b."

Peer Reviewer Two Comment: A more appropriate response to this question would be "a."

Researcher Response: I chose my answer because the state budget does not provide the information on maturity profile, rescheduling and other agreements in relation to the government's debts.

IBP Comment: IBP editors chose answer, "c" to maintain consistency with the criteria used for selecting answers across countries.

C

<p>14. Does the executive’s budget or any supporting budget documentation present the macroeconomic forecast upon which the budget projections are based?</p> <ol style="list-style-type: none"> 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. Yes, the macroeconomic forecast is discussed and most of the key assumptions are stated explicitly, but some details are excluded. Yes, there is some discussion of the macroeconomic forecast (and/or the presentation of key assumptions), but it lacks important details. No, information related to the macroeconomic forecast is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Macroeconomic Forecast by the Ministry of Finance. This forecast is a part of the Draft State Budget Law, as the law is submitted to the Parliament.</p> <p><u>Comment:</u> The macroeconomic tables accompanying the draft annual budget law provide all macroeconomic assumptions on which the budget is based, such as GDP growth, inflation, GDP deflator, nominal GDP, etc. These tables also provide all the information on the impact the current budget on the different components of the economy, namely: on balance of payments, National bank's accounts, etc.</p> <p><u>Researcher’s response to this question was “a.”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> The budget proposal states nearly all necessary data and some detailed breakdowns. A more appropriate answer to this question would be “b.”</p> <p><u>IBP Comment:</u> IBP editors chose answer “a” to maintain consistency with the criteria used for selecting answers across countries.</p>	<p>a</p>
--	----------

<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"> a. Yes, extensive information on the impact of macroeconomic assumptions on the budget is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the impact of the major macroeconomic assumptions, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on the impact of different macroeconomic assumptions on the budget is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Information from the staff of the budget department, Ministry of Finance of Georgia.</p> <p><u>Comment:</u> The government (MOF) exercises sensitivity analysis for their own analytical purposes. The information on different budget scenarios, given different macroeconomic variables, is not available publicly.</p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be “c.” Though some information is not available publicly the executive’s budget shows some information on impact of macroeconomic assumptions.</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate answer to this question would be “b.”</p> <p><u>Researcher Response:</u> I chose my answer because in responding to the question I used publicly available data only (and not any internal documents of the Ministry of Finance or other government agencies).</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” in light of researcher’s comment.</p>	<p>d</p>
--	----------

<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"> a. Yes, extensive information on the impact of policy proposals on expenditures is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the impact of key policy proposals on expenditures, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on the impact of policy proposals on expenditures is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Explanatory note to the Draft Law on 2007 State Budget.</p> <p><u>Comment:</u> The information on the effect of the new policy proposals and their effect on the expenditure part of the budget are briefly discussed in the explanatory note that accompanies the draft annual budget law that goes to the parliament. The explanatory note is a concept paper, describing the essence of the draft budget in a 30-page narrative analysis. The information on the impact of different policy proposals on the expenditure part of the budget shall be presented to the parliament upon discussion of these different policy proposals.</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 “d.”</p> <p><u>Researcher Response:</u> I chose my answer because there is a brief discussion of the new policy proposals’ effect on the expenditure part of the budget in the explanatory note attached to the budget when it is submitted to the parliament for approval.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “c” to maintain consistency with the criteria used for selecting answers across countries.</p>	<p>C</p>
---	----------

<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> <ul style="list-style-type: none"> a. Yes, extensive information on the impact of policy proposals on revenues is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the impact of key policy proposals on revenues, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on the impact of policy proposals on revenues is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Explanatory note to the Draft Law on 2007 State Budget.</p> <p><u>Comment:</u> The information on the effect of the new policy proposals and their effect on the revenues part of the budget are discussed in the explanatory note that accompanies the draft annual budget law that goes to the parliament. The explanatory note is a concept paper, describing the essence draft budget in a 30-page narrative analysis. The information on the impact of different policy proposals on the expenditure part of the budget shall be presented to the parliament upon discussion of these different policy proposals.</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 “d.”</p> <p><u>Researcher Response:</u> I chose my answer because the explanatory note attached to the state budget does provide the information on the effect of the new policy proposals on the revenues. This information is more extensive than the information on the effect of these policies on the expenditure part.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “b” in light of researcher’s comment.</p>	<p>b</p>
---	----------

Estimates for Years Prior to the Budget Year	
<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"> a. All expenditures are classified by administrative unit for BY-1. b. Expenditures are classified by administrative unit for BY-1, but some small units are not shown separately. c. Expenditures are classified by administrative unit for BY-1, but a significant number of units are not shown separately. d. No expenditures classified by administrative unit are presented for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Article 18-Article 53.</p> <p><u>Comment:</u> The draft annual budget law provides the detailed information about the expenditures of each spending unit, such as ministries, department, state agencies and other subdivisions of the state organizations, that are financed from the state budget for the current year as well as two preceding years.</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.”</p> <p><u>Researcher Response:</u> I chose my answer because the state budget does provide the detailed expenditure information for all administrative units.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” to maintain consistency with the criteria used for selecting answers across countries.</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"> a. All expenditures are classified by functional classification for BY-1, and the categorization is compatible with international standards. b. All expenditures are classified by functional classification for BY-1, but the categorization is not compatible with international standards. c. Some, but not all, expenditures are classified by function for BY-1. d. No expenditures classified by function are presented for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Chapters 2 and Chapter 3.</p> <p><u>Comment:</u> The draft annual budget law provides the information on all state budget expenditures in the functional classification for the current as well as two preceding years.</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.”</p> <p><u>Researcher Response:</u> I chose my answer because the state budget does provide the expenditure information by functional classification.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” to maintain consistency with the criteria used for selecting answers across countries.</p>	<p>a</p>
--	----------

<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"> a. All expenditures are classified by economic classification for BY-1, and the categorization is compatible with international standards. b. All expenditures are classified by economic classification for BY-1, but the categorization is not compatible with international standards. c. Some, but not all, expenditures are classified by economic classification for BY-1. d. No expenditures classified by economic classification are presented for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Article 6. Table 1.</p> <p><u>Comment:</u> The draft annual budget law includes the table providing the economic classification of the state budget expenditures for the current as well as for the preceding two years. The macroeconomic tables attached to the draft budget law provide further detailed economic breakdown of the consolidated budget expenditures in economic breakdown.</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.”</p> <p><u>Researcher Response:</u> I chose my answer because the expenditures are classified by economic classification that is compatible with international standards, but not all expenditures.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “c” in light of researcher’s comment.</p>	<p>C</p>
---	----------

<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> <ol style="list-style-type: none"> a. Program-level expenditure data are presented for all expenditures for BY-1. b. Program-level expenditure data are presented for at least two-thirds of, but not all, expenditures for BY-1. c. Program-level expenditure data are presented, but for less than two-thirds of expenditures for BY-1. d. No program-level expenditure data are presented for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Articles 18-53.</p> <p><u>Comment:</u> Under the expenditures for each spending unit, we can see the past as well as present program financing implemented by this state unit.</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 “c.”</p> <p><u>Researcher Response:</u> I chose my answer because the program-level expenditure data presented in the budget is for more than 2/3 of expenditures.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “b” to maintain consistency with the criteria used for selecting answers across countries.</p>	<p>b</p>
---	----------

<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"> a. All BY-1 estimates have been updated from the original enacted levels to reflect six or more months of actual expenditure. b. All BY-1 estimates have been updated from the original enacted levels, but reflect less than six months of actual expenditure. c. Some BY-1 estimates have been updated from the original enacted levels to reflect actual expenditure. d. The BY-1 estimates have not been updated from the original enacted levels, or no BY-1 estimates are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on Budget Systems, Chapter 2.</p> <p><u>Comment:</u> When the draft budget law is presented to the parliament, the BY-1 estimates include 6 months actual expenditures.</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 “c.”</p> <p><u>Researcher Response:</u> I chose my answer because the draft budget includes the 6-month expenditure update.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” to maintain consistency with the criteria used for selecting answers across countries.</p>	<p>a</p>
---	----------

<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> <p>a. Yes, such prior-year estimates of aggregate expenditure are presented. b. No, such prior-year estimates of aggregate expenditure are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Articles 18-53.</p> <p><u>Comment:</u> The draft budget law presents the information on the state budget expenditures for two preceding years. The macroeconomic tables present the information on consolidated budget expenditures for three preceding years.</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.”</p> <p><u>Researcher Response:</u> I chose my answer because the budget includes the information for the two preceding years.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” to maintain consistency with the criteria used for selecting answers across countries.</p>	<p>a</p>
--	----------

<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> <ul style="list-style-type: none"> a. Yes, such prior-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative). b. Yes, such prior-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs. c. Yes, such prior-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs. d. No, such prior-year estimates are presented for aggregate expenditure only, or they are not presented at all. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Articles 18-53.</p> <p><u>Comment:</u> The format in which the expenditures are presented is identical for the current, BY-1 and BY-2 years.</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 “d.”</p> <p><u>Researcher Response:</u> I chose my answer because the prior-year expenditure estimates are presented in the budget and for all programs.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” to maintain consistency with the criteria used for selecting answers across countries.</p>	<p>a</p>
---	----------

<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> <ul style="list-style-type: none"> a. Two years prior to the budget year (BY-2). b. Three years prior to the budget year (BY-3). c. Before BY-3. d. No actual data for all expenditures are presented in the budget or supporting budget documentation. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia., Article 6 -onward.</p> <p><u>Comment:</u> When the draft budget is initially presented to the parliament it reflects BY-2 as an actual, full year, execution.</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 “d.”</p> <p><u>Researcher Response:</u> I chose my answer because the draft budget provides the two-year data.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” to maintain consistency with the criteria used for selecting answers across countries.</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"> a. Yes, prior-year data are always adjusted to be comparable to the budget year data. b. Yes, in most cases, prior-year data are adjusted to be comparable. c. Yes, in some cases, prior-year data are adjusted to be comparable, but significant deviations between prior-year and budget-year classifications exist. d. No, prior-year data are not adjusted to be comparable, or no prior-year estimates are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Article 6 -onward.</p> <p><u>Comment:</u> All the data presented in the draft budget for various years are comparable across the years.</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 “c.”</p> <p><u>Researcher Response:</u> I chose my answer because the prior year data is adjusted.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” to maintain consistency with the criteria used for selecting answers across countries.</p>	<p>a</p>
---	----------

<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"> a. All tax revenues are identified individually for BY-1. b. Tax revenues amounting to at least two-thirds of, but not all, tax revenue for BY-1 are identified individually. c. Tax revenues amounting to less than two-thirds of all tax revenues for BY-1 are identified individually. d. No tax revenues are identified individually for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Article 2.</p> <p><u>Comment:</u> All the data presented in the draft budget for various years are comparable across the years.</p> <p><u>Researcher’s response to this question was “a.”</u></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.”</p> <p><u>IBP Comment:</u> IBP editors chose answer, “b” to maintain consistency with the criteria used for selecting answers across countries.</p>	<p>b</p>
--	----------

<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"> a. All non-tax revenues are identified individually for BY-1. b. Non-tax revenues amounting to at least two-thirds of, but not all, non-tax revenue for BY-1 are identified individually. c. Non-tax revenues amounting to less than two-thirds of all non-tax revenues for BY-1 are identified individually. d. No non-tax revenues are identified individually for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on 2007 State Budget of Georgia, Article 3.</p> <p><u>Comment:</u> The detailed information on sources of non-tax revenues for the preceding two years was available in the 2007 year draft budget law when it was submitted to the Parliament.</p> <p><u>Researcher’s response to this question was “a.”</u></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.”</p> <p><u>IBP Comment:</u> IBP editors chose answer, “b” to maintain consistency with the criteria used for selecting answers across countries.</p>	<p>b</p>
--	----------

<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> <ol style="list-style-type: none"> All BY-1 estimates have been updated from the original estimates to reflect six or more months of actual revenue collections. All BY-1 estimates have been updated from the original estimates, but reflect less than six months of actual revenue collections. Some BY-1 estimates have not been updated from the original estimates to reflect actual revenue collections. The BY-1 estimates have not been updated from the original estimates or no BY-1 estimates are presented. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Article 4.</p> <p><u>Comment:</u> The draft budget submitted to the Parliament in September 2007 provided the information on the actual annual revenues for 2006.</p> <p><u>Researcher’s Response to this Question was “a.”</u></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.”</p> <p><u>IBP Comment:</u> IBP editors chose answer, “b” to maintain consistency with the criteria used for selecting answers across countries.</p>	b
<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> <ol style="list-style-type: none"> Yes, such prior-year estimates of aggregate revenue are presented. No, such prior-year estimates of aggregate revenue are not presented. Not applicable/other (please comment). <p><u>Citation:</u> Macroeconomic Forecast by the Ministry of Finance. This forecast is a part of the Draft State Budget Law, as submitted to the Parliament.</p> <p><u>Comment:</u> All the data presented in the draft budget for various years are comparable across the years. There are no past estimates shown in the current year's budget. Only the past actuals are presented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<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> <ol style="list-style-type: none"> 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><u>Citation:</u> Ministry of Finance macroeconomic forecast</p> <p><u>Comment:</u> Macroeconomic forecast was the part of the 2007 draft budget submitted to the parliament.</p> <p><u>Researcher’s Response to this Question was “b.”</u></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 “c.”</p> <p><u>IBP Comment:</u> IBP editors chose answer “c” to maintain consistency with the criteria used for selecting answers across countries. The comment provided by the researcher refers to the macroeconomic forecasts, while the question is related to the revenue estimates.</p>	<p>c</p>
--	----------

<p>32. In the executive’s budget or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?</p> <ul style="list-style-type: none"> a. Two years prior to the budget year (BY-2). b. Three years prior to the budget year (BY-3). c. Before BY-3. d. No actual data for all revenues are presented in the budget or supporting budget documentation. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Article 3.</p> <p><u>Comment:</u> The 2007 draft state budget reflected actuals for 2005 i.e. BY-2</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<p>33. Does the executive’s budget or any supporting budget documentation present information related to the government debt for the year preceding the budget year?</p> <ul style="list-style-type: none"> a. Yes, extensive information is presented on the level and composition of government debt for the year preceding the budget year. b. Yes, information on the level of debt is presented, but some important details about the composition of the debt are excluded. c. Yes, but only information on the level of debt is presented. d. No, information related to the government debt for BY-1 is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Article 14.</p> <p><u>Comment:</u> The actual information on the stock of debt is presented only for the current year. The macroeconomic tables, however, provide the information on the stock of debt at the beginning of the preceding years.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c

<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"> a. Two years prior to the budget year (BY-2). b. Three years prior to the budget year (BY-3). c. Before BY-3. d. No actual data for government debt are presented in the budget or supporting budget documentation. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia; Macroeconomic Forecast by the Ministry of Finance.</p> <p><u>Comment:</u> The debt figures presented in the budget reflect BY-2 actuals.</p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be “b.”</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I chose my answer because the 2007 state budget presents two years’ data.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” in light of researcher’s comment.</p>	<p>a</p>
---	----------

Comprehensiveness	
<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"> Yes, extensive information on extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates. Yes, information is presented, highlighting key extra-budgetary funds, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on extra-budgetary funds is not presented. Not applicable/other (please comment). <p><u>Citation:</u> The Law on Budget Systems of Georgia. Amendment from End December, 2004.</p> <p><u>Comment:</u> There are no extra-budgetary funds. Since early 2005 all off-budgetary funds have been consolidated into the budget.</p> <p><u>Researcher’s Response to this Question was “e.”</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be “d” because as it’s shown in comment all off-budgetary funds since December 2004 have been consolidated into the executive’s budget. Logically and practically it means that there can not be the information at all.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I agree with the peer reviewer’s selection of the answer. The comment would remain the same though. There are no extra-budgetary funds as of early 2005.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “e.” As the researcher has observed, there are no extra-budgetary funds in Georgia, as they have been consolidated into the executive’s budget.</p>	e

<p>36. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on intergovernmental transfers?</p> <ul style="list-style-type: none"> a. Yes, extensive information on intergovernmental transfers is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key intergovernmental transfers, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on intergovernmental transfers is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Article 42.</p> <p><u>Comment:</u> The narrative part, following the table on assignments to the Ministry of Finance, provides the information on transfers to different local units. This information describes the transfers as equalizing, earmarked, infrastructure/investment transfers and/or subsidies. No further details are provided.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c
<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"> a. Yes, extensive information on transfers to public corporations is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key transfers to public corporations, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on transfers to public corporations is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Articles 18-61.</p> <p><u>Comment:</u> The information on transfers to public corporations is presented within the expenditures of the state spending unit that supervises the public corporation.</p> <p><u>Researcher’s Response to this Question was “b.”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response would be “d.”</p> <p><u>IBP Comment:</u> IBP editors chose answer, “b” consistent with the researcher’s response.</p>	b

<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"> a. Yes, extensive information on quasi-fiscal activities is presented, including both a narrative discussion and, where possible, quantitative estimates. b. Yes, information is presented, highlighting key quasi-fiscal activities, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on quasi-fiscal activities is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia.</p> <p><u>Comment:</u> The draft annual budget law does not provide the information on quasi-fiscal activities of the government even for the current year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Source: 2007 budget proposal. The information is not full, but enough to identify budgeting quasi-fiscal activity. A more appropriate response to this question would be “c.”</p> <p><u>Researcher Response:</u> I chose my answer because there is no direct indication of quasi-fiscal activities in the executive’s budget.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” to maintain consistency with the criteria used for selecting answers across countries.</p>	<p>d</p>
---	----------

<p>39. Does the executive's budget or any supporting budget documentation present information on financial assets held by the government?</p> <ul style="list-style-type: none"> a. Yes, extensive information on financial assets is presented, including a listing of the assets, a discussion of their purpose, and an estimate of their market value. b. Yes, information is presented, highlighting key information, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on financial assets is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Decree # 153 of the Minister of Finance of the Classification of the State Budget of Georgia.</p> <p><u>Comment:</u> The 2007 draft budget, as submitted to the Parliament, did not provide the information on the financial assets of the government. However, the accompanying macroeconomic tables showed some information on government's financial holdings, namely the size of Gov's deposits at the National Bank, etc. The 2008 budget will be written in the new classification (GFS 2001) and will include a separate chapter on the government's financial assets.</p> <p><u>Researcher's Response to this Question was "d."</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be "c." The comment is correct and therefore the answer is yes, some information is presented</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I agree with the peer reviewer's answer choice and comment. Some information is indeed presented in the macroeconomic tables attached to the budget.</p> <p><u>IBP Comment:</u> IBP editors chose answer, "c" in light of researcher and peer reviewer's comments.</p>	<p>c</p>
---	----------

<p>40. Does the executive's budget or any supporting budget documentation present information on non-financial assets held by the government?</p> <ul style="list-style-type: none"> a. Yes, extensive information on non-financial assets is presented, including a listing of the assets, and (where possible) an estimate of their market value. b. Yes, information is presented, highlighting key information, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on non-financial assets is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Decree # 153 of the Minister of Finance of the Classification of the State Budget of Georgia. Draft Law of Georgia on 2007 State Budget of Georgia, Article 4.</p> <p><u>Comment:</u> The 2007 draft budget, as submitted to the parliament, did not provide the information on the size or volume of the Government's non-financial assets. However, the draft budget presented the information on the receipts from the privatization process. Given that the privatization is sale of state non-financial assets, we can say that the draft budget did provide some information on Government's non-financial assets. The GFS 2001 based budget will provide more complete information.</p> <p><u>Researcher's Response to this Question was "c."</u></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 "d."</p> <p><u>IBP Comment:</u> IBP editors chose answer, "d" to maintain consistency of assumptions across countries.</p>	<p>d</p>
---	----------

<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"> a. Yes, extensive information on expenditure arrears is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key expenditure arrears, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on expenditure arrears is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Article 9 and Articles 18-61.</p> <p><u>Comment:</u> The information on the stock of arrears is not available. The MOF does not have a good estimate of the stock of the outstanding expenditure arrears. The annual budgets provide the information on the planned amount of amortization of the domestic arrears for the current year. But there is no information on how this amortization will reduce the stock of the outstanding expenditures.</p> <p><u>Researcher’s Response to this Question was “c.”</u></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 “d.”</p> <p><u>Researcher Response:</u> I chose my answer because the state budget provides the information on the planned amount of amortization of the domestic arrears; however, since there is no information of the stock of arrears, it could be possible to give answer “d” to this question.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” to maintain consistency with the criteria used for selecting answers across countries.</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"> a. Yes, extensive information on contingent liabilities is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key contingent liabilities, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on contingent liabilities is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Article 17.</p> <p><u>Comment:</u> At present Georgia has only two loans guaranteed by the government to repay. The government does not issue guarantees to creditors since 2000.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c
<p>43. Does the executive’s budget or any supporting budget documentation present information on future liabilities, such as civil service pensions?</p> <ul style="list-style-type: none"> a. Yes, extensive information on future liabilities is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key future liabilities, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on future liabilities is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia</p> <p><u>Comment:</u> The information on current year pensions is presented in the annual budget law. The macroeconomic tables show the social expenditures for the preceding and the following years.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<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> <ul style="list-style-type: none"> a. All sources of donor assistance are identified individually. b. At least two-thirds of, but not all, sources of donor assistance, are identified individually. c. Less than two-thirds of sources of donor assistance are identified individually. d. No sources of donor assistance are identified individually. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia</p> <p><u>Comment:</u> The draft budget, as submitted to the parliament, provided the information on the sources of financing from external sources received in monetary terms. The draft budget also attempted to cover the information on in-kind assistance, but there were cases when the assistance from small donors stays outside the scope of the budget document.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
<p>45. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on tax expenditures?</p> <ul style="list-style-type: none"> a. Yes, extensive information on tax expenditures is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key tax expenditures, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on tax expenditures is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Article 6.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c

<p>46. Does the executive’s budget or any supporting budget documentation identify all earmarked revenues?</p> <ul style="list-style-type: none"> a. All earmarked revenues are identified individually. b. At least two-thirds of, but not all, earmarked revenues are identified individually. c. Less than two-thirds of earmarked revenues are identified individually. d. No earmarked revenues are identified individually. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems of Georgia.</p> <p><u>Comment:</u> The 2007 draft budget did not have any earmarked revenues. Money from all the revenues goes to the same treasury (through a Single Treasury Account) and the treasury allocates this money to the specific expenditures, as authorized by the annual budget law. There is not tax designed to finance any specific expenditure.</p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be “d.”</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “b.”</p> <p><u>Researcher Response:</u> I chose my answer because after the creation of the single treasury account all the revenues go to the same treasury and this is why there are no individual earmarked revenues.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “e” in light of researcher’s comments.</p>	e
--	---

<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"> a. One percent or less of expenditure is dedicated to secret items. b. Three percent or less, but more than one percent, of expenditure is dedicated to secret items. c. Eight percent or less, but more than three percent, of expenditure is dedicated to secret items. d. More than eight percent of expenditure is dedicated to secret items, or the percentage is not available to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Article 6: Functional Breakdown of the State Budget Expenditures.</p> <p><u>Comment:</u> In 2007, more than 30 percent of the state budget expenditures were directed to the military and security needs of the country.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Source: 2007 budget proposal. The 2007 budget expenditures spent on national security and military intelligence were increased, but the exact amount of spent money isn't available.</p>	<p>d</p>
---	----------

The Budget Narrative & Performance Monitoring		
<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> <p>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.</p> <p>b. Yes, information is presented, highlighting the link between major policy goals and the budget, but some details are excluded.</p> <p>c. Yes, some information is presented, but it lacks important details.</p> <p>d. No, information on the link between the budget and the government’s stated policy goals is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Articles 18-61. Basic Data and Directions Document for 2007-2010.</p> <p><u>Comment:</u> At the end of the tables describing the allocations for each spending unit, the policy goals and objectives of this spending unit are discussed. The links between the goals of the spending unit and the allocated financing is explained.</p> <p><u>Researcher’s Response to this Question was “b.”</u></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 “c.”</p> <p><u>Researcher Response:</u> I chose my answer because the links between the goals of the spending until and the allocated financing are explained even though they do lack details.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “c” to maintain consistency with the criteria used for selecting answers across 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"> 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. b. Yes, information is presented, highlighting the major policy goals, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on the link between the budget and the government’s stated policy goals over a multi-year period is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Articles 18-61. Basic Data and Directions Document for 2007-2010.</p> <p><u>Comment:</u> At the end of the tables describing the allocations for each spending unit, the policy goals and objectives of this spending unit are discussed. The links between the goals of the spending unit and the allocated financing is explained. While the tables in the annual budget law do not provide the expenditure targets for the line ministries in the consequent years, the narrative on policy goals usually covers longer periods.</p> <p><u>Researcher’s Response to this Question was “b.”</u></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 “d.”</p> <p><u>IBP Comment:</u> IBP editors chose answer, “c” to maintain consistency with the criteria used for selecting answers across countries.</p>	<p>c</p>
---	----------

<p>50. Does the executive’s budget or any supporting budget documentation present non-financial data, such as the number of beneficiaries, for expenditure programs?</p> <ul style="list-style-type: none"> a. Non-financial data are presented for all programs. b. Non-financial data are presented for programs representing at least two-thirds of, but not all, expenditures. c. Non-financial data are presented for programs representing less than two-thirds of expenditure. d. No non-financial data are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia, Article 51.</p> <p><u>Comment:</u> The draft law provided the information on the size of pension and the social assistance in the country, but the number of recipients of pensions or social assistance is not identified in the law.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>51. Are the non-financial data presented useful for assessing how an expenditure program is performing?</p> <ul style="list-style-type: none"> a. The non-financial data are very useful for assessing program performance. b. The non-financial data are mostly useful for assessing program performance. c. The non-financial data are somewhat useful for assessing program performance. d. No non-financial data are provided or they are not useful for assessing program performance. e. Not applicable/other (please comment). <p><u>Citation:</u> N/A</p> <p><u>Comment:</u> This data is not presented in the draft budget.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></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"> a. Performance indicators are presented for all programs. b. Performance indicators are presented for programs representing at least two-thirds of, but not all, expenditures. c. Performance indicators are presented for programs representing less than two-thirds of expenditures. d. No performance indicators are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Law of Georgia on 2007 State Budget of Georgia. Basic Data and Directions Document, 2007-2010.</p> <p><u>Comment:</u> The text of the draft budget law did not set the performance indicators. However, the Basic Data and Directions document talked about the desired outcomes from the policies described by the document.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></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"> a. All performance indicators are well designed. b. Most performance indicators are well designed. c. Some performance indicators are well designed, but most are not. d. No programs have performance indicators, or they are not well designed. e. Not applicable/other (please comment). <p><u>Citation:</u> N/A</p> <p><u>Comment:</u> The programs do not include performance indicators.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></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> <p>a. All performance indicators are used in conjunction with performance targets. b. Most performance indicators are used in conjunction with performance targets. c. Some performance indicators are used in conjunction with performance targets, but most are not. d. No performance indicators are used in conjunction with performance targets. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> The performance indicators are not included in the programs.</p> <p><u>Comment:</u> N/A</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></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> <p>a. Yes, extensive information on policies intended to alleviate poverty is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the impact of key policies intended to alleviate poverty, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on policies intended to alleviate poverty is not presented. e. Not applicable/other (please comment).</p> <p><u>Citation:</u> Draft Law of Georgian on 2007 State Budget of Georgia, Article 52.</p> <p><u>Comment:</u> The text of the draft annual budget law provided the details of the poverty alleviation program of the Government of Georgia.</p> <p><u>Researcher’s Response to this Question was “a.”</u></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 “d.”</p> <p><u>IBP Comment:</u> IBP editors chose answer, “b” to maintain consistency with the criteria used for selecting answers across countries.</p>	b

Additional Key Information for Budget Analysis & Monitoring	
<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> <ul style="list-style-type: none"> a. Yes, extensive information on tax rates, fees, royalties and other revenues sources is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the rates and fees for major revenue sources, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Tax Code of Georgia; various laws, establishing fees and duties.</p> <p><u>Comment:</u> The information on types of taxes and their rates is available through the Tax Code. This information can be found on the web of the revenue service (www.taxdep.ge). However, the information on non-tax payments and fees are scattered among different laws. These laws are public and are available through legal information distribution channels (printing materials, as well as e-media). These channels are not usually accessible to many people. Also, it is difficult for an average taxpayer to locate all the information, because this information is not consolidated.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Source: Tax code of Georgia. Tax code of Georgia gives obscure definitions of special instances.</p>	b

<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"> Yes, a detailed analysis of the distribution of the tax burden is presented, including both a narrative discussion and quantitative estimates. Yes, an analysis is presented, highlighting key aspects of the distribution, but some details are excluded. Yes, some analysis is presented, but it lacks important details. No analysis on the distribution of the tax burden is presented. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> There are very rare cases when the governmental officials make statements about the tax burden. No written analysis is available from the web page of the MOF, or any other state agency.</p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response would be “c.”</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I chose my answer because there is no written analysis of this issue.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” in light of researcher’s comment.</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> <ol style="list-style-type: none"> 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. Yes, information is presented, but some details are excluded. Yes, some information is presented, but it lacks important details. No, information on conditions associated with IFI assistance is not presented. Not applicable/other (please comment). <p><u>Citation:</u> Administrative Code of Georgia, Article 3. Law of Georgia on 2007 State Budget of Georgia. Chapter 3.</p> <p><u>Comment:</u> There is room for further publicity in this regard. The public should be well informed on the Government's relations with the IFIs and the added value that such membership brings to the country. However, the Law of Georgia on 2007 State Budget of Georgia, provides the information on the financing received by the budget from these sources.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c

<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"> 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. b. Yes, information is presented, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on conditions associated with donor country assistance is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Administrative Code of Georgia, Article 3.Law of Georgia on 2007 State Budget of Georgia. Chapter 3.</p> <p><u>Comment:</u> The Law of Georgia on 2007 State Budget of Georgia provides the information on sums to be received from IFIs, but no information is provided on the conditions associated with such borrowing.</p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be “c.”</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “c.”</p> <p><u>Researcher Response:</u> I chose my answer because although the state budget includes the information on the sums to be received from IFIs, there is no information on the conditions associated with this borrowing. The question asked is not about the received sums, but about the associated conditions.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” according to researcher’s comment.</p>	d
---	---

<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"> a. Yes, it provides a summary that is very informative. b. Yes, it provides a summary that is somewhat informative. c. Yes, but the summary is not very informative. d. No, it does not provide a summary. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, Article 21. Parliamentary Rules of Proceedings, Article 147. Explanatory note to the Law of Georgia on 2007 State Budget of Georgia.</p> <p><u>Comment:</u> The budget documents that accompany the annual budget law, when the law is submitted to the parliament, include a so called 'longer explanatory note.' This is an informative document, written for the parliamentarians. The aim of this document is to save the parliamentarians' time and provide the essence of the submitted document. However, sometimes this summary document by-passes sensitive issues that can be observed only in the full text of the budget law. This document is not publicly available; it is, however, available to the parliamentarians.</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 “c.”</p> <p><u>Researcher Response:</u> I chose my answer because the “longer explanatory note” mentioned in my comment is not a public document.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” in light of researcher’s comment.</p>	d
---	---

<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"> a. Yes, it publishes a citizens budget that is very informative. b. Yes, it publishes a citizens budget that is somewhat informative. c. Yes, but the citizens budget is not very informative. d. No, it does not publish a citizens budget. e. Not applicable/other (please comment). <p><u>Citation:</u> A Citizen's guide to the 2007-2010 State Budget of Georgia.</p> <p><u>Comment:</u> In January 2007, the government published "A Citizen's Guide to the 2007-2010 State Budget of Georgia." The document was prepared in Georgian and English. It was published as a small book. It was placed on the web page of the MOF, but later removed, as the data presented in it became outdated.</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 “d.”</p> <p><u>Researcher Response:</u> I chose my answer because in 2007 the MOF did publish the Guide.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “c” to maintain consistency with the criteria used for selecting answers across countries.</p>	c
--	---

<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"> a. Yes, thorough definitions of budget terms are provided. b. Yes, definitions are provided, but some details are excluded. c. Yes, some definitions are provided, but it lacks important details. d. No, definitions are not provided. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems of Georgia; MOF web page (http://www.mof.ge/DinamicPage.aspx?cmd=menu&rootid=74), a Citizen's guide to the 2007-2010 State Budget of Georgia.</p> <p><u>Comment:</u> The above mentioned documents provide the definition of the economic concepts, including those, used in the budget process. The Law on Budget Systems provides definitions of the budget terms. The Ministry of Finance website includes glossary of modern financial terminology.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Source: Law of Georgia on Budgetary System. The glossary doesn't include all the necessary terms used in Georgia's budget, though the Ministry of Finance has its own glossary concerning financial terms. A more appropriate response to this question would be "c."</p> <p><u>Researcher Response:</u> I chose my answer because different documents and sources listed in my Comment section in conjunction provide all the necessary definitions.</p> <p><u>IBP Comment:</u> IBP editors chose answer, "a" to maintain consistency with the criteria used for selecting answers across countries.</p>	a
---	---

<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"> a. Yes, the right has been codified into law, and citizens are generally able in practice to obtain government information, including budget information. 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. 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. d. No, the right to access government information has not been codified into law, or this right does not include access to budget information. e. Not applicable/other (please comment). <p><u>Citation:</u> Administrative Code of Georgia, Chapter 3; Law of Georgia on Budgetary Systems; Ministry of Finance website: www.mof.ge; IMF in Georgia web site: http://www.imf.ge/view.php?lang=1&cat=8&scat=25</p> <p><u>Comment:</u> The budget information is public information and can be obtained either from the web site of the MOF or through submitting a written request to the respective state agency following the procedures set forth by the Administrative Code of Georgia.</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 “a.”</p> <p><u>Researcher Response:</u> I chose my answer because sometimes (and not that rarely) the MOF and other government agencies fail to respond to the FOIA requests with regards to budget. Often it is difficult to get a copy of draft budget, which according to Georgia’s Administrative Code, is public document as well as the approved budget.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “b” in light of researcher’s comment.</p>	b
---	---

<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"> a. In practice, highly disaggregated information is available to the public for all programs except those considered related to national security or military intelligence. b. In practice, highly disaggregated information is available to the public for programs representing at least two-thirds of, but not all, expenditures. c. In practice, highly disaggregated information is available to the public for programs representing less than two-thirds of expenditures. d. In practice, no highly disaggregated expenditure information is available. e. Not applicable/other (please comment). <p><u>Citation:</u> Administrative Code of Georgia, Chapter 3. Law of Georgia on Budgetary System, Article 4.</p> <p><u>Comment:</u> While all budget related information is public information and theoretically can be obtained by submitting a written request to the respective state agency following the procedures set forth by the Administrative Code of Georgia, in practice it will be very difficult, if not impossible, because the state agencies do not keep any more detailed information for programs than they are required by the budget format. Some customized information is available from the ministry of health, labor and social affairs at http://www.moh.gov.ge/news.php</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c
---	---

<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> <ul style="list-style-type: none"> a. In practice, highly disaggregated non-financial information is available to the public for all programs except those considered related to national security or military intelligence. b. In practice, highly disaggregated non-financial information is available to the public for programs representing at least two-thirds of, but not all, expenditures. c. In practice, highly disaggregated non-financial information is available to the public for programs representing less than two-thirds of expenditures. d. In practice, no highly disaggregated non-financial expenditure information is available. e. Not applicable/other (please comment). <p><u>Citation:</u> Administrative Code of Georgia, Chapter 3. Law of Georgia on Budgetary System, Article 4.</p> <p><u>Comment:</u> While all budget related information is public information and can be obtained through submitting a written request to the respective state agency following the procedures set forth by the Administrative Code of Georgia, in practice detailed information may not be available and the answers obtained through following the official procedures would turn out to be vague or very general.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c
---	---

Section Three: The Budget Process

The Budget Process	
Executive's Formulation of the Budget	
<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"> a. The release date is set in permanent law. b. The executive announces the release date at least two months in advance. c. The executive announces the release date less than two months but more than two weeks in advance. d. The executive announces the release date two weeks or less before the release, or makes no announcement. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, Articles 17-22.</p> <p><u>Comment:</u> The Law of Budget Systems of Georgia identifies the dates for the budget preparation cycle. According to this law, the Ministry of Finance starts to work on the next year's budget by the 1st of March of the year preceding the budget year. The public, however, may see the first draft of the budget only by end September of the year preceding the budget year. By this time the budget shall be submitted to the parliament.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></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> Law of Georgia on Budget Systems, Articles 17-22.</p> <p><u>Comment:</u> The Law of Budget Systems of Georgia identifies the dates for the budget preparation cycle. For the next year's budget, the government usually closely follows the dates identified by the law. However, considering the late experience with the numerous supplement budgets during a year, their preparation dates are usually unpredictable and not disclosed to the public.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Source: Law of Georgia on Budgetary System. Timetables aren't available to the public. A more appropriate response to this question would be “d.”</p> <p><u>Researcher Response:</u> I chose my answer because the timeline is fixed in the law on budget systems.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” to maintain consistency with the criteria used for selecting answers across countries.</p>	<p>d</p>
--	----------

<p>68. Does the executive adhere to its timetable for the preparation and release of the budget?</p> <ul style="list-style-type: none"> a. The executive adheres to the dates in its timetable. b. The executive adheres to most of the key dates in its timetable. c. The executive has difficulty adhering to most of the dates in its timetable. d. The executive does not adhere to the dates in its timetable, or it does not release to the public its timetable. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, Articles 17-22.</p> <p><u>Comment:</u> The authorities did adhere to the budget preparation timetable dates when they initially prepared the budget for 2007 (i.e. during 2006). However, the supplemental budgets (approved in August and in September, 2007) were prepared violating all the dates of the preparation timetable.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
---	----------

69. Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?

- a. Yes, the executive holds extensive consultations with a wide range of legislators.
- b. Yes, the executive holds consultations with a range of legislators, but some key members are excluded.
- c. Yes, the executive holds very limited consultations, involving only a few members of the legislature.
- d. No, the executive does not typically consult with members of the legislature as part of the budget preparation process.
- e. Not applicable/other (please comment).

Citation:

Law of Georgia on Budget Systems, Article 17 and Article 21. Parliamentary Rules of Proceedings, Chapter XXVII.

Comment:

The government holds consultations with the members of the Parliamentary committees about the next three years' budget priorities as early as May 1st of the year preceding the budget year. This is the time when the government submits the Basic Data and Directions Document to the Parliament. During the period of May 1-June 1, the parliamentarians are expected to present their suggestions regarding the Basic Data and Directions Document to the MOF. As a rule, only a small part of the parliamentarians' suggestions get included in the draft budget for the following year that comes back to the parliament as a draft by October 1st of the year preceding the accounting year.

Peer Reviewer One Comment: A more appropriate response to this question would be “b.”

Peer Reviewer Two Comment: A more appropriate response to this question would be “d.” Source: Law of Georgia on Budgetary System. Parliamentary rules of Procedures. The budget is discussed at the parliament Plenary Session and now consultations with the members of legislatures aren't taken into consideration.

Researcher Response: I chose my answer because the legislatures do engage in budgetary discussions, but their comments are rarely taken into account.

IBP Comment: IBP editors chose answer, “c” in light of researcher’s comment.

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"> a. Yes, the executive holds extensive consultations with a wide range of constituencies. b. Yes, the executive holds consultations with a range of constituencies, but some key constituencies are excluded. c. Yes, the executive holds very limited consultations, involving only a few constituencies. d. No, the executive does not typically consult with the public as part of the budget preparation process. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, Article 4.</p> <p><u>Comment:</u> The Law on Budget Systems that governs the budgetary process in Georgia does not require the Ministry of Finance to hold special public discussions. The law only states that the budget discussions procedures in the parliament are public and can be broadcasted. People may attend the committee hearings of the budget and express their opinion, but such attendance is administratively complicated (need for a pass to the administrative building, etc).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> The only way of public involvement in budgetary process is through the Committee Hearing of the draft budget.</p>	d
<p>71. When does the executive release a pre-budget statement to the public?</p> <ol style="list-style-type: none"> a. The executive releases a pre-budget statement at least four months in advance of the start of the budget year. b. The executive releases a pre-budget statement at least two months (but less than four months) in advance of the start of the budget year. c. The executive releases a pre-budget statement, but it is released less than two months before the start of the budget year. d. The executive does not release a pre-budget statement. e. Not applicable/other (please comment). <p><u>Citation:</u> Administrative Code of Georgia, Chapter 3. Law of Georgia on Budget Systems, Article 17.</p> <p><u>Comment:</u> A pre-budget statement (Basic Data and Directions document) is a public document and can be obtained through submitting a written request to the respective state agency. The pre-budget statement is not posted on the Internet.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>72. Does the pre-budget statement describe the government’s macroeconomic and fiscal framework?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the government’s fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key aspects of the fiscal and macroeconomic framework, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, Article 17. The Basic Data and Directions Document for 2007-2010.</p> <p><u>Comment:</u> This is a lengthy document providing a narrative discussion of government's economic priorities for the following four years. Some fiscal estimates are provided, however the impact of these fiscal policies on other macroeconomic variables is not discussed.</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 “c.”</p> <p><u>Researcher Response:</u> I agree with the reviewer’s suggestion. Initially I chose the answer “b” because the BDD document provides extensive information on economic priorities, however, it is correct that this document is not very informative with regards to the macroeconomic and fiscal forecasts, and since the question is about these two issues specifically, the answer should most probably be “c.”</p>	<p>C</p>
---	----------

<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"> a. Yes, an extensive explanation of the government’s budget policies and priorities is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key aspects of the government’s budget policies and priorities, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. e. Not applicable/other (please comment). <p><u>Citation:</u> The Basic Data and Directions Document for 2007-2010.</p> <p><u>Comment:</u> The BDD well describes the government's policies and priorities that will guide the development of the detailed estimates for the upcoming budget. However, the expenditure ceilings initially defined by the BDD may be lifted upwards during the consultations with the ministries or parliamentary discussions of the draft budget. Preliminary budget figures may also be modified due to the higher available revenues, or to the need for higher expenditures.</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 “c.”</p> <p><u>Researcher Response:</u> I chose my answer because there is quite detailed information on government’s policy priorities in the BDD document.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “b” to maintain consistency with the criteria used for selecting answers across countries.</p>	b
--	---

Legislative Approval of the Budget	
<p>74. How far in advance of the start of the budget year does the legislature receive the budget?</p> <ol style="list-style-type: none"> a. The legislature receives the budget at least three months before the start of the budget year. b. The legislature receives the budget at least six weeks, but less than three months, before the start of the budget year. c. The legislature receives the budget less than six weeks before the start of the budget year. d. The legislature does not receive the budget before the start of the budget year. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on the Budget Systems, Chapter II. Parliamentary Rules of Proceedings, Chapter XXVII.</p> <p><u>Comment:</u> The draft budget of the next year is submitted to the parliament by the end September of the previous year, i.e. three months before the end of the preceding fiscal year.</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.”</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” in line with researcher’s comment.</p>	a

<p>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?</p> <ol style="list-style-type: none"> 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). <p><u>Citation:</u> Law of Georgia on Budget Systems, Article 22. Parliamentary rules of procedures.</p> <p><u>Comment:</u> The macroeconomic and fiscal framework is not discussed by the parliament committees separately. It is discussed as part of the budget discussions in the committees. Separate public hearings are not held.</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 “c.”</p> <p><u>Researcher Response:</u> I chose my answer because there is no separate discussion of the macroeconomic and fiscal framework presented in the budget. However, as mentioned in the Comment section, these issues can be discussed as part of the budget itself.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” to maintain consistency with the criteria used for selecting answers across countries.</p>	<p>d</p>
--	----------

<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> <ol style="list-style-type: none"> Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the executive branch is heard. Yes, hearings are held, covering key administrative units, in which testimony from the executive branch is heard. Yes, a limited number of hearings are held in which testimony from the executive branch is heard. No, public hearings are not held on the budgets of administrative units in which testimony from the executive branch is heard. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, Articles 20-22.</p> <p><u>Comment:</u> The committees of economic profile hold public hearings on the individual budgets of state administrative units depending on their sectors of influence. Representatives of the executive do not participate in all of them.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c
<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> <ol style="list-style-type: none"> Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the public is heard. Yes, hearings are held, covering key administrative units, in which testimony from the public is heard. Yes, a limited number of hearings are held in which testimony from the public is heard. No, public hearings are not held on the budgets of administrative units in which testimony from the public is heard. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, Articles 20-22. Parliamentary Rules of Procedures, Article 42.</p> <p><u>Comment:</u> Each committee holds public hearings on the budgets of those state units that relate to the sectoral expertise of this committee.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<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"> a. Yes, the committees release very informative reports, which include all written testimony presented at the hearings. b. Yes, the committees release reports, but some details are excluded. c. Yes, the committees release reports, but they are not very informative. d. No, the committees do not release reports or do not hold public hearings. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, Articles 20-22. Law of Georgia on Committees, Article 13. Parliamentary Rules of Procedures, Article 42 .</p> <p><u>Comment:</u> The Committees prepare their conclusions on the discussed draft budget. These conclusions give a general assessment of the submitted draft budget. They are submitted to the parliamentary plenary session and to the executive for consideration. These conclusions are public documents and can be obtained by ordinary citizens, if requested. However, the committees do not produce any reports about their budgetary hearings for the purpose of informing the public about the hearings, their main topics and the results.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></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"> a. Yes, the appropriate legislative committee or members of the legislature is provided extensive information on all spending on secret items, which includes detailed, line item descriptions of all expenditures. b. No, the legislature is provided information on spending on secret items, but some details are excluded, or some categories are presented in an aggregated manner, or the legislature is provided no information on secret items. c. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Trust Group, Article 1 and Article 7. Parliamentary Rules of Proceedings, Article 179.</p> <p><u>Comment:</u> This information on government's special military programs and other activities related to national security is provided only to the Parliamentary Trust Group (comprising four parliamentarians). It is difficult to assess whether or not the information provided to the Trust Group is informative and detailed enough due to the confidentiality of the information.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>b</p>
---	----------

<p>80. Does the legislature have authority <i>in law</i> to amend the budget presented by the executive?</p> <ul style="list-style-type: none"> a. Yes, the legislature has unlimited authority <i>in law</i> to amend the budget. b. Yes, the legislature has authority <i>in law</i> to amend the budget, with some limitations. c. Yes, the legislature has authority <i>in law</i> to amend the budget, but its authority is very limited. d. No, the legislature does not have any authority <i>in law</i> to amend the budget. e. Not applicable/other (please comment). <p><u>Citation:</u> Constitution of Georgia, Article 93. Law on Budget Systems of Georgia, Article 22. Parliamentary Rules of Proceedings, Article 145.</p> <p><u>Comment:</u> The legislation of Georgia does not authorize the parliament to change the annual budget law, without prior approval from the Ministry of Finance. The parliament may propose a change to the annual budget law and engage in consultations with the government. However, only the Ministry of Finance, on behalf of the Government of Georgia, has the right to amend the budget. The Parliament may, however, disapprove the budget and send it back to the government for further fine-tuning. If the parliament fails to approve the budget at a plenary hearing, the parliament will be dismissed and the budget will be approved by a presidential decree.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response would be “c.”</p> <p><u>Researcher Response:</u> I chose my answer because the legislature has no right to amend any parts of the budget without the executive’s prior approval.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “d” as for researcher’s comment.</p>	<p>d</p>
--	----------

<p>81. What is the most detail provided in the appropriation (expenditure budget) approved by the legislature?</p> <ol style="list-style-type: none"> The approved budget includes program-level detail. The approved budget includes departmental totals and some additional details (for instance, sub-department totals or major programs). The approved budget includes only departmental totals. The approved budget includes less information than departmental totals. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on 2007 State Budget, Chapter IV.</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
Executive's Implementation of the Budget	
<p>82. How often does the executive release to the public in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</p> <ol style="list-style-type: none"> In-year reports on actual expenditure are released at least every month. In-year reports on actual expenditure are released at least every quarter. In-year reports on actual expenditure are released at least semi-annually. In-year reports on actual expenditure are not released. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, Article 34. MOF website: http://www.mof.ge/DinamicPage.aspx?cmd=page&rootid=315&pageid=224</p> <p><u>Comment:</u> This is public information and can be obtained from the web page of the Ministry of Finance. If this information is needed in any customized format, it can be obtained from the Treasury Department of the Ministry of Finance, upon request, observing the procedure outlined in the constitution of Georgia.</p> <p><u>Researcher's Response to this Question was "a."</u></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."</p> <p><u>IBP Comment:</u> IBP editors chose answer, "b." The executive, as indicated in table 2 (section 1 of this questionnaire) releases quarterly reports.</p>	b

<p>83. What share of expenditure is covered by in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</p> <ul style="list-style-type: none"> a. Yes, in-year reports cover all expenditures. b. Yes, in-year reports cover at least two-thirds, but not all, of expenditures. c. Yes, in-year reports cover less than two-thirds of expenditures. d. No in-year reports are released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budgetary System, Code of Georgia on General Administrative Proceedings.</p> <p><u>Comment:</u> The treasury is able to provide the information on current year expenditures in any customized format (administrative, economic, and functional). However, not all these formats are posted on the web.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
<p>84. What is the most detail provided in the in-year reports on actual expenditures organized by <i>administrative unit</i>?</p> <ul style="list-style-type: none"> a. The in-year reports on actual expenditures organized by administrative unit contain program-level detail. b. The in-year reports on actual expenditures organized by administrative unit contain departmental totals and some additional details (for instance, sub-department totals or major programs). c. The in-year reports on actual expenditures organized by administrative unit contain only departmental totals. d. The in-year reports on actual expenditures organized by administrative unit are not released to the public, not produced, or contain less information than departmental totals. e. Not applicable/other (please comment). <p><u>Citation:</u> MOF website: http://www.mof.ge/DinamicPage.aspx?cmd=page&rootid=315&pageid=224</p> <p><u>Comment:</u> The Treasury can provide the information on current year expenditures per administrative unit, however, the MOF website provides only economic breakdown of such information.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c

<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> MOF website: http://www.mof.ge/DinamicPage.aspx?cmd=page&rootid=315&pageid=224</p> <p><u>Comment:</u> The information provided on the web page shows only the actuals for the last two years in economic classification. Still, the treasury can provide the information on current year expenditures as well as about the targets, upon request.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d
<p>86. How often does the executive release to the public in-year reports on actual revenue collections by source of revenue?</p> <p>a. In-year reports on actual revenue collections by source of revenue are released at least every month. b. In-year reports on actual revenue collections are released at least every quarter. c. In-year reports on actual revenue collections are released at least semi-annually. d. In-year reports on actual revenue collections by source of revenue are not released. e. Not applicable/other (please comment).</p> <p><u>Citation and/or comment:</u> Law of Georgia on Budget Systems, Article 34. MOF website: http://www.mof.ge/DinamicPage.aspx?cmd=page&rootid=315&pageid=224</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>87. What share of revenue is covered by the in-year reports on actual revenue collections?</p> <ol style="list-style-type: none"> In-year reports cover the actual revenue collections of all sources of revenue. In-year reports cover the actual revenue collections of at least two-thirds of, but not all, sources of revenue. In-year reports cover actual revenue collections of less than two-thirds of revenue sources. In-year reports on actual revenue collections are not released to the public. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, Article 34. MOF website: http://www.mof.ge/DinamicPage.aspx?cmd=page&rootid=315&pageid=224</p> <p><u>Comment:</u> The treasury is able to provide any information on state, local and consolidated budget revenues in any customized format.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b
<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"> Yes, comparisons are made for all revenue sources. Yes, comparisons are made for at least two-thirds of, but not all, revenue sources. Yes, but comparisons are made for less than two-thirds of revenue sources. No, comparisons are not made, or no in-year reports are released to the public. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, Article 34. MOF website: http://www.mof.ge/DinamicPage.aspx?cmd=page&rootid=315&pageid=224</p> <p><u>Comment:</u> The treasury is able to provide any information on state, local and consolidated budget revenues in any customized format.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<p>89. Does the executive release to the public in-year reports on actual borrowing?</p> <ol style="list-style-type: none"> Yes, in-year reports on actual borrowing are released at least every month. Yes, in-year reports on actual borrowing are released at least every quarter. Yes, in-year reports on actual borrowing are released at least semi-annually. No, in-year reports on actual borrowing are not released. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems. Article 34. MOF website: http://www.mof.ge/DinamicPage.aspx?cmd=page&rootid=315&pageid=224</p> <p><u>Comment:</u> The Ministry of Finance is able to provide any information on borrowing by the state budget.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<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"> Yes, extensive information related to the composition of government debt is presented. Yes, key additional information is presented, but some details are excluded. Yes, some additional information is presented, but it lacks important details. No, additional information related to the composition of government debt is not presented, or such in-year reports on borrowing are not released. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems. Article 34. MOF website: http://www.mof.ge/DinamicPage.aspx?cmd=page&rootid=315&pageid=224</p> <p><u>Comment:</u> The Ministry of Finance is able to provide any information on borrowing by the state budget.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<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"> Reports are released 1 month or less after the end of the period. Reports are released 2 months or less (but more than 1 month) after the end of the period. Reports are released more than 2 months after the end of the period. In-year reports are not released. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, Article 34; Article 35</p> <p><u>Comment:</u> The treasury department of the Ministry of Finance is required to publish the information on execution of the previous month's budget by the 20th of the month following the accounting month. The MOF is required to present to the Parliament the information on the execution of the previous quarter by the end of the first month following the end of the previous quarter.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a
<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"> 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. Yes, the mid-year review includes a discussion of the economy, but it lacks some details. Yes, the mid-year review includes a discussion of the economy, but it lacks important details. 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. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, Article 24.</p> <p><u>Comment:</u> The executive usually prepares a mid-year (quarterly) review of the budget that discusses the changes in economic outlook since the budget was enacted and such a mid-year review usually serves as a basis for the supplemental budget. As soon as the supplement draft budget is prepared and is presented to the Parliament, it is a public document and can be accessed by the interested public.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<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"> 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. b. Yes, the mid-year review includes updated estimates of expenditure, but some details on why estimates have changed are not provided. c. Yes, the mid-year review includes updated estimates of expenditure, but important details on why estimates have changed are not provided. 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. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, Article 24</p> <p><u>Comment:</u> The executive usually prepares a mid-year (quarterly) review of the budget that discusses the changes in economic outlook since the budget was enacted and such a mid-year review usually serves as a basis for the supplemental budget. As soon as the supplement draft budget is prepared and is presented to the Parliament, it is a public document and can be accessed by the interested public.</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.”</p> <p><u>Researcher Response:</u> I chose my answer because although the mid-year review is not very detailed in general, it does include updated expenditure estimates for the full fiscal year and this is what the question refers to.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” in light of researcher’s comment.</p>	<p>a</p>
--	----------

<p>94. What is the most detail provided in the mid-year review for expenditures?</p> <ul style="list-style-type: none"> a. The mid-year review includes program-level detail for expenditures. b. The mid-year review includes departmental totals (or functional totals) and some additional details (for instance, sub-department totals or major programs). c. The mid-year review includes only departmental totals (or functional totals). d. 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. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, Article 35. Report on the six months execution of the 2007 State Budget of Georgia, prepared by the Ministry of Finance.</p> <p><u>Comment:</u> The report provides the functional totals and some information on programs carried in terms of implementing each function.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>
--	----------

<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"> 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. b. Yes, the mid-year review includes updated estimates of revenue, but some details on why estimates have changed are not provided. c. Yes, the mid-year review includes updated estimates of revenue, but important details on why estimates have changed are not provided. 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. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, Article 35. Report on the six-month execution of the 2007 State Budget of Georgia, prepared by the Ministry of Finance.</p> <p><u>Comment:</u> The report on the six-month execution (i.e. the mid-year review) does not provide the information on updated estimates. However, when a supplement budget is presented during a year, it provides the updates estimates of revenues. An explanation is provided for the changes in the estimates. (I am not sure of the answer: either c or d).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>c</p>
---	----------

<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> <ul style="list-style-type: none"> a. Yes, the executive seeks approval from the legislature before shifting funds between administrative units. 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. c. Yes, the executive seeks legislative approval, but only after the shift of funds has been implemented. 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). e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, Article 24</p> <p><u>Comment:</u> The government needs parliamentary approval for any additional expenditures. However, a spending unit may re-allocate the expenditures from its total budget (assignments) from one function to another with the preliminary consent from the Ministry of Finance.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>a</p>
---	----------

<p>97. During the past year, have there been credible reported instances in which the procurement of goods and services has not followed an open and competitive process in practice?</p> <ul style="list-style-type: none"> a. There were no credible reported instances of procurement failing to follow an open and competitive process in practice during the past year. b. The procurement of goods and services frequently followed an open and competitive process in practice, but there were some reported instances of irregularities. c. The procurement of goods and service followed an open and competitive process in many instances, but there were significant reported examples of irregularities. d. No, the procurement process was not open and competitive in practice. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Chamber of Control, Law of Georgia on Revenue Service of Georgia, Law of Georgia on Prosecutor's Office.</p> <p><u>Comment:</u> There have been investigations of the state budget sums utilized by the Ministry of Defense during the earlier periods as well as some other ministries. The chamber of control, the financial police of the Revenue Service and the prosecutor's office (if it is a criminal case) may investigate the cases of misuse of state funds.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>
--	----------

<p>98. When does the legislature typically approve supplemental budgets?</p> <ol style="list-style-type: none"> Supplemental budgets are approved before the funds are expended, or the executive rarely proposes a supplemental budget (please specify). Supplemental budgets are approved after the funds are expended, or the executive implements supplemental budgets without ever receiving approval from the legislature (please specify). Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, Article 24</p> <p><u>Comment:</u> The legislation of Georgia does not allow the government of Georgia to carry out expenditures if they are not approved in the budget. Only the expenditures from the President's and the Prime Minister's funds can be allotted without initial consent of the parliament. The total volume managed by these funds shall not exceed 2 percent of the state budget expenditures. None of the provided answers (a, b or c) describe the Georgian case well, however, "a" is the best answer.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></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"> Supplemental budgets are generally equal to 2 percent or less of the original budget. Supplemental budgets are generally equal to more than 2 percent, but less than 5 percent, of the original budget. Supplemental budget are generally equal to more than 5 percent, but less than 10 percent, of the original budget. 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. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on 2007 State Budget.</p> <p><u>Comment:</u> Supplemental budgets significantly alter the initial macroeconomic scenario. There were three supplemental budgets in 2005, three in 2006. The third supplement to 2007 state budget was submitted to the parliament in October 2007.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	d

<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> <ol style="list-style-type: none"> a. Expenditures are approved before the funds are expended, or contingency funds or other funds with no specific purposes are not included in the budget. b. Expenditures are approved after the funds are expended, but before the end of the fiscal year. c. Expenditures are approved after the end of the fiscal year, for example in the next budget. d. Such expenditure takes place without legislative approval. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budgetary System, Article 13.</p> <p><u>Comment:</u> According to the Law of Georgia on Budgetary System, the annual budget law includes the President’s Reserve Fund and the Government’s Reserve Fund the total volume of which should not exceed 2% of the total fixed appropriations in the budget. According to the same Law, the funds from these Reserve Funds shall be used "for emergency events of state importance, such as natural and other disasters and other unpredictable state obligations." The expenditures from the two Funds shall be carried on without legislative approval. The Ministry of Finance informs the Finance and Budgetary Committee of the Parliament about the Reserve Fund expenditures on a quarterly basis after they are expensed. Such expenditures are usually approved by the Parliament with the next supplement budget or together with the budget fulfillment report of the executive submitted to the Parliament by the end of the budgetary year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>
--	----------

Executive's Year-end Report and the Supreme Audit Institution	
<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"> a. The report is released six months or less after the end of the fiscal year. b. The report is released 12 months or less (but more than six months) after the end of the fiscal year. c. The report is released more than 12 months after the end of the fiscal year. d. The executive does not release a year-end report. e. Not applicable/other (please comment). <p><u>Citation:</u> Constitution of Georgia, Article 93. Law of Georgia on Budget Systems, Articles 45 and 46.</p> <p><u>Comment:</u> According to the Constitution of Georgia, the Ministry of Finance shall submit to the Parliament the report on execution the pervious year's budget within three months from the end of the fiscal year. Such a report is a public document. In late March 2007, the Minister of Finance of Georgia presented to the Parliament the report on the execution of the 2006 state budget.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	a

<p>102. In the year-end report have the data on the actual outcomes been audited?</p> <ul style="list-style-type: none"> a. Yes, all data on actual outcomes have been audited. b. At least two-thirds, but not all, of the data on actual outcomes have been audited. c. Less than two-thirds of the data on actual outcomes have been audited. d. None of the data on actual outcomes has been audited, or a year-end report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, Articles 45 and 47. Law of Georgia on the Chamber of Control, Article 58.</p> <p><u>Comment:</u> The report of the Government of Georgia is submitted to the Parliament by the end of the third month following the accounting month. The Chamber of Control is required to submit to the parliament its assessment of the government's report in one month, from the day the government's report was submitted to the Parliament. Such a report, produced by the Chamber of Control for 2006 can be found on the web page of the Chamber of Control at http://www.control.ge/files/400_65_218171_angarishi%202006%20wlis.pdf. This report, however, focuses on macro issues and its assessments are not based on the results of actual audits of the state spending units. This report includes audit information only for those state organizations that have been audited by the Chamber of Control during a year, as part of their audit plan. Thus, the share of audited information in the report is less than two-thirds.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>C</p>
--	----------

<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"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Report on Execution of the 2006 State Budget of Georgia.</p> <p><u>Comment:</u> Narrative comparison is provided for the end year actuals and the targets for the year. No detailed tables or explanation for missed and/or exceeded targets is available.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	C
<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"> a. The explanation of the differences between the enacted expenditure levels and the actual outcome focuses on the program level. b. The explanation focuses on departmental totals (or functional totals) or some lower level of detail (but not the program level in all cases). c. The explanation focuses on a higher level of aggregation than departmental totals (or functional totals). d. No explanation of the differences is provided, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Report on Execution of the 2006 State Budget of Georgia.</p> <p><u>Comment:</u> The explanations are not very detailed. The report lists the programs that were implemented.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	C

<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"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Report on Execution of the 2006 State Budget of Georgia.</p> <p><u>Comment:</u> The report is not very detailed on the revenue part. However, the public information notices made by the Minister of Finance briefly after the end of the year 2006, explained the revenue collection levels in more detail. Such reports can be found on the internet among the daily press-information notices distributed by the MOF. http://www.mof.ge/DinamicPage.aspx?cmd=page&pageid=86</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.”</p> <p><u>Researcher Response:</u> I chose my answer because although the MOF does release public information notices that explain the revenue collection levels in detail, this information is not provided, in as much detail, in the year-end report.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “c” consistent with researcher’s comment.</p>	<p>c</p>
--	----------

<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> <ol style="list-style-type: none"> Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key differences, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Draft Report on Execution of the 2006 State Budget of Georgia.</p> <p><u>Comment:</u> The explanations are not very detailed.</p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be “b.” The information, explanation about key differences are presented (2007), there are some highlights but not much of details.</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response to this question would be “b.”</p> <p><u>Researcher Response:</u> I think the reviewer’s comment corresponds to the answer “c” rather than “b.”</p> <p><u>IBP Comment:</u> IBP editors chose answer, “c” in light of researcher’s and peer reviewer’s comments.</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> <ol style="list-style-type: none"> Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. Yes, an explanation is presented, highlighting key differences, but some details are excluded. Yes, some explanation is presented, but it lacks important details. No, an explanation is not presented, or such a report is not released. Not applicable/other (please comment). <p><u>Citation:</u> Draft Report on Execution of the 2006 State Budget of Georgia.</p> <p><u>Comment:</u> The explanations are not very detailed.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c

<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"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Report on Execution of the 2006 State Budget of Georgia.</p> <p><u>Comment:</u> The final report does not mention the original projections.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
<p>109. Does the year-end report explain the difference between the enacted level of funds intended to benefit directly the country’s most impoverished populations and the actual outcome?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Draft Report on Execution of the 2006 State Budget of Georgia.</p> <p><u>Comment:</u> The report is more detailed on the outcome of the poverty reduction programs.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>b</p>

<p>110. Does the year-end report present the actual outcome for extra-budgetary funds?</p> <ul style="list-style-type: none"> a. Yes, extensive information on the actual outcome for extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key issues, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information is not presented on extra-budgetary funds, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> N/A</p> <p><u>Comment:</u> There are no extra-budgetary funds in Georgia.</p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response would be “d.”</p> <p><u>Peer Reviewer Two Comment:</u> A more appropriate response would be “d.”</p> <p><u>IBP Comment:</u> IBP editors chose answer, “e.” Extra-budgetary funds were abolished in 2006, therefore the year-end report mentioned in the questionnaire (which refers to the BY 2006) cannot have information on them.</p>	e
<i>The Independence and Performance of the Supreme Audit Institution</i>	
<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> <ul style="list-style-type: none"> a. Final audited accounts are released to the public six months or less after the end of the fiscal year. b. Final audited accounts are released 12 months or less (but more than six months) after the end of the fiscal year. c. Final audit accounts are released more than 12 months, but within 24 months of the end of the fiscal year. d. Final audited accounts are not completed within 24 months after the end of the fiscal year or they are not released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems; Article 48.</p> <p><u>Comment:</u> The revised assessment of the Chamber of Control shall be submitted to the parliament by November 1st of the year following the accounting year. November 1 is the deadline for the approval of the Budget Execution Report of the Government of Georgia by the Parliament of Georgia.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<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"> All expenditures have been audited and the reports released to the public. Expenditures representing at least two-thirds of, but not all, expenditure have been audited. Expenditure representing less than two-thirds of expenditure have been audited. 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. Not applicable/other (please comment). <p><u>Citation:</u> Annual audit plan of the Chamber of Control, created in accordance with the Law of Georgia on the Chamber of Control.</p> <p><u>Comment:</u> Chamber of control conducts audits of the state organizations, according to its audit schedule. It is not required to audit all spending units within one or two fiscal years. The audit plan of the Chamber of Control for 2007 can be found at: http://www.control.ge/files/110_61_315539_pers%20gegma-07.pdf</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	c
<p>113. Does the annual audit report(s) that is released to the public include an executive summary?</p> <ol style="list-style-type: none"> The annual audit report(s) includes one or more executive summaries summarizing the report's content. 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. Not applicable/other (please comment). <p><u>Citation:</u> Annual Audit Report, 2006, Chamber of Control of Georgia http://www.control.ge/files/400_65_218171_angarishi%202006%20wlis.pdf</p> <p><u>Comment:</u> No executive summary, only the lengthy document.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	b

<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> <p>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.</p> <p>b. No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature.</p> <p>c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Constitution of Georgia, Article 64. Law of Georgia on Chamber of Control of Georgia, Article 10.</p> <p><u>Comment:</u> The head of the Chamber of Control is selected by the parliamentarians representing the majority in the Parliament. Only the Parliament can appoint and dismiss the head of the Chamber of Control.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Source: Constitution of Georgia. Parliament elects and dismisses the head of the Chamber of Control.</p>	a
<p>115. Does the Supreme Audit Institution release to the public audits of extra-budgetary funds?</p> <p>a. Yes, the SAI releases to the public audits of all extra-budgetary funds.</p> <p>b. Yes, the SAI releases audits representing at least two-thirds of, but not all, extra-budgetary funds.</p> <p>c. Yes, the SAI releases audits representing less than two-thirds of all extra-budgetary funds.</p> <p>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.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> As of early 2005, there are no extra-budgetary funds in Georgia.</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 “d.”</p>	e

<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"> a. The SAI has full discretion to decide which audits it wishes to undertake. b. The SAI has significant discretion, but faces some limitations. c. The SAI has some discretion, but faces considerable limitations. d. The SAI has no discretion to decide which audits it wishes to undertake. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on the Chamber of Control, Article 40.</p> <p><u>Comment:</u> According to the abovementioned law, besides the President of Georgia, the Chairman of the Parliament of Georgia and the Special Commissions of the Parliament of Georgia, the management board of the Chamber of Control, as well as the management boards the chambers of control of Ajara and Abkhasia autonomous republics may initiate an audit that was not included in the annual audit plan.</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 “a.”</p> <p><u>Researcher Response:</u> I agree with the reviewer’s comment. The answer should have been “a.” The limitations faced by the SAI are not legal, but rather practical.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” to maintain consistency with the criteria used for selecting answers across countries.</p>	<p>a</p>
---	----------

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

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

Citation:

Law of Georgia on the Chamber of Control, Article 78.

Law of Georgia on State Budget of Georgia, code: 05 00.

Comment:

The Chamber of Control is a state spending unit, financed by the state budget. The annual budget, as well as the staff schedule of the Chamber of Control shall be approved by the Parliament of Georgia.

Peer Reviewer One Comment: A more appropriate response to this question would be “b.”

Peer Reviewer Two Comment:

Researcher Response: I chose my answer because the salaries paid to the Chamber inspectors are not high enough to attract high-level professionals to this job or to remove incentives for taking bribes.

IBP Comment: IBP editors chose answer, “c” to maintain consistency with the criteria used for selecting answers across countries.

C

<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> <ul style="list-style-type: none"> a. The SAI employs designated staff, and the staffing levels are broadly consistent with the resources the SAI needs to fulfill its mandate. b. The SAI employs designated staff, but the staffing levels are a cause of some constraints to the SAI in fulfilling its mandate. c. The SAI employs designated staff, but the staffing levels pose a significant constraint on the SAI in fulfilling its mandate. d. The SAI does not employ designated staff for auditing of the security sector, or does not undertake audits of the security sector. e. Not applicable/other (please comment). <p><u>Citation:</u> Interview with the staff of the Chamber of Control of Georgia.</p> <p><u>Comment:</u> The chamber of control does not employ designated staff for auditing the security sector. However, different staff members (as authorized by the Chairman) may conduct the audit of the security sector.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
---	----------

<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> <ol style="list-style-type: none"> a. Yes, the SAI maintains mechanisms of communication with the public, and received more than 100 communications from the public during the past year. b. Yes, the SAI maintains mechanisms of communication with the public, and received less than 100 but more than ten communications from the public during the past year. c. Yes, the SAI maintains mechanisms of communication with the public but it receives very little (less than ten) or no information from the public on potential subjects for audit. d. No, the SAI does not maintain any formal mechanisms of communication with the public. e. Not applicable. <p><u>Citation:</u> Law of Georgia on the Chamber of Control, Article 2. Web page of the chamber of control: www.control.ge</p> <p><u>Comment:</u> The web page displays the window where a question can be submitted. The web page also shows the phone number of the hotline where questions may be directed.</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 “c.”</p> <p><u>Researcher Response:</u> According to the statistical data provided by the Chamber, it receives over 100 questions/requests from citizens per year.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” in light of researcher’s comment.</p>	<p>a</p>
---	----------

<p>120. Does a committee of the legislature view and scrutinize the audit reports?</p> <ul style="list-style-type: none"> a. Yes, all audit reports are scrutinized. b. Yes, most audit reports are scrutinized. c. Yes, some audit reports are scrutinized. d. No, audit reports are not scrutinized. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on the Chamber of Control of Georgia, Article 2 and Article 62.</p> <p><u>Comment:</u> The chamber of control is independent in the implementation of its functions. However, it shall disclose to the Parliamentary committees the results of the audits, if requested by the parliamentary representatives.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>c</p>
<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"> a. Yes, the executive reports publicly on what steps it has taken to address audit findings. b. Yes, the executive reports publicly on most audit findings. c. Yes, the executive reports publicly on some audit findings. d. No, the executive does not report on steps it has taken to address audit findings. e. Not applicable/other (please comment). <p><u>Citation:</u></p> <p><u>Comment:</u> The state budget organizations prepare such reports for their internal use, but these documents are not publicized.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>

<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"> a. Yes, a comprehensive report is released regularly that tracks actions taken by the executive to address audit recommendations. b. Yes, a report is released, covering key audit recommendations, but some details are excluded. c. Yes, a report is released, but it lacks important details. d. No, a report is not produced or it is prepared for internal purposes only (please specify). e. Not applicable/other (please comment). <p><u>Citation:</u> N/A</p> <p><u>Comment:</u></p> <p><u>Peer Reviewer One Comment:</u> A more appropriate response to this question would be “c.” This release sometimes is for internal purposes but also can be obtained or it goes to the parliament.</p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Researcher Response:</u> I chose my answer because such a report has never been publicized to date.</p> <p><u>IBP Comment:</u> IBP editors chose answer “d” in light of researcher’s comment.</p>	<p>d</p>
---	----------

<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"> a. Yes, legislators are provided with detailed audit reports related to the security sector and other secret programs. b. Yes, legislators are provided audit reports on secret items, but some details are excluded. c. Yes, legislators are provided audit reports on secret items, but they lack important details. d. No, legislators are not provided audit reports on secret items, or secret programs are not audited (please specify). e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Trust Group</p> <p><u>Comment:</u> According to the Law on the Trust Group, this group may request and receive any information on the utilization of the state funds in the secret sectors.</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 “d.”</p> <p><u>Researcher Response:</u> I chose my answer because legislators do receive audited reports on secret items, however, the circle of these legislators is limited to the Trust Group.</p> <p><u>IBP Comment:</u> IBP editors chose answer, “a” to maintain consistency with the criteria used for selecting answers across countries.</p>	<p>b</p>
---	----------

Additional Comments:

Please use this section to add any additional comments.

Additional Researcher Comments:

The budget system of Georgia has undergone significant reforms during the last year. It has become better aligned with the best international standards. One remaining significant problem for the country's budget system are the frequent supplements, which undermine the predictability of the country's expenditure levels. The reasons for the frequent supplements are poorly planned revenue levels, as well as the increased pressure from the higher levels of the government for higher expenditures. The supplements usually increase the budget deficit and, thus, pose risk to the country's macroeconomic stability. As a result of the frequent supplements and the increased deficit, the level of inflation in the country is increasing.

The budget department of the Ministry of Finance used the new GFS 2001 compatible classification for the functional classification of the 2007 state budget expenditures. The GFS 2001 will be employed fully for the State Budget 2008. The GFS 2001 classification will be used for the consolidated budget (i.e. for the local budgets too) starting from 2009. Georgia will be the first country in the world to use the GFS 2001 not only for reporting, but also for accounting purposes from 2008.

Additional Peer Reviewer One Comments:

I agree that during past years the MOF and budget itself became rather more near to the international standards and already in 2008 May we have had the quarter mid report of Budget 2008 with all the detailed information in it. There are also planned budgetary action plans for next few years. Georgia uses GFS 2001 for reporting and for accounting, the problem of supplements as it is mentioned in the comments above are less sharp and problematic. The involvement of the public is getting higher.