This questionnaire was completed by:

Name: TAMUNA KAROSANIDZE  
Organization: TRANSPARENCY INTERNATIONAL GEORGIA  
Address: 26 Rustaveli Avenue  
Tbilisi  
Georgia 0108  
Telephone: (+995) 32 93 21 29  
E-mail: Tamuna@transparency.ge  
Internet Website: www.transparency.ge
International Budget Project
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. Internet Links for Key Budget Documents.......................................................... 6
Table 3. Distribution of Documents Related to the Executive’s Budget Proposal........... 7
Table 4. Distribution of the Enacted Budget and Other Reports ........................................ 8

Section Two: The Executive’s Budget Proposal .....................................................9
Estimates for the Budget Year and Beyond................................................................. 10
Estimates for Years Prior to the Budget Year................................................................. 17
Comprehensiveness....................................................................................................... 25
The Budget Narrative & Performance Monitoring....................................................... 30
Additional Key Information for Budget Analysis & Monitoring....................................... 33

Section Three: The Budget Process ........................................................................ 41
Executive’s Formulation of the Budget........................................................................... 42
Legislative Approval of the Budget................................................................................ 46
Executive’s Implementation of the Budget....................................................................... 50
Executive’s Year-End Report and the Supreme Audit Institution....................................... 61
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.”*

<table>
<thead>
<tr>
<th>Budget Documents Used in Completing the Questionnaire</th>
<th>Budget Year Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Budget Statement</td>
<td>2005</td>
</tr>
<tr>
<td>Budget Summary</td>
<td>2005</td>
</tr>
<tr>
<td>Executive’s Budget Proposal</td>
<td>2005</td>
</tr>
<tr>
<td>Supporting Budget Documents</td>
<td>2005</td>
</tr>
<tr>
<td>Citizens Budget</td>
<td>Not Available</td>
</tr>
<tr>
<td>Enacted Budget</td>
<td>2005</td>
</tr>
<tr>
<td>In-Year Reports</td>
<td>2004</td>
</tr>
<tr>
<td>Mid-Year Report</td>
<td>2005</td>
</tr>
<tr>
<td>Year-End Report</td>
<td>2004</td>
</tr>
<tr>
<td>Audit Report</td>
<td>2004 / 2005</td>
</tr>
</tbody>
</table>

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.
Table 2. Internet Links for Key Budget Documents

Please provide the Internet link for the document, or indicate one of these three answers: “Not Produced,” “Produced but Not Available to the Public,” “Publicly Available, but Not on the Internet.”

<table>
<thead>
<tr>
<th>Budget Document</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Budget Statement</td>
<td>Publicly Available, but Not on the Internet</td>
</tr>
<tr>
<td>Budget Summary</td>
<td>Publicly Available, but Not on the Internet</td>
</tr>
<tr>
<td>Executive’s Budget Proposal</td>
<td>Publicly Available, but Not on the Internet</td>
</tr>
<tr>
<td>Supporting Budget Documents</td>
<td>Publicly Available, but Not on the Internet</td>
</tr>
<tr>
<td>Citizens Budget</td>
<td>Not Produced</td>
</tr>
<tr>
<td>In-Year Reports</td>
<td>Publicly Available, But Not on the Internet</td>
</tr>
<tr>
<td>Mid-Year Review</td>
<td>Publicly Available, But Not on the Internet</td>
</tr>
<tr>
<td>Other Documents</td>
<td></td>
</tr>
</tbody>
</table>
### Table 3. Distribution of Documents Related to the Executive’s Budget Proposal

#### DISTRIBUTION OF BUDGET DOCUMENTS

For the following reports, place “Yes” in the appropriate row below to indicate if the report is:

<table>
<thead>
<tr>
<th>Pre-budget</th>
<th>Executive’s Budget Proposal</th>
<th>Citizens budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Main document</td>
<td>Budget summary*</td>
</tr>
</tbody>
</table>

A. Not produced, even for internal purposes

B. Produced for internal purposes, but not available to the public

C. Produced and available to the public, but only on request

D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)

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.

<table>
<thead>
<tr>
<th>Pre-budget</th>
<th>Executive’s Budget Proposal</th>
<th>Citizens budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Main document</td>
<td>Budget summary*</td>
</tr>
</tbody>
</table>

1. The release date is known at least one month in advance

2. Advance notification of release is sent to users, media

3. Released to public same day as official release to media

4. Available on the Internet free of charge

5. Free print copies available, limited distribution

6. Free print copies available, mass distribution

7. Readily available outside capital and/or big cities†

8. Written in more than one language

9. News conference is held to discuss release

*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**

For the following reports, place a “Yes” in the appropriate row below to indicate if the report is:

<table>
<thead>
<tr>
<th></th>
<th>Enacted budget</th>
<th>In-year reports</th>
<th>Mid-year review</th>
<th>Year-end report</th>
<th>Audit report</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Not produced, even for internal purposes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Produced for internal purposes, but not available to the public</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Produced and available to the public, but only on request</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th></th>
<th>Enacted budget</th>
<th>In-year reports</th>
<th>Mid-year review</th>
<th>Year-end report</th>
<th>Audit report</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The release date is known at least one month in advance</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>2. Advance notification of release sent to users, media</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>3. Released to public same day as official release to media</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>4. Available on the Internet free of charge</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>5. Free print copies available, limited distribution</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>6. Free print copies available, mass distribution</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>7. Readily available outside capital/big cities¹</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>8. Written in more than one language</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>9. News conference is held to discuss release</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

¹Mark “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.

<table>
<thead>
<tr>
<th>The Executive’s Budget Proposal</th>
<th>Estimates for the Budget Year and Beyond</th>
</tr>
</thead>
<tbody>
<tr>
<td>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)?</td>
<td></td>
</tr>
<tr>
<td>a. All expenditures are classified by administrative unit.</td>
<td>b</td>
</tr>
<tr>
<td>b. Expenditures are classified by administrative unit, but some small units are not shown separately.</td>
<td></td>
</tr>
<tr>
<td>c. Expenditures are classified by administrative unit, but a significant number of units are not shown separately.</td>
<td></td>
</tr>
<tr>
<td>d. No expenditures classified by administrative unit are presented.</td>
<td></td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
<td></td>
</tr>
</tbody>
</table>

Citation and/or comment: Source: 2005 budget proposal, page 7-8.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

| 2. Does the executive’s budget or any supporting budget documentation present expenditures for the budget year that are classified by functional classification? | |
| a. All expenditures are classified by functional classification, and the categorization is compatible with international standards. | b |
| b. All expenditures are classified by functional classification, but the categorization is not compatible with international standards. | |
| c. Some, but not all, expenditures are classified by function. | |
| d. No expenditures classified by function are presented. | |
| e. Not applicable/other (please comment). | |

Citation and/or comment: Source: 2005 budget proposal, page 8-11.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
3. Does the executive’s budget or any supporting budget documentation present expenditures for the budget year that are classified by economic classification?
   a. All expenditures are classified by economic classification, and the categorization is compatible with international standards.
   b. All expenditures are classified by economic classification, but the categorization is not compatible with international standards.
   c. Some, but not all, expenditures are classified by economic classification.
   d. No expenditures classified by economic classification are presented.
   e. Not applicable/other (please comment).

   Citation and/or comment: Source: 2005 budget proposal, page 11-18.

   Peer Reviewer ONE Comment:
   Peer Reviewer TWO Comment:

4. Does the executive’s budget or any supporting budget documentation present expenditures for individual programs for the budget year?
   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).

   Citation and/or comment: Source: 2005 budget proposal.

   Peer Reviewer ONE Comment:
   Peer Reviewer TWO Comment:

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)?
   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).

   Citation and/or comment: Source: 2005 budget proposal. Only the expenses of the previous year are presented, the following year’s projections are not included.

   Peer Reviewer ONE Comment:
   Peer Reviewer TWO Comment:
6. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover a multi-year period (for at least two years beyond the budget year)?

   a. Yes, multi-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative).
   b. Yes, multi-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs.
   c. Yes, multi-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs.
   d. No, multi-year estimates are presented for aggregate expenditure only, or they are not presented at all.
   e. Not applicable/other (please comment).

   Citation and/or comment: Source: 2005 budget proposal.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:

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?

   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).

   Citation and/or comment: Source: 2005 budget proposal, page 2.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:
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?

   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).

Citation and/or comment: Source: 2005 budget proposal, page 5. Non-tax and other types of revenues are presented in the budget proposal in accordance with the classifications approved by the Ministry of Finance. In 2005 the Ministry of Finance amended this classification and made it more detailed. Thus 2005 budget proposal included more detailed information about the sources of non-tax revenues than the proposals of previous years.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

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)?

   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).

Citation and/or comment: Source: 2005 budget proposal.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
10. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover a multi-year period (for at least two years beyond the budget year)?

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

   **Citation and/or comment:** Source: 2005 budget proposal.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

11. Does the executive’s budget or any supporting budget documentation present data on the total government debt outstanding for the budget year?

   a. Yes, the data reflect the outstanding debt both at the start of the budget year and at the end of the budget year (and thereby reflect the net borrowing requirement of the budget).
   b. Yes, the data reflect the outstanding debt at the end of the budget year.
   c. Yes, the data reflect the outstanding debt at the start of the budget year.
   d. No, data on the outstanding debt are not presented.
   e. Not applicable/other (please comment).

   **Citation and/or comment:** Source: 2005 budget proposal, page 18.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:** Even though budget documents show debt at the start of the budget year, there are month-by-month updates issued by Ministry of Finance, where the data about the government’s debt is clearly updated and released to the public.

12. Does the executive’s budget or any supporting budget documentation present interest payments on the debt for the budget year?

   a. Yes, interest payments on the debt are presented.
   b. No, interest payments on the debt are not presented.
   c. Not applicable/other (please comment).

   **Citation and/or comment:** Source: 2005 budget proposal, page 18.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
13. Does the executive’s budget or any supporting budget documentation present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, currency denomination of the debt, or whether it is domestic and external debt) for the budget year?

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

Citation and/or comment: Source: 2005 budget proposal, chapter 3. Before 2005, information related to the composition of government debt was not presented in the budget, however this information was provided in 2005 budget proposal.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

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

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

Citation and/or comment: Source: 2005 budget proposal explanatory note. The budget proposal includes only cumulative numbers and no detailed breakdowns. For example, in case of gross domestic product, the budget proposal indicates the total amount, but not detailed breakdown of how this number was calculated.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
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)?

   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).

   Citation and/or comment: Source: 2005 budget proposal explanatory note. See comment for question 14.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

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?

   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).

   Citation and/or comment: Source: 2005 budget proposal.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
17. Does the executive’s budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect revenues?

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

   Citation and/or comment: Source: 2005 budget proposal.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

<table>
<thead>
<tr>
<th>Estimates for Years Prior to the Budget Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>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)?</td>
</tr>
<tr>
<td>a. All expenditures are classified by administrative unit for BY-1.</td>
</tr>
<tr>
<td>b. Expenditures are classified by administrative unit for BY-1, but some small units are not shown separately.</td>
</tr>
<tr>
<td>c. Expenditures are classified by administrative unit for BY-1, but a significant number of units are not shown separately.</td>
</tr>
<tr>
<td>d. No expenditures classified by administrative unit are presented for BY-1.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

   Citation and/or comment: Source: 2005 budget proposal, page 7-8.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
19. Does the executive’s budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by functional classification?

   a. All expenditures are classified by functional classification for BY-1, and the categorization is compatible with international standards.
   b. All expenditures are classified by functional classification for BY-1, but the categorization is not compatible with international standards.
   c. Some, but not all, expenditures are classified by function for BY-1.
   d. No expenditures classified by function are presented for BY-1.
   e. Not applicable/other (please comment).

   Citation and/or comment: Source: 2005 budget proposal, page 8-11. Differences between responses to Question 2 and Question 19 are due to some improvements in budgetary classifications in 2005 compared to the previous year.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**

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?

   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).

   Citation and/or comment: Source: 2005 budget proposal, page 11-18. Differences between responses to Question 3 and Question 20 are due to some improvements in budgetary classifications in 2005 compared to the previous year.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**
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)?
   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).

   Citation and/or comment: Source: 2005 budget proposal.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

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)?
   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).

   Citation and/or comment: Source: 2005 budget proposal.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

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)?
   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).

   Citation and/or comment: Source: 2005 budget proposal. The 2005 budget proposal provides information for 2004 only.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
24. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?

   a. Yes, such prior-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative).
   b. Yes, such prior-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs.
   c. Yes, such prior-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs.
   d. No, such prior-year estimates are presented for aggregate expenditure only, or they are not presented at all.
   e. Not applicable/other (please comment).

   Citation and/or comment: Source: 2005 budget proposal. 2005 budget proposal provides information for 2004 only.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**

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?

   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).

   Citation and/or comment: Source: 2005 budget proposal. 2005 budget proposal provides information for 2004 only.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**
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?

   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).

   Citation and/or comment: Source: 2005 budget proposal. It is nearly impossible to make such evaluations based on the information provided in the executive’s budget proposal.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:

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)?

   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).

   Citation and/or comment: Source: 2005 budget proposal.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:
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)?

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).

Citation and/or comment:

The researcher marked the answer as “c.” Source: 2005 budget proposal, page 6.

Peer Reviewer ONE Comment:

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

IBP Comment: IBP editors chose the “c” response in light of similar observations found in the IMF ROSC report evaluating Georgia’s adherence to the Code of Good Practices on Fiscal Transparency.

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)?

a. All BY-1 estimates have been updated from the original estimates to reflect six or more months of actual revenue collections.
b. All BY-1 estimates have been updated from the original estimates, but reflect less than six months of actual revenue collections.
c. Some BY-1 estimates have not been updated from the original estimates to reflect actual revenue collections.
d. The BY-1 estimates have not been updated from the original estimates or no BY-1 estimates are presented.
e. Not applicable/other (please comment).

Citation and/or comment:

The researcher marked this answer as “c.” Source: 2005 budget proposal.

Peer Reviewer ONE Comment:

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

IBP Comment: IBP editors chose the “c” response in light of similar observations found in the IMF ROSC report evaluating Georgia’s adherence to the Code of Good Practices on Fiscal Transparency.
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)?
   
   a. Yes, such prior-year estimates of aggregate revenue are presented.
   b. No, such prior-year estimates of aggregate revenue are not presented.
   c. Not applicable/other (please comment).

   Citation and/or comment: Source: 2005 budget proposal. 2005 budget proposal provides information for 2004 only.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

<table>
<thead>
<tr>
<th>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)?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Yes, such prior-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax).</td>
</tr>
<tr>
<td>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.</td>
</tr>
<tr>
<td>c. Yes, such prior-year estimates are presented, but only for some individual sources of revenue.</td>
</tr>
<tr>
<td>d. No, such prior-year estimates are presented for aggregate revenue only, or they are not presented at all.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

   Citation and/or comment: Source: 2005 budget proposal. This information is presented only for one year prior to the budget year.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

<table>
<thead>
<tr>
<th>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?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Two years prior to the budget year (BY-2).</td>
</tr>
<tr>
<td>b. Three years prior to the budget year (BY-3).</td>
</tr>
<tr>
<td>c. Before BY-3.</td>
</tr>
<tr>
<td>d. No actual data for all revenues are presented in the budget or supporting budget documentation.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

   Citation and/or comment: Source: 2005 budget proposal, page 7-18. This information is presented only for one year preceding the budget year.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
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?

   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).

   Citation and/or comment:

   **The researchers marked the answer as “d.”** The Ministry of Finance’s (MoF) website contains monthly reports on various types of government debt from 2004 to present, however, this data is not included in the budget itself.

   **Peer Reviewer ONE Comment:** A more appropriate response to this question would be “c” Even though the actual 2005 budget proposal does not contain information relating to the government debt for BY-1, the MoF Website contains monthly reports with detailed information on various types of government debt from 2004 to present. Available at: [http://www.mof.ge/DinamicPage.aspx?cmd=page&rootid=71&pageid=34](http://www.mof.ge/DinamicPage.aspx?cmd=page&rootid=71&pageid=34)

   **Peer Reviewer TWO Comment:** A more appropriate response to this question would be “c.”

   **IBP Comment:** IBP editors chose answer “d” to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*. The “d” answer is consistent with the *OECD Best Practices for Budget Transparency*, which recommends that governments present information on debt in the executive’s budget proposal. Presentation of such information in the executive’s budget proposal ensures that a country’s budget documents fulfill their role as the definitive source for the public to obtain a comprehensive picture of a government’s financial activities.

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?

   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).

   Citation and/or comment:

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**
<table>
<thead>
<tr>
<th>Comprehensiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>35. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on extra-budgetary funds?</td>
</tr>
<tr>
<td>a. Yes, extensive information on extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates.</td>
</tr>
<tr>
<td>b. Yes, information is presented, highlighting key extra-budgetary funds, but some details are excluded.</td>
</tr>
<tr>
<td>c. Yes, some information is presented, but it lacks important details.</td>
</tr>
<tr>
<td>d. No, information on extra-budgetary funds is not presented.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: Source: 2005 budget proposal, page 18. Until 2005, there were three non-budgetary funds in Georgia: Unified State Social Insurance Fund, Unified State Road Fund, and the Unified Medical Insurance Fund. These funds were abolished by the Parliament in 2005. The Unified State Social Insurance Fund still exists as an entity of public law, but it is financed directly by the state budget.

Peer Reviewer ONE Comment: A more appropriate response to this question would be “e.” Prior to the amendments to the Tax Code of Georgia, which entered into force from January 1, 2005, there used to be three extra-budgetary funds – The Unified State Social Insurance Fund, The Unified State Road Fund, and the Unified Medical Insurance Fund. These funds used to receive the corresponding tax payments directly, bypassing the budget. After the amendments, tax obligations for unified state road fund and medical insurance fund were abolished, meaning that their funds no longer exist. The Unified State Social Insurance Fund is still existence as an entity of public law, but it only retains administrative, and not tax-collecting, functions – ensuring timely disbursements of pension payments, maintaining pension payment records, etc. However, this fund is now financed through the federal budget, rather then receiving the tax payments directly. Employers pay 20 percent of payroll as a social insurance tax directly into the state budget. By law, extra-budgetary funds no longer exist in Georgia.

Peer Reviewer TWO Comment: The funds were a source of corruption; therefore, the Georgian Parliament and the executive government decided to make additional notes and funding in the 2005 budget and to abolish the funds themselves. The all expenditure which were taken by the funds before BY 2005 and which were not shown in budget before, now are in budget 2005.

IBP Comment: The researcher, in consultation with IBP editors, agreed on the basis of information provided by the peer reviewers to change the response to “e.” The researcher’s original answer was “d.”
36. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on intergovernmental transfers?
   
   a. Yes, extensive information on intergovernmental transfers is presented, including both a narrative discussion and quantitative estimates.
   
   b. Yes, information is presented, highlighting key intergovernmental transfers, but some details are excluded.
   
   c. Yes, some information is presented, but it lacks important details.
   
   d. No, information on intergovernmental transfers is not presented.
   
   e. Not applicable/other (please comment).

   Citation and/or comment: Source: 2005 budget proposal, page 40-41.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:

37. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on transfers to public corporations?
   
   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).

   Citation and/or comment: Source: 2005 budget proposal.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:

38. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on quasi-fiscal activities?
   
   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).

   Citation and/or comment: Source: 2005 budget proposal, chapter 4.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:
<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
<th>Citation and/or comment: Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>39. Does the executive's budget or any supporting budget documentation present information on financial assets held by the government?</td>
<td>d</td>
<td>2005 budget proposal.</td>
</tr>
<tr>
<td>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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Yes, information is presented, highlighting key information, but some details are excluded.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Yes, some information is presented, but it lacks important details.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. No, information on financial assets is not presented.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
<th>Citation and/or comment: Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>40. Does the executive's budget or any supporting budget documentation present information on non-financial assets held by the government?</td>
<td>d</td>
<td>2005 budget proposal.</td>
</tr>
<tr>
<td>a. Yes, extensive information on non-financial assets is presented, including a listing of the assets, a discussion of their purpose, and (where possible) an estimate of their market value.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Yes, information is presented, highlighting key information, but some details are excluded.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Yes, some information is presented, but it lacks important details.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. No, information on non-financial assets is not presented.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
<th>Citation and/or comment: Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>41. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on expenditure arrears?</td>
<td>d</td>
<td>2005 budget proposal.</td>
</tr>
<tr>
<td>a. Yes, extensive information on expenditure arrears is presented, including both a narrative discussion and quantitative estimates.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Yes, information is presented, highlighting key expenditure arrears, but some details are excluded.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Yes, some information is presented, but it lacks important details.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. No, information on expenditure arrears is not presented.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
<table>
<thead>
<tr>
<th>42.</th>
<th>Does the executive’s budget or any supporting budget documentation present information on contingent liabilities (such as government loan guarantees)?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, extensive information on contingent liabilities is presented, including both a narrative discussion and quantitative estimates.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, information is presented, highlighting key contingent liabilities, but some details are excluded.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, some information is presented, but it lacks important details.</td>
</tr>
<tr>
<td>d.</td>
<td>No, information on contingent liabilities is not presented.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: Source: 2005 budget proposal, page 36-38.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

<table>
<thead>
<tr>
<th>43.</th>
<th>Does the executive’s budget or any supporting budget documentation present information on future liabilities, such as civil service pensions?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, extensive information on future liabilities is presented, including both a narrative discussion and quantitative estimates.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, information is presented, highlighting key future liabilities, but some details are excluded.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, some information is presented, but it lacks important details.</td>
</tr>
<tr>
<td>d.</td>
<td>No, information on future liabilities is not presented.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: Source: 2005 budget proposal, page 99-114.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

<table>
<thead>
<tr>
<th>44.</th>
<th>Does the executive’s budget or any supporting budget documentation provide details on the sources of donor assistance, both financial and in-kind?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>All sources of donor assistance are identified individually.</td>
</tr>
<tr>
<td>b.</td>
<td>At least two-thirds of, but not all, sources of donor assistance, are identified individually.</td>
</tr>
<tr>
<td>c.</td>
<td>Less than two-thirds of sources of donor assistance are identified individually.</td>
</tr>
<tr>
<td>d.</td>
<td>No sources of donor assistance are identified individually.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: Source: 2005 budget proposal, page 6.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
45. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on tax expenditures?

- 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).

Citation and/or comment: Source: 2005 budget proposal, page 3.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

<table>
<thead>
<tr>
<th>46. Does the executive’s budget or any supporting budget documentation identify all earmarked revenues?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. All earmarked revenues are identified individually.</td>
</tr>
<tr>
<td>b. At least two-thirds of, but not all, earmarked revenues are identified individually.</td>
</tr>
<tr>
<td>c. Less than two-thirds of earmarked revenues are identified individually.</td>
</tr>
<tr>
<td>d. No earmarked revenues are identified individually.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: Source: 2005 budget proposal.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

<table>
<thead>
<tr>
<th>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?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. One percent or less of expenditure is dedicated to secret items.</td>
</tr>
<tr>
<td>b. Three percent or less, but more than one percent, of expenditure is dedicated to secret items.</td>
</tr>
<tr>
<td>c. Eight percent or less, but more than three percent, of expenditure is dedicated to secret items.</td>
</tr>
<tr>
<td>d. More than eight percent of expenditure is dedicated to secret items, or the percentage is not available to the public.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: Source: 2005 budget proposal. Less than eight percent is dedicated to secret items. This percentage is available to the public.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
<table>
<thead>
<tr>
<th>The Budget Narrative &amp; Performance Monitoring</th>
</tr>
</thead>
<tbody>
<tr>
<td>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?</td>
</tr>
<tr>
<td>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.</td>
</tr>
<tr>
<td>b. Yes, information is presented, highlighting the link between major policy goals and the budget, but some details are excluded.</td>
</tr>
<tr>
<td>c. Yes, some information is presented, but it lacks important details.</td>
</tr>
<tr>
<td>d. No, information on the link between the budget and the government’s stated policy goals is not presented.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: Source: 2005 budget proposal, page 43-47.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

<table>
<thead>
<tr>
<th>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)?</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
</tr>
<tr>
<td>b. Yes, information is presented, highlighting the major policy goals, but some details are excluded.</td>
</tr>
<tr>
<td>c. Yes, some information is presented, but it lacks important details.</td>
</tr>
<tr>
<td>d. No, information on the link between the budget and the government’s stated policy goals over a multi-year period is not presented.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: Source: 2005 budget proposal.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
50. Does the executive’s budget or any supporting budget documentation present non-financial data, such as the number of beneficiaries, for expenditure programs?

   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).

   Citation and/or comment: Source: 2005 budget proposal.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

51. Are the non-financial data presented useful for assessing how an expenditure program is performing?

   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).

   Citation and/or comment: Source: 2005 budget proposal.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

52. Does the executive’s budget or any supporting budget documentation contain performance indicators for expenditure programs?

   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).

   Citation and/or comment: Source: 2005 budget proposal, chapter 4. Chapter 4 of the budget proposal includes brief descriptions of expenditure programs by administrative units, but the budget proposal does not provide any performance indicators for assessing implementation of these programs.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
53. Are the performance indicators sufficiently well designed, such that one can assess whether there has been progress toward meeting policy goals?

   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).

   Citation and/or comment: Source: 2005 budget proposal.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:

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

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

   Citation and/or comment: Source: 2005 budget proposal explanatory note.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:
### 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>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, extensive information on policies intended to alleviate poverty is presented, including both a narrative discussion and quantitative estimates.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, information is presented, highlighting the impact of key policies intended to alleviate poverty, but some details are excluded.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, some information is presented, but it lacks important details.</td>
</tr>
<tr>
<td>d.</td>
<td>No, information on policies intended to alleviate poverty is not presented.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation and/or comment:** Source: 2005 budget proposal, chapter 4. Key policies intended to alleviate poverty are scattered in different parts of the budget proposal. The proposal provides information on which major policies the government intends to carry out in economic, educational and social welfare fields to reduce poverty level in Georgia, however, the proposal does not include performance indicators for assessing the quality of the fulfillment of these policies.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

---

### Additional Key Information for Budget Analysis & Monitoring

**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.**

### 56. Does the executive make available to the public a description of the tax rate or fee schedule for all revenue sources?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, extensive information on tax rates and fee schedules is presented, including both a narrative discussion and quantitative estimates.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, information is presented, highlighting the rates and fees for major revenue sources, but some details are excluded.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, some information is presented, but it lacks important details.</td>
</tr>
<tr>
<td>d.</td>
<td>No, information is not presented.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation and/or comment:** Source: Tax Code of Georgia; Law of Georgia on Budgetary System, Article 17. Tax rates and fees are set by provisions of the Tax Code of Georgia and by the law of Georgia on Budgetary System, but these legal provisions are often vague and too complex in individual cases.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
57. Does the executive make available to the public an analysis of the distribution of the tax burden?

   a. Yes, a detailed analysis of the distribution of the tax burden is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, an analysis is presented, highlighting key aspects of the distribution, but some details are excluded.
   c. Yes, some analysis is presented, but it lacks important details.
   d. No analysis on the distribution of the tax burden is presented.
   e. Not applicable/other (please comment).

Citation and/or comment:

The researcher’s response to this question was “d”: The executive does not produce such information. The state budget includes very general information on the distribution of tax burdens or rather of tax incomes (http://www.mof.ge/documentfiles/TAVI%20I.pdf), but this information is not analyzed/explained in the budget nor in any other support documents.

Peer Reviewer ONE Comment:

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

IBP Comment: IBP staff decided to change the “d” response to “c” following as responses to these questions could be based on information contained in other documents than the budget proposal and supporting documents. As indicated by the researcher, this information can be found on the Ministry of Finance’s website.
58. Does the executive make available to the public an explanation of the conditions associated with assistance from international financial institutions (IFI)?

a. Yes, extensive information on conditions associated with IFI assistance is presented, including both a narrative discussion and quantitative estimates.

b. Yes, information is presented, but some details are excluded.

c. Yes, some information is presented, but it lacks important details.

d. No, information on conditions associated with IFI assistance is not presented.

e. Not applicable/other (please comment).

Citation and/or comment:

_The researcher has marked this answer as "d":_ Source: Administrative Code of Georgia, Chapter 3; Law of Georgia on Budgetary System, Article 4. The information on the conditions associated with assistance from international financial institutions is public information and as such, can be obtained through submitting a written request to the respective state agency following the procedures set forth by the Administrative Code of Georgia. However, the executive does not produce and present to the public a comprehensive document with consolidated information on the conditions associated with donor assistance the government receives.

_Peer Reviewer ONE Comment:_

_Peer Reviewer TWO Comment:_ A more appropriate response to this question would be “c.” The government may not produce the “consolidated information” on the conditions associated with all IFI assistance, but some materials are available for public through publications or internet.

_IBP Comment:_ After reviewing the peer reviewer and the researcher comments’ as well as information available on IFI assistance to Georgia, IBP editors modified the response to “c.” As mentioned earlier the responses in these questions could be based on information from other sources than the budget documents.
<table>
<thead>
<tr>
<th>Question</th>
<th>Statement</th>
<th>Selection</th>
</tr>
</thead>
<tbody>
<tr>
<td>59.</td>
<td>Does the executive make available to the public an explanation of the conditions associated with assistance from donor countries?</td>
<td>c</td>
</tr>
<tr>
<td>a.</td>
<td>Yes, extensive information on conditions associated with donor country assistance is presented, including both a narrative discussion and quantitative estimates.</td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td>Yes, information is presented, but some details are excluded.</td>
<td></td>
</tr>
<tr>
<td>c.</td>
<td>Yes, some information is presented, but it lacks important details.</td>
<td></td>
</tr>
<tr>
<td>d.</td>
<td>No, information on conditions associated with donor country assistance is not presented.</td>
<td></td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
<td></td>
</tr>
</tbody>
</table>

Citation and/or comment:

*The researcher has marked this answer as "d":* Source: Administrative Code of Georgia, Chapter 3; Law of Georgia on Budgetary System, Article 4; Ministry of Finance website. The information on the conditions associated with assistance from donor countries is public information and as such can be obtained through submitting a written request to the respective state agency following the procedures set forth by the Administrative Code of Georgia. However, the executive does not produce and present to the public a comprehensive document with consolidated information about the donor assistance the government receives.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:** A more appropriate response to this question would be “c.”

Same comment as on Question 58

**IBP Comment:** See comment to Question 58.

<table>
<thead>
<tr>
<th>Question</th>
<th>Statement</th>
<th>Selection</th>
</tr>
</thead>
<tbody>
<tr>
<td>60.</td>
<td>Does the executive make available to the public a summary that describes the budget and its proposals?</td>
<td>c</td>
</tr>
<tr>
<td>a.</td>
<td>Yes, it provides a summary that is very informative.</td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td>Yes, it provides a summary that is somewhat informative.</td>
<td></td>
</tr>
<tr>
<td>c.</td>
<td>Yes, but the summary is not very informative.</td>
<td></td>
</tr>
<tr>
<td>d.</td>
<td>No, it does not provide a summary.</td>
<td></td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
<td></td>
</tr>
</tbody>
</table>

Citation and/or comment: Source: Law of Georgia on Budgetary System, Article 4; Explanatory note attached to the 2005 Budget Proposal submitted to the Parliament. Brief description of the executive’s budget is attached to the draft budget submitted to Parliament for approval. Its purpose is not to inform the public about the budget priorities and its other details, but to introduce the budget draft to Parliament. However, the description attached to the draft budget is a public document.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
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?

   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).

   **Citation and/or comment:** General overview of the executive’s budget is presented in the Explanatory Note attached to the budget itself (Law of Georgia on Normative Acts requires that all normative acts be attached with respective Explanatory Notes. This includes the executive’s budget). The executive does not produce a special “citizens budget.”

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**

62. Does the executive make available to the public non-technical definitions of terms used in the budget and other budget-related documents (for instance, in a glossary)?

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

   **Citation and/or comment:** Source: Law of Georgia on Budgetary System, Article 3; Ministry of Finance website at [http://www.mof.ge/DinamicPage.aspx?cmd=menu&rootid=74](http://www.mof.ge/DinamicPage.aspx?cmd=menu&rootid=74). The Law of Georgia on Budgetary System provides definitions of major terms used in the budget. The Ministry of Finance website includes the glossary of modern financial terminology. Some of the terms listed in this glossary are used in Georgia’s budget as well, but there is not a separate glossary of all terms used in the national budget.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**
63. Does the executive make available to the public a summary of the budget process?

   a. Yes, it includes a summary of the budget process that is very informative.
   b. Yes, it includes a summary of the budget process that is somewhat informative.
   c. Yes, but the summary of the budget process is not very informative.
   d. No, it does not include a summary of the budget process.
   e. Not applicable/other (please comment).

Citation and/or comment: The Law of Georgia on Budgetary System that describes the budgetary process in Georgia and other related legislative pieces are posted on the Ministry of Finance website at http://www.mof.ge/DinamicPage.aspx?cmd=docs. However, the executive does not provide a summary of the budget process to the public that is written an easy-to-understand language.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:

64. Do citizens have the right in law to access government information, including budget information?

   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).

Citation and/or comment: Source: Administrative Code of Georgia, Chapter 3; Law of Georgia on Budgetary System; Ministry of Finance website. The budget information is public information and as such, it can be obtained through submitting a written request to the respective state agency following the procedures set forth by the Administrative Code of Georgia.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:
65. Are citizens able in practice to obtain financial information on expenditures for individual programs in a format that is more highly disaggregated than that which appears in the executive’s budget proposal if they request it (for example, from a ministry or agency)?

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

Citation and/or comment: Source: Administrative Code of Georgia, Chapter 3; Law of Georgia on Budgetary System, Article 4. All budget related information is public information and as such, it can be obtained through submitting a written request to the respective state agency following the procedures set forth by the Administrative Code of Georgia. The executive itself does not have highly disaggregated information for programs representing more than two-thirds of expenditures, and thus in can provide the information only for programs representing less than two-thirds of expenditures.

Peer Reviewer ONE Comment:

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

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

Citation and/or comment: Source: Administrative Code of Georgia, Chapter 3; Law of Georgia on Budgetary System, Article 4. All budget related information is public information and as such, it can be obtained through submitting a written request to the respective state agency (following the procedures set forth by the Administrative Code of Georgia). The executive itself does not have highly disaggregated non-financial information for programs representing more than two-thirds of expenditures, and thus can only provide this information for programs representing less than two-thirds of expenditures.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
Section Three: The Budget Process
### The Budget Process

#### Executive’s Formulation of the Budget

<table>
<thead>
<tr>
<th>67. How far in advance of the release of the budget is the day of its release known?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. The release date is set in permanent law.</td>
</tr>
<tr>
<td>b. The executive announces the release date at least two months in advance.</td>
</tr>
<tr>
<td>c. The executive announces the release date less than two months but more than two weeks in advance.</td>
</tr>
<tr>
<td>d. The executive announces the release date two weeks or less before the release, or makes no announcement.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation and/or comment:** Source: Law of Georgia on Budgetary System, Articles 20 through 22. According to the Law on Budgetary System, the executive must submit to the Parliament the draft budget at least three months prior to the new budgetary year.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

<table>
<thead>
<tr>
<th>68. Does the executive release to the public its timetable for its budget preparation process?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Yes, a detailed timetable is released to the public.</td>
</tr>
<tr>
<td>b. Yes, a timetable is released, but some details are excluded.</td>
</tr>
<tr>
<td>c. Yes, a timetable is released, but it lacks important details.</td>
</tr>
<tr>
<td>d. No, a timetable is not issued to the public.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation and/or comment:** Source: Law of Georgia on Budgetary System, Articles 20 through 22. The timetable for the executive’s budget preparation process is given in the Law of Georgia Budgetary System. This law is a public document; however, the executive’s internal timetable is not issued to the public.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
69. Does the executive adhere to its timetable for the preparation and release of the budget?

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

Citation and/or comment: The executive does not release its internal timetable to the public. As for the budget preparation timetable provided in the law, the executive does not adhere to it fully.

Peer Reviewer ONE Comment: 

Peer Reviewer TWO Comment:

70. 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 and/or comment: Source: Law on Budgetary System of Georgia, Articles 20 through 22; Law of Georgia on Committees, Article 13; Parliamentary Rules of Procedures, Article 42. After the executive’s draft budget is submitted to the Parliament, the Parliamentary Committees hold public hearings on the initial draft and subsequently submit their comments to the executive. The draft budget is also discussed at the Parliament’s Plenary Session. However, the executive does not hold consultations with members of the legislature on budget priorities prior to the submission of the initial draft of the budget to Parliament.

Peer Reviewer ONE Comment: 

Peer Reviewer TWO Comment: 

Peer Reviewer ONE Comment: 

Peer Reviewer TWO Comment:
71. Does the executive hold consultations with the public as part of its process of determining budget priorities?

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, the executive holds extensive consultations with a wide range of constituencies.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, the executive holds consultations with a range of constituencies, but some key constituencies are excluded.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, the executive holds very limited consultations, involving only a few constituencies.</td>
</tr>
<tr>
<td>d.</td>
<td>No, the executive does not typically consult with the public as part of the budget preparation process.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: The executive does not hold special consultations with the public as part of its process of determining budget priorities. The public is able to participate in the budgetary process through attending the Committee Hearings on the draft budget.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

72. When does the executive release a pre-budget statement to the public?

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>The executive releases a pre-budget statement at least four months in advance of the start of the budget year.</td>
</tr>
<tr>
<td>b.</td>
<td>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.</td>
</tr>
<tr>
<td>c.</td>
<td>The executive releases a pre-budget statement, but it is released less than two months before the start of the budget year.</td>
</tr>
<tr>
<td>d.</td>
<td>The executive does not release a pre-budget statement.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: Administrative Code of Georgia, Chapter 3; Law of Georgia on Budgetary System, Article 17. A pre-budget statement (Basic Direction and Data document) is a public document and as such, it can be obtained through submitting a written request to the respective state agency. The pre-budget statement is not published on the Internet.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
73. Does the pre-budget statement describe the government’s macroeconomic and fiscal framework?

   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).

Citation and/or comment: Source: Law of Georgia on Budgetary System, Article 17; Basic Direction and Data document of 2005. The pre-budget statement provides only aggregated numbers describing overall trends in the government’s macroeconomic and fiscal framework, but it does not provide sources of and/or conclusions drawn from these aggregate numbers.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

c

74. Does the pre-budget statement describe the government’s policies and priorities that will guide the development of detailed estimates for the upcoming budget?

   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).

Citation and/or comment: Source: Law of Georgia on Budgetary System, Article 17; Basic Direction and Data document of 2005. The pre-budget statement provides ceilings for individual ministries’ expenditures and some information about the government’s overall priorities, but no other explanations or/and analysis is included in the statement.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

c
### Legislative Approval of the Budget

**75.** How far in advance of the start of the budget year does the legislature receive the budget?

- 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).

**Citation and/or comment:** Source: Law of Georgia on Budgetary System, Article 22. The executive is required by law to submit the draft law to the budget at least three months prior to the start of the new budget year, but this legal requirement is not always observed in practice.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

---

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

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

**Citation and/or comment:** Source: Law of Georgia on Budgetary System, Articles 20 through 22; Parliamentary Rules of Procedures. Parliamentary Committee discussions on the draft budget include the macroeconomic and fiscal assessments as well, though no separate hearings are held on these topics. During these discussions the executive branch is called to present the testimony. The public representatives are also allowed by law to participate in these discussions.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
77. 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?

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the executive branch is heard.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, hearings are held, covering key administrative units, in which testimony from the executive branch is heard.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, a limited number of hearings are held in which testimony from the executive branch is heard.</td>
</tr>
<tr>
<td>d.</td>
<td>No, public hearings are not held on the budgets of administrative units in which testimony from the executive branch is heard.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: Source: Law of Georgia on Budgetary System, Articles 20 through 22; Law of Georgia on Committees, Article 13; Parliamentary Rules of Procedures, Article 42. The committees hold public hearings on the individual budgets of central government administrative units depending on their sectors of influence, but in practice the executive branch representatives do not participate in all of them.

Peer Reviewer ONE Comment: 

Peer Reviewer TWO Comment:

78. 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?

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the public is heard.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, hearings are held, covering key administrative units, in which testimony from the public is heard.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, a limited number of hearings are held in which testimony from the public is heard.</td>
</tr>
<tr>
<td>d.</td>
<td>No, public hearings are not held on the budgets of administrative units in which testimony from the public is heard.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: Source: Law of Georgia on Budgetary System, Articles 20 through 22; Law of Georgia on Committees, Article 13; Parliamentary Rules of Procedures, Article 42. Sectoral committees hold public hearings on the budgets of those central government units that relate to the sectoral expertise of these committees.

Peer Reviewer ONE Comment: 

Peer Reviewer TWO Comment:
79. Do the legislative committees that hold public hearings release reports to the public on these hearings?
   
   a. Yes, the committees release very informative reports, which include all written testimony presented at the hearings.
   b. Yes, the committees release reports, but some details are excluded.
   c. Yes, the committees release reports, but they are not very informative.
   d. No, the committees do not release reports or do not hold public hearings.
   e. Not applicable/other (please comment).

   Citation and/or comment: Source: Law of Georgia on Committees, Article 13; Parliamentary Rules of Procedures, Article 42. 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 as such, can be obtained by ordinary citizens, if requested. However, the committees do not produce reports about their budgetary hearings and their conclusions for the purpose of informing the public.

Peer Reviewer ONE Comment:  
Peer Reviewer TWO Comment:

80. Does the executive present more details or provide a better explanation of any budget proposal, if members of the legislature (including from minority parties) request such information?
   
   a. The executive responds to such legislative requests, and it generally provides an appropriate and timely response.
   b. The executive responds to such legislative requests, but its responses are sometimes not appropriate or timely.
   c. The executive responds to such legislative requests, but its responses are typically not appropriate or timely.
   d. The executive responds selectively or ignores such legislative requests.
   e. Not applicable/other (please comment).

   Citation and/or comment: Source: Law of Georgia on Budgetary System, Article 22; Law of Georgia on Committees, Article 18. The Parliament is authorized to request additional information or ask any questions regarding the submitted draft budget. The executive is obliged to fulfill this request. This requirement was mostly observed in practice in 2004 and 2005.

Peer Reviewer ONE Comment:  
Peer Reviewer TWO Comment:
81. Is the legislature (or the appropriate legislative committee) given information for the budget year on the spending of secret items relating to, for instance, national security and military intelligence?

- a. Yes, the legislature is provided extensive information on all spending on secret items.
- b. Yes, the legislature is provided information on spending on secret items, but some details are excluded.
- c. Yes, the legislature is provided some information on spending on secret items, but it lacks important details.
- d. No, the legislature is provided no information on secret items.
- e. Not applicable/other (please comment).

Citation and/or comment: Source: Parliamentary Rules of Procedures, Article 28; Law of Georgia on Trust Group, Article 1 and Article 7. This information is provided only to the Parliamentary Trust Group. 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.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

82. Does the legislature have authority to amend the budget presented by the executive?

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

Citation and/or comment: Source: Law of Georgia on Budgetary System, Article 22; Constitution of Georgia, Article 93. According to the Law of Georgia on Budgetary System, the Parliament approves the budget by a majority vote. In case the proposed budget does not get the majority vote, the government, in consultation with the president of Georgia, submits a modified budget to the Parliament within 2 weeks. If the alternative budget is not approved, the president has the right to dismiss the parliament and approve the budget by presidential decree.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
83. What is the most detail provided in the appropriation (expenditure budget) approved by the legislature?

   a. The approved budget includes program-level detail.
   b. The approved budget includes departmental totals and some additional details (for instance, sub-department totals or major programs).
   c. The approved budget includes only departmental totals.
   d. The approved budget includes less information than departmental totals.
   e. Not applicable/other (please comment).

   Citation and/or comment: Source: 2005 Budget of Georgia

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

<table>
<thead>
<tr>
<th>Executive's Implementation of the Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>84. How often does the executive release to the public in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</td>
</tr>
<tr>
<td>a. In-year reports on actual expenditure are released at least every month.</td>
</tr>
<tr>
<td>b. In-year reports on actual expenditure are released at least every quarter.</td>
</tr>
<tr>
<td>c. In-year reports on actual expenditure are released at least semi-annually.</td>
</tr>
<tr>
<td>d. In-year reports on actual expenditure are not released.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

   Citation and/or comment: Source: The 2005 Georgia State Budget Execution Data report for each quarter. The Georgia State Budget Execution Data report for each quarter is sent to the Parliament for approval. While it is not available online, it can be requested from the Treasury which responds within a maximum of 10 days. The Ministry of Finance prepares monthly reports for internal use as well; however, these are less comprehensive and are not submitted to Parliament. These reports provide information on budgetary incomes, expenditures, deficit, loans and other sources of revenue, and their comparisons with the original estimate for that period as approved by the Parliament.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
85. What share of expenditure is covered by in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?

   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).

   Citation and/or comment: See comment to Question 84.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**

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

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

   Citation and/or comment: See comment to Question 84.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**
87. How often does the executive release to the public in-year reports on actual revenue collections by source of revenue?

   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).

   Citation and/or comment: Source: The 2005 Georgia State Budget Execution Data report for each quarter. The Georgia State Budget Execution Data report for each quarter is sent to the Parliament for approval. While it is not available on-line, it can be requested from the Treasury which responds within a maximum of 10 days. The Ministry of Finance prepares monthly reports for internal use as well; however, these are less comprehensive and are not submitted to Parliament. These reports provide information on budgetary incomes, expenditures, deficit, loans and other sources of revenue, and their comparisons with the original estimate for that period as approved by the Parliament.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:

88. What share of revenue is covered by the in-year reports on actual revenue collections?

   a. In-year reports cover the actual revenue collections of all sources of revenue.
   b. In-year reports cover the actual revenue collections of at least two-thirds of, but not all, sources of revenue.
   c. In-year reports cover actual revenue collections of less than two-thirds of revenue sources.
   d. In-year reports on actual revenue collections are not released to the public.
   e. Not applicable/other (please comment).

   Citation and/or comment: See comment to Question 87.

   Peer Reviewer ONE Comment:

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

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

Citation and/or comment: See comment to Question 87.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

90. Does the executive release to the public in-year reports on actual borrowing?

   a. Yes, in-year reports on actual borrowing are released at least every month.
   b. Yes, in-year reports on actual borrowing are released at least every quarter.
   c. Yes, in-year reports on actual borrowing are released at least semi-annually.
   d. No, in-year reports on actual borrowing are not released.
   e. Not applicable/other (please comment).

Citation and/or comment: Source: 2004 quarterly reports; Law of Georgia on Budgetary System, Article 35, Ministry of Finance Quarterly Budgetary Review. Quarterly reports provide information on budgetary incomes, expenditures, deficit, loans and other sources of revenues, and their comparisons with the original estimate for that period as approved by the Parliament.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
91. 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?

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, extensive information related to the composition of government debt is presented.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, key additional information is presented, but some details are excluded.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, some additional information is presented, but it lacks important details.</td>
</tr>
<tr>
<td>d.</td>
<td>No, additional information related to the composition of government debt is not presented, or such in-year reports on borrowing are not released.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: Source: Law of Georgia on Budgetary System, Article 35, Ministry of Finance Quarterly Budgetary Review. The executive does present information on actual borrowing; however, this information is very general. It includes only the total amount of funds borrowed for the budget year omitting other details.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

92. 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)?

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Reports are released 1 month or less after the end of the period.</td>
</tr>
<tr>
<td>b.</td>
<td>Reports are released 2 months or less (but more than 1 month) after the end of the period.</td>
</tr>
<tr>
<td>c.</td>
<td>Reports are released more than 2 months after the end of the period.</td>
</tr>
<tr>
<td>d.</td>
<td>In-year reports are not released.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: Source: Law of Georgia on Budgetary System, Article 35, Ministry of Finance Quarterly Budgetary Review. The legal requirement is observed in practice in this case.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
93. 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?

   a. Yes, the mid-year review includes an extensive discussion of the economy that includes a revised forecast for the full fiscal year and its effects on the budget.
   b. Yes, the mid-year review includes a discussion of the economy, but it lacks some details.
   c. Yes, the mid-year review includes a discussion of the economy, but it lacks important details.
   d. No, the mid-year review does not include a discussion of the economy, or the executive does not release a mid-year review of the budget.
   e. Not applicable/other (please comment).

   Citation and/or comment: Source: 2004 Ministry of Finance mid-year report on the budget fulfillment.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:

94. Does the executive release to the public a mid-year review of the budget that includes updated expenditure estimates for the budget year underway?

   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).

   Citation and/or comment: Source: 2004 Ministry of Finance mid-year report on the budget fulfillment.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:
95. What is the most detail provided in the mid-year review for expenditures?

   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).

   Citation and/or comment: Source: 2004 Ministry of Finance mid-year report on the budget fulfillment.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:

96. Does the executive release to the public a mid-year review of the budget that includes updated revenue estimates for the budget year underway?

   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).

   Citation and/or comment: Source: 2004 Ministry of Finance mid-year report on the budget fulfillment.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>97. Does the executive seek input from the legislature when the executive shifts funds between administrative units (except when the amounts are below a certain level, as specified in law or regulation)?</td>
<td>a. Yes, the executive seeks approval from the legislature before shifting funds between administrative units.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b. Yes, the executive advises the legislature before shifting funds, giving the legislature an opportunity to block or modify the proposed adjustment.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>c. Yes, the executive seeks legislative approval, but only after the shift of funds has been implemented.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>d. No, the executive shifts funds between administrative units without seeking input from the legislature.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>e. Not applicable/other (please comment).</td>
<td></td>
</tr>
</tbody>
</table>

**Citation and/or comment:** Source: Law of Georgia on Budgetary System, Article 25
The executive is required to seek approval from the legislature for shifting funds between administrative units if this shift exceeds 10% of the originally allocated funds.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
98. 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?

   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 services 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).

Citation and/or comment: Source: Law of Georgia on State Procurement, Article 22; Presidential decrees on expending funds from the President’s Reserve Fund. According to the law of Georgia on State Procurement, in case of force majeure, instead of holding an open and competitive process, the executive is authorized to procure goods/services through a single source negotiation. However, there have been several cases of the executive applying force majeure procedures in the procurement of goods/services without real cases of force majeure.

Peer Reviewer ONE Comment: The response to this question is correct; I would like to expand upon a comment and give specific examples. Especially problematic is the spending for procurement from the special reserve funds that exist in the budget – Presidential Fund, and Government Fund. Since these reserve funds are reflected in the state budget, they are governed by the same regulations as the entire budget. These funds are supposed to be spent on “events of national significance,” and force-majeure situations. However, monitoring activity conducted by the Young Lawyers Association of Georgia revealed that in 2005; only 7% of the presidential fund was spent purposefully, while 69% was spent non-purposefully, and 24% was spend on “secret” items. Often, spending from these funds violates the law of Georgia on State Procurement, with an excuse of force-majeure situation. For instance, in August 12, 2005, the Department of Tourism and Resorts contracted a single advertisement agency to produce a promotional clip for the Ajara region. The amount – 39,000 GEL, is an exorbitant amount by any standards applicable in the country’s advertising industry, giving reasons to suspect corruption. The official reason stated for a failure to conduct a bid for the contract was that the agency did not have time for such procedures since the recreational season was drawing to a close. They states that this amounted to a force-majeure situation. Similar violations abound in the budgetary practice in Georgia for 2005. For more information, please see the Web site of GYLA at www.gyla.ge.

Peer Reviewer TWO Comment:
99. When does the legislature typically approve supplemental budgets?

- a. Supplemental budgets are approved before the funds are expended, or the executive rarely proposes a supplemental budget (please specify).
- b. Supplemental budgets are approved after the funds are expended, or the executive implements supplemental budgets without ever receiving approval from the legislature (please specify).
- c. Not applicable/other (please comment).

*Source:* Law of Georgia on Budgetary System, Article 24. This takes place in the event of surplus, i.e. if actual revenue collection level during the year exceeds the plan set at the beginning of the year. In any case, the legislature’s approval is required for all supplemental budgets.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

100. In most years, how large are supplemental budget requests relative to the size of the original budget?

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

*Source:* 2005 Budget of Georgia; 2005 Budget Amendments. Supplemental budgets were submitted to the Parliament three times in 2005. The supplemental budgets exceeded 10% of the original budget.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
101. When does the legislature approve the expenditure of contingency funds or other funds for which no specific purpose was identified in the budget?

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

**Citation and/or comment:** Source: Law of Georgia on Budgetary System, Article 13. 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 “are allotted … for emergency events of state importance, such as natural and other disasters and other unpredictable state obligations”. The expenditures from the two Funds are expended without legislative approval. The Ministry of Finance informs the Finance and Budgetary Committee of the Parliament about the Reserve Fund expenditures on quarterly bases after they are expended. These changes are approved by the Parliament together with the budget fulfillment report of the executive submitted to the Parliament at the end of the budgetary year.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
### Executive’s Year-End Report and the Supreme Audit Institution

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
</table>
| 102. How long after the end of the budget year does the executive release to the public a year-end report or another document that discusses the budget’s actual outcome for the year? | a. Reports are released six months or less after the end of the fiscal year.  
b. Reports are released 12 months or less (but more than six months) after the end of the fiscal year.  
c. Reports are 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). |

**Citation and/or comment:** Source: Constitution of Georgia, Article 93. According to the Constitution of Georgia, the Ministry of Finance is required to submit to the Parliament the budgetary review within three months from the end of the fiscal year. This Review is a public document. This requirement was observed in practice in 2004.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

103. In the year-end report, or another document released to the public by the executive (please specify below), have the data on the actual outcomes been audited?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, all data on actual outcomes have been audited.</td>
</tr>
<tr>
<td>b.</td>
<td>At least two-thirds, but not all, of the data on actual outcomes have been audited.</td>
</tr>
<tr>
<td>c.</td>
<td>Less than two-thirds of the data on actual outcomes have been audited.</td>
</tr>
<tr>
<td>d.</td>
<td>None of the data on actual outcomes has been audited, or a year-end report is not released.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: Source: Law of Georgia on Budgetary System, Article 42; Law of Georgia on Chamber of Control, Article 97. The Chamber of Control of Georgia is responsible for auditing all data on actual outcomes. The audit report of the Chamber of Control is a public document. However, this report is released after the release of the executive’s year-end report.

**Peer Reviewer ONE Comment:** A more appropriate response to this question would be “b.” Even though the data in the year-end report is not audited, the report issued by the Chamber of Control on the execution of the budget is based on the audited data, and the report is available to the public. It is also posted on the internet site: http://www.control.ge/files/400_65_228758_angarishi-2004-web-gverdisatvis.pdf.

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

**IBP Comment:** The question refers to audited data contained in the year-end report or other report issued by the executive. The peer reviewers refer to the audit report (report not issued by the executive). As the year-end report does not contain audited data and questions relating the audit phase follow, IBP staff has chosen “d” as the most appropriate response for this question.

104. Does the year-end report, or another document released to the public by the executive (please specify below), explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, an explanation is presented, highlighting key differences, but some details are excluded.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, some explanation is presented, but it lacks important details.</td>
</tr>
<tr>
<td>d.</td>
<td>No, an explanation is not presented, or such a report is not released.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: Source: 2004 Annual Budget Fulfillment Report of the Ministry of Finance. The year-end report presents only the differences in the two figures (enacted vs. actual expenditures) without further details on the explanation for these differences.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
105. 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, or another document released to the public by the executive (please specify below)?

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

Citation and/or comment: Source: 2004 Annual Budget Fulfillment Report of the Ministry of Finance

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

106. Does the year-end report, or another document released to the public by the executive (please specify below), explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?

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).

Citation and/or comment: Source: 2004 Annual Budget Fulfillment Report of the Ministry of Finance. The year-end report presents only the differences in the two figures (enacted vs. actual expenditures) without further details on the explanation for these differences.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
107. Does the year-end report, or another document released to the public by the executive (please specify below), explain the difference between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?

   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).

Citation and/or comment: Source: 2004 Annual Budget Fulfillment Report of the Ministry of Finance.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

108. Does the year-end report, or another document released to the public by the executive (please specify below), explain the difference between the original estimates of non-financial data and the actual outcome?

   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).

Citation and/or comment: Source: 2004 Annual Budget Fulfillment Report of the Ministry of Finance.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
109. Does the year-end report, or another document released to the public by the executive (please specify below), explain the difference between the original performance indicators and the actual outcome?

  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).

Citation and/or comment: Source: 2004 Annual Budget Fulfillment Report of the Ministry of Finance. The annual report provides information on differences between the actual budget expenditures and original estimates, but it does not include detailed information on the achievements of the programs planned in the budget.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

110. Does the year-end report, or another document released to the public by the executive (please specify below), explain the difference between the enacted level of funds intended to benefit directly the country’s most impoverished populations and the actual outcome?

  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).

Citation and/or comment: Source: 2004 Annual Budget Fulfillment Report of the Ministry of Finance
111. Does the year-end report, or another document released to the public by the executive (please specify below), present the actual outcome for extra-budgetary funds?

   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).

   Citation and/or comment: Source: 2004 Annual Budget Fulfillment Report of the Ministry of Finance

Peer Reviewer ONE Comment: Since such funds existed in 2004 (they were abolished in 2005), there were no information on extra-budgetary funds in the 2004 year-end report.

Peer Reviewer TWO Comment:

112. How long after the end of the fiscal year are the final expenditures of national departments audited and (except for secret programs) released to the public?

   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).

   Citation and/or comment: Source: Law of Georgia on Budgetary System, Article 47 and Article 48; Constitution of Georgia. The annual budgetary review of the Ministry of Finance is submitted to the Parliament together with the audit report of the Chamber of Control (3 months within the end of the fiscal year).

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
113. Two years after the completion of a fiscal year, what percentage of expenditure has been audited and (except for secret programs) the reports released to the public?

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

   Citation and/or comment: Source: 2004 Chamber of Control audit report. All information presented by the Ministry of Finance and the Chamber of Control to the Parliament is public information.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:

114. Do year-end audit reports of departmental expenditure that are released to the public include an executive summary?

   a. All of these audit reports include an executive summary.
   b. Most of these reports include an executive summary.
   c. Some of these reports include an executive summary.
   d. None of these audit reports include an executive summary, or such reports are not released to the public.
   e. Not applicable/other (please comment).

   Citation and/or comment: Source: 2004 Chamber of Control audit report. Audit reports of the Chamber of Control include general assessment of the budgetary process for the fiscal year in focus, as well as specific recommendations for eradicating/preventing observed shortfalls.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:
115. 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?

   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.
   b. No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature.
   c. Not applicable/other (please comment).

   Citation and/or comment: Source: Law of Georgia on Chamber Control, Article 10; Constitution of Georgia, Article 64. The head of the Chamber of Control is elected and dismissed by Parliament.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:

116. Does the Supreme Audit Institution release to the public audits of extra-budgetary funds?

   a. Yes, the SAI releases to the public audits of all extra-budgetary funds.
   b. Yes, the SAI releases audits representing at least two-thirds of, but not all, extra-budgetary funds.
   c. Yes, the SAI releases audits representing less than two-thirds of all extra-budgetary funds.
   d. No, the SAI does not release to the public audits of extra-budgetary funds, or it does not audit such funds.
   e. Not applicable/other (please comment).

   Citation and/or comment: Source: 2004 audit report of the Chamber of Control.

   Peer Reviewer ONE Comment: Since such funds existed in 2004 (they were abolished in 2005), there were no audit reports of extra-budgetary funds for FY 2004.

   Peer Reviewer TWO Comment:
117. Beyond the established year-end attestation audits, does the Supreme Audit Institution (SAI) have discretion in law to undertake those audits it may wish to?

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

Citation and/or comment: Source: Law of Georgia on Chamber of Control, Article 40; Chamber of Control Rules of Procedures, Article 25. The Chamber of Control is authorized to undertake unplanned audits (including re-auditing of previously audited public agencies) at the request of the President, the Parliament, the Investigative Commission of the Parliament, or by its own decision within its area of competence.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

118. 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 and/or comment: Source: Law of Georgia on Chamber of Control, Article 78. The budget of the Chamber of Control is determined by the legislature, but the funding level is insufficient.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
119. Does a committee of the legislature view and scrutinize the audit reports?

- Yes, all audit reports are scrutinized.
- Yes, most audit reports are scrutinized.
- Yes, some audit reports are scrutinized.
- No, audit reports are not scrutinized.
- Not applicable/other (please comment).

*Citation and/or comment:* Source: Law of Georgia on Budgetary System, Article 45 and Article 48. The Chamber of Control audit reports are discussed at the Committee Hearings, as well as at the Parliamentary Plenary Session, however, these discussions are generally not exhaustive.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

120. 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?

- Yes, the executive reports publicly on what steps it has taken to address audit findings.
- Yes, the executive reports publicly on most audit findings.
- Yes, the executive reports publicly on some audit findings.
- No, the executive does not report on steps it has taken to address audit findings.
- Not applicable/other (please comment).

*Citation and/or comment:* According to the Law of Georgia on Chamber of Control, Article 52 and Article 53, the Chamber of Control informs the audited executive agencies about the violations and a deficiency observed during the audit, and provides recommendations for their eradication. The executive agency is obliged to consider the information received from the Chamber of Control within 20 days of its receipt and take relevant action. The actions undertaken must be reported to the Chamber of Control. Both the audit and subsequent actions are public information and as such, they can be obtained by submitting a written request to the respective institution(s). However, the executive does not independently produce a special public report on the steps taken to address audit recommendations.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
121. 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>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, a comprehensive report is released regularly that tracks actions taken by the executive to address audit recommendations.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, a report is released, covering key audit recommendations, but some details are excluded.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, a report is released, but it lacks important details.</td>
</tr>
<tr>
<td>d.</td>
<td>No, a report is not produced or it is prepared for internal purposes only (please specify).</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: According to the Law of Georgia on Chamber of Control, Article 52 and Article 53, the Chamber of Control informs the audited executive agencies about the violations and a deficiency observed during the audit, and provides recommendations for their eradication. The executive agency is obliged to consider the information received from the Chamber of Control within 20 days of its receipt and take relevant action. The actions undertaken must be reported to the Chamber of Control. Both the audit and subsequent actions are public information and as such, they can be obtained by submitting a written request to the respective institution(s). However, the executive does not independently produce a special public report on the steps taken to address audit recommendations.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

122. Are audit reports related to national security and other secret programs provided to the legislature (or relevant committee)?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, legislators are provided with detailed audit reports related to national security and other secret programs.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, legislators are provided audit reports on secret items, but some details are excluded.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, legislators are provided audit reports on secret items, but they lack important details.</td>
</tr>
<tr>
<td>d.</td>
<td>No, legislators are not provided audit reports on secret items, or secret programs are not audited (please specify).</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: Source: Parliamentary Rules of Procedures, Article 28; Law of Georgia on Trust Group, Article 1 and Article 7. This information is provided only to the Parliamentary Trust Group, and not available for the public. Therefore, it is difficult to assess whether or not this information is detailed enough.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**