

Open Budget Survey 2023

Questionnaire

Armenia

May 2024

Country Questionnaire: Armenia

PBS-1. What is the fiscal year of the PBS evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2023

Source:

Mid-term Public Expenditures Framework (MTPEF) page of the website of the Ministry of Finance - https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsragre/

Comment:

1. In Armenia the equivalent of PBS is a 3-year Medium-Term Public Expenditure Framework (MTPEF- though literal translation from Armenian is Medium-Term Expenditures Program). Specifically for FY 2023 it is 2023-2025 MTPEF.
2. Currently the mentioned in the source website includes MTPEFs starting from 2017-2019, their appendices and, starting from 2020, when the Ministry of Finance started the development of EBP simultaneously and in conjunction with MTPEF, also appendices of EBP. In addition, starting from FY 2023 MTPEF is posted together with FY 2023 budgetary funding application. To access any of the mentioned documents (in Word and Excel formats), one should click on the hypertext name of the document.
3. On the same webpage, together with 2023-2025 MTPEF, it is posted also 2022-2026 Revised Program on the Reduction of the Debt of the Republic of Armenia Government.

Peer Reviewer

Opinion: Agree

Comments: FY 2022. MTEP 2023-25 was approved by the Government of Armenia (GoA) Decree №1010-N from 30 June 2022 and was made available in early July 2022.

Government Reviewer

Opinion: Agree

PBS-2. When is the PBS made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for a PBS to be considered publicly available, it must be made available to the public one month before the Executive's Budget Proposal is submitted to the legislature for consideration. If the PBS is not released to the public at least one month before the Executive's Budget Proposal is submitted to the legislature for consideration, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the PBS.

Answer:

- a. At least four months in advance of the budget year, and at least one month before the Executive's Budget Proposal is introduced in the legislature

Source:

Law on the Budgetary System of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175826>

MTPEF - https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsragre/

Comment:

According to Part 2.10 of Article 21 (Preparation of the State Budget Draft) of the Law on the Budgetary System of the Republic of Armenia, the deadline of the adoption of MTPEF is July 10 of the year preceding the budget year and the deadline for its publication - July 20.

Peer Reviewer

Opinion: Agree

Comments: In addition According to part 2 of Article 110 of the Constitution the Government of Armenia submits the draft of the annual budget for the next year to the National Assembly 90 days before the start of the budget year (that is by October 3). Thus the PBS (MTPEF) is published at least 75 days before draft budget (Executive's Budget Proposal)

Government Reviewer

Opinion: Agree

PBS-3a. If the PBS is published, what is the date of publication of the PBS?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

8/7/2022

Source:

Legal Information System of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=168521>

Comment:

MTPEF for 2023-2025 was adopted by June 30, 2022 Government Decree N 1010-N and was published on July 8th, 2022

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: besides provided links the draft document was published o 29 June in gov.am official site <https://www.e-gov.am/sessions/archive/2022/06/30/53>. Հայաստանի Հանրապետության 2023-2025 թվականների պետական միջնաժամկետ ծախսերի ծրագիրը և Հայաստանի Հանրապետության կառավարության պարտքի բեռի նվազեցման 2022-2026 թվականների վերանայված ծրագիրը հաստատելու մասին

PBS-3b. In the box below, please explain how you determined the date of publication of the PBS.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

I searched the document on the Legal Information System of Armenia (<https://www.arlis.am/>) platform and the website of the relevant page of the Armenian Ministry of Finance (see the source for the Questions PBS-1 and PBS-2).

Source:

Same as for Question PBS-3.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: besides provided links the draft document was published o 29 June in gov.am official site <https://www.e-gov.am/sessions/archive/2022/06/30/53>. Հայաստանի Հանրապետության 2023-2025 թվականների պետական միջնաժամկետ ծախսերի ծրագիրը և Հայաստանի Հանրապետության կառավարության պարտքի բեռի նվազեցման 2022-2026 թվականների վերանայված ծրագիրը հաստատելու մասին

PBS-4. If the PBS is published, what is the URL or weblink of the PBS?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:

https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsragre/

Source:

Comment:

Click hypertexts "2023-2025 թվականների պետական միջնաժամկետ ծախսերի և ՀՀ կառավարության պարտքի բեռի նվազեցման 2022-2026թթ. վերանայված ծրագրեր" for 2023-2025 MTPEF (in the same package there is also 2022-2026 Revised Program for the Reduction of the Debt of the Republic of Armenia (RA) Government) and "ՄԺԾԾ-հավելվածներ" just under the above mentioned hypertext for its appendices on the webpage mentioned in the URL box.

Peer Reviewer

Opinion: Agree

Comments: The document is also available on GoA legal information system at <https://www.arlis.am/DocumentView.aspx?DocID=168521> operated by the Ministry of Justice

Government Reviewer

Opinion: Agree

PBS-5. If the PBS is published, are the numerical data contained in the PBS available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) or HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the PBS is not publicly available, therefore its machine readability cannot be assessed.

Answer:

a. Yes, all of the numerical data are available in a machine readable format

Source:

Hypertext Appendices (for 2023-2025 MTEF) in https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsragre/

Comment:

Peer Reviewer

Opinion: Agree

Comments: Appendices are available in excel format (in most cases) at <https://www.arlis.am/DocumentView.aspx?DocID=168521>

Government Reviewer

Opinion: Agree

PBS-6a. If the PBS is not publicly available, is it still produced?

If the PBS is not considered publicly available under the OBS methodology (and thus the answer to Question PBS-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question PBS-2)

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

PBS-6b. If you selected option "c" or "d" in question PBS-6a, please specify how you determined whether the PBS was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question PBS-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

Comments: n/a

PBS-7. If the PBS is produced, please write the full title of the PBS.

For example, a title for the Pre-Budget Statement could be "Proposed 2023 State Budget" or "Guidelines for the Preparation of Annual Plan and Budget for 2022/23."

If the document is not produced at all, researchers should mark this question "n/a."

Answer:

2023-2025 Medium Term Expenditures Program

Source:

https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsragre/

Law on the Budgetary System of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175826> see Article 21 of the Law

Comment:

On the English-language page of the Ministry of Finance Source mentioned above it is translated as Medium-Term Public Expenditure Framework (MTPEF), though on the English-language page no documents are posted. It is simply posted one sentence telling when in Armenia the development of MTEP was introduced (in 2003) and translation of the definition of MTEP taken from the Law on the Budgetary System of the Republic of Armenia. In this Questionnaire it is used the English term.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

PBS-8. Is there a "citizens version" of the PBS?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see:

<https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

b. No

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EBP-1a. What is the fiscal year of the EBP evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2023

Source:

<https://www.e-draft.am/projects/4797/about> on the Unified Website for Publication of Legal Acts' Drafts (<https://www.e-draft.am/>)

Comment:

The link can be accessed also through the website of the Ministry of Finance going to "Resources" menu on the title page of the website and choosing from the drop-down menu the "Legal Acts" item.

Peer Reviewer

Opinion: Agree

Comments: The draft budget for 2023 was available also on the website of the National Assembly at http://www.parliament.am/draft_history.php?id=13664 starting from 3 October 2022

Government Reviewer

Opinion: Agree

EBP-1b. When is the EBP submitted to the legislature for consideration?

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

3/10/2022

Source:

http://parliament.am/draft_history.php?id=13664 on the website of the National Assembly (NA) of Armenia (Parliament).

Comment:

The mentioned in Source link shows the history of EBP from its submission to NA until its signing by the President of Armenia, by which it became EB.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EBP-2. When is the EBP made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an EBP to be considered publicly available, it must be made available to the public while the legislature is still considering it and before the legislature approves (enacts) it. If the EBP is not released to the public before the legislature approves it, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the EBP.

The OBS definition of an Executive's Budget Proposal is a document(s) that (i) the executive submits to the legislature as a formal part of the budget approval process and (ii) the legislature either approves or on which it approves proposed amendments.

The OBS will treat the Executive's Budget Proposal as "Not Produced," in the following cases:

- The executive does not submit the draft budget to the legislature; or
- The legislature receives the draft budget but does not approve it or does not approve recommendations on the draft budget;
- The legislature rejects the draft budget submitted by the executive, but the executive implements it without legislative approval; or
- There is no legislature, or the legislature has been dissolved.

Answer:

a. At least three months in advance of the budget year, and in advance of the budget being approved by the legislature

Source:

Law on Budgetary System of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175826> on the Legal Information System of Armenia (<https://www.arlis.am/>)

<https://www.e-draft.am/projects/4797> on the Unified Website for Publication of Legal Acts' Drafts (<https://www.e-draft.am/>)

Comment:

According to Point a. of Article 26 of the Law on Budgetary System of the Republic of Armenia, the Government, within three days after the submission of EBP to NA, shall publish it in media and post it on the official website of public notifications of the Republic of Armenia - <http://www.azdarar.am> Considering this, as well as the fact that the Government submitted 2023 EBP to NA on October 3, 2022, EBP had to be posted on the mentioned website not later, than on October 6, 2022.

Besides that on October 5, 2022, EBP was posted on the <https://www.e-draft.am> Unified Website for Publication of Legal Acts' Drafts (hereafter - <https://www.e-draft.am>) for feedback from public and stakeholders.

Peer Reviewer

Opinion: Agree

Comments: According to Part 2 of Article 110 Constitution the GoA must present the draft budget 90 days before the start of the budget year. In 2022 the draft budget for 2023 was submitted to the National Assembly on 3 October 2022. On 29 September 2022 the GoA adopted the Decree N1531-A about approval and submission of the draft annual budget for 2023 to the National Assembly (http://www.parliament.am/draft_docs8/K-382_1531.pdf). The draft was topic "45" on the agenda of the GoA session on 29 September 2022 and is available at <https://e-gov.am/sessions/archive/2022/09/29/> . It contained all annexes of the draft annual budget. On the website of the National Assembly there is a letter from the Prime Minister to the Chairman of the National Assembly dated 5 December 2022 about resubmitting the revised draft of the annual budget for 2023 (http://www.parliament.am/draft_docs8/K-382lr_namak.pdf). Supposedly the revised draft must be based on proposals received by the GoA. However, there are cases when the GoA revised the budget without receiving comments and proposals.

Government Reviewer

Opinion: Disagree

Suggested Answer: a. At least three months in advance of the budget year, and in advance of the budget being approved by the legislature

Comments: the draft version is available on government official site on 29 september 2022 <https://www.e-gov.am/sessions/archive/2022/09/29/45>. «Հայաստանի Հանրապետության 2023 թվականի պետական բյուջեի մասին» Հայաստանի Հանրապետության օրենքի նախագծի մասին

IBP Comment

Many thanks to reviewers for their comments. IBP worked with researcher to revise response to A.

EBP-3a. If the EBP is published, what is the date of publication of the EBP?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

In the comment boxes below, researchers should also list any supporting documents to the EBP and their date of publication.

Answer:

29/09/2022 29/09/2022

Source:

<https://www.e-draft.am/projects/4797> and <https://www.e-draft.am/en/projects/4797/about>

Comment:

The mentioned sources are accessible also from the website of the Ministry of Finance (see Comment on EBP-1a).

Peer Reviewer

Opinion: Disagree

Suggested Answer: 29 September 2022

Comments: The draft budget for 2023 was published at <https://e-gov.am/sessions/archive/2022/09/29/> on 29 September 2022. It was not published for public discussions yet (in that sense the date of 5 October 2022 is correct because that was the day when the draft was published for public discussion at <https://www.e-draft.am/projects/4797/about>), however, the draft law and all the annexes were available to general public on 29 September 2022 as topic "45" of the GoA session. The question does not ask when the EBP was published for public comments.

Government Reviewer

Opinion: Disagree

Suggested Answer: the draft version is available on government official site on 29 september 2022 <https://www.e-gov.am/sessions/archive/2022/09/29/45>.

«Հայաստանի Հանրապետության 2023 թվականի պետական բյուջեի մասին» Հայաստանի Հանրապետության օրենքի նախագծի մասին

IBP Comment

Thanks to the reviewers. IBP worked with researcher to revise response to 29th September 2022. The date initially mentioned - 5th October was when EBP was opened up for comments.

EBP-3b. In the box below, please explain how you determined the date of publication of the EBP.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

When opening the source mentioned in the sources of previous questions on EBP (<https://www.e-draft.am/projects/4797>) on the right upper part of the page under the text "Discussed" one can see the start and end days for the feedback and public discussion of the draft (in this case - "05.10.2022 - 25.10.2022"). This means that EBP was published on October 5, 2022. Opening the link mentioned in the source, one can access the main page of EBP. On the upper right side of the page, under the word "Discussed" one can see the period for public discussion and feedback (05.10.2022 - 25.10.2022). Hence, the date of publication is October 5, 2022.

Source:

<https://www.e-draft.am/projects/4797>

Comment:**Peer Reviewer**

Opinion: Disagree

Suggested Answer: The date of the GoA session when the draft budget for 2023 was made available to public (as an information but not for public discussions yet) is available at <https://e-gov.am/sessions/archive/2022/09/29/> as well as at <https://www.primeminister.am/hy/press-release/item/2022/09/29/Cabinet-meeting/>.

Comments: In addition to the agenda of GoA session of 29 September 2022 (<https://e-gov.am/sessions/archive/2022/09/29/>). The video of the discussion is available at <https://www.primeminister.am/hy/press-release/item/2022/09/29/Cabinet-meeting/>. Starting from 17 minutes 45 seconds the Minister of Finance presents the draft annual budget for 2023 and finishes at 30 minutes 48 seconds. The cabinet votes for the draft budget for 2023 at 55 minutes 05 seconds. As mentioned above the draft law and all the annexes were available to general public (not for public discussion but as an information) at <https://e-gov.am/sessions/archive/2022/09/29/> on 29 September 2022.

Government Reviewer

Opinion: Agree

Comments: the draft version is available on government official site on 29 september 2022 <https://www.e-gov.am/sessions/archive/2022/09/29/> 45. «Հայաստանի Հանրապետության 2023 թվականի պետական բյուջեի մասին» Հայաստանի Հանրապետության օրենքի նախագծի մասին

EBP-4. If the EBP is published, what is the URL or weblink of the EBP?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

In the comment boxes below, researchers should also list any supporting documents to the EBP and their URL or weblink.

Answer:

<https://www.e-draft.am/projects/4797/about> <https://www.e-draft.am/en/projects/4797/about>

Source:**Comment:**

To access the webpage, where EBP is posted, one first goes to <https://www.e-draft.am/projects/4797> mentioned in the previous questions on EBP. That page, called "Brief Description", tells on which Government documents EBP is based (2021-2026 Government Program and Its Action Plan) and what is EBP's main goal. EBP itself one of its two (out of two) supporting documents, namely, the 2023 Budget Message - Explanatory Note of the Government of the Republic of Armenia, can be accessed by clicking the hypertext "Draft" on the main page, It will show the URL of EBP - <https://www.e-draft.am/en/projects/4797/about>

Peer Reviewer

Opinion: Disagree

Suggested Answer: <https://e-gov.am/sessions/archive/2022/09/29/> The draft budget law for 2023 was published on this site earlier than on the site above.

Comments: The researcher mentioned the link where the draft annual budget for 2023 was published for public discussion. However, the question does not ask when was it published for public discussion. The draft annual budget for 2023 was available to general public via <https://e->

gov.am/sessions/archive/2022/09/29/ as topic "45" of the GoA 29 September 2022 session. The video of the GoA 29 September 2022 session is available at <https://www.primeminister.am/hy/press-release/item/2022/09/29/Cabinet-meeting/>

Government Reviewer

Opinion: Agree

Comments: the draft version is available on government official site on 29 september 2022 <https://www.e-gov.am/sessions/archive/2022/09/29/45>. «Հայաստանի Հանրապետության 2023 թվականի պետական բյուջեի մասին» Հայաստանի Հանրապետության օրենքի նախագծի մասին

EBP-5. If the EBP is published, are the numerical data contained in the EBP or its supporting documents available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

Option "d" applies if the EBP is not publicly available, therefore its machine readability cannot be assessed.

Answer:

a. Yes, all of the numerical data are available in a machine readable format

Source:

<https://www.e-draft.am/projects/4797/about>

Comment:

1. According to Part 1 of Article 16 of the Law on the Budgetary System of the Republic of Armenia, the draft of the state budget for the particular year consists of; a) draft of the law on state budget; b) budget message of the Government; and, c) official conclusion of the Central Bank of Armenia on the draft of the law on state budget submitted by the Bank to the Government of Armenia. Considering IBP's explanation on what is EBP and its supporting documents, it will be correct to argue that the draft of the law on state budget is EBP itself and two other mentioned document are documents supporting EBP.

2. On the mentioned source EBP and budget message, as well as their appendices are posted. Numerical data in appendices are in Excel format.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EBP-6a. If the EBP is not publicly available, is it still produced?

If the EBP is not considered publicly available under the OBS methodology (and thus the answer to Question EBP-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question EBP-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EBP-6b. If you selected option "c" or "d" in question EBP-6a, please specify how you determined whether the EBP was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question EBP-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

Comments: n/a

EBP-7. If the EBP is produced, please write the full title of the EBP.

For example, a title for the Executive's Budget Proposal could be "Draft Estimates of Revenue and Expenditure for BY 2022-23, produced by the Ministry of Finance, Planning and Economic Development."

If there are any supporting documents to the EBP, please enter their full titles in the comment box below.

If the document is not produced at all, researchers should mark this question "n/a."

Answer:

Draft of the 2023 State Budget

Source:

<https://www.e-draft.am/projects/4797/about>

Comment:**Peer Reviewer**

Opinion: Agree

Government Reviewer

Opinion: Agree

EBP-8. Is there a "citizens version" of the EBP?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

b. No

Source:**Comment:****Peer Reviewer**

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: a. Yes

Comments: The draft of the 2023 citizens budget had been included in 2023 budget draft document package

https://minfin.am/hy/page/petakan_byuje_2023t, 2023 թվականի քաղաքացու բյուջեի նախագիծ

EB-1a. What is the fiscal year of the EB evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2023

Source:

https://minfin.am/hy/page/petakan_byuje_2023t on the Ministry of Finance website

Comment:

1. Besides EB, the mentioned in the source link contains also: a) Government Decree "On measures to ensure the implementation of the 2023 state budget" and its appendices; b) 2023 Budget Message-Explanatory Note of the Government of the Republic of Armenia with its appendices; c) draft

of the 2023 Citizens Budget; and, d) summary list of the suggestions and conclusions as a result of public discussion on the 2023 EBP.

2. Apart from the website of the Ministry of Finance, EB is accessible also through the websites of the Legal Information System of Armenia (<https://www.arlis.am/DocumentView.aspx?DocID=179851>) and NA (<http://parliament.am/legislation.php?sel=show&ID=8378&lang=arm>).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-1b. When was the EB approved (enacted) by the legislature?

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

8/12/2022

Source:

<https://www.arlis.am/DocumentView.aspx?DocID=179851> on the Legal Information System of Armenia (<http://arlis.am>)

Comment:

Peer Reviewer

Opinion: Agree

Comments: The protocol of 8 December 2022 session of the National Assembly is available at <http://www.parliament.am/register.php?AgendaID=665&day=08&month=12&year=2022&lang=#08.12.2022>. According to protocol on 8 December 2022 66 members of parliament voted for the law, 29 were against and none abstained (at the very bottom of the page, topic discussed "12").

Government Reviewer

Opinion: Agree

EB-2. When is the EB made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an EB to be considered publicly available, it must be made available to the public three months after the budget is approved by the legislature. If the EB is not released to the public at least three months after the budget is approved by the legislature, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the EB.

Answer:

a. Two weeks or less after the budget has been enacted

Source:

<https://www.arlis.am/DocumentView.aspx?DocID=179851>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-3a. If the EB is published, what is the date of publication of the EB?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

16/12/2022

Source:

<https://www.arlis.am/DocumentView.aspx?DocID=179851>

Comment:

EB was published on December 16, 2022 or 8 days after its adoption by NA. EB entered into effect on January 1, 2023, the first day of FY 2023.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-3b. In the box below, please explain how you determined the date of publication of the EB.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

The date of the publication of any legal act is mentioned on the title or "header" part of the webpage of that legal act on the <https://www.arlis.am/Legal Information System>. In this case - <https://www.arlis.am/DocumentView.aspx?DocID=179851>

Source:

<https://www.arlis.am/DocumentView.aspx?DocID=179851>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-4. If the EB is published, what is the URL or weblink of the EB?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:

<https://www.arlis.am/DocumentView.aspx?DocID=179851>

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-5. If the EB is published, are the numerical data contained in the EB available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the EB is not publicly available, therefore its machine readability cannot be assessed.

Answer:

a. Yes, all of the numerical data are available in a machine readable format

Source:

https://minfin.am/hy/page/petakan_byuje_2023t/ on the website of the Ministry of Finance

Comment:

Numerical data of EB appendices are available in Excel format.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-6a. If the EB is not publicly available, is it still produced?

If the EB is not considered publicly available under the OBS methodology (and thus the answer to Question EB-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question EB-2)

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-6b. If you selected option "c" or "d" in question EB-6a, please specify how you determined whether the EB was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question EB-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

Comments: n/a

EB-7. If the EB is produced, please write the full title of the EB.

For example, a title for the Enacted Budget could be "Appropriation Act n. 10 of 2023."

If the document is not produced at all, researchers should mark this question "n/a."

Answer:

Republic of Armenia Law on 2023 State Budget of the Republic of Armenia

Source:

Any of the mentioned before links, where EB is posted, namely the links of the Ministry of Finance, National Assembly and arlis Legal Information System.

Comment:

The title of EB is defined by the Law on the Budgetary System of the Republic of Armenia - see Part 11 of Article 1.2 (Definitions and Concepts) of the Law.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

EB-8. Is there a "citizens version" of the EB?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

a. Yes

Source:

See response to Q CB-1.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

CB-1. What is the fiscal year of the CB evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

If more than one Citizens Budget is produced, for each CB please indicate the document the CB simplifies/refers to, and the fiscal year.

Answer:

FY 2022

Source:

https://minfin.am/website/images/website/Citizen%20Budget%202022_V1.pdf

To access the mentioned link, on the main page of the Ministry of Finance click "Citizen's Budget" hypertext, which will open https://minfin.am/hy/page/qaghaqacu_byuje_1 webpage, from where one can access CBs for EB and YER. Then click "Brief Guide to the State Budget of the Republic of Armenia (Citizen's Budget)" hypertext, which will bring to https://minfin.am/hy/page/2018_2019 webpage, on which all CBs (since 2018, when the first CB was prepared, to 2023 CB) are posted. Click on "Year 2022" to reach the link of CB 2022.

Comment:

Per IBP's advise, we note that the Citizens Budget for Budget law 2023 was published in January 2023. As this is after the OBS research cut-off date (although published timely), this round will be assessing the 2022 citizens version of the Enacted Budget.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

CB-2a. For the fiscal year indicated in CB-1, what is the public availability status of the CB?

If more than one Citizens Budget is produced, please complete this question for one of them, specifying in the comment box below which document (Executive's Budget Proposal or Enacted Budget) you are referring to, and – in the same comment box – which other Citizens Budget is produced and its public availability status.

Remember that publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified by the OBS methodology and that all citizens are able to obtain free of charge. This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology
Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

Answer:

e. Not applicable (the document is publicly available)

Source:

[https://minfin.am/website/images/website/Citizen%20Budget_2023%20\(1\).pdf](https://minfin.am/website/images/website/Citizen%20Budget_2023%20(1).pdf)

Comment:**Peer Reviewer**

Opinion: Agree

Government Reviewer

Opinion: Agree

CB-2b. If you selected option "c" or "d" in question CB-2a, please specify how you determined whether the CB was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question CB-2a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

Comments: n/a

CB-3a. If the CB is published, what is the date of publication of the CB?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

If more than one Citizens Budget is published, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and its dates of publication.

Answer:

26/1/2022

Source:

https://minfin.am/website/images/website/Citizen%20Budget%202022_V1.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: In the Ministry of Finance website the draft version of CB also available. https://minfin.am/hy/page/petakan_byuje_2023t_2023
թվականի քաղաքացու բյուջեի նախագիծ

CB-3b. In the box below, please explain how you determined the date of publication of the CB.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

On the mentioned in the responses to previous questions link https://minfin.am/website/images/website/Citizen%20Budget%202022_V1.pdf open in the menu the "Document Properties ..." item and view "Creation Date" line.

Source:

https://minfin.am/website/images/website/Citizen%20Budget%202022_V1.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: In addition to the above, there is also a 2023 citizen's budget draft version, which is available at the following link: https://minfin.am/hy/page/petakan_byuje_2023 the name: 2023 թվականի քաղաքացու բյուջեի նախագիծ

CB-4. If the CB is published, what is the URL or weblink of the CB?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

If more than one Citizens Budget is published, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and its URL or weblink.

Answer:

https://minfin.am/website/images/website/Citizen%20Budget%202022_V1.pdf

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

CB-5. If the CB is produced, please write the full title of the CB.

For example, a title for the Citizens Budget could be "Budget 2022 People's Guide" or "2023 Proposed Budget in Brief: A People's Budget Publication."

If the document is not produced at all, researchers should mark this question "n/a."

If more than one Citizens Budget is produced, for the other CB, indicate the document the CB refers to and, next to it, its full title.

Answer:

Citizen's Budget: RA Ministry of Finance

Source:

https://minfin.am/hy/page/petakan_byuje_2023t

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

CB-6. If the CB is produced, please indicate which budget document it corresponds to.

If more than one Citizens Budget is produced, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and which budget document it simplifies.

Answer:

It corresponds to EB

Source:

Comment:

Besides CB for EB, the Armenian Ministry of Finance prepares also CB for YER. See for YER 2021 - on webpage https://minfin.am/hy/page/2021_tvakani_petakan_byujei_parzecvats_hashvetvutyun click "2021 State Budget Simplified Report". The title of the report is "Simplified Report on the 2021 State Budget Execution".

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IYRs-1. What is the fiscal year of the IYRs evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2022

Source:

https://minfin.am/hy/page/petakan_byujei_hashvetvutyun/ accessed from https://minfin.am/hy/page/byujei_hashvetvutyun1/ on the Ministry of Finance website

On the https://minfin.am/hy/page/petakan_byujei_hashvetvutyun/ see:

https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022t_arajin_erasmyak_for_IYR-1

https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_1-in_kisamyak_for_IYR-2

https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_inn_amisner_ for IYR-3

Comment:

The numbers in in-year reports in Armenia are cumulative, meaning that each next IYR reports the execution of the state budget for all preceding quarters. Thus, IYR-2 is IYR for the first half of the budget year, IYR-3 - for the first 9 months of the budget year. Following that logic IYR-4, if produced, should report the execution of the state budget for the whole budget year. However, though the Law on the Budgetary System of the Republic of Armenia requires publication of information on the execution of the state budget on a quarterly within 45 days after the end of each quarter (see clause d) of Article 26 of the Law), the practice reveals that IYR-4 is not produced and, hence, published.

In addition to IYRs, which are produced after each quarter, except the last, fourth quarter, and whose content resemble to IYR standards, the Ministry of Finances produces also monthly reports (information), which are simply narratives on the budget execution in Word format. These reports also are of cumulative character and each of them reports budget execution for all preceding months, starting from January report and ending with January-November report.

Peer Reviewer

Opinion: Agree

Comments: The GoA prepares and submits to the National Assembly (within 40 days after the end of the quarter) INFORMATION about budget execution during the quarter. These are not reports and much smaller in scope. These information is made public 45 days after the end of the quarter.

Government Reviewer

Opinion: Agree

Comments: Since 2022, monthly reports have been also published in Excel format.

IYRs-2. When are the IYRs made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for IYRs to be considered publicly available, IYRs must be made available to the public no later than three months after the reporting period ends. If at least seven of the last 12 monthly IYRs, or at least three of the last four quarterly IYRs are not released to the public at least three months after the reporting period ends, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the IYRs.

Answer:

c. At least every quarter, and within three months of the period covered

Source:

Same sources as for question IYRs-1

Law on the Budgetary System of the Republic of Armenia (<https://www.arlis.am/DocumentView.aspx?DocID=175826>)

Comment:

The Law on the Budgetary System of the Republic of Armenia requires publication of information on the execution of the state budget on a quarterly within 45 days after the end of each quarter (see clause d) of Article 26 of the Law).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IYRs-3a. If the IYRs are published, what are the dates of publication of the IYRs?

Specifically: if quarterly In-Year Reports are published, indicate the dates of publication of at least three of the last four IYRs that were publicly available. If monthly IYRs are published, indicate the dates of publication of at least seven of the last 12 IYRs that were publicly available.

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2022 should be entered as 05 September 2022. If the document is not published or not produced, please mark this question "n/a."

Answer:

11 May 2022 for IYR-1
10 August 2022 for IYR-2
10 November 2022 for IYR-3

Source:

<https://minfin.am/hy/archive/0/2022-05-02/2022-05-20/0/0/0/3> for IYR-1
<https://minfin.am/hy/archive/0/2022-08-01/2022-08-20/0/0/0/3> for IYR-2
<https://minfin.am/hy/archive/0/2022-11-01/2022-11-20/0/0/0/3> for IYR-3

Comment:

Dates are extracted from the archive of the Ministry of Finance.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IYRs-3b. In the box below, please explain how you determined the date of publication of the IYRs.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

Dates are extracted from the archive of the Ministry of Finance.

Source:

Same as for the Question IYR-3a

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IYRs-4. If the IYRs are published, what is the URL or weblink of the IYRs?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Researchers should provide the weblink to the most recent In-Year Report in the space below, and – in the comment box underneath – the weblinks to older IYRs.

If the document is not published at all, researchers should leave this question blank.

Answer:

https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_inn_amisner_

Source:

Comment:

https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022t_arajin_eramsyak_ for IYR-1

https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_1-in_kisamyak_ for IYR-2

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IYRs-5. If the IYRs are published, are the numerical data contained in the IYRs available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option “d” applies if the IYRs are not publicly available, therefore their machine readability cannot be assessed.

Answer:

a. Yes, all of the numerical data are available in a machine readable format

Source:

https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022t_arajin_eramsyak_ for IYR-1

https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_1-in_kisamyak_ for IYR-2

https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_inn_amisner_ for IYR-3

Comment:

Numerical data in appendices, summary datasheet and reports on execution of budgetary programs outcome indicators of IYRs are in xlsx format.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IYRs-6a. If the IYRs are not publicly available, are they still produced?

If the IYRs are not considered publicly available under the OBS methodology (and thus the answer to Question IYRs-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question IYRs-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments:

IYRs-6b. If you selected option "c" or "d" in question IYRs-6a, please specify how you determined whether the IYRs were produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question IYRs-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

IYRs-7. If the IYRs are produced, please write the full title of the IYRs.

For example, a title for the In-Year Report could be "Budget Monitoring Report, Quarter 1" or "Budget Execution Report January-March 2022."

If In-Year Reports are not produced at all, researchers should mark this question "n/a."

Researchers should provide the full title of the most recent In-Year Report in the space below, and – in the comment box underneath – the full titles of older IYRs.

Answer:

State Budget Report (1st Quarter of 2022) for IYR-1
State Budget Report (1st Semester of 2022) for IYR-2
State Budget Report (First 9 months of 2022) for IYR-3

Source:

Same as for the sources of Question IYRs-6

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: Information on the execution of the state budget of the Republic of Armenia for the first quarter of 2022 Information on the execution of the state budget of the Republic of Armenia for the first semester of 2022 Information on the execution of the state budget of the Republic of Armenia for nine months of 2022

IYRs-8. Is there a "citizens version" of the IYRs?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see:

<https://www.internationalbudget.org/publications/citizens-budgets/>

Answer:

b. No

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

MYR-1. What is the fiscal year of the MYR evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

2022

Source:**Comment:**

MYR is not produced in Armenia.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

MYR-2. When is the MYR made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an MYR to be considered publicly available, it must be made available to the public no later than three months after the reporting period ends (i.e., three months after the midpoint of the fiscal year). If the MYR is not released to the public at least three months after the reporting period ends, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the MYR.

Answer:

d. The MYR is not released to the public, or is released more than three months after the midpoint

Source:**Comment:**

There is no Mid-year review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

MYR-3a. If the MYR is published, what is the date of publication of the MYR?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

Source:

Comment:

MYR is not produced in Armenia.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

MYR-3b. In the box below, please explain how you determined the date of publication of the MYR.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

Source:

Comment:

MYR is not produced in Armenia.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: n/a

MYR-4. If the MYR is published, what is the URL or weblink of the MYR?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:

Source:

Comment:

MYR is not produced in Armenia.

Peer Reviewer

Opinion: Agree

Government Reviewer
Opinion: Agree

MYR-5. If the MYR is published, are the numerical data contained in the MYR available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

Option "d" applies if the MYR is not publicly available, therefore its machine readability cannot be assessed.

Answer:

d. Not applicable

Source:

Comment:

There is no MYR

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

MYR-6a. If the MYR is not publicly available, is it still produced?

If the MYR is not considered publicly available under the OBS methodology (and thus the answer to Question MYR-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question MYR-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

d. Not produced at all

Source:

Comment:

No comments

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

MYR-6b. If you selected option "c" or "d" in question MYR-6a, please specify how you determined whether the MYR was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question MYR-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

MYR is not produced in Armenia.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

MYR-7. If the MYR is produced, please write the full title of the MYR.

For example, a title for the Mid-Year Review could be "Semi-annual Budget Performance Report, FY 2021/22" or "Mid-Year Report on the 2022 National Budget."

If the document is not produced at all, researchers should mark this question "n/a."

Answer:

Source:

Comment:

MYR is not produced in Armenia.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

MYR-8. Is there a "citizens version" of the MYR?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

b. No

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

YER-1. What is the fiscal year of the YER evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2021

Source:

https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2021_t_tarekan_ accessed from https://minfin.am/hy/page/petakan_byujei_hashvetvutyun/ (by clicking hypertext "Annual")

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

YER-2. When is the YER made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an YER to be considered publicly available, it must be made available to the public no later than one year after the fiscal year to which it corresponds. If the YER is not released to the public within one year after the end of the fiscal year to which it corresponds, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not

produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the YER.

Answer:

a. Six months or less after the end of the budget year

Source:

https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2021_t_tarekan_

Law on the Budgetary System of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175826>

Comment:

According to Part 1 of Article 25 of the Law on the Budgetary System of the Republic of Armenia YER shall be submitted to NA by May 1 of the year following the budget year under review - in this case May 1, 2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_tarekan_

YER-3a. If the YER is published, what is the date of publication of the YER?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

25/4/2022

Source:

<https://minfin.am/hy/archive/0/2022-04-20/2022-05-10/0/0/0/5>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: 22/04/2022

Comments: The draft 2021 annual budget execution report was discussed during the GoA session on 22 April 2022 (<https://e-gov.am/sessions/archive/2022/04/22/>). It was topic "15" of the agenda of the GoA session. During the GoA 22 April 2022 session MoF presented the draft 2021 annual budget execution report and all annexes (available at link above).

Government Reviewer

Opinion: Agree

YER-3b. In the box below, please explain how you determined the date of publication of the YER.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

The date of the publication of EYR is taken from the archive of the Ministry of Finance.

Source:

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: I took the day of publication of EYR from www.e-gov.am website of the GoA.

Comments: The video of the GoA 22 April 2022 session is available at <https://www.primeminister.am/hy/press-release/item/2022/04/22/Cabinet-meeting/>. The deputy minister of MoF starts the presentation of the draft 2021 annual budget execution report at 17 minutes 05 seconds of the video and finishes at 23 minutes 55 seconds. The members of the cabinet vote at 38 minutes 25 seconds (the Prime Minister asks who is against, no member of cabinet raises hand which means the decision related to the draft GoA decree approving the draft 2021 annual budget execution report and submitting it to the National Assembly is adopted. The documents presented to 22k April 2022 session of the GoA contain the draft annual budget execution report with all annexes (<https://e-gov.am/sessions/archive/2022/04/22/>). The draft 2021 annual budget execution report was topic "15" of 22 April 2022 session of the GoA

Government Reviewer

Opinion: Agree

YER-4. If the YER is published, what is the URL or weblink of the YER?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:

https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_tarekan_

Source:

Comment:

Peer Reviewer

Opinion: Agree

Comments: The link on the MoF website refers to 2021 annual budget execution report approved by the National Assembly. As specified in the answer to previous point the draft annual budget execution report was available at <https://e-gov.am/sessions/archive/2022/04/22/>

Government Reviewer

Opinion: Disagree

Suggested Answer: https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2021_t_tarekan_

YER-5. If the YER is published, are the numerical data contained in the YER available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the YER is not publicly available, therefore its machine readability cannot be assessed.

Answer:

a. Yes, all of the numerical data are available in a machine readable format

Source:

https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_tarekan_

Comment:

Numerical data in appendices, summary datasheet and reports on execution of budgetary programs outcome indicators of YERs are in xlsx format.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Source: https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2021_t_tarekan_

YER-6a. If the YER is not publicly available, is it still produced?

If the YER is not considered publicly available under the OBS methodology (and thus the answer to Question YER-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question YER-2)

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

YER-6b. If you selected option "c" or "d" in question YER-6a, please specify how you determined whether the YER was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question YER-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

Comments: n/a

YER-7. If the YER is produced, please write the full title of the YER.

For example, a title for the Year-End Report could be "Consolidated Financial Statement for the Year Ended 31 March 2022" or "Annual Report 2021 Published by the Ministry of Finance and Planning." If the document is not produced at all, researchers should mark this question "n/a."

Answer:

Report on the State Budget (Annual)

Source:

https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_tarekan_

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: Report about the Republic of Armenia 2021 State Budget Execution or Report about 2021 State Budget Execution of the Republic of Armenia

Comments: The researcher referred to the title of the MoF webpage related to annual state budget execution report. The document has slightly different official / formal title (https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2021_t_tarekan_).

Government Reviewer

Opinion: Disagree

Suggested Answer: Report on the execution of the 2022 state budget of the Republic of Armenia

YER-8. Is there a "citizens version" of the YER?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see:

<https://www.internationalbudget.org/publications/citizens-budgets/>

Answer:

a. Yes

Source:

https://minfin.am/hy/page/2021_tvakani_petakan_byujei_parzeczvats_hashvetvutyun (for FY 2021) accessed from https://minfin.am/hy/page/hh_petakan_byujei_parzeczvats_hashvetvutyun by clicking hypertext "Year of 2021", which is accessed from https://minfin.am/hy/page/qaghaqacu_byuje_1 by clicking hypertext "Simplified Report of the State Budget"

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: https://minfin.am/hy/page/2022_tvakani_petakan_byujei_parzeczvats_hashvetvutyun

AR-1. What is the fiscal year of the AR evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2021

Source:

On the website of the Audit Chamber go to <http://www.armsai.am/files/conclusion2021.pdf> accessed from <https://armsai.am/hy/budget-conclusions> by clicking hypertext "Conclusion on the Execution of 2021 State Budget of the Republic of Armenia"

Comment:

Audit Chamber of the Republic of Armenia is the supreme audit institution of Armenia.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-2. When is the AR made available to the public?

Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.

The OBS methodology requires that for an AR to be considered publicly available, it must be made available to the public no later than 18 months after the end of the fiscal year to which it corresponds. If the AR is not released to the public at least 18 months after the end of the fiscal year to which it corresponds, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the AR.

Answer:

a. Six months or less after the end of the budget year

Source:

<http://www.armsai.am/files/conclusion2021.pdf> for AR
<https://www.arlis.am/DocumentView.aspx?DocID=165069> - Law on the Audit Chamber

Comment:

According to Part 3 of Article 26 of the Law on Audit Chamber, AR shall be submitted to NA within one month after the submission of YER to NA by the Government. As the deadline of YER submission (see response to Q YER-2) is May 1, the deadline of YER submission is June 1.

Peer Reviewer

Opinion: Agree

Comments: I agree. However, it is part 3 of Article 27 (not Article 26 as mentioned by the researcher) of the Law on Audit Chamber. The English text of the Law on Audit Chamber is available at http://www.armsai.am/files/law/law_eng.pdf. According to part 2 of Article 116 of the Rules of Procedure of the National Assembly (the English copy is available at <http://www.parliament.am/parliament.php?id=bylaw&lang=eng>) "The annual report on the performance of the state budget with the conclusion of the Audit Chamber shall be debated and put to a vote in the National Assembly before the end of the regular session."

Government Reviewer

Opinion: Agree

AR-3a. If the AR is published, what is the date of publication of the AR?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

1/6/2022

Source:

Law on Audit Chamber - <https://www.arlis.am/DocumentView.aspx?DocID=165069>
AR on the website of Audit Chamber - <http://www.armsai.am/files/conclusion2021.pdf>

Comment:

According to Part 2 of Article 14 of the Law on Audit Chamber, official documents that shall be made public (the list of these documents is defined by Part 1 of the same Article) through their publication on the official website of the Audit Chamber within 3 working days after their approval at the meeting of the Chamber. 2021 AR was approved at the May 26, 2022 meeting of the Audit Chamber (see <https://armsai.am/sites/default/files/petbyuje-138A.pdf>), which means that AR 2021 had to be published the latest on May 31, 2021. The date of 2021 AR publication (30 May 2022) was found accessing the mentioned in the source link's "Document properties" menu item.

Peer Reviewer

Opinion: Disagree

Suggested Answer: 30/5/2022

Comments: In the 'comments' the researcher mentioned that "The date of 2021 AR publication (30 May 2022) was found accessing the mentioned in the source link's "Document properties" menu item". I used the same method to check. The date of creation (of the link as I understand) is specified 30 May 2022. It is not clear why the researcher put 1/6/2022 as a date of publication.

Government Reviewer

Opinion: Agree

AR-3b. In the box below, please explain how you determined the date of publication of the AR.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

The date of 2021 AR publication (1 June 2022) was found accessing the mentioned link's "Document properties" menu item.

Source:

<http://www.armsai.am/files/conclusion2021.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-4. If the AR is published, what is the URL or weblink of the AR?

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.

Answer:

<https://armsai.am/sites/default/files/petbyuje-138A.pdf>

Source:

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: <http://www.armsai.am/files/conclusion2021.pdf>

Comments: The link provided by the researcher refers to the decision of the Audit Chamber Approving the Conclusion of the Audit Chamber about 2021 Annual Budget Execution Report of the Republic of Armenia. The AR itself is available at <http://www.armsai.am/files/conclusion2021.pdf> The English text of AR in word is available at <http://armsai.am/en/documents>

Government Reviewer

Opinion: Agree

AR-5. If the AR is published, are the numerical data contained in the AR available in a machine readable format?

Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>

Option "d" applies if the AR is not publicly available, therefore its machine readability cannot be assessed.

Answer:

c. No

Source:

<http://www.armsai.am/files/conclusion2021.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-6a. If the AR is not publicly available, is it still produced?

If the AR is not considered publicly available under the OBS methodology (and thus the answer to Question AR-2 was "d"), a government may nonetheless produce the document.

Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question AR-2).

Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-6b. If you selected option "c" or "d" in question AR-6a, please specify how you determined whether the AR was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question AR-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

AR-7. If the AR is produced, please write the full title of the AR.

For example, a title for the Audit Report could be "Annual General Reports of the Controller and Auditor General." If the document is not produced at all, researchers should mark this question "n/a."

Answer:

Conclusion on the Execution of the 2021 Stata Budget of the Republic of Armenia

Source:

<http://www.armsai.am/files/conclusion2021.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-8. Is there a "citizens version" of the AR?

While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

b. No

Source:

Comment:

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Agree

GQ-1a. Are there one or more websites or web portals for disseminating government fiscal information? If yes, please provide the necessary links in the comment/citation.

GQ-1a asks the researcher to list any government websites or portals where fiscal information can be found. For example, in New Zealand the Treasury website (<http://www.treasury.govt.nz/>) hosts important budget-related information, including the Pre-Budget Statement, the Executive's Budget Proposal, the Citizens Budget, In-Year Reports, the Mid-Year Review, and the Year-End Report. In addition, New Zealand's Parliamentary Counsel Office (<http://www.legislation.govt.nz/>) posts the Enacted Budget while the Controller and Auditor-General website (<http://www.oag.govt.nz/>) publishes the annual Audit Report. The New Zealand researcher would provide the links to each of these sites. Other countries have developed portals that include fiscal information, though not in the "documents" format. For example, these portals have been created by Mexico (<https://www.transparenciapresupuestaria.gob.mx/>) and Brazil (<http://www.portaltransparencia.gov.br/>). Some countries have both a website and a portal. The Brazilian government, for example, apart from the Transparency Portal, has a dedicated website for the federal budget, where all key documents and other information can be found (<https://www.gov.br/economia/pt-br/assuntos/planejamento-e-orcamento/orcamento>). Researchers should include details about all of the relevant websites and/or portals that can be used to access budget information.

Answer:

a. Yes

Source:

Websites of the Ministry of Finance, National Assembly (NA), Audit Chamber, Legal Information System of Armenia (<https://www.arlis.am/>) and Unified Website for the Publication of Legal Acts' Drafts (<https://www.e-draft.am/en>).

Comment:

All key budget documents, which are required by law to be produced in Armenia, except AR, are available on the website of the Armenian Ministry of Finance. Besides that, EBP, EB and YER are available also on the NA website and EB is available also on the website of the Legal Information System of Armenia, EBP is available on the Unified Website for the Publication of Legal Acts' Drafts (it should be mentioned that from the websites of the Ministry of Finance and NA EBP is accessed through the Unified Website for the Publication of Legal Acts' Drafts). Finally, AR is available only on the website of the Audit Chamber of the Republic of Armenia.

Peer Reviewer**Opinion:** Agree

Comments: The drafts of the documents - draft annual budget, amendments to budget, annual budget execution report - are available on www.e-gov.am website on the day of the session of the GoA. These drafts are available to general public via www.e-gov.am earlier than via www.e-draft.am. Although the draft annual budget and draft annual budget execution reports are published on www.e-draft.am and are available for public comments the drafts of GoA Decrees that envisage amendments to the budget are not published on www.e-draft.am and the GoA does not request public opinion on these amendments. I would also add <https://e-gov.am/interactive-budget/>, where the GoA presents infographics related to actual budget execution at current point in time (although it was not updated for several days in the second half of 2022).

Government Reviewer**Opinion:** Agree

Comments: Website of the Statistical Committee of the Republic of Armenia <https://armstat.am> All draft legal acts are publishing in <https://www.e-gov.am>

GQ-1b. On these websites/portals, can revenue and/or expenditure data for the current fiscal year be downloaded as a consolidated, machine readable file (or set of files)? If yes, please provide the necessary links in the comment/citation. For more information on machine readability, see: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

GQ-1b, GQ-1c, and GQ-1d ask about whether governments publish specific types of content on their websites/portals: (a) consolidated files that contain disaggregated revenue and/or expenditure information for the current fiscal year; (b) consolidated files that contain disaggregated revenue and/or expenditure information for multiple years in consistent formats; and (c) infographics/visualizations or other similar tools used to simplify data access and analysis. Researchers should provide the links to relevant webpages and some explanations of what they contain.

Answer:

a. Yes, both revenue and expenditure data can be downloaded as a consolidated file

Source:

Corresponding websites of the Ministry of Finance mentioned in the sources of the previous questions.

Comment:

Machine-readable are revenue and expenditure data in EBP, EB, IYRs and YER, which contained in the appendices to those documents.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

GQ-1c. On these websites/portals, can disaggregated revenue and/or expenditure data in consolidated, machine readable files be downloaded for multiple years in consistent formats? If yes, please provide the necessary links and details in the comment/citation. For more information on machine readability, see: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

Answer:

a. Yes, both revenue and expenditure data can be downloaded for multiple years in consistent formats

Source:

All corresponding webpages of the Ministry of Finance mentioned in the sources of the previous questions.

Comment:

Machine-readable data contain in appendices of EBP, EB, IYRs and YER.

Peer Reviewer

Opinion: Disagree

Suggested Answer: d. No, neither expenditure or revenue data can be downloaded for multiple years in consistent formats

Comments: Budget information is in excel files. Disaggregated revenue and/or expenditure data in consolidated, machine readable files cannot be downloaded for MULTIPLE YEARS in consistent formats. The excel files for current year contain information about approved budget, revised budget and actual execution. Thus there is no consistent information for MULTIPLE YEARS. The draft annual budget for the next year usually contains proposed appropriation for the next year, the updated forecast for the current year (because it is submitted to the National Assembly in very early-October) and the actual data for the previous year. Thus there is no consistent information for MULTIPLE YEARS. The draft annual budget execution report may also contain comparisons with the year preceding to the one reported (e.g., the annual budget execution report for 2021 submitted to National Assembly by 1 May 2022 MAY contain some comparisons with 2020). Other comparisons are very rare. The analytical part of the draft annual budget or draft annual budget execution report may contain charts with data for MULTIPLE YEARS, however, data is not provided. To get data on actual financing for certain budget program or activity for MULTIPLE YEARS one needs to download budget execution reports for several years and collect (either punch in numbers or copy from one excel file and past into another one) these pieces of information in one file.

Government Reviewer

Opinion: Agree

GQ-1d. On these websites/portals, are infographics/visualizations or other similar tools used to simplify data access and analysis? If yes, please provide the necessary links and details in the comment/citation.

GQ-1d asks the researcher to list any government websites or portals where infographics/visualizations or other similar tools used to simplify data access and analysis are present. For example, in South Africa the Vulekamali portal (<https://vulekamali.gov.za>) is a project by the National Treasury which contains visualizations of the Consolidated Budget Summary, by departments budget, by division of revenue and by infrastructure budget distribution. (See for example <https://vulekamali.gov.za/2022-23/national/departments/basic-education/>). Other countries that have developed portals that include fiscal visualization and graphics include: Brazil's Transparency Portal (<https://portaldatransparencia.gov.br/>), which presents line graphs, bar graphs, pie charts, and visual maps of electronic invoices, public expenditure, public revenue, annual budget, transferred resources, resources transferred by location of beneficiary, among other information. (<https://portaldatransparencia.gov.br/orcamento> and <https://portaldatransparencia.gov.br/transferencias>). Additionally, United States Department of the Treasury, Fiscal Data portal (<https://fiscaldata.treasury.gov/>) is a one-stop shop for federal financial data that uses charts, exhibits, and figures.

Answer:

a. Yes

Source:

Sources for all budget documents produced by Armenian Ministry of Finance.

Comment:

All budget documents, except AR, contain infographics/visualization.

Peer Reviewer

Opinion: Disagree

Suggested Answer: b. No

Comments: I think the researcher refers to 'budget documents'. Yes, the budget memorandum submitted to the National Assembly with draft annual budget and analytical part of the budget execution report contain charts and graphs. However, my understanding is that the question is about infographics/visualisation on 'websites/portals' The page on interactive budget (<https://e-gov.am/interactive-budget/>) uses infographics. However, as mentioned in the answer to one of the previous questions data on <https://e-gov.am/interactive-budget/> was not updated for several months in the second half of 2022. Most other websites/portals don't use infographics.

Government Reviewer

Opinion: Agree

GQ-2. Are there laws in place guiding public financial management and/or auditing? If yes, please provide the necessary details and links in the comment/citation, and specify whether and where the law(s) contains specific provisions for budget transparency and/or participation.

GQ-2 asks about the existence of any national laws governing public financial management and auditing. These may include a public finance act, a section of the constitution, or an organic budget law. In some countries, fiscal responsibility legislation may also be relevant. For example, the Kenya researcher may include the link to its Public Finance Management Act, 2012 (<http://kenyalaw.org:8181/exist/kenyalex/actview.xql?actid=No.%2018%20of%202012>), and the Macedonian researcher may include a link to its State Audit Law (<https://finance.gov.mk/wp-content/uploads/2009/05/Audit-law.pdf>). Researchers should provide links to websites where such laws are published, if possible, or an electronic copy of the law itself. They should also indicate if and where (e.g. which article) these laws include specific provisions for budget transparency and citizen participation in budget processes.

Answer:

a. Yes

Source:

Law on Budgetary System of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175826>

Law on the Audit Chamber of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=165069>

January 21, 2022 Decision of the Prime Minister N 72-A on the Start of the 2023 Republic of Armenia Budgetary Process -

<https://www.arlis.am/DocumentView.aspx?DocID=159682>

Comment:

The main legal act guiding public financial management is the Law on the Budgetary System of the Republic of Armenia (the Law defines the content and regulates the development and publication of PBS, EBP, EB, IYRs and YER), and the main legal act guiding external public financial

auditing is the Law on the Audit Chamber of the Republic of Armenia (the Law defines the content and regulates the development and publication of AR). Finally, Decision of the Prime Minister on the Start of the [FY] Republic of Armenia Budgetary Process, which is adopted every times at the beginning of January of the year preceding the budget year, regulates the development and publication (but not content) of CB. Besides them, provisions related to public financial management are contained in the Constitution of the Republic of Armenia, Law on the Procedures of the National Assembly of Armenia, Law on the Central Bank of Armenia and others.

Main articles including specific provisions on budget transparency in the Law on the Budgetary System of the Republic of Armenia, in particular, what documents (except CB and AR) shall be published and when, are Article 26 (Publicity of State Budget) for the state budget and Article 36 (Publicity of Municipal Budgets) for municipal budgets. Similarly, specific provisions for the transparency of public financial auditing are included in Article 14 (Principle of Publicity and Transparency of the Audit Chamber Activities) of the Law on Audit Chamber of the Republic of Armenia. Publication of CB is stipulated by the Decision of the Prime Minister on the Start of the ...Republic of Armenia Budgetary Process.

Regarding public participation, there are almost no specific provisions for its regulation related specifically to public participation in financial management. Public participation is regulated by universal provisions containing in legal acts described in the next question - Question GQ3. The only provision on public participation in the legal acts guiding public financial management and/or auditing is in the Decision of the Prime Minister on the Start of the [FY] Republic of Armenia Budgetary Process. In particular, Point 19 of the Timeline attached to the mentioned above Decision N 72-A on the start of the budgetary process for 2023 budget year provides that by April 8, 2022, all state bodies, who shall submit their budgetary requests (applications) to the Ministry of Finance, shall organize discussions on those applications with interested CSOs and, based on the results of those discussions, the state bodies shall prepare summary notes about the results of discussions, including presented by CSOs suggestions and remarks, both accepted and rejected by those bodies.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

GQ-3. Is there at least one additional law regulating: (1) access to information; (2) government transparency; or (3) citizens participation? If yes, please provide the necessary details and links in the comment/citation, and specify whether and where these laws contain specific provisions for budget transparency and/or participation.

The third and last question asks researchers to list any additional laws regulating access to information, transparency, or citizens' participation that are relevant for the promotion of budget transparency and citizen participation in budget processes. These might include legislation related to access to information, to planning processes, or to public administration more generally. India's Right to Information Act of 2005 (<https://www.ncess.gov.in/facilities/central-public-information-officer/rti-act-details.html>) is an example of this type of law. For more information on access to information legislation (constitutional provisions, laws, and regulations), including examples of model laws, see: <https://www.rti-rating.org/country-data/> and <https://www.constituteproject.org/>.

Answer:

a. Yes

Source:

Law on Freedom of Information - <https://www.arlis.am/DocumentView.aspx?DocID=175858>

Law on Normative Legal Acts - <https://www.arlis.am/DocumentView.aspx?DocID=175854>

Decree N 1146-N on the Procedures of Organization and Conduct of Public Discussions - <https://www.arlis.am/DocumentView.aspx?docid=126002>

Comment:

General principles on access to information, government transparency and citizen participation are formulated in the Armenian Constitution. In particular, Article 42 of the Constitution guarantees the citizens' freedom of expression and Article 51 - right to receive information.

The major law regulating access to information and government transparency is the Law on Freedom of Information, which was adopted by NA on September 23, 2003.

In general, publication of all types of legal acts is regulated by the Law on Normative Legal Acts, primarily its Article 25 (Official Publication of Legal Acts) and Chapter 2 (Public Discussion) of the same Law regulates citizen participation in the processes of drafting of legal acts. It defines which drafts shall be subject to public discussion (Article 3 of the Law) and requirements for public discussions (Article 4). On October 10, 2018 Armenian Government passed Decree N 1146-N on the Procedures of Organization and Conduct of Public Discussions, which is the main sub-legislative act regulating the implementation of the above mentioned Chapter 2 of the Law on Normative Legal Acts. That decree replaced the older similar one -

March 25, 2010 Decree N 296-N.

None of the mentioned above laws contains specific provisions for budget transparency and/or participation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

1. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year that are classified by administrative unit (that is, by ministry, department, or agency)?

GUIDELINES:

Question 1 addresses the presentation of expenditure by administrative unit. This information indicates which government entity (ministry, department, or agency, or MDAs) will be responsible for spending the funds and, ultimately, held accountable for their use.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all administrative units, accounting for all expenditures, in the budget year. To answer "b," the administrative units shown individually, in the Executive's Budget Proposal or its supporting documentation, must account for at least two-thirds of all expenditures in the budget year. In other words, the sum of the expenditures assigned to the individual MDAs (education, health, infrastructure, interior, defense, etc.) must account for at least two-thirds of the total expenditure budgeted for that particular year. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents administrative units that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by administrative unit.

Answer:

a. Yes, administrative units accounting for all expenditures are presented.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Note - According to Part 1 of Article 16 of the Law on the Budgetary System of the Republic of Armenia, the draft of the particular budget year's budget includes: a) Budget Message of the Government, b) draft of the Law on the State Budget of the particular year, and, c) Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget. It is posted on the Unified Website for Publication of Legal Acts' Drafts (<http://e-draft.am>).

Comment:

Table 2 of Appendix 1 of the draft of the Law on 2023 State Budget presents 2023 state budget expenditures by programs and measures (actions) to be implemented by each state body (administrative unit).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: state budget expenditure presented in administrative, functional, economic, program budgeting classifications

2. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year by functional classification?

GUIDELINES:

Question 2 addresses the presentation of expenditure by functional classification. This classification indicates the programmatic purpose, sector, or objective for which the funds will be used, such as health, education, or defense. Administrative units are not necessarily aligned with functional classifications. For instance, in one country all functions connected with water supply (which fall into the "Housing" function) may be undertaken by a single government agency, while in another country they may be distributed across the Ministries of Environment, Housing, and Industrial Development. In the latter case, three ministries have programs addressing water supply, so three ministries contribute to one function. Similarly, some administrative units may conduct activities that cut across more than one function. For instance, in the example above, some programs of the Ministry of Environment would also be classified in the "environmental protection" function.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for the budget year organized by functional classification.

Answer:

a. Yes, expenditures are presented by functional classification.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

Appendix 2 of 2021 Budget Message presents 2023 state budget expenditures by functional classification.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

3. If the Executive's Budget Proposal or any supporting budget documentation presents expenditures for the budget year by functional classification, is the functional classification compatible with international standards?

GUIDELINES:

Question 3 asks whether a country's functional classification meets international standards. To answer "a," a country's functional classification must be aligned with the OECD and the UN's Classification of the Functions of Government (COFOG), or provide a cross-walk between the national functional presentation and COFOG.

The OECD Best Practices for Budget Transparency can be viewed at <http://www.oecd.org/gov/budgeting/Best%20Practices%20Budget%20Transparency%20-%20complete%20with%20cover%20page.pdf>

COFOG can be viewed at https://unstats.un.org/unsd/publication/SeriesM/SeriesM_84E.pdf or at <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/ch6ann.pdf>.

Answer:

a. Yes, the functional classification is compatible with international standards.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

The functional classification in Table 2 of Budget Message is compatible with IMF's standards (Annex to Chapter 6: Classification of the Functions of Government at COFOG website mentioned above).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

4. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year by economic classification?

GUIDELINES:

Question 4 asks whether the Executive's Budget Proposal or its supporting documentation presents expenditures for the budget year organized by economic classification. Economic classification provides information on the nature of the expenditure, such as whether funds are being used to pay for wages and salaries, capital projects, or social assistance benefits. Please note that a presentation of expenditures by current and capital expenditures without additional disaggregation or detail will not qualify as an economic classification.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for the budget year organized by economic classification.

Answer:

a. Yes, expenditures are presented by economic classification.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

See Appendices 1 and 1.1 of the Budget Message

Appendix 1 presents state budget expenditures by each state body, and Appendix 1.1 - by overall budget.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

5. If the Executive's Budget Proposal or any supporting budget documentation presents expenditures for the budget year by economic classification, is the economic classification compatible with international standards?

GUIDELINES:

Question 5 asks whether a country's economic classification meets international standards. To answer "a," a country's economic classification must be consistent with the International Monetary Fund's (IMF) 2001 Government Finance Statistics (GFS). The GFS economic classification is presented here: <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf>. To learn more about Government Finance Statistics also refer to the entire IMF 2001 GFS manual (<http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf>).

Answer:

a. Yes, the economic classification is compatible with international standards.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) -

<https://www.e-draft.am/projects/4797/about>

Comment:

Expenditures economic classification is fully compatible to the IMF 2001 GFS.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

6. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for the budget year?

GUIDELINES:

Question 6 asks whether expenditures are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should treat the term "program" as meaning any level of detail below an administrative unit – that is, any programmatic grouping that is below the ministry, department, or agency level. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, in the budget year. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures in the budget year. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Budget decisions for the upcoming year can also affect the parameters of future budgets. It is therefore useful to estimate revenues and expenditures for multi-year periods, understanding that these estimates might be revised as circumstances change. Sometimes referred to as a Medium Term Expenditure Framework (MTEF), a three-year period – that is, the budget year plus two more years – is generally considered an appropriate horizon for budgeting and planning.

Answer:

a. Yes, programs accounting for all expenditures are presented.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

Appendix 1 of the Budget Message shows all expenditures (in economic classification) by programs and their activities (measures) .

Additionally, Tables 1 and 2 of Appendix 1 of the draft of the Law on 2023 State Budget present 2023 state budget expenditures by programs and activities (measures). Table 1 is the list of all programs and Table 2 presents programs with their measures by each state body.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

7. Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two-years beyond the budget year) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 7 asks if multi-year expenditure estimates are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates by all three of the expenditure classifications for at least two years beyond the budget year. To answer "b," multi-year expenditure estimates must be presented by two of these three classifications. A "c" answer applies if multi-year expenditure estimates are presented by one of the three classifications. Answer "d" applies if multi-year expenditure estimates are not presented by any of the three classifications.

Answer:

d. No, multi-year expenditure estimates are not presented by any expenditure classification.

Source:

Mid-term Public Expenditure Framework (MTPEF) - https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsragre/

Comment:

This information (for all three expenditure classifications) is presented in the appendices of MTPEFs. In particular, for the 2023-2025 MTPEF they are presented in Appendices 1 (programs and measures for each administrative unit), 2 (economic classification) and 3 (functional classification) of 2023-2025 MTEF for 2023, 2024 and 2025.

Answer "d" was chosen, because MTPEF is considered as equivalent of PBS.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: for 2024-2026 MTPEF document the economic and functional classification are presented

7b. Based on the response to Question 7, check the box(es) to identify which expenditure classifications have estimates for a multi-year period in the Executive's Budget Proposal?

Answer:

None of the above

Source:

Same as in Q7.

Comment:

As mentioned in Q7, these classifications are presented in MTPEF (which is equivalent of PBS) appendices, not in EBP.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: the same answer as 93

8. Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two-years beyond the budget year) by program?

GUIDELINES:

Question 8 asks if multi-year expenditure estimates are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: "Program" level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaille*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for at least two years beyond the budget year. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures over the multi-year period. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents multi-year estimates for programs that account for less than two-thirds of expenditures. Answer "d" applies if multi-year estimates are not presented by program.

Revenues generally are separated into two major categories: "tax" and "non-tax" revenues. Taxes are compulsory transfers that result from government exercising its sovereign power. The largest sources of tax revenue in some countries are taxes on personal and business income and taxes on goods and services, such as sales or value-added taxes. The category of non-tax revenues is more diverse, ranging from grants from international institutions and foreign governments to funds raised through the sale of government-provided goods and services. Note that some forms of revenue, such as contributions to social security funds, can be considered either a tax or non-tax revenue depending on the nature of the approach to these contributions. Particularly because different revenues have different characteristics, including who bears the burden of paying the tax and how collections are affected by economic conditions, it is helpful when estimates for revenues are disaggregated and displayed based on their sources.

For more information, please refer to the 2001 GFS manual, in particular Appendix 4 (<http://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf>).

Answer:

d. No, multi-year estimates for programs are not presented.

Source:

Same as in Q7.

Comment:

Multi-year estimates for programs accounting for all expenditures are presented in MTPEFs (for 2023-2025 MTPEF - see its Appendix 1). Answer D) was chosen, as MTPEF is considered as equivalent to PBS.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

9. Does the Executive's Budget Proposal or any supporting budget documentation present the individual sources of tax revenue (such as income tax or VAT) for the budget year?

GUIDELINES:

Question 9 assesses the degree to which the individual sources of "tax" revenue are disaggregated in the budget. The largest sources of tax revenue in some countries are taxes on personal and business income and taxes on goods and services, such as sales or value-added taxes.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present all individual sources of tax revenue for the budget year, and "other" or "miscellaneous" revenue must account for three percent or less of all tax revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present individual sources of tax revenue that when combined account for at least two-thirds of all tax revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents individual sources of tax revenue that account for less than two-thirds of tax revenues. Answer "d" applies if individual sources of tax revenue are not presented.

Answer:

c. Yes, individual sources of tax revenue accounting for less than two-thirds of all tax revenues are presented.

Source:

Law on the Budgetary System of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175826>

Comment:

According to Part 1 of Article 37 of the Law on the Budgetary System of the Republic of Armenia, the budgets are prepared and executed according to the unified classification of budget inputs and outputs. Part 3 of the same Article, which defines the structure of budget classification, provides that one of the elements of that structure are the budget revenues. Part 2 of Article 38 of the same Law provides that budget revenues shall be classified into 1) tax revenues and state duties, 2) official grants, and 3) other revenues. In all budget documents the breakdown of revenues is carried out based on this classification. These include the four sources of revenues defined by Part 1 of the Article 17 of the same Law, where tax revenues and state duties are separated, as different sources of income.

It is worth mentioning, that initially (starting from August 1997, when the named Law came into force) individual types (as they are called in the Law) of tax revenues were presented in budget documents. However, on April 11, 2003 the after the changes and amendments in the Law were introduced, as a result of which, individual types of tax revenues were taken out from revenues classification.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

10. Does the Executive's Budget Proposal or any supporting budget documentation present the individual sources of non-tax revenue (such as grants, property income, and sales of government-produced goods and services) for the budget year?

GUIDELINES:

Question 10 assesses the degree to which the individual sources of "non-tax" revenue are disaggregated in the budget. The category of non-tax revenues is diverse, and can include revenue ranging from grants from international institutions and foreign governments to funds raised through the sale of government-provided goods and services.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present all individual sources of non-tax revenue for the budget year, and "other" or "miscellaneous" revenue must account for three percent or less of all non-tax revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present individual sources of non-tax revenue that when combined account for at least two-thirds of all non-tax revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents individual sources of non-tax revenue that account for less than two-thirds of non-tax revenues. Answer "d" applies if individual sources of non-tax revenue are not presented.

Answer:

c. Yes, individual sources of non-tax revenue accounting for less than two-thirds of all non-tax revenues are presented.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Law on the Budgetary System of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175826>

Comment:

Parts 4 and 5 of Article 17 of the Law on the Budgetary System of the Republic of Armenia define the types of official grants and other revenues, respectively, and Part 2.1 of the same Article provides that types of state duties are defined by law (though the named Part does not specify which law, but that is the Law on State Duties - see Article 7, which defines the types of state duties according to the objects from which the duties are levied).

Information on non-tax revenues is presented in Part III-A (Revenue Forecast) of the EBP's Budget Message (see pp. 94 -104). Table 7 on pp. 96-97 displays sizes for types of state duties forecast, Table 8 on p. 101 displays grant revenues forecast, and Table 9 on the same page 101 – other revenues for 2023. Through these 3 tables present together more, than 99.7% of all non-tax revenues put in 2023 EBP. The remaining about 0.3% of non-tax revenues are state duties, defined by the Law on State Duties, but not presented in the mentioned tables.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

IBP worked with researcher to revise response from A to C. Non-tax revenues are a small percentage of all taxes. Within the 149 bln AMD of non-tax revenues (state duties + official grants + other revenues - see Tables 7, 8 and 9 of the section), cumulative "other" comes to over 30% of all non-tax revenues.

11. Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for a multi-year period (at least two-years beyond the budget year)?

GUIDELINES:

Question 11 evaluates whether revenue estimates are presented for a multi-year period (at least two years beyond the budget year) by "category;" that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of revenues classified by category for at least two years following the budget year in question.

Answer:

b. No, multi-year estimates of revenue are not presented by category.

Source:

Same as in Q7.

Comment:

Multi-year (beyond the budget year) estimates of revenue are presented in MTPEFs. Since MTPEF is not part of the Budget Proposal, the response is B.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, multi-year estimates of revenue are presented by category.

Comments: MTEF revenue section contains estimates for tax revenues, official grants and non tax revenues categories

https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsragre_2023-2025_թվականների_պետական_միջնաժամկետ_ծախսերի_և_չչ_կառավարության_պարտքի_բեռի_նվազեցման_2022-2026թթ._վերանայված_ծրագրեր_2023-2025_MTEF_document_page_55

IBP Comment

Many thanks to government reviewer. IBP acknowledges that this information is available in Armenia's MTEF (assessed as Pre-Budget Statement). Unfortunately, OBS methodology does not accept cross referencing of budget documents. Researcher's original response of B is maintained.

12. Does the Executive's Budget Proposal or any supporting budget documentation present estimates for individual sources of revenue presented for a multi-year period (at least two-years beyond the budget year)?

GUIDELINES:

Question 12 evaluates whether revenue estimates for individual sources of revenue are presented for a multi-year period (at least two years beyond the budget year). The question applies to both tax and non-tax revenue.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of all sources of revenue individually, accounting for all revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents multi-year estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" applies if individual sources of revenue are not presented for a multi-year period.

Answer:

d. No, multi-year estimates for individual sources of revenue are not presented.

Source:

Same as in Q7.

Comment:

Multi-year (beyond the budget year) estimates of revenue are presented in MTPEFs. Since MTPEF is not part of the Budget Proposal, the response is "d".

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, multi-year estimates for individual sources of revenue accounting for all revenue are presented.

Comments: as the answer Q98

IBP Comment

Many thanks to government reviewer. IBP acknowledges that this information is available in Armenia's MTEF (assessed as Pre-Budget Statement). Unfortunately, OBS methodology does not accept cross referencing of budget documents. Researcher's original response of D is maintained.

13. Does the Executive's Budget Proposal or any supporting budget documentation present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

GUIDELINES:

Question 13 asks about three key estimates related to borrowing and debt that the budget should include:

- *the amount of net new borrowing required during the entire budget year;*
- *the central government's total debt burden at the end of the budget year; and*
- *the interest payments on the outstanding debt for the entire budget year.*

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens and banks and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the IMF.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present all three estimates of borrowing and debt. For a "b" answer, the Executive's Budget Proposal or its supporting documentation must present two of those three estimates. For a "c" answer, the Executive's Budget Proposal or its supporting documentation must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented for the entire budget year.

Answer:

a. Yes, all three estimates related to government borrowing and debt are presented.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

The mentioned three debt estimates, as well as more additional information about government borrowing and debt are available in the Budget Message and its attached tables (see section Analysis sub-section 1. State Debt of the Republic of Armenia on pp. 183-190. In particular, the central government's total debt burden at the end of 2023 budget year (4,265 trln AMD or 10,595 mln USD) is brought on p. 184 (also in the Table on the same page), the amount of net new borrowing required during the budget year (332.9.7 bln AMD) is brought on pp. 183 and 187, and the interest payments on the outstanding debt for the budget year. (272.1 bln AMD) - on pages 186 (see the table on that page) and 189 (see the table on that page) of the Budget Message.

Also see Table N 3, which consists of two sheets - 1. Interest payments of the Armenia's state debt for 2023, and 2. Principal repayments of the Armenia's state debt for 2023.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

13b. Based on the response to Question 13, check the box(es) below to identify which estimates of government borrowing and debt are presented in the Executive's Budget Proposal:

Answer:

The amount of net new borrowing required during the budget year
The central government's total debt burden at the end of the budget year
The interest payments on outstanding debt for the budget year

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

The mentioned three debt estimates, as well as more additional information about government borrowing and debt are available in the Budget Message and its attached tables (see section Analysis sub-section 1. State Debt of the Republic of Armenia on pp. 183-190. In particular, the central government's total debt burden at the end of 2023 budget year (4,265 trln AMD or 10,595 mln USD) is brought on p. 184 (also in the Table on the same page), the amount of net new borrowing required during the budget year (332.9.7 bln AMD) is brought on pp. 183 and 187, and the interest payments on the outstanding debt for the budget year. (272.1 bln AMD) - on pages 186 (see the table on that page) and 189 (see the table on that page) of the Budget Message.

page) of the Budget Message.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

14. "Does the Executive's Budget Proposal or any supporting budget documentation present information related to the composition of the total debt outstanding at the end of the budget year?"

(The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)"

GUIDELINES:

Question 14 focuses on the composition of government debt at the end of the budget year, asking whether "core" information related to its composition is presented. These core components include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

The interest rates affect the amount of interest that must be paid to creditors. The maturity profile indicates the final payment date of the loan, at which point the principal (and all remaining interest) is due to be paid; government borrowing typically includes a mix of short-term and long-term debt. As discussed in Question 13, domestic debt is held by a country's citizens, banks, and businesses, while external debt is held by foreigners. These factors related to the composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable.

Beyond these core elements, a government may also provide additional information related to the composition of its debt, including for instance: whether interest rates are fixed or variable; whether debt is callable; the currency of the debt; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); an analysis of the risk associated with the debt; and where appropriate, what the debt is being used to finance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to the composition of government debt at the end of the budget year as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the composition of government debt is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on the composition of the debt outstanding at the end of the budget year.

Answer:

a. Yes, information beyond the core elements is presented for the composition of the total debt outstanding.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

Information on the core components, as well as on components beyond the core components, of the Government debt outstanding contains in the same sub-section of the Budget Message (Part 3 and Analysis sections of the Budget Message), as that for Q13b.

Information additional to core components of the Government's debt is available also in several appendices and attached tables of the Budget Message Explanatory Note () and 2021 EBP.

Apart from Appendix 1, information additional to core components of the Government debt is available also in other appendices of 2021 EBP.

For more detailed information see Comment to Q14b.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

14b. Based on the response to Question 14, check the box(es) to identify which elements of the composition of the total debt outstanding are presented in the Executive's Budget Proposal:

Answer:

Interest rates on the debt

Maturity profile of the debt

Whether the debt is domestic or external

Information beyond the core elements (please specify)

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

Besides core components, the Budget Message contains information on the:

- a) weighted average interest rate for the Government debt for 2023 (6.4% - see p. 186, also in the table on that page);
- b) structure of the Government debt by residency (internal (domestic) and external (foreign)), debt instruments (external loans and credits, State Treasury bonds, foreign currency government bonds, external guarantees, internal guarantees), currency (foreign and domestic) and type of interest rates (fixed and floating) - see table and figures on p. 184;
- c) Government's debt on foreign loans by countries and international financial institutions in percentage for each country and institution (see figure on p. 186);
- d) Government debt repayment schedule until 2054 as of December 31, 2023 (see figure on p. 186);
- e) budget deficit financing instruments (through State Treasury bonds and foreign loans - see discussion on pp. 186-189 with pie-charts on loan disbursements by lending countries and international financial institutions, type of interest rates and currency); and,
- f) Government debt repayment and service (interest payment) - see discussion on pp. 189-190 with table and pie-chart showing the sizes of debt repayment and service by debt financing instruments (State Treasury bonds, state bonds in foreign currency and foreign loans) on p.189 and by countries and organizations (see table on p. 190).

Relevant information additional to core components containing in appendices and attached tables to the Budget Message Explanatory Note is:

- a) Appendix 1 - expenditures of spending programs and activities of the 2023 state budget, economic classification (see Ministry of Finance's Program 1006 - Management of State Debt);
- b) Appendix 1.1 - types of expenditures funded from 2023 budget allocations, economic classification (includes expenditures on interest payments to be incurred in 2021);
- c) Appendix 2 - expenditures of expenditure programs and activities of the 2021 state budget, functional classification (operations connected with state debt management);
- d) Appendix 3.1 - outflows from 2021 state budget for the repayment of acquired financial assets and borrowed funds by programs and activities implemented by state bodies, by output indicators (shows expenditures on each loan program to be implemented in 2023 and their output indicators);
- e) Appendix 4 (file 4.Հավելված_N4.Վարկային.ծրագիր.doc) - information on the loan programs included in 2023 EBP and implemented through the support of foreign countries and international organizations (shows in a Word format main information for each loan program - information includes the name of the donor, implementing Armenian state body, date of signature, program completion date, maturity period, grace period, one-time commission fee, interest rate and amount to be used in 2023);

Information additional to core components on the Government debt is available also in the appendices of 2021 EBP. Those are:

- a) Table 4 of Appendix 1 - Excel file on the Government's all loan programs by each state body showing total amount of each loan and its components (loan and co-financing);
- b) Tables 1, 1.1 and 1.1.1 of Appendix 3 - shows sources of deficit financing by each component (Table 1), outflows from 2023 state budget for the repayment of acquired financial assets and borrowed funds by programs and activities implemented by state bodies, by output indicators (shows expenditures on each loan program to be implemented in 2023 by implementing state bodies (Table 1.1, which is the same as Appendix 3.1 of the Budget Message Explanatory Note but by implementing budget managing state bodies) and Government's all loan programs by each state body showing total amount of each loan and its loan component (Table 1.1.1).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

15. "Does the Executive's Budget Proposal or any supporting budget documentation present information on the macroeconomic forecast upon which the budget projections are based?"

(The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)"

GUIDELINES:

Question 15 focuses on the macroeconomic forecast that underlies the budget's revenue and expenditure estimates, asking whether "core" information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:

- *nominal GDP level;*
- *inflation rate;*
- *real GDP growth; and*
- *interest rates.*

While the core macroeconomic information should be a standard feature of the Executive's Budget Proposal, the importance of some types of macroeconomic assumptions may vary from country to country. For example, the budget estimates of some countries are particularly affected by changes in the price of oil and other commodities.

Beyond these core elements, some governments also provide additional information related to the economic outlook, including for instance: short and long-term interest rates; rate of employment and unemployment; GDP deflator; price of oil and other commodities; current account; exchange rate; and composition of GDP growth.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to the macroeconomic forecast as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the macroeconomic forecast is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the macroeconomic forecast is presented.

Answer:

a. Yes, information beyond the core elements is presented for the macroeconomic forecast.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

The mentioned information is available in Section 1.1 (pp. 46-48), including Table 1.1, (Macroeconomic Framework of 2023 State Budget) and Section 1.3 (pp. 54-64) of Part 1B (Macroeconomic and Fiscal Developments and Forecasts) of the Budget Message.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

15b. Based on the response to Question 15, check the box(es) to identify which elements of the macroeconomic forecast are included in the Executive's Budget Proposal:

Answer:

Nominal GDP level
Inflation rate
Real GDP growth
Information beyond the core elements (please specify)
Interest rates

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

Part of the core elements of the macroeconomic forecast (nominal GDP level, inflation rate, real GDP growth, and interest rates) are presented in Table 1.1 of the Section 1.1 (Macroeconomic Summary and Framework) of the Budget Message (see pp. 47-48). It displays the 2023 forecasts of nominal GDP level (9,319.7 bln. AMD) and inflation rate (3.6%). The real GDP growth (7%) is presented in the Table 1.5 (GDP forecasts based on the 2023-2025 MTPEF and 2022 and 2023 state budgets) in the Section 1.6 (Comparison with Previous Forecasts) of Part 1.B of the Budget Message (see p. 73). Beyond the mentioned core elements, the mentioned above Table 1.1 displays also 2023 forecasts of average inflation rate (5.6%), GDP deflator growth (5%), as well as real GDP growth according to the value added of the branches of economy, real growth of expenditure components of GDP, and external sector (current account, export, import, balance of goods and services or export/import balance and transfers). Besides that, Budget Message shows contribution of each branch of economy to real GDP growth (see Fig. 1.16 on p. 60), contribution of each of the GDP components (net exports, consumption and capital investments in fixed assets - see Fig. 1.17 on p. 60), etc.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: We propose to select also the "Interest rates" as a core macroeconomic indicator that is revealed in Executive's Budget Proposal, as forecast of the average interest rate of government debt, as well as interest rates of international financial tools (SOFR, EURIBOR, SDR etc) are presented in "The public debt of the Republic of Armenia" section.

16. "Does the Executive's Budget Proposal or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget?"

(The core information must include estimates of the impact on expenditures, revenue, and debt of different assumptions for the inflation rate, real GDP growth, and interest rates.)"

GUIDELINES:

Question 16 focuses on the issue of whether the Executive's Budget Proposal shows how different macroeconomic assumptions affect the budget estimates (known as a "sensitivity analysis"). It asks whether "core" information related to a sensitivity analysis is presented, estimating the impact on expenditures, revenue, and debt of different assumptions for:

- inflation rate;
- real GDP growth; and
- interest rates.

A sensitivity analysis shows the effect on the budget of possible changes in some macroeconomic assumptions, and is important for understanding the impact of the economy on the budget; for instance, what would happen to revenue collections if GDP growth were slower than what is assumed in the budget proposal? Or what would happen to expenditure if inflation were higher than estimated? Or how will revenue be affected by a decrease in the price of oil?

As noted for Question 15, changes in certain macroeconomic assumptions, such as the price of oil and other commodities, can have a significant impact on

the budget estimates. As a result, some sensitivity analyses may also examine the impact on the budget estimates of changes in assumptions such as the price of oil that are beyond the core elements of the inflation rate, real GDP growth, and interest rates.

For an example of how a sensitivity analysis may be presented in the Executive's Budget Proposal, see the following:

- The United States in its 2021 Budget Analytical Perspectives includes a section titled *Sensitivity of the Budget to Economic Assumptions* along with a table that shows the impact of each economic scenario on revenues, spending, and the deficit. (see pages 16 – 17, <https://www.govinfo.gov/content/pkg/BUDGET-2021-PER/pdf/BUDGET-2021-PER.pdf>).
- The Philippines in its 2021 Budget of Expenditures and Sources of Financing (BESF) presents the impact of different macroeconomic assumptions on expenditures, revenue, and debt (see page 131, Table A.6 titled "Budget Sensitivity to Macroeconomic Parameters, 2021," (<https://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2021/A6.pdf>); pages 12-13, Technical Notes on the 2021 Proposed National Budget (<https://www.dbm.gov.ph/images/pdf/files/Technical-Notes-on-the-2021-Proposed-National-Budget.pdf>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to a "sensitivity analysis" as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to a "sensitivity analysis" is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on "sensitivity analysis" is presented.

Answer:

c. Yes, information is presented, but it excludes some core elements.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

The concept of "sensitivity analysis" in the Guidelines to this Question, mainly resembles to the concept of "estimates of the risks of the deviation from the (basic) assumptions" in the Budget Message. In its turn, under "assumptions" the Budget Message means those assumptions (expressed in the narrative form), based on which the forecasts of main fiscal parameters (revenues, expenditures, debt, etc.) are put in the Budget Message (see Section 1.4 (Assumptions Underlying the Forecasts) of Part 1-B (Macroeconomic Developments and Forecasts) of the Budget Message (see pp. 68-72)). Besides standard assumptions (ongoing internal and external economic and financial developments, available information on expected fiscal measures, economic developments of Armenia's main partner countries, as well as international institutions' forecasts on the world prices of raw materials), the major other assumption used for developing the above estimates relates to the stemming from Russian-Ukrainian conflict shocks and developments in Russia. Based on these narrative assumptions, the basic quantitative assumptions for core and other macroeconomic indicators are calculated. In addition, Section 1.5 (Risks of Macroeconomic Forecasts) of the same Part 1-B of the Budget Message describes in a narrative form the risks, stemming from the above-mentioned assumptions.

Regarding the quantitative estimates of the risks of the deviation from the assumptions (which, as mentioned above, mainly resemble to sensitivity analysis), they are mainly presented in the section "Quantitative Estimate of the Influence on the State Budget of the Risks Stemming from the Deviations of the Forecasted Macroeconomic Parameters" in the "Analysis" Part of the Budget Message (see pp. 202-208 of the Explanatory Note part of the Budget Message). In the mentioned Section influence on the tax revenues and expenditures from the risks of the deviation from basic assumptions for real GDP growth, inflation rate, exchange rate and imports were assessed (see Table 18 at p. 204). It should be noted that for each of all four mentioned indicators only one alternative (from basic assumption) value was taken. These alternative values were taken based on the several previous years estimates and they are out of the range of the intervals for which the forecasts were calculated. Table 19 (see p. 205) shows the impact of the each of the mentioned risks on tax revenues. Table 21 on p. 207 shows the combined impact of the mentioned risks on (tax) revenues and expenditures.

As of the impact of different macroeconomic assumptions on the debt, there are no such estimates in EBP. This can be found only in 2023-2025 MTPEF (see pp. 171-173).

Considering that no sensitivity (risk from deviation) analysis for state debt has been carried out in EBP, the answer c) is chosen.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, the core information is presented to show the impact of different macroeconomic assumptions on the budget.

Comments: We suggest the answer "b", as in the section "2.3 Fiscal Risks" of the Budget Message it has been described the effects of deviation of

macroeconomic indicators from forecasts (see paragraph "Government Debt"). Also, it is important to mention, that the estimates used in debt sustainability analysis were included in MTEF 2023-2025 were not changed significantly after submitting it, thus new analysis is not provided in Budget Message.

IBP Comment

Many thanks to reviewers for their comments. IBP worked with researcher to maintain the original response of C. On p. 83, Section 2.3 of the Budget Message, there is discussion on the impact of the shocks from inflation rate, real GDP decline, as well as, of the exchange rate on debt, but no estimates. Answer choice C is based on the information provided in the Budget Message. We acknowledge that there is relevant information in MTEF to further upgrade the response, however, OBS methodology does not allow cross referencing of budget documents.

17. Does the Executive's Budget Proposal or any supporting budget documentation present information for at least the budget year that shows how new policy proposals, as distinct from existing policies, affect expenditures?

GUIDELINES:

Questions 17 and 18 ask about new policy proposals in the budget. In any given year, most of the expenditures and revenues in the budget reflect the continuation of existing policies. However, much of the attention during the budget debate is focused on new proposals – whether they call for eliminating an existing program, introducing a new one, or changing an existing program at the margins. Typically, these new proposals are accompanied by an increase, a decrease, or a shift in expenditures or revenues. Because these changes may have different impacts on people's lives, the budget proposal should present sufficient detail about new policies and their budgetary impact.

Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18) and a narrative discussion of the impact of these new policies. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion of the impact of the new policies, or if it includes estimates that show the impact of only some, but not all, policy proposals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on the impact of new policy proposals.

Answer:

d. No, information that shows how new policy proposals affect expenditure is not presented.

Source:

Comment:

Unlike 2021 EBP analyzed in Armenia OBS 2021, 2023 EBP does not contain any information on expenditures on new policy proposals.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

18. Does the Executive's Budget Proposal or any supporting budget documentation present information for at least the budget year that shows how new policy proposals, as distinct from existing policies, affect revenues?

GUIDELINES:

Questions 17 and 18 ask about new policy proposals in the budget. In any given year, most of the expenditures and revenues in the budget reflect the continuation of existing policies. However, much of the attention during the budget debate is focused on new proposals – whether they call for eliminating an existing program, introducing a new one, or changing an existing program at the margins. Typically, these new proposals are accompanied by an increase, a decrease, or a shift in expenditures or revenues. Because these changes may have different impacts on people's lives, the budget proposal should present sufficient detail about new policies and their budgetary impact.

Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18)

and a narrative discussion of the impact of these new policies. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion of the impact of the new policies, or if it includes estimates that show the impact of only some, but not all, policy proposals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on the impact of new policy proposals.

Prior-year information constitutes an important benchmark for assessing the proposals for the upcoming budget year. Estimates of prior years should be presented in the same formats (in terms of classification) as the budget year to ensure that year-to-year comparisons are meaningful. For example, if the budget proposes shifting responsibility for a particular program from one administrative unit to another – such as shifting responsibility for the training of nurses from the health department to the education department – the prior-year figures must be adjusted before year-to-year comparisons of administrative budgets can be made.

Typically, when the budget proposal is submitted, the year prior to the budget year (BY-1), also known as the current year, has not ended, so the executive will provide estimates of the anticipated outcome for BY-1. The soundness of these estimates is directly related to the degree to which they have been updated to reflect actual expenditures to date, legislative changes that have occurred, and anticipated changes in macroeconomic, caseload, and other relevant factors for the remainder of the year.

The first year that can reflect actual outcomes, therefore, is generally two years before the budget year (BY-2). Thus the OECD recommends that data covering at least two years before the budget year (along with two years of projections beyond the budget year) are provided in order to assess fully the trends in the budget.

Answer:

d. No, information that shows how new policy proposals affect revenues is not presented.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, information that shows how some but not all new policy proposals affect revenues are presented.

IBP Comment

IBP worked with researcher to maintain answer choice D. While Part 1-A "On the Main Directions of Social-Economic Development and Fiscal Policy" in the 2023 Budget Messages (see pp. 38-39 and 39-41, respectively) has some discussion on tax policies, there are no estimates for new tax proposals.

19. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 19 asks if expenditure estimates for the year prior to the budget year (BY-1) are presented by one of the three expenditure classifications – by administrative, economic, and functional classifications. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. (See Questions 1-5 above.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates for BY-1 by all three of the expenditure classifications. To answer "b," expenditure estimates for BY-1 must be presented by two of these three classifications. A "c" answer applies if expenditure estimates for BY-1 are presented by one of the three classifications. Answer "d" applies if expenditure estimates for BY-1 are not presented by any of the three classifications.

Answer:

a. Yes, expenditure estimates for BY-1 are presented by all three expenditure classifications (by administrative, economic, and functional

classification).

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

Expenditures by economic and functional classifications covering the 2019-2023 period are presented in the Sections "Expenditures by Economic Classification" (pp. 106-111) and "Expenditures by Functional Classification" (pp. 111-118) of the Part 3B (Expenditures Forecasts) of the Budget Message. Expenditures by administrative classification for budget years 2021 and 2022 are presented in Table 7, which is one of the supporting documents of the Budget Message of 2023 EBP. However, the numbers for BY-1, in this case – 2022, are the numbers of 2022 EB and for this reason, response "d" is chosen.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

20. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for the year preceding the budget year (BY-1)?

GUIDELINES:

Question 20 asks if expenditure estimates for the year before the budget year (BY-1) are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

***A note for francophone countries:** "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-1. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures for BY-1. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for only less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Answer:

a. Yes, programs accounting for all expenditures are presented for BY-1.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

Expenditures by administrative classification for all expenditures for budget years 2021 and 2022 are presented in Table 7, which is one of the supporting documents of the Budget Message of 2023 EBP. However, the numbers for BY-1, in this case – 2022, are the numbers of 2022 EB.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

21. In the Executive's Budget Proposal or any supporting budget documentation, have expenditure estimates of the year prior to the budget year (BY-1) been updated from the original enacted levels to reflect actual expenditures?

GUIDELINES:

Question 21 asks whether the expenditure estimates for the year before the budget year (BY-1) have been updated from the original enacted levels. Updates can reflect actual experience to date; revised estimates due to shifting of funds by the executive, as permitted under the law; enactment of supplemental budgets; and revised assumptions regarding macroeconomic conditions, caseload, and other relevant factors for the remainder of the year.

Answer "a" applies if the estimates have been updated; answer "b" applies if the original estimates are still being used.

Answer:

b. No, expenditure estimates for BY-1 have not been updated from the original enacted levels.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, expenditure estimates for BY-1 have been updated from the original enacted levels.

Comments: In 2023 State Budget message document all budget numerical data including expenditure data are presented B-4 year horizon https://minfin.am/hy/page/petakan_byuje_2023t ՀՀ կառավարության 2023 թվականի բյուջետային ուղերձ-բացատրագիր

IBP Comment

IBP worked with researcher to maintain answer choice B. While the Budget Message in some sections presents original estimates of expenditures and revenues for BY-1 (BY 2022), and in other sections - their enacted numbers are presented. In its appendices and attached tables only enacted numbers are presented (that are not adjusted for mid-year changes). This qualifies for B response.

22. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure for more than one year prior to the budget year (that is, BY-2 and prior years) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 22 asks if expenditure estimates for more than one year prior to the budget year (BY-2 and prior years) are presented by any of the three expenditure classifications – by administrative, economic, and functional classifications. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. (See Questions 1-5 above.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates for BY-2 and prior years by all three of the expenditure classifications. To answer "b," expenditure estimates for BY-2 and prior years must be presented by two of these three classifications. A "c" answer applies if expenditure estimates for BY-2 and prior years are presented by one of the three classifications. Answer "d" applies if expenditure estimates for BY-2 and prior years are not presented by any of the three classifications

Answer:

a. Yes, expenditure estimates for BY-2 and prior years are presented by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

Expenditures by economic and functional classifications covering the 2019-2023 period are presented in the Sections "Expenditures by Economic Classification" (pp. 106-111), "Expenditures by Functional Classification" (pp. 111-118) and by administrative classification - in the section "Expenditures by Chief Budget Officers" (pp. 119-182) of the Part 3B (Expenditures Forecasts) of the Budget Message. Expenditures by administrative classification are presented in narrative form and for each administrative unit receiving direct funding from state budget. In the context of budgetary system these units are called "chief budget officers".

Expenditures by administrative classification for budget year 2021 (BY-2) are presented in Table 7, which is one of the supporting documents of the Budget Message of 2023 EBP.

It should be mentioned that all presented expenditure numbers of BY-2, as well as for budget years prior to BY-2 (in this case BY 2019 and BY 2020) are factual numbers (numbers brought in YERs of corresponding years).

Peer Reviewer

Opinion: I choose not to review this question

Comments: I don't understand 'estimate' for prior years, because by 'estimates' we usually refer to the future. For prior years we have actual data. In budget documents the GoA presents actual budget execution in word format in analytical parts of different documents (budget execution report or budget memorandum). The GoA used to present actual execution for 1-2 years. In recent years the GoA presents actual data for 3 preceding years. E.g., in budget memorandum for 2023 (EBP) GoA presented estimates for 2023, as well as the approved budget for 2022, and actual budget execution for 2019-2021. As mentioned above the data specified is in word format.

Government Reviewer

Opinion: Agree

22b. Based on the response to Question 22, check the box(es) to identify which expenditure classifications have estimates for more than one year prior to the budget year in the Executive Budget Proposal:

Answer:

Administrative classification
Economic classification
Functional classification

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

Same as Comment on answer to Q22.

Peer Reviewer

Opinion: Disagree

Suggested Answer: The answer of the researcher is confusing. In annexes to the draft budget law and annexes to budget memorandum - most but not all of them in excel format - there is no actual data for previous years. There is some actual data for 3 previous years in the text of the budget memorandum, however, it is not consistent in presenting all the data and is not disaggregated enough.

Comments: As mentioned in answer to previous question textual / analytical part of the budget message contains tables with actual data for 2019-21. In table 11 of budget memorandum the GoA presents expenditures in economic classification for 3 previous years. However, it presents expenditures for 7 big groups: salaries (without bonuses which is a controversial issue in Armenia for the last 3-4 years), goods and services (no breakdown), interest expenditures (no breakdown of interest expenditures for domestic and external debt), subsidies (there are different types subsidies of different sizes), grants, social assistance and pensions (no breakdown of social assistance, family allowances and pensions), and other expenditures. In table 14 the GoA presents expenditures in functional classification for 4 big groups (not 11 like in the budget): (1) general public services and reserve funds, (2) defence, public order, security and courts, (3) economic area and (4) social area. Later in tables 15 and 16 the GoA somewhat elaborates data, however it is not consistent. E.g., in table 15 it elaborates economic area without providing details for certain important

areas, e.g., agriculture. In table 16 the GoA provides general data for some components of social sector (education, social protection, health, culture) without providing the details, e.g., family allowances, pensions, general education, public health, etc. As mentioned above these are all in the text of the budget memorandum. Neither annexes to annual budget nor annexes to budget memorandum - most but not all in excel format - do not contain actual data for the past. There is only one table 5 in the file "5.ԱՊՐԻԼԱԿ N7. Ծախսերի համեմատական.xlsx.xlsx" (it is not clear in which annex table 5 is) that has the word 'comparison' (համեմատական) in the title and compares budget estimates for 2023 with approved budget for 2022 and with actuals for 2021. Data in table 5 is according to main administrators of budget classification, programs and activities. There is no comparison of economic or functional classification.

Government Reviewer

Opinion: Agree

Comments: also program budgeting classification is presenting

23. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for more than one year preceding the budget year (that is, BY-2 and prior years)?

GUIDELINES:

Question 23 asks if expenditure estimates for more than one year before the budget year (BY-2 and prior years) are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: "Program" level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaillé*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-2 and prior years. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures for BY-2 and prior years. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for only less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Answer:

a. Yes, programs accounting for all expenditures are presented for BY-2 and prior years.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, expenditures are not presented by program for BY-2 and prior years.

Comments: Proposed appropriations by programs and programs and activities are presented in Annex 1 table 1 of draft annual budget. Only proposed appropriations for 2023 are available. Table 2 of the Annex 1 of the draft annual budget contains proposed appropriations by program and activity implemented by different main administrators of budget appropriations (MABAs). Only proposed appropriations for 2023 are available.

Government Reviewer

Opinion: Agree

24. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which all expenditures reflect actual outcomes?

GUIDELINES:

Question 24 asks for which year the actual outcomes for expenditures are shown. In most cases, the most recent year for which budget data on actual outcomes are available will be BY-2, as BY-1 is generally not yet finished when the budget proposal is drafted. So a government that has updated all its expenditure data for BY-2 to reflect what actually occurred, as opposed to estimating the outcome for that year, shows good public financial management practice.

For an "a" answer, a country must meet the good practice of having the figures for BY-2 reflect actual outcomes.

Answer:

a. Two years prior to the budget year (BY-2).

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

Expenditures by economic and functional classifications reflect actual outcomes for FY 2019, FY 2020 and FY 2021. Expenditures by administrative classification reflect actual outcomes only for FY 2021. See also Comment to Q22.

Peer Reviewer

Opinion: Disagree

Suggested Answer: e. Not applicable/other (please comment).

Comments: I selected 'not applicable' answer because the GoA presents actual data only for 1 year. As mentioned in answers to one of the previous questions there is only one table 5 in the file "5.Արդյունապ N7.Ծախսերի համեմատական.xlsx.xlsx" (it is not clear in which annex table 5 is) attached to budget memorandum that has the word 'comparison' (համեմատական) in the title and compares budget estimates for 2023 with approved budget for 2022 and with actuals for 2021. Data in table 5 is according to main administrators of budget classification, programs and activities. There is no comparison of economic or functional classification. Thus, the GoA provides actual data for 'all expenditures' only for 2021. Data used in the textual part of budget memorandum is very aggregated and does not allow comparisons of program financing with actuals of previous years.

Government Reviewer

Opinion: Agree

25. Does the Executive's Budget Proposal or any supporting budget documentation present revenue by category (such as tax and non-tax) for the year preceding the budget year (BY-1)?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Yes, revenue estimates for BY-1 are presented by category.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

For BY-1 revenues put in EB, rather than estimated, are presented.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

26. Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for the year preceding the budget year (BY-1)?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

c. Yes, individual sources of revenue accounting for less than two-thirds of all revenues for BY-1 are presented.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

Forecasts for budget revenues are presented in Part 3A of the Budget Message (pp. 94-104). As it can be seen from the discussion in that part, individual sources of revenue for BY-1 (are taken the numbers of EB 2022 are presented) are presented for state fees, other revenues and official grants. Their total amount for FY 2022 was planned equal to 212.6 bln. Armenian Drams (AMD), which is only about 10.41% of the total revenues.

The Question is scored C because the disaggregation of revenue sources does not apply to tax revenues, which is limited compared to the GFS classification good practice.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: see answer Q111

27. In the Executive's Budget Proposal or any supporting budget documentation, have the original estimates of revenue for the year prior to the budget year (BY-1) been updated to reflect actual revenue collections?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

b. No, revenue estimates for BY-1 have not been updated from the original enacted levels.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

As mentioned in comments to some previous questions, not estimated revenues, but revenues adopted by EB are presented for BY-1.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, revenue estimates for BY-1 have been updated from the original enacted levels.

Comments: The updated information on revenue expectations is reflected in Table 2.1, "Section 2.1 Fiscal overview and fiscal framework". Moreover, the updated expectations about revenues of BY-1 and underlying assumptions are discussed in Section 2.2 of Budget Message.

IBP Comment

IBP worked with researcher to maintain answer choice B. While the Budget Message in some sections presents original estimates of expenditures and revenues for BY-1 (BY 2022), and in other sections - their enacted numbers are presented. In its appendices and attached tables only enacted numbers are presented (that are not adjusted for mid-year changes). This qualifies for B response.

28. Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for more than one year prior to the budget year (that is, BY-2 and prior years)?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Yes, revenue estimates for BY-2 and prior years are presented by category.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

See Table 6 on pp. 94-95 on revenue numbers of EBs of 2019-2021 period. There are also tables for state fees (see Table 7 on pp. 96-97), official grants (see Table 8 on p. 101) and other revenues (see Table 9 on p. 102).

Peer Reviewer

Opinion: Agree

Comments: The researcher refers to textual part of the budget memorandum (word file). The annexes in excel format provide very general information (taxes and duties, other revenues, official grants).

Government Reviewer

Opinion: Agree

29. Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for more than one year prior to the budget year (that is, BY-2 and prior years)?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

c. Yes, individual sources of revenue accounting for less than two-thirds of all revenues are presented for BY-2 and prior years.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

See comments for Q26 and Q28.

Peer Reviewer

Opinion: I choose not to review this question

Comments: There are no excel tables related to sources of revenue. There is limited information in the text of budget memorandum.

Government Reviewer

Opinion: Agree

Comments: see an answer Q111

30. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?

GUIDELINES:

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

Answer:

a. Two years prior to the budget year (BY-2).

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

See comments on Q26, Q28 and Q29.

Peer Reviewer

Opinion: Disagree

Suggested Answer: e. Not applicable/other (please comment).

Comments: It depends on definition of "all revenues". Table 2.1 on page 75 of budget memorandum provides actual revenue for 2019-21 for "Tax revenues and duties" but does not provide disaggregated data. Chart 2.2 on page 79 also provides aggregate figure. Table 1 on page 89 provides information about "internal revenues" (generated domestically, without taxes for importing goods) including tax revenues and duties. Table 6 on page 94 and chart 1 on page 95 also provide actual aggregate revenue for 2019-21 including tax revenues and duties without providing disaggregated data. In excel files attached to budget memorandum there is a table related to revenue with a little bit more disaggregated data (tax revenues and duties, other revenues and official grants). Only actual data for 2021 for these 3 subcategories are available. It was not possible to provide actual for 2022 because the year was still in progress. So it largely depends on definition of all revenues. If "all revenues" refers to aggregate revenues, then YES, the researcher is right, actual data for 2019-21 is available in budget memorandum. If "all revenues" refers to sources of revenues (VAT, profit tax, income tax, excise tax), then NO, the researcher is not right, there is actual aggregated data only for three large subcategories (tax revenues and duties, other revenues and official grants)

Government Reviewer

Opinion: Agree

IBP Comment

Many thanks to peer reviewer. BY-2 would be FY 2021 in Armenia's case, for which there are actual revenue collections, disaggregated are presented. Therefore, A applies.

31. "Does the Executive's Budget Proposal or any supporting budget documentation present information on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1)?"

(The core information must include the total debt outstanding at the end of BY-1; the amount of net new borrowing required during BY-1; interest payments on the debt; interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)"

GUIDELINES:

Question 31 focuses on prior-year debt information, rather than on prior-year expenditures or revenues, asking whether "core" information is provided on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1).

The "core" information includes:

- total debt outstanding at the end of BY-1;
- amount of net new borrowing required during BY-1;
- interest payments on the debt;
- interest rates on the debt instruments;
- maturity profile of the debt; and
- whether it is domestic or external debt.

This core information for BY-1 is consistent with the budget year information for borrowing and debt, which is examined in Questions 13 and 14. Please note that for the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

In addition, some governments provide information beyond the core elements, such as gross new borrowing required during BY-1; currency of the debt; whether the debt carries a fixed or variable interest rate; whether it is callable; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); where appropriate, what the debt is being used to finance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to government borrowing and debt, including its composition, for BY-1 as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to government borrowing and debt, including its composition, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on government borrowing and debt for BY-1.

Answer:

a. Yes, information beyond the core elements is presented for government debt.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

The main part of the information on government borrowing and debt outstanding at the end of BY-1 that contains both core and beyond the core information could be found in the "State Debt of the Republic of Armenia" Section of the "Analysis" Part of the Budget Message (see pp. 183-190). In addition, relevant information could be found in other parts of the Budget Message. Besides core elements, other elements of information for BY-1 year in the Budget Message are: a) state debt/GDP ratio (see upper table p. 184); b) size of the debt service projected by the end of BY-1, its share in GDP and in total volume of expenditures (see table on p. 186); c) debt of the Central Bank of Armenia and its share in GDP (p. 183); d) size of the repayment of the principal amount of the Government debt by borrowing tools (Government treasury bonds, foreign currency government bonds and foreign loans) and lending entities (pp. 189-190); e) amount of and sources for net new borrowing to cover the budget deficit (pp. 186-189); f) debt composition by debt instruments, by currency and by type of interest rate (fixed or floating) (pp. 184-186), and others..

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

32. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which the debt figures reflect actual outcomes?

GUIDELINES:

Question 32 asks for which year the actual outcome for total debt outstanding is shown. In most cases, the most recent year for which budget data on actual outcomes are available will be BY-2, as BY-1 is generally not yet finished when the budget proposal is drafted. So a government that has updated its debt data for BY-2 to reflect what actually occurred, as opposed to estimating the outcome for that year, shows good public financial management practice.

For an "a" answer, a country must meet the good practice of having the figures for BY-2 reflect actual outcomes.

It is essential that all government activities that may have an impact on the budget – in the current budget year or in future budget years – be fully disclosed to the legislature and the public in budget documents. In some countries, for instance, entities outside central government (such as public corporations) undertake fiscal activities that could affect current and future budgets. Similarly, activities that can have a significant impact on the budget, such as payment arrears and contingent liabilities, sometimes are not properly captured by the regular presentations of expenditure, revenue, and debt.

Answer:

a. Two years prior to the budget year (BY-2).

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about>

Comment:

In the Budget Message the most recent budget year for which the debt figures reflect actual outcomes is FY 2021 (BY-2). However, these outcomes are presented only for a limited number of debt figures. More specifically, they are presented for: a) total size of state debt and state debt/GDP ratio (see Table 2.1 on p. 74 (presented also FY 2019 and FY 2020), b) dynamics of the Government debt and its percentage to GDP covering the period from FY 2017 to FY 2023 (see Figure 2.5 on p. 81), c) total debt of Armenia, among it foreign debt, debt of Central Bank and their percentages to GDP for FY 2021 or BY-1 (see the table on p. 183), d) total debt of the Government in AMD, in USD, its percentage to GDP, structure of the government's debt in percentages by structure of residency, by borrowing tools, by currency and by interest rate type for FY 2021 (see p. 184), and e) debt service of the Government debt, its percentage to GDP and its weighted average interest rate for FY 2021 (see the table on p. 186).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

33. "Does the Executive's Budget Proposal or any supporting budget documentation present information on extra-budgetary funds for at least the budget year?"

(The core information must include a statement of purpose or policy rationale for the extra-budgetary fund; and complete income, expenditure, and financing data on a gross basis.)"

GUIDELINES:

Question 33 focuses on extra-budgetary funds, asking whether "core" information related to these funds, which exist outside the budget, are presented. These core components include:

- a statement of purpose or policy rationale for the extra-budgetary fund (i.e., why was a particular fund set up? what is it used for?); and
- estimates of its income, expenditure, and financing. (These estimates should be presented on a gross basis so that it is possible to tell how much money flows through each extra-budgetary fund.)

In most countries, governments engage in certain budgetary activities that are not included in the central government's budget. Known as extra-budgetary funds, they can range in size and scope. For example, countries frequently set up pension and social security programs as extra-budgetary funds, where the revenues collected and the benefits paid are recorded in a separate fund outside the budget. Another example of an extra-budgetary fund can be found in countries dependent on hydrocarbon/mineral resources, where revenues from producing and selling those resources are channeled through systems outside the annual budget.

In some cases, the separation engendered by an extra-budgetary fund serves a legitimate political purpose, and the finances and activities of these funds are well documented. In other cases, however, this structure is used for obfuscation, and little or nothing is known about a fund's finances and activities.

The availability of information related to extra-budgetary funds is essential for a comprehensive understanding of the government's true fiscal position. In addition to the core information, other information about extra-budgetary funds is also desirable. Such information includes a discussion of the risks associated with the extra-budgetary fund; expenditures classified by economic, functional, or administrative unit; and the rules and procedures that govern the operations and management of the extra-budgetary fund.

For more information about extra-budgetary funds, see the *Guide to Transparency in Public Finances: Looking Beyond the Core Budget* (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and Principle 2.1.1 of the IMF's *Fiscal Transparency Handbook (2018)* (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to extra-budgetary funds as well as some additional information beyond the core elements. A "b" answer applies if the Executive's Budget Proposal or supporting documentation presents all of the core information. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to extra-budgetary funds is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on extra-budgetary funds.

Please provide in the comments a list of all known extra-budgetary funds.

Answer:

e. Not applicable/other (please comment).

Source:

Law on the Budgetary System of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175826>

Draft of the 2023 State Budget of the Republic of Armenia - <https://www.e-draft.am/projects/4797/about>

Comment:

Part 16 of Article 1.2 (Definitions and Concepts) of the Law on the Budgetary System of the Republic of Armenia defines 8 types of extra-budgetary funds (see points a) to h) of the Part). Part 9.2 of Article 15 of the Law on the Budgetary System of the Republic of Armenia provides that "The inflows (revenues - Researcher's Note) and outflows (expenditures - Researcher's Note) of the extra-budgetary accounts mentioned in the Points b) to h) of Part 16 of Article 1.2 of the same Law shall not be reflected in the state and municipal budgets and their execution reports." As it can be seen from this provision, for 7 out of 8 types of the extra-budgetary funds defined by Part 16 of Article 1.2 of the Law no information shall be presented in both state and municipal budget documents.

Extra-budgetary funds defined by Point a) of Part 16 of Article 1.2 of the Law are foreseen for "accounting, in individual cases, the targeted budget inflows and outflows carried out at the expense of these inflows (including inflows and outflows of budgetary funds)". According to Part 9.1 of Article 15 of the Law, "programmatically indicators of inflows received to this type of extra-budgetary accounts during the year and not foreseen by the state or municipal budgets approved for that year, as well as of outflows carried out at the expense of these inflows shall be subject to inclusion into the state or municipal budget approved respectively by the decree of the Government of Armenia or Community Council, and the turnover of those means and their reflection in the budget execution reports shall be performed in a manner prescribed by law". The requirements stemming from the mentioned provisions of the Law are reflected in the draft of the Law on 2023 State Budget, which is part of EBP (see Part 11 of Article 7 and Part 18 of Article 9 of the draft Law).

As it is clear from the above discussion, only one out of eight types of extra-budgetary funds are reflected in the state or municipal budgets and they are reflected only after the transactions taking place with them during the budget year. Their execution, consequently, is reflected in IYRs and EYR. Answer "e" is chosen, as there is mentioning about extra-budgetary funds in the Law on 2023 State Budget, though with no "core" information about them.

Peer Reviewer

Opinion: Agree

Comments: In general the GoA adopted a policy of consolidating extrabudgetary funds into the state budget. In addition part 11 of Article 7 of the draft annual budget law for 2023 states that extrabudgetary proceeds and expenditures should be reflected in the state budget. Extrabudgetary revenues and expenditures are very small relative to budget revenues and expenditures. According to 2022 budget execution report extrabudgetary funds constitute 0.09% of total revenues.

Government Reviewer

Opinion: Agree

Comments: since 2020 all extra budgetary funds are eliminated

34. Does the Executive's Budget Proposal or any supporting budget documentation present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year?

GUIDELINES:

Question 34 asks whether the Executive's Budget Proposal or supporting documents present the finances of the central government on a consolidated basis, showing both its budgetary and extra-budgetary activities. Virtually all of the questions in the OBS questionnaire focus on budgetary central government – the activities of the ministries, departments, or agencies of central government. In addition, Question 33 asks about extra-budgetary funds, such as social security funds that are not included in the budget.

Coverage is an important aspect of fiscal reporting. Budget documents should cover the full scope of government's financial activity. In many countries, extra-budgetary activities are substantial, and can represent a sizable share of the central government's activities. To get a full picture of the central government's finances, therefore, it is necessary to examine both activities that are included in the budget and those that are extra-budgetary. This question asks whether such a consolidated presentation of central government finances, including both revenues and expenditures, is provided.

The central government is only one component of the overall public sector. The public sector also includes other levels of government, such as state and local government, and public corporations. (See Box 2.1 under Principle 1.1.1 of the IMF's Fiscal Transparency Handbook (2018): <https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>) For the purpose of answering this question, please consider only the central government level.

In order to answer "a," the Executive's Budget Proposal or supporting documentation must present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year.

Answer:

b. No, central government finances are not presented on a consolidated basis.

Source:

Law on the Budgetary System of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175826>

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget)- <https://www.e-draft.am/projects/4797/about>

Comment:

See Comment on the answer to Q33. After the end of the budget year it is possible to see partially consolidated (only with one of eight types of extra-budgetary funds) in YER.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: see answer Q124

35. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of intergovernmental transfers for at least the budget year?

GUIDELINES:

Question 35 asks about intergovernmental transfers. In many cases, the central government supports the provision of a good or service by a lower level of government through an intergovernmental transfer of funds. This is necessary because, independent from the level of administrative decentralization that exists in a given country, the capacity for revenue collection of a local government is unlikely to be sufficient to pay for all its expenses. However, because the activity is not being undertaken by an administrative unit of the central government, it is unlikely to receive the same level of review in the budget. Thus it is important to include in the budget proposal a statement that explicitly indicates the amount and purposes of these transfers.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all intergovernmental transfers and a narrative discussing these transfers. If a narrative discussion is not included, but estimates for all intergovernmental transfers are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, intergovernmental transfers (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of intergovernmental transfers

are presented.

Answer:

a. Yes, estimates of all intergovernmental transfers are presented, along with a narrative discussion.

Source:

Law on the Budgetary System of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175826>

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget)-
<https://www.e-draft.am/projects/4797/about>

Comment:

Part 1 of Article 20 of the Law on the Budgetary System of Armenia provides that "Aimed at ensuring harmonious development of communities and based on the principle of financial leveling of the community budgets, there shall be foreseen expenditures in the state budget financial leveling grants, which are financial means (funds) given in a gratuitous and irrevocable manner to cover current expenses of communities". From the content of the named Article it can be concluded that this type of transfer is the main type of transfer from state budget to community budgets. Part 4 of the same Article defines two more types of transfers that can be allocated from the state budget to community budgets. Those are: a) other grants - funds given in a gratuitous and irrevocable manner to community budget to cover current expenses of the community budget and not connected to any specific expenditure (program) of that budget; and, b) subventions - funds given in a gratuitous and irrevocable manner to community budget to cover specific expenditure (program) of that budget. The Government has the right to demand back those amounts of the subvention, which were not spent for the purpose for which they were requested by the community. Finally, as a result of changes and amendments introduced in the Law on the Budgetary System of the Republic of Armenia by NA on March 4, 2022 (Law 52-N - entered into force on January 1, 2024) a new type of funds allocation from state budget to specific type of settlements is introduced. This specific type of settlements is called "affected locality". Those are towns or villages, which are contiguous to operating mines. According to the newly introduced (by the mentioned above Law 52-N) Part 5 of Article 20 of the Law on the Budgetary System of the Republic of Armenia, starting from 2023 budget year, the communities, where such localities are located, will receive non-refundable allocations from state budget from the royalty payments, which the companies, operating those mines, pay to state budget. The communities will receive 2% of the royalty payments paid by mining companies to the state budget. The list of communities was defined by September 26, 2022 Order N 16-N of the Minister of Territorial Administration and Infrastructure and there are 6 communities in that list. The named allocation is reflected in Appendix 1 of the Budget Message (874.7 mln AMD in the budget of the Ministry of Territorial Administration and Infrastructure).

Estimates of total allocations from state budget to communities for 2023 are presented in Table 12 (see pp. 18-109), as well as Appendix 1 and Table 1 of Appendix 1.1 of the Budget Message. Table 7 of Appendix 1 and Appendix 2 of the draft Law on 2023 State Budget presents detailed allocation of financial leveling grants and subventions, respectively, by communities (for financial leveling grants) and ministries (for subventions).

There is very limited narrative discussion on financial leveling grants and subventions in the Budget Message, which is in the subsection "Ministry of Territorial Administration and Infrastructure" (on financial leveling grants and subventions - see pp. 141-149) and sub-section "Ministry of Environment" (on subventions - see pp. 151-152) of section "Expenditures by Chief Budget Officers (administrative units - Note of Researcher)" of "Expenditures Forecasts" chapter.

Note of Researcher. The state budget foresees also allocation of subsidies to Armenian companies. In the Budget Message they are named in Armenian "subsidiya (սուբսիդիա)", whereas financial leveling grants transferred from state budget to communities are named "dotacia (in Armenian - դոտացիա)".

Peer Reviewer

Opinion: Agree

Comments: Annex 2 of the draft annual budget for 2023 presents information about transfers to 70 enlarged communities + capital city Yerevan.

Government Reviewer

Opinion: Agree

36. Does the Executive's Budget Proposal or any supporting budget documentation present alternative displays of expenditures (such as by gender, by age, by income, or by region) to illustrate the financial impact of budget policies on different groups of citizens, for at least the budget year?

GUIDELINES:

Question 36 asks about "alternative displays" of expenditures that highlight the financial impact of policies on different groups of citizens. As discussed above, expenditures are typically presented by at least one of three classifications – administrative, functional, and economic classifications (see Questions 1-5) – and by individual program (Question 6). In addition, governments can provide alternative displays to emphasize different aspects of expenditure

policies and to show who benefits from these expenditures.

For the purpose of answering this question, the alternative presentation must differ from the presentations (such as administrative, functional, or economic classifications or presentation by program) used to answer other questions. The alternative display can cover all expenditures or only a portion of expenditures. For instance, it can show how all expenditures are distributed according to geographic region or it can show how selected expenditures (such as the health budget or the agriculture budget) are distributed to different regions. But such a geographic display must be something different than the presentation of intergovernmental transfers used to answer question 35. One exception is when a country includes a special presentation of all policies intended to benefit the most impoverished populations (and is used to answer Question 52) then that can be considered an alternative display for purposes of answering this question as well. Finally, brief fact sheets showing how proposals in the budget benefit particular groups would be insufficient; only more detailed presentations would be considered.

The IBP Budget Brief, "How Transparent are Governments When it Comes to Their Budget's Impact on Poverty and Inequality?"

(<https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf>) includes a discussion of the importance of alternative displays of budget information and provides a number of examples. For instance,

- Bangladesh in its 2017-18 Budget included a detailed supplementary Gender Budgeting Report, which presents the spending dedicated to advancing women across various departments. (<https://mof.portal.gov.bd/site/page/3bb14732-b5b1-44df-9921-efedf1496295>).
- The UK's 2017 budget included a supplementary analysis that provided a distributional analysis of the budget by households in different income groups (see https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/661465/distributional_analysis_autumn_budget_2017.pdf)
- South Africa's 2017 Budget Review goes beyond the standard presentation of intergovernmental transfers, discussing the redistribution that results from national revenue flowing to the provinces and municipalities and presenting the allocations on a per capita basis (see chapter 6, <http://www.treasury.gov.za/documents/national%20budget/2017/review/FullBR.pdf>).

To answer "a," the Executive's Budget Proposal or supporting documentation must include at least three different presentations that illustrate the financial impact of policies on different groups of citizens for at least the budget year. To answer "b," the Executive's Budget Proposal or supporting documentation must include at least two different alternative displays of expenditures. A "c" applies if only one type of alternative display of expenditure is presented. Answer "d" applies if no alternative display of expenditure is presented.

Answer:

c. Yes, one alternative display of expenditures is presented to illustrate the financial impact of policies on different groups of citizens.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget)-
<https://www.e-draft.am/projects/4797/about>

Comment:

The elements of gender-sensitive budgeting was fully introduced in the 2021 state budget and 2021-2023 MTEF (see also Comment to this Question in Armenia's OBS 2021). According to the approach adopted by Armenian financial authorities, gender-sensitive budgeting boils down to the breaking down of output indicators by gender, as well as introducing special programs and actions, whose benefactors are women.

All output indicators of all budget programs and their actions (measures) are available in Appendix 3 of the Budget Message of the 2023 State Budget. From that Appendix one can figure out all those output indicators, which are broken down by gender, as well as programs and actions. Additionally, Appendix 7 of the Budget Message presents all gender-sensitive outcome indicators of EBP.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, alternative displays of expenditures are not presented to illustrate the financial impact of policies on different groups of citizens.

Comments: The question asks for alternative displays of expenditures (such as by gender, by age, by income, or by region) and specifies that by "alternative" it is looking for alternative to administrative, functional, and economic classifications. The researcher refers not to alternative display but to performance indicators developed to describe program activities. There are very few performance indicators describing, e.g., the gender sensitivity of activities. E.g., the term "gender sensitive" is used only ones in Appendix 3 specified by the researcher (program 1042 activity 11002). I was able to identify performance indicators related to men / women in 17 activities (out of 1000+ activities). Performance indicators help to understand how different activities are implemented. However, Armenian budget does not have alternative display of expenditures TO ILLUSTRATE THE FINANCIAL IMPACT OF POLICIES ON DIFFERENT GROUPS OF CITIZENS. On the MoF website there is Diagnostic Assessment of Gender Sensitive Budgeting dated August 2022 (https://minfin.am/hy/page/genderayin_zgayun_byujetavorman_diagnostik_gnahatum) that concluded that there is lack of understanding of the concept and that the representatives of three Ministries interviewed (MoF, Ministry of Labor and Social Affairs and Ministry of Health) do not carry out gender or any other analysis before preparing proposals for the draft budget.

Government Reviewer
Opinion: Agree

36b. Based on the response to Question 36, select the box(es) below to identify which types of alternative displays are included in the Executive's Budget Proposal:

Answer:

Impacts of budget policies by gender

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget)-
<https://www.e-draft.am/projects/4797/about>

Comment:

See Comment on answer to Q36.

Peer Reviewer

Opinion: Disagree

Suggested Answer: None of the above

Comments: Performance indicators of program activities describe implementation of activities but not the impact of budget policies by any group.

Government Reviewer

Opinion: Agree

37. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of transfers to public corporations for at least the budget year?

GUIDELINES:

Question 37 asks about transfers to public corporations. It is often the case that governments have a stake in enterprises that manage resources that are particularly relevant for the public good (such as electricity, water, and oil). While these public corporations can operate independently, in some cases the government will provide direct support by making transfers to these corporations, including to subsidize capital investment and operating expenses.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all transfers to public corporations and a narrative discussing the purposes of these transfers. If a narrative discussion is not included, but estimates for all transfers to public corporations are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, transfers to public corporations (regardless of whether it also includes a narrative discussion). Answer "c" also applies if estimates of transfers to public corporations are presented as a single line item. Answer "d" applies if no estimates of transfers to public corporations are presented.

Please provide in the comments a list of all known public corporations.

Answer:

b. Yes, estimates of all transfers to public corporations are presented, but a narrative discussion is not included.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget)-
<https://www.e-draft.am/projects/4797/about>

Comment:

The Budget Message contains both estimates and narrative discussion on transfers (these transfers are named "subsidia" - see also Researcher's

Note in the Comment to Q35) to both private companies and corporations, as well as companies and corporations, which are fully or partially state-owned. In particular, on pp.107 (section "Expenditures by Economic Classification") it is mentioned that in 2023 it is planned to allocate subsidies worth 150 bln AMD (see also Table 11 (2019-2023 current expenditure financing structure according to economic classification) at p. 108), which is an increase by 5.8% or 8 bln. AMD compared to 2022.

Narrative discussion on transfers is mentioned in sub-section "Ministry of Territorial Administration and Infrastructure" of Section "Expenditures by Chief Budget Officers" of the "Expenditures Forecasts" chapter (see p. 145 on transferring subsidies to "South Caucasus Railways" company). Section "Analysis of the Estimates on Tax Expenditures for 2023" (pp. 221-234) of the "Analysis" Appendix includes also estimates of tax expenditures stemming from transfers. Estimates of transfers (subsidies) to all fully or partially state-owned state companies corporations are presented in Appendices 1 of the Budget Message.

The scoring for Armenia is chosen "b" as all transfers are shown but a narrative discussion is presented only for one corporation.

Peer Reviewer

Opinion: Agree

Comments: However, one needs to remember and take into account that schools in Armenia are getting funding as "subsidies", that is all schools in Armenia are subsidised. The GoA adopted this approach years ago to bypass procurement legislation, because if it was classified under "goods and services" the GoA was supposed to apply procurement procedures (I don't know why, but that was interpretation of lawyers). I don't understand why doesn't the GoA fund schools using "grants".

Government Reviewer

Opinion: Agree

38. Does the Executive's Budget Proposal or any supporting budget documentation present information on quasi-fiscal activities for at least the budget year?

(The core information must include a statement of purpose or policy rationale for the quasi-fiscal activity and the intended beneficiaries.)

GUIDELINES:

Question 38 focuses on quasi-fiscal activities, asking whether "core" information related to such activities is presented. These core components include:

- A statement of purpose or policy rationale for the quasi-fiscal activity (i.e., what is the reason for engaging in this activity?);
- The identification of intended beneficiaries of the quasi-fiscal activity.

The term "quasi-fiscal activities" refers to a broad range of activities that are fiscal in character and could be carried out through the regular budget process but are not. For example, a quasi-fiscal activity could take place if, instead of providing a direct subsidy through the budget for a particular activity, a public financial institution provides an indirect subsidy by offering loans at below-market rates for that activity. Similarly, it is a quasi-fiscal activity when an enterprise provides goods or services at prices below commercial rates to certain individuals or groups to support the government's policy goals.

The above examples are policy choices that may be approved by the government and legislature. However, quasi-fiscal activities can also involve activities that violate or circumvent a country's budget process laws or are not subject to the regular legislative approval process for expenditures. For example, the executive may issue an informal order to a government entity, such as a public commercial enterprise, to provide the executive with goods and services that normally would have to be purchased with funding authorized by the legislature. All quasi-fiscal activities should be disclosed to the public and subject to public scrutiny.

Beyond the core information, some governments may also provide other information about quasi-fiscal activities, including for example: the anticipated duration of the quasi-fiscal activity; a quantification of the activity and the assumptions that support these estimates; and a discussion of the fiscal significance and potential risks associated with the activity, including the impact on the entity carrying out the activity. Principle 3.3.2 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>) provides examples of quasi-fiscal activities that can be consulted as needed. And more details on quasi-fiscal activities can be found in the Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to all quasi-fiscal activities for at least the budget year as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to quasi-fiscal activities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on quasi-fiscal activities.

If quasi-fiscal activities do not represent a significant problem in your country, please mark "e." However, please exercise caution in answering this question.

Answer:

d. No, information related to quasi-fiscal activities is not presented.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget)-
<https://www.e-draft.am/projects/4797/about>

Comment:

Answer "d" is chosen, because there is neither explicit statement of purpose or policy rationale for the quasi-fiscal activity, nor identification of intended beneficiaries of the quasi-fiscal activity.

At the same time, in the "Estimates of Fiscal Risks Related to the Activities of Organizations Performing in the Infrastructure Areas" section of the "Analysis" of the Budget Message (see pp. 199-220) rather detailed analysis of contingent liabilities is presented and such liabilities, which can be generated by possible quasi-fiscal activities related to the organizations mentioned in that section.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

39. Does the Executive's Budget Proposal or any supporting budget documentation present information on financial assets held by the government for at least the budget year?

(The core information must include a listing of the assets, and an estimate of their value.)

GUIDELINES:

Question 39 focuses on financial assets held by the government, asking whether "core" information related to these assets is presented. These core components include:

- *A listing of the financial assets; and*
- *An estimate of their value.*

Governments own financial assets such as cash, bonds, or equities. Unlike private sector businesses, however, few governments maintain balance sheets that show the value of their assets and liabilities.

Beyond the core information, some governments may also provide other information about financial assets, including for example: a discussion of their purpose; historical information on defaults; differences between reported values and market values; and a summary of financial assets as part of the government's balance sheet.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year all of the core information related to all financial assets held by the government as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to financial assets is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on financial assets held by the government.

Answer:

d. No, information related to financial assets is not presented.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget)-
<https://www.e-draft.am/projects/4797/about>

Comment:

In the Budget Message in the discussion on the sources for financing the deficit of state budget (see sub-section "Sources for financing state budget deficit" of section "Levels of State Budget Deficit and Debt" of Chapter 2B "Forecasts of Fiscal Indicators") it is stated that in 2023 net inflows from financial assets are estimated to be equal to 101.3 bln AMD (see p. 92 of the Budget Message). This is not sufficient to score this Question higher, than d), as this indicator is looking at the expected stock of financial assets held during budget year.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

40. Does the Executive's Budget Proposal or any supporting budget documentation present information on nonfinancial assets held by the government for at least the budget year?

(The core information must include a listing of the assets by category.)

GUIDELINES:

Question 40 focuses on nonfinancial assets held by the government, asking whether "core" information related to these assets is presented. The core information is a listing of nonfinancial assets, grouped by the type (or category) of asset.

Nonfinancial assets are things of value that the government owns or controls (excluding financial assets) such as land, buildings, and machinery. The valuation of public nonfinancial assets can be problematic, particularly in cases where the asset is not typically available on the open market (such as a government monument). In these cases, it is considered acceptable to provide summary information in budget documents from a country's register of assets. But, in some cases, governments are able to value their nonfinancial assets; some present a summary of nonfinancial assets as part of their balance sheets. For an example of how nonfinancial assets are presented in one of the many supporting documents to the New Zealand Executive's Budget Proposal, see the Forecast Financial Statement 2011, Notes to the Financial Statements (Continued), Note 14, accessible here: <https://treasury.govt.nz/sites/default/files/2011-05/befu11-pt6of8.pdf>.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year a listing by category of all nonfinancial assets held by the government as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to nonfinancial assets is presented, but some nonfinancial assets are not included. Answer "d" applies if no information is presented on nonfinancial assets held by the government.

Answer:

d. No, information related to nonfinancial assets is not presented.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget)-
<https://www.e-draft.am/projects/4797/about>

Comment:

Core information on nonfinancial assets is presented, though not in a comprehensive form, in the Table 13 (Structure of financing costs for non-financial assets according to external and internal sources for 2019-2023) of the Budget Message (see pp. 110-111). From that Table it be seen that the Government has non-financial in the areas of transportation, energy, agriculture and environment, water management, public health, science, education, sports and culture, defense, social, and other (without specifying those "other" areas) areas. This classification, hardly, is enough to qualify as core information.

Information beyond the core elements for all non-financial assets available in the Budget Message includes:

- a) total volume of transactions with non-financial assets and its share in GDP for 2019-2023 (see Table 2.1 on p. 75 of the Budget Message);
- b) forecasts of net costs of non-financial assets of the state budget for 2021-2023 (see Table 2.5.5 on pp. 87-88 of the Budget Message);
- d) costs on transactions with non-financial assets and their share in GDP (see Table 1. Summary indicators of the 2019-2023 state budget on pp. 89 of the Budget Message);
- e) total volume of transactions with non-financial assets and its share in GDP for 2019-2023 (see Table 10. Trends in Changes and Ratios of Current and Non-financial Assets on p. 106)
- f) the same on graphical form as histogram on the same page in 2019-2023 (see Figure 2); and,
- g) Structure of Financing Expenses on Non-financial Assets in 2019-2023 (see Figure 4 on p. 110).

Also there is some narrative discussion on the volumes, shares (to GDP), as well as perennial trends in the text of the Budget Message.

Response "d" ("other") was chosen, as information on core elements on non-financial assets does not fully qualify to be core information. The information presented is not stock, as the indicator is assessing.

composition of resources (internal and external) for financing of expenditures on non-financial assets for 2017-2021 (see Figure 4 on p. 128 of the Budget Message);

e) same as for point d) and by areas (see Table 14 on pp. 129-130 of the Budget Message).

As it can be seen, core information on non-financial assets is absent in the Budget Message.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

41. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure arrears for at least the budget year?

GUIDELINES:

Question 41 asks about estimates of expenditure arrears, which arise when government has entered into a commitment to spend funds but has not made the payment when it is due. (For more information see sections 3.49-3.50 of the IMF's GFS Manual 2001, <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf> (page 29)). Though equivalent to borrowing, this liability is often not recorded in the budget, making it difficult to assess fully a government's financial position. Moreover, the obligation to repay this debt affects the government's ability to pay for other activities.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all expenditure arrears and a narrative discussing the arrears. If a narrative discussion is not included, but estimates for all expenditure arrears are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, expenditure arrears (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of expenditure arrears are presented. Answer "d" also applies if information is only available for the changes in arrears, and not the stock or balance of arrears.

If expenditure arrears do not represent a significant problem in your country, please mark "e." However, please exercise caution in answering this question. Public expenditure management laws and regulations often will allow for reasonable delays, perhaps 30 or 60 days, in the routine payment of invoices due. Expenditure arrears impacting a small percentage of expenditure that are due to contractual disputes should not be considered a significant problem for the purpose of answering this question.

Answer:

d. No, estimates of expenditure arrears are not presented.

Source:

Comment:

Not applicable. There is no mentioning of arrears in the EBP. Most probably, this problem currently does not exist in Armenia.

Peer Reviewer

Opinion: Agree

Comments: It is hard to claim that the "problem currently does not exist in Armenia". From time to time the GoA appropriates funds to pay arrears accumulated by different organizations. I remember I saw GoA Decree related to arrears accumulated by health organizations. I am not delving dip into this at this time because the researcher is right that estimates of expenditure arrears are not presented. However, this issue - whether there are currently arrears accumulated by public organizations - requires thorough investigation.

Government Reviewer

Opinion: Agree

IBP Comment

Given that arrears can be resolved through short-term in-year bills, there is no mention of arrears in the draft budget. For cross country consistency, IBP revised to D.

42. Does the Executive's Budget Proposal or any supporting budget documentation present information on contingent liabilities, such as government loan guarantees or insurance programs, for at least the budget year?

(The core information must include a statement of purpose or policy rationale for each contingent liability; the new guarantees or insurance commitments proposed for the budget year; and the total amount of outstanding guarantees or insurance commitments (the gross exposure) at the end of the budget year.)

GUIDELINES:

Question 42 focuses on contingent liabilities, asking whether "core" information related to these liabilities is presented. These core components include:

- *a statement of purpose or policy rationale for each contingent liability;*
- *the new contingent liabilities for the budget year, such as new guarantees or insurance commitments proposed for the budget year; and*
- *the total amount of outstanding guarantees or insurance commitments at the end of the budget year. This reflects the gross exposure of the government in the case that all guarantees or commitments come due (even though that may be unlikely to occur).*

Contingent liabilities are recognized under a cash accounting method only when the contingent event occurs and the payment is made. An example of such liabilities is the case of loans guaranteed by the central government, which can include loans to state-owned banks and other state-owned commercial enterprises, subnational governments, or private enterprises. Under such guarantees, government will only make a payment if the borrower defaults. Thus a key issue for making quantitative estimates of these liabilities is assessing the likelihood of the contingency occurring.

In the budget, according to the OECD, "[w]here feasible, the total amount of contingent liabilities should be disclosed and classified by major category reflecting their nature; historical information on defaults for each category should be disclosed where available. In cases where contingent liabilities cannot be quantified, they should be listed and described."

Beyond the core information, some governments may also provide other information about contingent liabilities, including for example: historical default rates for each program, and likely default rates in the future; the maximum guarantee that is authorized by law; any special financing associated with the guarantee (e.g., whether fees are charged, whether a reserve fund exists for the purpose of paying off guarantees, etc.); the duration of each guarantee; and an estimate of the fiscal significance and potential risks associated with the guarantees.

For more details on contingent liabilities, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and page 59 (Box 11) and Principle 3.2.3 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year all of the core information related to contingent liabilities as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to contingent liabilities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on contingent liabilities.

Answer:

c. Yes, information is presented, but it excludes some core elements or some contingent liabilities.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget)-
<https://www.e-draft.am/projects/4797/about>

Comment:

Assessment of contingent liabilities is carried out in the "Assessment fiscal risks stemming from the activities of organizations operating in infrastructure or other areas" sub-section of the "Analysis" part of the Budget Message (see sub-sub-section "Analysis of contingent liabilities derived from the contracts in the format of Public-Private Partnership (PPP)." on pp. 205-213).

Information on contingency liabilities includes:

- a) list of companies (there are 6 companies) that has current PPP contracts and energy procurement contracts (EPC) with the state - see Table 27 on p. 205, includes name, area of operation, start and end dates of contracts and changes in the status of fiscal risks risks derived from their contingent liabilities;
- b) summary calculation of contingent liabilities - see Table 28 on p. 212, includes amounts and share in GDP for each company and total amount and share in GDP;
- c) detailed description of contingent liability for each company

Score "c" seems most accurate as there is detailed description of each contingent liability and total amount of outstanding guarantees, without their breakdown into new and old liabilities.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, the core information is presented for all contingent liabilities.

Comments: The Medium-Term Expenditure Framework (MTEF) contains details regarding contingent liabilities. The comment of this question notes that these liabilities lack a distinction between new and old ones. However, in the previous MTEFs, which can be accessed on the Ministry of Finance's website, there is information available regarding contingent liabilities from the previous years. Additionally, the MTEF report provides insights into fiscal risks stemming from natural disasters, legal proceedings against the state, environmental risks, and risks related to the financial system. It's worth noting that in recent years, there have been improvements in the methodology used to quantify fiscal risks, as reflected in the report. As a result, we anticipate an enhancement in the evaluation.

IBP Comment

Many thanks to reviewers. Unfortunately, the methodology does not allow for cross referencing budget documents. As such, answer choice C is maintained.

43. Does the Executive's Budget Proposal or any supporting budget documentation present projections that assess the government's future liabilities and the sustainability of its finances over the longer term?

(The core information must cover a period of at least 10 years and include the macroeconomic and demographic assumptions used and a discussion of the fiscal implications and risks highlighted by the projections.)

GUIDELINES:

Question 43 focuses on government's future liabilities and the sustainability of its finances over the longer-term, asking whether "core" information related to these issues is presented. These core components must include:

- *Projections that cover a period of at least 10 years.*
- *The macroeconomic and demographic assumptions used in making the projections.*
- *A discussion of the fiscal implications and risks highlighted by the projections. Good public financial management calls for budgets to include fiscal sustainability analyses.*

The IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>) recommends that governments regularly publish the projected evolution of the public finances over the longer term (see Principle 3.1.3.). Future liabilities are a particularly important element when assessing the sustainability of public finances over the long term. Future liabilities are the result of government commitments that, unlike contingent liabilities, are virtually certain to occur at some future point and result in an expenditure. A typical example consists of government obligations to pay pension benefits or cover health care costs of future retirees. Under a cash accounting system, only current payments associated with such obligations are recognized in the budget. To capture the future impact on the budget of these liabilities, a separate statement is required.

Beyond the core information, some governments may also provide other information about the sustainability of their finances, including for example: projections that cover 20 or 30 years; multiple scenarios with different sets of assumptions; assumptions about other factors (such as the depletion of natural resources) that go beyond just the core macroeconomic and demographic data; and a detailed presentation of particular programs that have long time horizons, such as civil service pensions.

For more details on future liabilities, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to future liabilities and the sustainability of government finances over the longer term as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to future liabilities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on future liabilities and the sustainability of government's finances

Answer:

d. No, information related to future liabilities and the sustainability of finances over the longer term is not presented.

Source:**Comment:**

Such information is not present in documents constituting EBP.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

44. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of the sources of donor assistance, both financial and in-kind, for at least the budget year?**GUIDELINES:**

Question 44 asks about estimates of donor assistance, both financial and in-kind assistance. Such assistance is considered non-tax revenue, and the sources of this assistance should be explicitly identified. In terms of in-kind assistance, the concern is primarily with the provision of goods (particularly those for which there is a market that would allow goods received as in-kind aid to be sold, thereby converting them into cash) rather than with in-kind aid like advisors from a donor country providing technical assistance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all donor assistance and a narrative discussing the assistance. If a narrative discussion is not included, but estimates for all donor assistance are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, donor assistance (regardless of whether it also includes a narrative discussion). Answer "c" also applies if the sources of donor assistance are not presented, but the total amount of donor assistance is presented as a single line item. Answer "d" applies if no estimates of donor assistance are presented. Select answer "e" if your country does not receive donor assistance.

Answer:

a. Yes, estimates of all sources of donor assistance are presented, along with a narrative discussion.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget)-
<https://www.e-draft.am/projects/4797/about>

Comment:

There is some narrative discussion (it would be more correct to say "description") on donor assistance to Armenia in the form of loans, credits and grants. They are described in: a) Part 2B (Forecasts for Fiscal Indicators) - on the sources of state budget deficit financing (see pp. 92-93); b) Part 3A (Forecasts for Revenues) - description of official grants, which are one of the revenue sources of state budget (see p. 101); and c) Part 3B (Forecasts for Expenditures), in particular related to expenditures by administrative units (chief budget officers). In addition, in the "Analysis" part of the Budget Message (see pp. 183-190) foreign loans and credits are discussed in the context of covering the state budget deficit.

Also, the quantitative characteristics of foreign loans, credits and grants are presented in the form of tables and figures. They are presented both in the text of the Budget Message, its appendices and attached tables, as well as appendices of the draft of the Law on 2023 State Budget. In the text of the Budget Message those are Table 2 (Expected External Support in 2023 by Nature of Assistance) on p. 91, Table 4 (Sources of Financing of State Budget Deficits in 2019-2023) on p. 92-93, Table 6 (Actual/predictive Budget Revenues for 2019-2023) on pp. 94-95, Table 8 (Actual/predictive Official Grants for 2019-2023) on p. 101, Figure 4 (Structure of Financing Costs for Non-financial Assets for 2019-2023) on p. 110, Table 13 (Structure of Financing Costs for Non-financial Assets for 2019-2023 by Internal and External Sources) on pp. 110-111, Figure 17 (Volume and Share of the Financing through Loans, Credits and Grants in GDP in Total Expenditures for 2019-2023) and Table 17 (Expenditures Financed through Means (Loans, Credits and Grants) Expected To Be Received in 2023 from External Sources) both on p. 117, and table and figure (not numbered) of the composition of the types of sources used to serve the government debt on p. 189.

Quantitative information on foreign support available in the appendices of the Budget Message are in Appendix 1 (Expenditures on expenditure programs and activities by economic classification in the 2023 state budget), Appendix 2 (Expenditures on expenditure programs and actions by

functional classification in the 2023 state budget) and tables of Appendix 3.1 on financing of the state budget deficit . Similar information in the appendices of the draft of the Law on 2023 State Budget is available in Table 2 of Appendix 1 (Expenditures on expenditure programs and actions by state bodies in the 2023 state budget), Table 4 of Appendix 1 (Expenditures on Loan Programs and Activities Implemented through the Assistance of Foreign States and International Organizations in 2023) and Table 5 of Appendix 1 (Expenditures on Grants Implemented through the Assistance of Foreign States and International Organizations in 2023).

Finally, Appendix 4 of the Budget Message contains narrative description of loan programs included in the draft of Law on 2023 State Budget and to be implemented in 2023 with the assistance of foreign countries and international organizations.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

45. Does the Executive's Budget Proposal or any supporting budget documentation present information on tax expenditures for at least the budget year?

(The core information must include a statement of purpose or policy rationale for each tax expenditure, the intended beneficiaries, and an estimate of the revenue foregone.)

GUIDELINES:

Question 45 focuses on tax expenditures, asking whether "core" information related to these tax preferences is presented. These core components must include for both new and existing tax expenditures:

- *a statement of purpose or policy rationale;*
- *a listing of the intended beneficiaries; and*
- *an estimate of the revenue foregone.*

Tax expenditures arise as a result of exceptions or other preferences in the tax code provided for specified entities, individuals, or activities. Tax expenditures often have the same impact on public policy and budgets as providing direct subsidies, benefits, or goods and services. For example, encouraging a company to engage in more research through a special tax break can have the same effect as subsidizing it directly through the expenditure side of the budget, as it still constitutes a cost in terms of foregone revenues. However, expenditure items that require annual authorization are likely to receive more scrutiny than tax breaks that are a permanent feature of the tax code.

Beyond the core information, some governments may also provide other information about tax expenditures, including for example: the intended beneficiaries by sector and income class (distributional impact); a statement of the estimating assumptions, including the definition of the benchmark against which the foregone revenue is measured; and a discussion of tax expenditures as part of a general discussion of expenditures for those program areas that receive both types of government support (in order to better inform policy choices). For more details on tax expenditures, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and Principle 1.1.4 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, all of the core information related to tax expenditures as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to tax expenditures is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on tax expenditures.

Answer:

a. Yes, information beyond the core elements is presented for all tax expenditures.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget)- <https://www.e-draft.am/projects/4797/about>

Comment:

Extensive discussion on tax expenditures, including its concept, definition (the Law on Budgetary System of Armenia does not define it), framework of application, rationale for their reporting, importance of their estimate, chosen methodology for their estimate, best international practices, etc., is presented in the Section 5 (Analysis of the Tax Expenditures Estimates for 2023) of the "Analyzes" Part of the Budget Message (see pp. 221-234) .

At the same time, There are also detailed estimates of tax expenditures for all categories of taxes, which exist in Armenia and for which tax expenditures are applied. There is also estimate of tax expenditures for micro-businesses.

Peer Reviewer

Opinion: Agree

Comments: However, at the end of the year the GoA reports on very little number of tax expenditures.

Government Reviewer

Opinion: Agree

46. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of earmarked revenues for at least the budget year?

GUIDELINES:

Question 46 asks about estimates of earmarked revenues, which are revenues that may only be used for a specific purpose (for example, revenues from a tax on fuel that can only be used for building roads). This information is important in determining which revenues are available to fund the government's general expenses, and which revenues are reserved for particular purposes.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all individual earmarked revenues and a narrative discussing the earmarks. If a narrative discussion is not included, but estimates for all individual earmarked revenues are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, earmarked revenues (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of earmarked revenues are presented. An "e" response applies if revenue is not earmarked or the practice is disallowed by law or regulation.

Answer:

d. No, estimates of earmarked revenues are not presented.

Source:

Law on the Budgetary System of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175826>

Comment:

Part 6 of Article 8 (Principles Underlying the Budgetary System) of the Law on Budgetary System of the Republic of Armenia defines that one of the principles underlying the budgetary system of Armenia is the principle of completeness of coverage of budget outflows (expenditures), which means that "all outflows of the budget shall be covered by its inflows". Further, the inflows shall not have dependence from certain outflows, except the cases of receipt of targeted budget inflows or inflows of targeted budgetary funds established by law.". As currently no targeted budgetary funds are established, then, from the logic of this principle it is implied that the only exceptional cases of targeted budget inflows could be donor assistance in the form of loans, credits and grants. For donor assistance see the Comment on answer to Q44.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, estimates of earmarked revenues are not presented.

Comments: According to the Law about "Compensation for damages caused to the life or health of servicemen during the defense of the Republic of Armenia" every employed person in Armenia pays stamp duty. In the past it was AMD 1000 per person per month. However, after large number of military losses during 2020 war the amount of state duty has increased and depends on salary. These duties are paid to the state budget and are classified under other tax revenue. The entire amount of the state duty is transferred to National Foundation for Servicemen Insurance. Although the GoA specified that the above mentioned law was one of the factors that contributed to calculation of salaries, however, it did not present the estimate of the amount.

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, estimates of all earmarked revenues are presented, but a narrative discussion is not included.

Comments: All earmarked official grant programmes are presented in the budget law annex https://minfin.am/hy/page/petakan_byuje_2023t «Հայաստանի Հանրապետության 2023 թվականի պետական բյուջեի մասին» ՀՀ օրենք Բյուջեի հավելվածներ 1.1. ORENQI HAVELVACNER\5.Հավելված N1 աղյուսակ N5 դրամաշնորհային ծրագրեր.xlsx

IBP Comment

Many thanks to researcher and reviewers. IBP revised to answer choice D based on peer reviewer comments. Note that donor assistance does not qualify as earmarked funds, they are targeted expenditures.

47. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for the budget year?

GUIDELINES:

Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget – that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-18 of New Zealand's 2011 Statement of Intent (<http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16>), one of the many documents supporting its budget.

In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.

Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.

Answer:

c. Yes, information that shows how the proposed budget is linked to some but not all of the government's policy goals for the budget year is presented.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget)-
<https://www.e-draft.am/projects/4797/about>

Comment:

The Budget Message contains statements asserting about the links between the proposed budget and Government's policy goals and priorities defined in the 2021-2026 Government Program and its Action Plan, as well as strategies adopted by the Government in different areas. However, there are few specific estimates showing those links and narrative discussions on them has declarative character. For example, in the Introduction part of the Budget Message (see p. 8) it is stated that "stemming from the priorities of the 2021-2026 Government Program it is foreseen to implement a number of activities" and then those priorities (increase of the level of minimal salary, increase of the expenditures on pensions, increase of the share of expenditures on health and education in GDP, additional expenditures aimed at the improvement of demographic situation in the country, and increase of expenditures on education) are listed. Other examples are the statements on the adoption (on the 3rd decade of October 2023) of the new Anti-corruption Strategy and Its 2023-2026 Action Plan (see p. 24), adoption (at the end of the first semester of 2023) of the 2023-2025 Action Plan of the Human Rights Protection National Strategy (see p. 25) and assigning a child care benefit to all mothers up to 2 years of age for the care of children born after January 1, 2023 (see p. 137). These measures are also foreseen by the mentioned 2021-2026 Government Program. However, in the narrative discussion there are no specific estimates showing the links between that or other program to EBP.

Besides that Table 2 (2023 State Budget Expenditures by Programs and Actions of State Bodies) of Appendix 1 of the draft Law on the 2023 State Budget shows expenditures planned for the implementation of some strategies. In Appendix 1 (Expenditures of Expenditure Programs and Actions of the 2023 State Budget by Economic Classification) of the Budget Message there is only one activity linked to Government strategy, namely, Strategy of Industrial Policy Oriented towards Export. At the same time, such links cannot be found between the proposed state budget Government 2021-2026 Action Plan or all strategies, which are currently in effect, as a result of which the answer for this question is chosen "c".

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, information that shows how the proposed budget is linked to some but not all of the government's policy goals for the budget year is presented.

Comments: All budget programs (besides agencies maintenance programs or administrative programs) are presented in link with Government policy programs https://minfin.am/hy/page/petakan_byuje_2023t ՀՀ կառավարության 2023 թվականի բյուջետային ուղերձ-բացատրագիր Բացատրագրի հավելվածներ 17.1 Հավելված_13.Ամփոփ.APP.xls

IBP Comment

Many thanks to government reviewer for suggesting additional evidence. IBP worked with researcher and understands that appendix 13 lays intended outcomes for each program. This indicator is assessing more of long term policy objectives and how they align with annual programs.

48. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for a multi-year period (for at least two years beyond the budget year)?

GUIDELINES:

Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget – that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-18 of New Zealand's 2011 Statement of Intent (<http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16>), one of the many documents supporting its budget.

In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.

Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.

Answer:

d. No, information on the link between the budget and the government's stated policy goals for a multi-year period is not presented.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget)- <https://www.e-draft.am/projects/4797/about>

Comment:

The mentioned in the Comment on answer to Q47 statements of declarative character in the Budget Message is attributable to the years beyond the budget year. At the same time the mentioned in the same Comment appendices show only expenditures for 2023.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, information that shows how the proposed budget is linked to some but not all of the government's policy goals for a multi-year period is presented.

Comments: for multi year budget programs (besides agencies maintenance programs or administrative programs) in MTEF document all programs are linked with government policy programs and goals https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsragre/ 2023-2025 թվականների պետական միջնաժամկետ ծախսերի և ՀՀ կառավարության պարտքի բեռի նվազեցման 2022-2026թթ. վերանայված ծրագրեր ՄԺԾ-հավելվածներ 5.Հավելված_N5_APP.xls

IBP Comment

Many thanks to reviewers. IBP worked with researcher to confirm that this information is there in the MTEF. However, as noted in previous responses, OBS methodology does not allow for cross referencing budget documents. Answer choice D is maintained.

49. Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on inputs to be acquired for at least the budget year?**GUIDELINES:**

Question 49 asks about the availability of nonfinancial data on inputs for the budget year. (Nonfinancial data on outputs and outcomes are addressed in Question 50.)

The budget should disclose not only the amount of money that is being allocated on a program but also any information needed to analyze that expenditure. Nonfinancial data and performance targets associated with budget proposals are used to assess the success of a given policy. For example, even when allocated funds are spent according to plan, there remains the question of whether the policy delivered the results that it aimed to achieve.

Nonfinancial data can include information on:

Inputs - These are the resources assigned to achieve results. For example, in regards to education, nonfinancial data on inputs could include the number of books to be provided to each school or the materials to be used to build or refurbish a school.

Outputs - These are products and services delivered as a result of inputs. For example, the number of pupils taught every year; the number of children that received vaccines; or the number of beneficiaries of a social security program.

Outcomes - These are the intended impact or policy goals achieved. For example, an increase in literacy rates among children under 10, or a reduction in rates of maternal mortality.

In addition, governments that set performance targets must use nonfinancial data for outputs and outcomes to determine if these targets have been met.

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on inputs for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on inputs for each individual program is organized by functions. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on inputs for all administrative units or all functions, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on inputs are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on inputs is presented.

Answer:

c. Yes, nonfinancial data on inputs are presented for some programs and/or some administrative units (or functions).

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget)-
<https://www.e-draft.am/projects/4797/about>

Comment:

Tables 2a attached to the Budget Message shows size of the staff of state bodies in 2022 and 2023 (projected), which can be considered as input. However, this input is not linked neither to programs or administrative units.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, nonfinancial data on inputs are presented for all administrative units (or functions) but not for all (or any) programs.

Comments: Since 2019 State budget is presented in Program budgeting classification All program/measurements have non financial indicators except costs related to the administrative units maintenance https://minfin.am/hy/page/petakan_byuje_2023t ՀՀ կառավարության 2023 թվականի բյուջետային ուղերձ-բացատրագիր Բացատրագրի հավելվածներ 3.0.Հավելված_N3.Արդյունքային.ցուցանիշ.DOC3.xls

IBP Comment

Many thanks to GR. IBP worked with researcher to revise response to C. Inputs are mentioned on ad hoc basis for a few programs. For e.g. for the activity "Improvement of technical saturation (capacities) of the National Assembly" there are associated inputs "Number of computers", whose value is put 270, and number of "Office furniture" is 260 pieces.

50. Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on results (in terms of outputs or outcomes) for at least the budget year?

GUIDELINES:

Question 50 asks about the availability of nonfinancial data on results for the budget year. Nonfinancial data on results can include data on both outputs and outcomes, but not on inputs (which are addressed in Question 49).

To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on results for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on results for each individual program is organized by functional classification. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on results for all administrative units or all functional classifications, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on results are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on results is presented.

Answer:

a. Yes, nonfinancial data on results are provided for each program within all administrative units (or functions).

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget)-
<https://www.e-draft.am/projects/4797/about>

Comment:

State budgets in Armenia are based on program budgeting (since 2019) and, accordingly, each state body, who receives funds from the state budget for its expenditures, shall spend its funds through budgetary programs. Each budgetary program consists of activities (measures) and, in order to measure the level of implementation of each program and their activities, output and outcome indicators are defined, and both in IYRs and EYR their factual values are displayed to reveal the level of achievement of the goals of the state body's budgetary programs.

In addition, Appendix 7 of the Budget Message displays outcome indicators of the 2023 gender-sensitive budget.

Appendix 3 of the Budget Message presents all output and outcome indicators with their performance target values for all actions of all programs of the 2021 (factual), 2022 (expected) and 2023 (forecast) state budgets. Appendix 13 of the Budget Message presents the baseline and target values of final results' performance indicators for all budgetary programs of 2023 state budget.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

51. Are performance targets assigned to nonfinancial data on results in the Executive's Budget Proposal or any supporting budget documentation?

GUIDELINES:

Question 51 asks about performance targets assigned to nonfinancial data on results for the budget year. The question applies to those nonfinancial results shown in the budget, and that were identified for purposes of Question 50.

To answer "a," the Executive's Budget Proposal or supporting documentation must assign performance targets to all nonfinancial data on results shown in the budget for at least the budget year. To answer "b," the Executive's Budget Proposal or supporting documentation must assign performance targets to a majority (but not all) of the nonfinancial data on results shown in the budget. A "c" response applies performance targets are assigned only to less than half of the nonfinancial data on results. Answer "d" applies if no performance targets are assigned to nonfinancial data on results shown in the budget, or the budget does not present nonfinancial results.

Answer:

a. Yes, performance targets are assigned to all nonfinancial data on results.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget)-
<https://www.e-draft.am/projects/4797/about>

Comment:

See Comment to answer of Q50.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

52. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations in at least the budget year?

GUIDELINES:

Question 52 asks whether the budget highlight policies, both new and existing, that benefit the poorest segments of society. This question is intended to assess only those programs that directly address the immediate needs of the poor, such as through cash assistance programs or the provision of housing, rather than indirectly, such as through a stronger national defense. This information is of particular interest to those seeking to bolster government's commitment to anti-poverty efforts. For purposes of answering this question, a departmental budget (such as for the Department of Social Welfare) would not be considered acceptable. In general, this question is asking whether the EBP includes a special presentation that pulls together estimates of all the relevant policies in one place. However, if the country uses "program budgeting," where programs are presented as expenditure categories with specific and identified objectives, and it identifies anti-poverty programs within each administrative unit, then that is also acceptable for this question.

The IBP Budget Brief, "How Transparent are Governments When it Comes to Their Budget's Impact on Poverty and Inequality?" (<https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf>) includes a discussion of countries that have provided information on how its policies affect the poor.

For instance, Pakistan provides a detailed breakdown of pro-poor expenditure as part of its 2017-18 budget proposal. In one document, the government sets out policy priorities, expected outputs, and estimates of past and future spending for several programs aimed at poverty alleviation. Another supporting document provides a comprehensive overview of ongoing policies, including a chapter on social safety nets, covering both financial and performance information of poverty alleviation schemes over a period of eight years. (http://www.finance.gov.pk/budget/mtbf_2018_21.pdf and http://www.finance.gov.pk/survey_1718.html).

To answer "a," the Executive's Budget Proposal or supporting documentation must for at least the budget year both present estimates covering all policies that are intended to benefit the most impoverished populations and include a narrative discussion that specifically addresses these policies. (For countries using program budgeting that breaks out individual anti-poverty programs, there should be a separate narrative associated with each such program.) Answer "b" if a narrative discussion is not included, but estimates for all policies that are intended to benefit the most impoverished populations are presented. Answer "c" if the presentation includes estimates covering only some, but not all, policies that are intended to benefit the most impoverished populations (regardless of whether it also includes a narrative discussion). Answer "d" if no estimates of policies that are intended to benefit the most impoverished populations are presented.

Answer:

b. Yes, estimates of all policies that are intended to benefit directly the country's most impoverished populations are presented, but a narrative discussion is not included.

Source:

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget)-
<https://www.e-draft.am/projects/4797/about>

Comment:

There is some narrative discussion on some policies intended to benefit the poor (in the Budget Message it is used the term "socially vulnerable" or

"socially disadvantaged"). This discussion is limited to areas "Education" (see p. 28) and "Labor and social protection" (see pp. 32, 33 and 36) of the Part 1A (On the Main directions of Social-Economic Development and Fiscal Policy) and expenditure forecasts for the Ministry of Health and Ministry of Labor and Social Issues (see pp. 127 and 136) in Part 3A (Expenditures Forecasts). In the latter there are described the specific budgetary programs whose benefactors are socially vulnerable or disadvantaged citizens and their families.

Appendix 3 of the Budget Message includes budgetary programs, whose direct benefactors are socially vulnerable citizens and their families. Those are one program of the Ministry of Health (see Program N 1207 (Medical care for socially vulnerable individuals and individuals from separate groups) with Activities N 11001 (Medical care services for the individuals involved in the socially vulnerable groups and certain separate groups) and N 11002 (Services of dental medical care), and, two programs of the Ministry of Labor and Social Issues (see Programs N 1011 (Support to socially vulnerable groups and Program N 1141 (Support to families, women and children)). In the Program N 1011 activities targeting socially vulnerable population are Activities 10011 (Ensuring the implementation of benefits aimed at increasing the living standards of families), Activity 11003 (Acquisition of services of social case management) and Activity N 12001 (Benefits aimed at increasing the living standards of families), and in the Program N 1141 it is Activity N 11005 (Boarding care services for children). The same information, but without displaying the output and outcome performance indicators is available in Table 2 of Appendix 1 of the draft Law on 2021 State Budget.

Score "b" seems most accurate as estimates of all policies that are intended to benefit directly the country's most impoverished populations are presented, but narratives are superficial and, also for some of the policies they are missing.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

53. Does the executive release to the public its timetable for formulating the Executive's Budget Proposal (that is, a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation)?

GUIDELINES:

Question 53 asks about the budget timetable. An internal timetable is particularly important for the executive's management of the budget preparation process, in order to ensure that the executive accounts for the views of the different departments and agencies in the proposed budget. The timetable would, for instance, set deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. So that civil society is aware of the various steps in the budget formulation process, and when opportunities may exist to engage the executive, it is essential that this timetable be made available to the public.

To answer "a," the executive must prepare a detailed budget timetable and release it to the public. A "b" answer applies if the timetable is made public, but some details are not included. A "c" response applies if the timetable is made public, but many important details are excluded, reducing its value for those outside government. Answer "d" applies if no timetable is made available to the public. As long as a timetable for formulating the Executive's Budget Proposal is released, answer "a," "b," or "c" may be selected, even if the Executive's Budget Proposal is not made publicly available.

Answer:

a. Yes, a detailed timetable is released to the public.

Source:

Law on the Budgetary System of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175826>

January 20, 2022 Prime-Minister's Decision N 72-A (entered into effect on January 21, 2022) - <https://www.arlis.am/DocumentView.aspx?DocID=159682>

Comment:

According to Part 4 of Article 6 (The Budgetary Process) of the Law on Budgetary System of the Republic of Armenia, the budgetary process starts on the day of adoption of Prime-Minister's Decision on the start of the budgetary process of that budget year, compliant to Part 1 of Article 21 of the same Law. In particular, the budgetary process for 2023 state budget started by January 20, 2022 Prime-Minister's Decision N 72-A (entered into effect on January 21, 2022). The appendix to that Decision presents detailed calendar of the budgetary process (including activities related to the preparation and submission (to NA) of the EBP) from its start until the submission of information on allocations from 2023 state budgets to community budgets to the communities by the offices of governors of provinces (see the last activity, namely, Activity 53 of the Decision) within one month after the publication of the 2023 state budget.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

54. Does the Pre-Budget Statement present information on the macroeconomic forecast upon which the budget projections are based?

(The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)

GUIDELINES:

Question 54 focuses on the macroeconomic forecast that underlies the Pre-Budget Statement, asking whether "core" information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:

- nominal GDP level;
- inflation rate;
- real GDP growth; and
- interest rates.

Beyond these core elements, some governments also provide additional information related to the economic outlook, including for instance: short- and long-term interest rates; the rate of employment and unemployment; GDP deflator; price of oil and other commodities; current account; exchange rate; and composition of GDP growth.

To answer "a," the Pre-Budget Statement must present all of the core information related to the macroeconomic forecast as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the macroeconomic forecast is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the macroeconomic forecast is presented.

Answer:

a. Yes, information beyond the core elements is presented for the macroeconomic forecast.

Source:

Mid-term Public Expenditure Framework (MTPEF) and its Appendices - https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsragre/ (Researcher's Note - On the webpage there are posted MTPEFs from 2017-2019 to 2024-2026. To access any of them, one should click on the corresponding hypertext - in the case of 2023-2025 the hypertext is "Revised Program of 2023-2025 Mid-Term Expenditures and Revised Program of 2022-2026 Decrease of the Debt Burden of the Government of the Republic of Armenia". In addition, there is "Appendices of MTPEF" hypertext just under the mentioned above hypertext, by clicking of which the appendices of 2023-2025 MTPEF are opened.)

Comment:

Table 1.1 (see pp. 9-10) in Section 1.1 (Macroeconomic Framework for 2023-2025 MTPEF (Including 2023 State Budget)) of Chapter 1 (Macroeconomic Developments and Forecasts) of Part I (Fiscal Policy) of 2023 2025 MTPEF displays several main macroeconomic indicators (factual and estimates) for the 2019-2025 period (factual for 2019-2021, expected for 2022, planned for 2023 and forecasts for 2024-2026). Among these indicators are nominal GDP level, inflation rate (by the end of the year and average for each year), GDP deflator growth, real GDP growth, as well as real GDP growth by sectors of economy (industry, agriculture, construction, services and net taxes), real growth of expenditure components of GDP (final consumption, investments into fixed assets, exports, imports), external sector (current account, balance of services and goods, exports, imports with their changes), money transfers and the share of mentioned components of external sector in GDP. The mentioned chapter (pp. 8-33) also contains discussion on these indicators, as well as assumptions on which forecasts are based, risks of macroeconomic forecasts, risks identified for macroeconomic forecasts and comparisons between forecasts of this MTEF and previous one (2020-2022). There is also discussion on interest rates (see sub-section 1.3.5 – Inflation and monetary policy – on pp. 21-22).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

55. Does the Pre-Budget Statement present information on the government's expenditure policies and priorities that will guide the development of detailed estimates for the upcoming budget?

(The core information must include a discussion of expenditure policies and priorities and an estimate of total expenditures.)

GUIDELINES:

Question 55 focuses on the government's expenditure policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these policies is presented. These core components include:

- a discussion of expenditure policies and priorities; and
- an estimate of total expenditures.

Although a Pre-Budget Statement is unlikely to include detailed programmatic proposals (such detailed information is typically only presented in the budget itself), it should include a discussion of broad policy priorities and a projection of at least total expenditures associated with these policies for the budget year. The Pre-Budget Statement can include some detail, for instance, estimates provided by any of the three expenditure classifications – by administrative, economic, and functional classifications.

To answer "a," the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government's expenditure policies and priorities as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the government's expenditure policies and priorities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the government's expenditure policies and priorities is presented.

Answer:

a. Yes, information beyond the core elements is presented for the government's expenditure policies and priorities.

Source:

Mid-term Public Expenditure Framework (MTPEF) and its Appendices - https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsrage/

Comment:

2023-2025 MTPEF contains rather detailed discussion on government's expenditure policies and priorities, as well as estimates of not only total expenditures, but also expenditures by sectors, areas, etc. Different aspects and directions of government's expenditure policies and priorities are available in four out of five sections of Chapter 4 (Budget Framework). These sections are Sections 4.2 (Predicted in 2023-2025 Changes in the Package of Resources and Expenditures of the State Budget – pp. 58-59), 4.3 Forecast of Expenditures in 2023-2025 State Budgets by Sectors – pp. 59-64), 4.4 (Predicted Changes by Economic Classification – pp. 64-71) and 4.5 (Allocations to Communities from State Budget in 2023-2025 – p. 71).

The whole Part II of 2023-2025 MTPEF (Strategy of Expenditure Policy – pp.72-127) discusses policies, policy targets and priorities by each of 36 areas.

Finally, Appendices 1, 2 and 3 in "MTPEF Appendices" show the expenditures by administrative (and by programs), economic and functional classifications, respectively.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

56. Does the Pre-Budget Statement present information on the government's revenue policies and priorities that will guide the development of detailed

estimates for the upcoming budget?

(The core information must include a discussion of revenue policies and priorities and an estimate of total revenues.)

GUIDELINES:

Question 56 focuses on the government's revenue policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these policies is presented. These core components include:

- a discussion of revenue policies and priorities; and
- an estimate of total revenue.

Although a Pre-Budget Statement is unlikely to include detailed revenue proposals, it should include a discussion of broad policy priorities and a projection of at least the total revenue associated with these policies for the budget year. The Pre-Budget Statement can also include more detail, for instance, with estimates provided by revenue category – tax and non-tax – or some of the major individual sources of revenue, such as the Value Added Tax or the income tax.

To answer "a," the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government's revenue policies and priorities as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the government's revenue policies and priorities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the government's revenue policies and priorities is presented.

Answer:

a. Yes, information beyond the core elements is presented for the government's revenue policies and priorities.

Source:

Mid-term Public Expenditure Framework (MTPEF) and its Appendices - https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsragre/

Comment:

Chapter 3 (Policy and Forecast of the Revenues of 2023-2025 State Budgets – pp.52-56) of Part I of 2023-2025 MTPEF discusses the main goals, directions of the revenue policy, strategic goals and directions of tax and customs bodies (see Section 3.1 (Main characteristics of state revenue policies in 2023-2025) of the Chapter) and forecasts of the revenues of 2023-2025 state budgets (see Section 3.2 (Forecasts of the revenues of 2023-2025 state budgets) of the Chapter). Section 3.2 starts with stating the forecasts for total revenues for each year from 2023 to 2025. Table 3.2.1 (see p. 54) shows factual (for 2019-2021), enacted (for 2022) and planned (for 2023-2025) revenues by sources of revenues (tax revenues and state fees aggregate, other revenues and official grants). For each source there are presented their amounts, share in GDP and share in total revenues. Table 3.2.3 (see p. 56) presents forecasts of other revenues for 2023-2025 by their major types.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

57. Does Pre-Budget Statement present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

GUIDELINES:

Question 57 asks whether the Pre-Budget Statement includes three key estimates related to borrowing and debt:

- the amount of net new borrowing needed in the upcoming budget year;
- the central government's total debt burden at the end of the upcoming budget year; and
- the interest payments on the outstanding debt for the upcoming budget year.

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," the Pre-Budget Statement must present all three estimates of borrowing and debt for at least the upcoming budget year. For a "b" answer, the Pre-Budget Statement must present two of those three estimates. For a "c" answer, the PBS must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the PBS.

Answer:

a. Yes, all three estimates related to government borrowing and debt are presented.

Source:

Mid-term Public Expenditure Framework (MTPEF) and its Appendices - https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsragre/

Comment:

According to Part 1 of Article 12 of the Law on State Debt, MTPEFs shall include as their integral part a 3-year strategic program of the Government's debt management. Accordingly, 2023-2025 Strategic Program of the Government's Debt Management is the integral part of 2023-2025 MTPEF (see sub-section 1 under the same title of "Analysis section" on pp. 130-164) where the narrative discussion is presented. The central government's total debt burden at the end of the upcoming budget year and the interest payments on the outstanding debt for the upcoming budget year are presented on Table 15 on p. 161. It also shows: a) percentage of the Government's debt to GDP, b) its structure by residency and by debt tools, c) share of the interest payments in state budget total expenditures, d) percentage of interest payments to state budgets own (without official grants) revenues, and, e) percentage of interest payments to GDP. All data are presented for 2019-2021 (factual), 2022 (enacted and forecasted), and 2023-2025 (forecasted). The amount of net new borrowing needed in the upcoming budget year is presented on Table 4 (Financing of State Budget Deficit through Net Borrowing Funds in 2022-2025) - see p. 148 of the same sub-section.

In addition, Appendix 4 of the 2023-2025 MTEF presents sources of financing of deficits of 2023-2025 state budgets by each of their elements, and among them net borrowing from internal (see lines 7-23) and external (see lines 26-49) sources.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

58. Does the Pre-Budget Statement present estimates of total expenditures for a multi-year period (at least two-years beyond the budget year)?

GUIDELINES:

Question 58 asks about multi-year expenditure estimates in the Pre-Budget Statement.

To answer "a," expenditure estimates for at least two years beyond the upcoming budget year must be presented. The estimates must be for at least total expenditures, but could include more detail than just the aggregate total.

Answer:

a. Yes, multi-year expenditure estimates are presented.

Source:

Mid-term Public Expenditure Framework (MTPEF) and its Appendices - https://minfin.am/hy/page/petakan_mijnazhamket_tsakhseri_tsragre/

Comment:

As in the Armenian case PBS is the MTPEF, all information related not only to expenditures, but also revenues, debt and macroeconomic forecasts include 3-year, in this case 2023-2025 period. See also Comment on answer to Q55.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

59. Does the Enacted Budget present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 59 asks if expenditure estimates in the Enacted Budget are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer “a,” the Enacted Budget must present expenditure estimates by all three of the expenditure classifications. To answer “b,” expenditure estimates must be presented by two of the three classifications. A “c” answer applies if expenditure estimates are presented by one of the three classifications. Answer “d” applies if expenditure estimates are not presented by any of the three classifications.

Answer:

a. Yes, the Enacted Budget presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

https://minfin.am/hy/page/petakan_byuje_2023t through https://minfin.am/hy/page/petakan_byuj/

Comment:

Expenditure estimates by economic and functional classification are presented in Appendices 1 and 2 of the Budget Message, and by administrative classification - in Table 2 of Appendix 1 of the Law on 2023 State Budget.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

59b. Based on the response to Question 59, check the box(es) to identify which expenditure classifications are included in the Enacted Budget:

Answer:

Administrative classification
Economic classification
Functional classification

Source:

https://minfin.am/hy/page/petakan_byuje_2023t through https://minfin.am/hy/page/petakan_byuj/

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: also program budget classification is included

60. Does the Enacted Budget present expenditure estimates for individual programs?

GUIDELINES:

Question 60 asks if expenditure estimates in the Enacted Budget are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Enacted Budget must present all programs, which account for all expenditures, in the budget year. To answer "b," the Enacted Budget must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if the Enacted Budget presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Enacted Budget.

Answer:

a. Yes, the Enacted Budget presents estimates for programs accounting for all expenditures.

Source:

https://minfin.am/hy/page/petakan_byuje_2023t through https://minfin.am/hy/page/petakan_byuj/

Comment:

Table 2 of Appendix 1 of the Law on 2023 State Budget presents expenditure estimates for all budgetary programs and their actions (measures).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

61. Does the Enacted Budget present revenue estimates by category (such as tax and non-tax)?

GUIDELINES:

Question 61 asks whether revenue estimates in the Enacted Budget are presented by "category"—that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Enacted Budget must present revenue estimates classified by category.

Answer:

a. Yes, the Enacted Budget presents revenue estimates by category.

Source:

https://minfin.am/hy/page/petakan_byuje_2023t through https://minfin.am/hy/page/petakan_byuj/

Comment:

National Assembly (NA) debates and adopts only the draft of the Law on State Budget. It does not directly debate the Budget Message (though allocations to different state bodies or performance (output) indicators, which contain in the appendices and affiliated to the draft of the Budget Message are debated). As a result of these debates, the Budget Message (with Explanatory Note) is modified and its final version together with the adopted Law on State Budget constitute EB. Similar to Budget Message of EBP, revenue estimates by category are presented and discussed in the Section 3-A (Revenue Forecasts - see pp. 96-106) of the 2023 Budget Message. (Part 3 of the Budget Message is the Explanatory Note of the Law on 2023 State Budget.)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

62. Does the Enacted Budget present individual sources of revenue?

GUIDELINES:

Question 62 asks whether revenue estimates for individual sources of revenue are presented in the Enacted Budget. The question applies to both tax and non-tax revenue.

To answer "a," the Enacted Budget must present all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Enacted Budget must present individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Enacted Budget presents individual sources of revenue that account for less than two-thirds of revenues. Answer "d" applies if individual sources of revenue are not presented.

Answer:

c. Yes, the Enacted Budget presents individual sources of revenue accounting for less than two-thirds of all revenues.

Source:

https://minfin.am/hy/page/petakan_byuje_2023t through https://minfin.am/hy/page/petakan_byuj/

Comment:

All individual sources of other revenues and official grants are presented in Part 3-A (Revenue Forecast) of EB's Budget Message (see pp. 96-106). In particular, Table 6 on p. 99 presents amount of state fees, Table 7 on pp. 102-103 - amounts of official grants by their sources, and Table 9 at pp. 103-104 - for other non-tax revenues. All three tables present 2019-2021 actual, 2022 expected and 2023 predicted revenues.

As it has been already mentioned in the comments to answers to questions related to EBP, in EBP's Budget Message for tax revenues for each type of tax are not presented, though in the case of non-tax revenues, all types of each source of non-tax revenues are presented. The same applies to EB's Budget Message. Based on this, the score of this question is c), as non-tax revenues and official grants, whose individual sources are presented, account for less, than two-thirds of all revenues.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

63. Does the Enacted Budget present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

GUIDELINES:

Question 63 asks about three key estimates related to borrowing and debt:

- the amount of net new borrowing required during the budget year;*
- the total debt outstanding at the end of the budget year;*
- the interest payments on the outstanding debt for the budget year.*

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," the Enacted Budget must present all three estimates of borrowing and debt. For a "b" answer, the Enacted Budget must present two of those three estimates. For a "c" answer, the Enacted Budget must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the Enacted Budget.

Answer:

a. Yes, all three estimates related to government borrowing and debt are presented.

Source:

https://minfin.am/hy/page/petakan_byuje_2023t through https://minfin.am/hy/page/petakan_byuj/

Comment:

The mentioned three debt estimates, as well as more additional information about government borrowing and debt are available in the EB's Budget Message and its attached tables (see section Analysis: 1. State Debt of the Republic of Armenia on pp. 186-193. In particular, the total debt outstanding at the end 2023 budget year (4,897 trln AMD) is brought on p. 186, the amount of net new borrowing required during the 2023 budget year (418.6 bln AMD) is brought on p. 186 and p. 190, and the interest payments on the outstanding debt for the 2023 budget year. (272.9 bln AMD) - on pages 189-190 (see the table on that page) and 192 (see the table on that page) of the EB's Budget Message.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

64. What information is provided in the Citizens Budget?

(The core information must include expenditure and revenue totals, the main policy initiatives in the budget, the macroeconomic forecast upon which the budget is based, and contact information for follow-up by citizens.)

GUIDELINES:

Question 64 focuses on the content of the Citizens Budget, asking whether "core" information is presented. These core components include:

- expenditure and revenue totals;
- the main policy initiatives in the budget;
- the macroeconomic forecast upon which the budget is based; and
- contact information for follow-up by citizens.

To answer "a," the Citizens Budget or supporting documentation must present all of the above core information as well as some additional information beyond the core elements. To answer "b," the Citizens Budget must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if the Citizens Budget includes some of the core components above, but other core pieces of information are not included. Answer "d" applies if a Citizens Budget is not published.

Answer:

c. The Citizens Budget provides information, but it excludes some core elements.

Source:

https://minfin.am/website/images/website/Citizen%20Budget%202022_V1.pdf is accessed from https://minfin.am/hy/page/2018_2019, which is accessed from https://minfin.am/hy/page/qaghaqacu_byuje_1

Comment:

Information beyond the core information includes also information on the budgetary programs on main areas, policies to be carried out in those areas and their results, Government's commitments in the area of state finance management, as well as guide on budgetary and economic terms.

However, as CB 2022 does not provide contact information for follow-up by citizens, which is one of the core elements of CB, score "c" is chosen.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. The Citizens Budget provides the core information.

65. How is the Citizens Budget disseminated to the public?

GUIDELINES:

Question 65 asks how the Citizens Budget is disseminated to the public. Citizens Budgets should be made available to a variety of audiences. Therefore paper versions and an Internet posting of a document might not be sufficient.

To answer "a," the executive must use three or more different types of creative media tools to reach the largest possible share of the population, including those who otherwise would not normally have access to budget documents or information. Dissemination would also be pursued at the very local level, so that the coverage is targeted both by geographic area and population group (e.g., women, elderly, low income, urban, rural, etc.). Option "b" applies if significant dissemination efforts are made through a combination of two means of communications, for instance, both posting the Citizens Budget on the executive's official website and distributing printed copies of it. Option "c" applies if the Citizens Budget is disseminated through only posting on the executive's official website. Option "d" applies when the executive does not publish a Citizens Budget.

Answer:

c. A Citizens Budget is disseminated only by using one means of dissemination.

Source:

https://minfin.am/website/images/website/Citizen%20Budget%202022_V1.pdf is accessed from https://minfin.am/hy/page/2018_2019, which is accessed from https://minfin.am/hy/page/qaghaqacu_byuje_1

Comment:

CB 2022 is only posted on the website of the Ministry of Finance (see the link in the Source).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

66. Has the executive established mechanisms to identify the public's requirements for budget information prior to publishing the Citizens Budget?

GUIDELINES:

Question 66 asks whether the executive has established mechanisms to identify the public's requirements for budget information before publishing a Citizens Budget. What the public wants to know about the budget might differ from the information the executive includes in technical documents that comprise the Executive's Budget Proposal or the Enacted Budget; similarly, different perspectives might exist on how the budget should be presented, and this may vary depending on the context. For this reason the executive should consult with the public on the content and presentation of the Citizens Budget.

To answer "a," the executive must have established mechanisms to consult with the public, and these mechanisms for consultation are both accessible and widely used by the public. Such mechanisms can include focus groups, social networks, surveys, hotlines, and meetings/events in universities or other locations where people gather to discuss public issues. In countries where Citizens Budgets are consistently produced and released, it may be sufficient for the government to provide the public with contact information and feedback opportunities, and subsequently use the feedback to improve its management of public resources.

Option "b" applies if the executive has established mechanisms for consultation that are accessible to the public, but that the public nonetheless does not use frequently. That is, the public does not typically engage with the executive on the content of the Citizens Budget, even though the executive has created opportunities for such consultation. Option "c" applies if the executive has established mechanism for consultation with the public, but they are poorly designed and thus not accessible to the public. Option "d" applies if the executive has not created any mechanisms to seek feedback from the public on the content of the Citizens Budget.

Answer:

d. No, the executive has not established any mechanisms to identify the public's requirements for budget information in the Citizen's Budget.

Source:

Comment:

Specifically, for CB 2022 the executive has not established any mechanisms to identify the public's requirements for budget information in the Citizen's Budget. However, before that, in 2019 and 2021 for CB 2019 and CB 2021, respectively, the Ministry of Finance posted announcements asking for suggestions on what should be included in CB and how the information there should be presented. Comparing CB 2021 and CB 2022, it can be revealed that the types of data, their volume and their presentation are the same. Thus, it would be fair to conclude that the Ministry of Finance, after receiving feedback on the draft of CB 2021 and preparing it, decided not to change anything in CB 2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

67. Are "citizens" versions of budget documents published throughout the budget process?

GUIDELINES:

Question 67 asks if "citizens" versions of budget documents are published throughout the budget process. While the Citizens Budget was initially conceived as

a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle.

To answer "a," a citizens version of at least one budget document is published for each of the four stages of the budget process (budget formulation, enactment, execution, and audit) – for a total of at least four citizens budget documents throughout the process. Option "b" applies if a citizens version of a budget document is published for at least two of the four stages of the budget process. Option "c" applies if a citizens version of a budget document is published for at least one of the four stages of the budget process. Select option "d" if no "citizens" version of budget documents is published.

Answer:

b. A citizens version of budget documents is published for at least two of the four stages of the budget process.

Source:

https://minfin.am/hy/page/qaghaqacu_byuje_1

Link to the simplified report for execution reporting - <https://minfin.am/website/images/files/2021%20parzecvac%20hashvetvutyun.pptx>

Comment:

Besides CB for enacted budget, Armenian Ministry of Finance prepares and publishes also budget execution simplified report (starting from 2018, when it prepared and published such report for FY 2017).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Link to the simplified report for 2022: https://minfin.am/hy/page/2022_tvakani_petakan_byujei_parzecvats_hashvetvutyun

68. Do the In-Year Reports present actual expenditures by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 68 asks if expenditure estimates in In-Year Reports are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above.

Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," In-Year Reports must present actual expenditures by all three of the expenditure classifications. To answer "b," actual expenditures must be presented by two of these three classifications. A "c" answer applies if actual expenditures are presented by one of the three classifications. Answer "d" applies if actual expenditures are not presented by any of the three classifications in In-Year Reports.

Answer:

a. Yes, the In-Year Reports present actual expenditures by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

First quarter of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022t_arajin_eramasyak_

First semester of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_1-in_kisamyak_

First 9 months of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_inn_amisner_

Note. - To access the mentioned above links, one shall, after entering the Ministry of Finance website, a) click on it "Treasury" hypertext, then b) click in the opened menu "Reports" hypertext, which will get to https://minfin.am/hy/page/byujei_hashvetvutyun1/ link, then c) click on that page "State

budget report" hypertext, which will get to https://minfin.am/hy/page/petakan_byujei_hashvetvutyun/ link (all IYRs and YERs from 2007 to first quarter of 2023), then d) click on that page either of "2022 I quarter", "2022 I semester" or "2022 9 months" hypertexts to access to the mentioned above IYR-1, IYR-2 or IYR-3 reports.

Comment:

By economic classification see file "Expenditures classification" in the "Reference" folder of each IYR, by functional classification - file "Expenditures functional economic" of the same folder, and by administrative classification - file "2022_[for the period covered by IYR], responsible body, program, activity" in the "Appendices" folder of each IYR.

Armenian Ministry of Finance does not produce IYR-4, explaining that by cumulative character of IYR reporting.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

68b. Based on the response to Question 68, check the box(es) to identify which expenditure classifications are included in the In-Year Reports:

Answer:

Administrative classification

Economic classification

Functional classification

Source:

First quarter of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022t_arajin_erasmyak_

First semester of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_1-in_kisamyak_

First 9 months of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_inn_amisner_

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Also program budget classification is included in reports

69. Do the In-Year Reports present actual expenditures for individual programs?

GUIDELINES:

Question 69 asks if expenditure estimates in In-Year Reports are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," In-Year Reports must present actual expenditures for all individual programs, accounting for all expenditures. To answer "b," In-Year Reports must present actual expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if In-Year Reports present actual expenditures for programs that account for less than two-thirds of expenditures. Answer "d" applies if actual expenditures are not presented by program in In-Year Reports.

Answer:

a. Yes, the In-Year Reports present actual expenditures for programs accounting for all expenditures.

Source:

First quarter of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022t_arajin_eramsyak_

First semester of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_1-in_kisamyak_

First 9 months of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_inn_amisner_

Comment:

For each IYR Appendix 1 of the "Appendices" folder shows actual expenditures for all programs.

Peer Reviewer

Opinion: Agree

Comments: However, this topic may need further review with regard to term "actual expenditure". If we are referring to "actual" in terms of accounting - actual expenses - I am not sure the GoA is capable to collect that information within 40 days after the end of the quarter. In that sense I assume the GoA is reporting actual financing. E.g., the amount may be paid to the school, but the school may have it on its account at the time of reporting (not actually spent yet). As specified above, this topic may need further review.

Government Reviewer

Opinion: Agree

70. Do the In-Year Reports compare actual year-to-date expenditures with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

GUIDELINES:

Question 70 asks whether In-Year Reports compare actual expenditures to-date with either the enacted levels or actual expenditures for the same period in the previous year.

The OECD recommends that the reports contain the total year-to-date expenditures in a format that allows for a comparison with the budget's forecast expenditures (based on enacted levels) for the same period.

To answer "a," comparisons must be made for expenditures presented in the In-Year Reports

Answer:

a. Yes, comparisons are made for expenditures presented in the In-Year Reports.

Source:

First quarter of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022t_arajin_eramsyak_

First semester of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_1-in_kisamyak_

First 9 months of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_inn_amisner_

Comment:

Similar to FY 2020 covered by OBS 2021, comparisons with both the original estimate of the enacted levels and same period of the previous budget year are presented in the narrative parts of all three IYRs. See section "RA State Budget Expenditures in the [period covered by IYR] of 2022": for the first quarter (pp. 125-144), first semester (pp. 49-137) and first 9 months (pp. 52-144).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

71. Do In-Year Reports present actual revenue by category (such as tax and non-tax)?

GUIDELINES:

Questions 71 asks whether In-Year Reports present actual revenues by "category" – that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," In-Year Reports must present revenue estimates classified by category.

Answer:

a. Yes, In-Year Reports present actual revenue by category.

Source:

First quarter of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022t_arajin_eramasyak_

First semester of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_1-in_kisamyak_

First 9 months of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_inn_amisner_

Comment:

See actual revenue numbers by category in the sections "2022 first quarter state budget revenues" (see pp. 33-45) for IYR-1, "2022 first semester state budget revenues" (see pp. 36-48) for IYR-2 and "2022 first 9 months state budget revenues" (see pp. 37-51) for IYR-3 of the corresponding IYR narrative reports.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

72. Do In-Year Reports present the individual sources of revenue for actual revenues collected?

GUIDELINES:

Question 72 asks whether In-Year Reports present actual collections of individual sources of revenue (such as income taxes, VAT, etc.). The question applies to both tax and non-tax revenue.

To answer "a," In-Year Reports must present actual collections for all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," In-Year Reports must present actual collections for individual sources of revenue that when combined account for at least two-thirds of all revenue collected, but not all revenue. A "c" answer applies if In-Year Reports present individual sources of actual revenue that account for less than two-thirds of all revenue collected. Answer "d" applies if individual sources of actual revenue are not presented.

Answer:

a. Yes, In-Year Reports present individual sources of actual revenue accounting for all revenue.

Source:

First quarter of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022t_arajin_eramasyak_

First semester of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_1-in_kisamyak_

First 9 months of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_inn_amisner_

Comment:

The information (including on individual types of tax revenue) is in the same sections of corresponding IYRs mentioned in the Comment to Q 71.

There are three "other" sources of revenue there - "other taxes" (see Table 3 on p. 35), "other state duties" (see Table 7 on p. 39) and "other revenues" as one of the four sources of revenues (together with taxes, state duties, and official grants) defined by the Law on the Budgetary System (see pp. 42-45). The complete breakdown of "other taxes" is described on p. 38 (see the first paragraph of that page). For complete breakdown of "other state duties" see Footnote 29 on p. 39. Finally, for complete breakdown of "other revenues" see Table 9 on p. 43.

In addition, Figure 16 on p. 42 shows all targeted grants by donors. Only for budget support grants the names of donors are not mentioned. Total amount of these grants during the first quarter of 2022 was 0.2 bln. AMD and total factual amount of revenues for that quarter was 425.5 bln. AMD (see Table 2 on p. 33).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: For budget support grants the names of donors are mentioned in the narrative parts of IYRs.

73. Do the In-Year Reports compare actual year-to-date revenues with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

GUIDELINES:

Question 73 asks whether In-Year Reports compare actual revenues to-date with either the enacted levels or actual revenues for the same period in the previous year.

The OECD recommends that the reports contain the total year-to-date revenues in a format that allows for a comparison with the budget's forecast revenues (based on enacted levels) for the same period.

To answer "a," comparisons must be made for revenues presented in the In-Year Reports.

Answer:

a. Yes, comparisons are made for revenues presented in the In-Year Reports.

Source:

First quarter of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022t_arajin_eramsyak_

First semester of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_1-in_kisamyak_

First 9 months of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_inn_amisner_

Comment:

Comparisons are made both with original estimate for that period and the same period in the previous year in the corresponding sections of IYRs mentioned in Comments to Q 71 and Q 72.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

74. Do In-Year Reports present three estimates related to actual government borrowing and debt: the amount of net new borrowing; the total debt outstanding; and interest payments?

GUIDELINES:

Question 74 asks about three key estimates related to borrowing and debt:

- the amount of net new borrowing so far during the year;
- the central government's total debt burden at that point in the year; and
- the interest payments to-date on the outstanding debt.

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens and banks and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," In-Year Reports must present all three estimates of borrowing and debt. For a "b" answer, In-Year Reports must present two of those three estimates. For a "c" answer, IYRs must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in In-Year Reports.

Answer:

a. Yes, all three estimates related to government borrowing and debt are presented.

Source:

First quarter of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022t_arajin_eramsyak_

First semester of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_1-in_kisamyak_

First 9 months of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_inn_amisner_

Comment:

Estimates on the central government's total debt burden at that point in the year is available in the section "Public Debt of RA" part in the corresponding IYR narrative reports discussing the estimates of the government borrowing and debt (see pp. 132-133 in narrative report of IYR-1, pp. 145-146 in narrative report of IYR-2 and pp. 152-153 in narrative report of IYR-3).

For data and discussion on the interest payments to-date on the outstanding debt is available in the section "RA State Budget Expenditures in [period covered by the corresponding IYR] of 2022". See Table 12 on p. 48 in the narrative part of IYR-1, Table 11 on p. 51 in the narrative part of IYR-2 and Table 11 on p. 54 in the narrative part of IYR-3.

Data and discussion on the amount of net new borrowing so far during the year are available in the section "Deficit (Surplus) of RA State Budget in [period covered by the corresponding IYR] of 2022". See Table 20 on p. 130 in the narrative part of IYR-1, Table 20 on p. 141 in the narrative part of IYR-2 and Table 20 on p. 148 in the narrative part of IYR-3.

In addition, Appendix 3 (Loan) of all three IYRs presents expenditures incurred in the framework of all programs and activities of loans received from foreign countries and organizations, and Appendix 5 (Deficit) of all three IYRs presents data on the sources of financing of deficit during the period covered by IYRs.

Opinion: Agree

Government Reviewer

Opinion: Agree

75. Do In-Year Reports present information related to the composition of the total actual debt outstanding?

(The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)

GUIDELINES:

Question 75 focuses on the composition of government debt, asking whether "core" information related to its composition is presented. These core components include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

The interest rates affect the amount of interest that must be paid to creditors. The maturity profile indicates the final payment date of the loan, at which point the principal (and all remaining interest) is due to be paid; government borrowing typically includes a mix of short-term and long-term debt. As discussed in Question 74, domestic debt is held by a country's citizens and banks and businesses, while external debt is held by foreigners. These factors related to the composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable.

Beyond these core elements, a government may also provide additional information related to the composition of its debt, including for instance: whether interest rates are fixed or variable; whether debt is callable; the currency of the debt; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); an analysis of the risk associated with the debt; and where appropriate, what the debt is being used to finance.

To answer "a," In-Year Reports must present all of the core information related to the composition of government debt to-date as well as some additional information beyond the core elements. To answer "b," In-Year Reports must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the composition of government debt is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on the composition of the debt outstanding in In-Year Reports.

Answer:

c. Yes, information is presented, but it excludes some core elements.

Source:

First quarter of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022t_arajin_eramsyak_

First semester of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_1-in-kisamyak_

First 9 months of FY 2022 - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_inn_amisner_

Comment:

Only information whether the debt is domestic or external is presented - see section "RA Public Debt" in the corresponding narrative reports for IYRs.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

76. Does the Mid-Year Review of the budget include an updated macroeconomic forecast for the budget year underway?

GUIDELINES:

Question 76 asks whether the Mid-Year Review includes an updated macroeconomic forecast for the budget year underway, and provides an explanation of the update.

Refer to Question 15 for the components of the macroeconomic forecast presented in the Executive's Budget Proposal.

To answer "a," the Mid-Year Review must include an updated macroeconomic forecast and explain all of the differences between the initial forecast presented in the Executive's Budget Proposal and the updated forecast. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the macroeconomic forecast must be updated, but only some of the differences between the initial and updated forecasts are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes an updated macroeconomic forecast, but does not provide an explanation for the revisions. A "d" response applies if the macroeconomic forecast has not been updated.

Answer:

d. No, the estimates for macroeconomic forecast have not been updated.

Source:

Comment:

Armenia does not produce Mid-year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the estimates for the macroeconomic forecast have been updated, and an explanation of all of the differences between the original and updated forecasts is presented.

77. Does the Mid-Year Review of the budget include updated expenditure estimates for the budget year underway?

GUIDELINES:

Question 77 asks whether the Mid-Year Review includes updated estimates of expenditure for the budget year underway, and provides an explanation of the update. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.

To answer "a," the Mid-Year Review must include updated expenditure estimates and explain all of the differences between the initial levels presented in the Executive's Budget Proposal (or the Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. The expenditure estimates must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated expenditure estimates, but does not provide an explanation for the revisions. A "d" response applies if the expenditure estimates have not been updated.

Answer:

d. No, expenditure estimates have not been updated.

Source:

Comment:

Armenia does not produce Mid-year Review.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

78. Does the Mid-Year Review of the budget present updated expenditure estimates for the budget year underway by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 78 asks if expenditure estimates for the budget year underway in the Mid-Year Review are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.

Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," the Mid-Year Review must present expenditure estimates by all three of the expenditure classifications. To answer "b," expenditure estimates must be presented by two of these three classifications. A "c" answer applies if expenditure estimates are presented by one of the three classifications. Answer "d" applies if expenditure estimates are not presented by any of the three classifications in the Mid-Year Review.

Answer:

d. No, the Mid-Year Review does not present expenditure estimates by any expenditure classification.

Source:

Comment:

Armenia does not produce Mid-year Review.

Peer Reviewer

Opinion: Agree

Comments: The answer may be "Not applicable/other"

Government Reviewer

Opinion: Agree

78b. Based on the response to Question 78, check the box(es) to identify which expenditure classifications are included in the Mid-Year Review:

Answer:

None of the above

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

79. Does the Mid-Year Review of the budget present updated expenditure estimates for the budget year underway for individual programs?

GUIDELINES:

Question 79 asks if expenditure estimates in the Mid-Year Review are presented by program for the budget year underway. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.

A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Mid-Year Review must present expenditures for all individual programs, accounting for all expenditures. To answer "b," the Mid-Year Review must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if the Mid-Year Review presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Mid-Year Review.

Answer:

d. No, the Mid-Year Review does not present expenditure estimates by program.

Source:

Comment:

Armenia does not produce Mid-year Review.

Peer Reviewer

Opinion: Agree

Comments: The answer may be "Not applicable/other" as Armenia does not prepare mid-year review.

Government Reviewer

Opinion: Agree

80. Does the Mid-Year Review of the budget include updated revenue estimates for the budget year underway?

GUIDELINES:

Question 80 asks whether the Mid-Year Review includes updated estimates of revenue for the budget year underway, and provides an explanation of the update. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must include updated revenue estimates and explain all of the differences between the initial levels presented in the Executive's Budget Proposal (or the Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the revenue estimates must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated revenue estimates, but no explanation for the revisions is provided. A "d" response applies if the revenue estimates have not been updated.

Answer:

d. No, revenue estimates have not been updated.

Source:

Comment:

Armenia does not produce Mid-year Review.

Peer Reviewer

Opinion: Agree

Comments: The answer may be "Not applicable/other" as Armenia does not produce mid-year review.

Government Reviewer

Opinion: Agree

81. Does the Mid-Year Review of the budget present updated revenue estimates for the budget year underway by category (such as tax and non-tax)?

GUIDELINES:

Question 81 asks whether revenue estimates for the budget year underway in the Mid-Year Review are presented by "category"— that is, whether tax and non-tax sources of revenue are shown separately. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must present revenue estimates classified by category.

Answer:

b. No, the Mid-Year Review does not present revenue estimates by category.

Source:

Comment:

Armenia does not produce Mid-year Review.

Peer Reviewer

Opinion: Agree

Comments: The answer may be "Not applicable/other" as Armenia does not produce mid-year review.

Government Reviewer

Opinion: Agree

82. Does the Mid-Year Review of the budget present updated individual sources of revenue for the budget year underway?

GUIDELINES:

Question 82 asks whether revenue estimates for individual sources of revenue for the budget year underway are presented in the Mid-Year Review. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must present all sources of revenue individually, accounting for all revenues, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Mid-Year Review must present individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Mid-Year Review presents estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" applies if individual sources of revenue are not presented in the Mid-Year Review.

Answer:

d. No, the Mid-Year Review does not present individual sources of revenue.

Source:

Comment:

Armenia does not produce Mid-year Review.

Peer Reviewer

Opinion: Agree

Comments: The answer may be "Not applicable/other" as Armenia does not produce mid-year review.

Government Reviewer

Opinion: Agree

83. Does the Mid-Year Review of the budget include updated estimates of government borrowing and debt, including its composition, for the budget year underway?

GUIDELINES:

Question 83 asks whether the Mid-Year Review includes updated estimates of borrowing and debt, including its composition, for the budget year underway, and provides an explanation of the update.

Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:

- The amount of net new borrowing required during the budget year;
- The central government's total debt burden at the end of the budget year; and
- The interest payments on the outstanding debt for the budget year.

Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:

- interest rates on the debt;
- maturity profile of the debt; and
- whether the debt is domestic or external.

To answer "a," the Mid-Year Review must include an updated estimates of borrowing and debt, including its composition, and explain all of the differences between the initial estimates presented in the Executive's Budget Proposal (or Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the estimates of borrowing and debt must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated estimates, but no explanation for the revisions is provided. A "d" response applies if the estimates of borrowing and debt have not been updated.

Answer:

d. No, estimates of government borrowing and debt have not been updated.

Source:

Comment:

Armenia does not produce Mid-year Review.

Peer Reviewer

Opinion: Agree

Comments: The answer may be "Not applicable/other" as Armenia does not produce mid-year review.

Government Reviewer

Opinion: Agree

84. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?

GUIDELINES:

Question 84 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual expenditures for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all expenditures, along with a narrative discussion. Answer "b" if estimates of the differences for all expenditures are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all expenditures, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report

Answer:

a. Yes, estimates of the differences between the enacted levels and the actual outcome for all expenditures are presented, along with a narrative discussion.

Source:

State Budget Report (2021 Annual) - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2021_t_tarekan_

Note. - To access the mentioned above links, one shall, after entering the Ministry of Finance website, a) click on it "Treasury" hypertext, then b) click in the opened menu "Reports" hypertext, which will get to https://minfin.am/hy/page/byujei_hashvetvutyun1/ link, then c) click on that page "State budget report" hypertext, which will get to https://minfin.am/hy/page/petakan_byujei_hashvetvutyun/ link (all IYRs and YERs from 2007 to first quarter of 2023), then d) click on that page "Annual" hypertext under 2021.

Comment:

For all expenditures YER displays enacted (by EB), actual levels, as well as adjusted throughout the budget year enacted levels. In the analysis section, it is presented the percentage of the actual level to enacted level and it is also discussed (though not always and in sufficient detail) the reasons of those differences.

Peer Reviewer

Opinion: Agree

Comments: I agree, however, one needs to pay attention that although the expenditures in the YER present the enacted budget (approved by the law), adjusted budget (adjusted by the GoA) and the actual, however, the GoA compares the actual not to enacted budget approved by the National Assembly but to adjusted budget (both in tables and in analytical section).

Government Reviewer

Opinion: Agree

85. Does the Year-End Report present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

GUIDELINES:

Question 85 asks if expenditure estimates in the Year-End Report are presented by any one of the three expenditure classifications – by administrative,

economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.

To answer "a," the Year-End Report must present expenditure estimates by all three of the expenditure classifications. Answer "b" if expenditure estimates are presented by two of these three classifications. Answer "c" if expenditure estimates are presented by one of the three classifications. Answer "d" if expenditure estimates are not presented by any of the three classifications in the Year-End Report.

Answer:

a. Yes, the Year-End Report presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

State Budget Report (2021 Annual) - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2021_t_tarekan_

Comment:

See files 2, 3 and 4 by administrative (in "Responsible administrative unit, program, action (measure), implementer, item" format), functional and economic classifications, respectively, of the "Reference Notes" folder. Expenditures by administrative units for all programs in summarized and detailed form are also available in Table 2 of Appendix 1 of the "Appendices" folder, respectively.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

85b. Based on the response to Question 85, check the box(es) to identify which expenditure classifications are included in the Year-End Report:

Answer:

Administrative classification
Economic classification
Functional classification

Source:

State Budget Report (2021 Annual) - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2021_t_tarekan_

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Program budget classification is included in report

86. Does the Year-End Report present expenditure estimates for individual programs?

GUIDELINES:

Question 86 asks if expenditure estimates in the Year-End Report are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.

A note for francophone countries: "Program" level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaillé*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Year-End Report must present expenditure estimates for all individual programs, accounting for all expenditures. Answer "b" if the Year-End Report presents expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. Answer "c" if the Year-End Report presents programs that account for only less than two-thirds of expenditures. Answer "d" if expenditures are not presented by program in the Year-End Report.

Answer:

a. Yes, the Year-End Report presents estimates for programs accounting for all expenditures.

Source:

State Budget Report (2021 Annual) - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2021_t_tarekan_

Comment:

See file 2 of the "Reference" folder and Tables 1 and Table 2 of Appendix 1 of the "Appendices" folder.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

87. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?

GUIDELINES:

Question 87 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual revenues for the year, and whether these estimates are accompanied by a narrative discussion.

To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all revenues, along with a narrative discussion. Answer "b" if estimates of the differences for all revenues are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all revenues, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report.

Answer:

a. Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, along with a narrative discussion.

Source:

State Budget Report (2021 Annual) - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2021_t_tarekan_

Comment:

Detailed information is presented only in the narrative discussion of 2021 IER (see "Revenues of the RA 2021 State Budget" (pp. 165-193) supplemented with numerous tables and figures. In particular, Table 2 (Actual figures of tax revenues and state fees) on p. 170 displays actual figures of tax revenues by types of taxes, Table 8 (RA state budget entries from state fees) on p. 176 displays revenues from each type of state fees, Table 9 (Official grants) on p. 186 displays revenues from both types of official grants (targeted and non-targeted), and, finally, Table 10 (RA state budget entries from other revenues) on p.191 displays other revenues by each of their type. In all tables enacted, adjusted (through the approved by legislature or sub-legislation (government decrees) in-year changes), actual numbers for 2021 state budget, as well as actual numbers of 2020 state budget and percentage change of 2021 actual numbers to 2020 actual numbers are presented.

In addition, enacted, adjusted, actual numbers of the 2021 state budget revenues are presented in the "Report" Excel file, which is one of the supporting documents of 2021 YER.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

88. Does the Year-End Report present revenue estimates by category (such as tax and non-tax)?

GUIDELINES:

Question 88 asks whether revenue estimates in the Year-End Report are presented by "category"— that is, whether tax and non-tax sources of revenue are shown separately.

To answer "a," the Year-End Report must present revenue estimates classified by category.

Answer:

a. Yes, the Year-End Report presents revenue estimates by category.

Source:

State Budget Report (2021 Annual) - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2021_t_tarekan_

Law on the RA Budgetary System - <https://www.arlis.am/DocumentView.aspx?DocID=175826>

Comment:

Categorization of state budget revenues is defined by the Law on the RA Budgetary System (based on revenue source) and those categories (taxes, state fees, official grants, and other revenues) are used in all budget documents (including YER) prepared and published by the RA Ministry of Finance.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

89. Does the Year-End Report present individual sources of revenue?

GUIDELINES:

Question 89 asks whether revenue estimates for individual sources of revenue are presented in the Year-End Report. The question applies to both tax and non-tax revenue.

To answer "a," the Year-End Report must present all sources of revenue individually, accounting for all revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. Answer "b" if the Year-End Report presents individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. Answer "c" if the Year-End Report presents estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" if individual sources of revenue are not presented in the Year-End Report.

Answer:

c. Yes, the Year-End Report presents individual sources of revenue accounting for less than two-thirds of all revenues.

Source:

State Budget Report (2021 Annual) - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2021_t_tarekan_

Comment:

See Comment on Q 87. In the narrative discussion of YER 2021 not only all sources of revenues, but also numbers for each type of all revenue source are presented.

The breakdown of almost all of "other" taxes mentioned in Table 2 (47.1 from 47.2 bln. AMD) on p. 170 of YER 2021 is presented in the narrative discussion on pp. 178-179 of the report. Similarly, the breakdown of "other" state fees is brought in Footnote 37 on p. 180. Finally, "income from other sources" is presented completely through narrative discussion on pp. 190-194 of YER 2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

For cross country consistency, IBP revised response to C. While the information on actual expenditures is very detailed (as presented in Tables 2, 3, 4, 5 and 7)

90. Does the Year-End Report present the differences between the original estimates of government borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year?**GUIDELINES:**

Question 90 asks whether the Year-End Report includes estimates of the differences between the original estimates and the actual outcome for the fiscal year for borrowing and debt, including its composition, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:

- *the amount of net new borrowing required during the budget year;*
- *the central government's total debt burden at the end of the budget year; and*
- *the interest payments on the outstanding debt for the budget year.*

Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:

- *interest rates on the debt;*
- *maturity profile of the debt; and*
- *whether the debt is domestic or external.*

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

a. Yes, estimates of the differences between all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented, along with a narrative discussion.

Source:

State Budget Report (2021 Annual) - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2021_t_tarekan_

Comment:

YER for FY2021 contains very detailed information on many components of government borrowing and debt along with a narrative discussion.

Narrative discussion on budget deficit, where also discussion on net new borrowing required during the budget year together with table with the net borrowing numbers by external and internal sources (see Table 36 (Sources of financing of RA state budget deficit) on p. 327) is presented in the section "Deficit of RA State Budget" on pp. 327-338 of the narrative part of YER 2021.

Narrative discussion on RA public debt is presented in section "State Debt of the Republic of Armenia" section on pp. 339-341 of the narrative part of YER 2021. In particular, the central government's total debt burden at the end of the budget year is presented in Table 41 (RA public debt) on p. 339. Finally, interest payments on the outstanding debt for the budget year and its share in total costs are presented in Table 12 (Current expenditures of RA state budget) on p. 193, and breakdown of those payments by internal and external lenders in Table 13 (Government's debt service costs) on p. 195 of the sub-section "Economic classification" (pp. 194-200) of the "Expenditures of the RA 2021 state budget" section (pp. 194-330) of the narrative discussion of YER 2021.

Besides that, files in the "Reference Notes" part are: file N.6 - Outcome indicators related to budget deficit, and, file N. 8 - on the RA public debt.

In the "Appendices" part of 2021 YER: Table 4 of Appendix 1 (Information on expenditures incurred in the framework of implementation of loans and activities received international organizations and foreign states) and Appendix 3. - information on sources of deficit financing.

Information on maturity of debt is presented in several sections of YER 2021 (though there is no information on debt profile - debt payments in coming years). First, it is on PP. 156-157 (see sub-section "Financial Markets" of section "Macroeconomic Developments in RA" of chapter "Macroeconomic developments of the Republic of Armenia, "). Information there is presented for the market of the government bonds and eurobonds secondary market in Armenia. In particular, it is stated that in January 2021 Armenian government issued eurobonds (in foreign currency) in the amount of 750 million US dollars with 10 years of maturity. Next, in the discussion on 2021 state budget expenditures there is part on expenditures on government debt service (see pp. 198-199). It is mentioned about the redemption of two government bonds (one with 5 and the other with 10 years of debt maturity) with a higher weighted average yield of the issue (see p.198). Finally, in discussion on state budget deficit, the previous information is repeated on p. 332 (on government bonds) and on p. 339 (on eurobonds).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

90b. Based on the response to Question 90, check the box(es) to identify which estimates of government borrowing and debt, including its composition, have the differences between the original forecast and the actual outcome for the year presented in the Year-End Report:

Answer:

The amount of net new borrowing required during the budget year
The central government's total debt burden at the end of the budget year
The interest payments on outstanding debt for the budget year
Whether the debt is domestic or external
Interest rates on the debt
Maturity profile of the debt

Source:

State Budget Report (2021 Annual) - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2021_t_tarekan_

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

91. Does the Year-End Report present the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?

GUIDELINES:

Question 91 asks whether the Year-End Report includes estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 15 for the components of the macroeconomic forecast in the Executive's Budget Proposal. Core components include estimates of the nominal GDP level, inflation rate, real GDP growth, and interest rates, although the importance of other macroeconomic assumptions, such as the price of oil, can vary from country to country.

To answer "a," the Year-End Report must include estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. Answer "c" if estimates of the differences between some but not all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

d. No, estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year is not presented.

Source:

State Budget Report (2021 Annual) - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2021_t_tarekan_

Comment:

There is a large section on Macroeconomic developments during the year 2021. However, comparisons to original estimates are not given as the indicator is assessing.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, estimates of the differences between all the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented, but a narrative discussion is not included.

Comments: The 2022 Budget Report includes the original macroeconomic forecast, the revised macroeconomic forecasts, and the actual outcome. Therefore, the answer should be "b".

IBP Comment

Many thanks to reviewer. However, IBP worked with researcher to maintain their original response of D. While we acknowledge that there is good information on macroeconomic outcomes for the year, best practice requires that this difference be presented in the Year-end report with a narrative explaining the difference. In the absence of comparisons, answer choice D applies.

91b. Based on the response to Question 91, check the box(es) to identify which elements of the macroeconomic forecast have the differences between the original forecast and the outcome for the year presented in the Year-End Report:

Answer:

None of the above

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: In the 2022 Budget Report the original forecast and the outcome are included for the following elements of the macroeconomic forecast: Nominal GDP level Inflation rate Real GDP growth

IBP Comment

IBP acknowledges this information is there, just not as comparisons.

92. Does the Year-End Report present the differences between the original estimates of nonfinancial data on inputs and the actual outcome?

GUIDELINES:

Question 92 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 49 for the nonfinancial data on inputs included in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on inputs and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

c. Yes, estimate of the differences between some but not all of the original estimates of nonfinancial data on inputs and the actual outcome are presented.

Source:

Comment:

As is seen from the response to Q49 nonfinancial data on inputs are not presented in EBP, hence, no estimates or comparisons can be carried out.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome are presented, but a narrative discussion is not included.

Comments: below presented file contain non financial indicators for approved budget, adjusted budget and actual indicators for each program/measurement [https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_tarekan_ՀՀ_2022_թվականի_պետական_բյուջեի_ելքային_ծրագրերի_և_միջոցառումների_գծով_արդյունքային_\(կատարողական\)_ցուցանիշների_կատարման_վերաբերյալ_ըստ_բյուջետային_հատկացումների_գլխավոր_կարգադրիչների_2.Արդյունքային_ցուցանիշներ_ըստ_պատասխանատուների.xls](https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2022_t_tarekan_ՀՀ_2022_թվականի_պետական_բյուջեի_ելքային_ծրագրերի_և_միջոցառումների_գծով_արդյունքային_(կատարողական)_ցուցանիշների_կատարման_վերաբերյալ_ըստ_բյուջետային_հատկացումների_գլխավոր_կարգադրիչների_2.Արդյունքային_ցուցանիշներ_ըստ_պատասխանատուների.xls)

IBP Comment

IBP revised response to C based on the mention of a few inputs.

93. Does the Year-End Report present the differences between the original estimates of nonfinancial data on results and the actual outcome?

GUIDELINES:

Question 93 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion. Nonfinancial data on results can include data on both outputs and outcomes, but not on inputs (which are addressed in Question 92).

Refer to Question 50 for the nonfinancial data on results included in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on results and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

a. Yes, estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome are presented, along with a narrative discussion.

Source:

State Budget Report (2021 Annual) - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2021_t_tarekan_

Comment:

Appendices 9 and 9.1 of the 2021 YER display the implementation of output indicators of the state budget programs and activities (measures) by chief budget officers and state bodies, respectively. Their last columns contain short narrative explanation of the differences between the values of adjusted (during the budget year) original estimates and actual values of nonfinancial (as well as financial) indicators for FY 2021.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

94. Does the Year-End Report present the differences between the enacted level of funds for policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations and the actual outcome?

GUIDELINES:

Question 94 asks whether the Year-End Report includes estimates of the differences between the enacted level of funds for policies that are intended to benefit directly the country's most impoverished populations and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 52 for assistance to the most impoverished populations in the Executive's Budget Proposal.

To answer "a," the Year-End Report must present estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between the enacted level for some but not all of the policies that are intended to benefit the country's most impoverished populations and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

a. Yes, estimates of the differences between the enacted level for all policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are presented, along with a narrative discussion.

Source:

State Budget Report (2021 Annual) - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2021_t_tarekan_

Comment:

Table 2 of Appendix 1 shows the report on the actual expenditures of the 2021 state budget by budgetary programs and actions implemented by state bodies. Discussion on them is included in the "Expenditures of the 2021 State Budget" section (see pp. 194-329). of the narrative part of the 2021 YER.

The report contains execution data on all ministries, their programs and activities as well as initial approved estimates. All programs mentioned in Q 52 (relating to socially vulnerable populations) are followed up on.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

95. Does the Year-End Report present the differences between the original estimates of extra-budgetary funds and the actual outcome?**GUIDELINES:**

Question 95 asks whether the Year-End Report presents estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 33 for estimates of extra-budgetary funds in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of extra-budgetary funds and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented

Answer:

e. Not applicable/other (please comment).

Source:

State Budget Report (2021 Annual) - https://minfin.am/hy/page/petakan_byujei_hashvetvutyun_2021_t_tarekan_

2021 Report on Extra-budgetary Means - https://minfin.am/page/hashvetvutyun_2021_t

Comment:

Neither in 2021 EB nor in 2021 YER there is any mentioning about extra-budgetary funds. However, separate report on these funds exists (see the link in the source). To access that link, one should click "Treasury" hypertext of the Ministry of Finance website main page, then click "Reports" hypertext on the opened menu, which will bring to the page (https://minfin.am/hy/page/byujei_hashvetvutyun1/), where all types of budgetary execution reports are posted. Select "Report on Extra-budgetary Funds" hypertext, which will open all reports on extra-budgetary funds from 2007 to 2022 (https://minfin.am/hy/page/artabyujetyayin_mijocner/https://minfin.am/hy/page/artabyujetyayin_mijocner/), then click on "Report 2021" hypertext.

Response "d" is chosen, as though information on extra-budgetary funds is available on the website of the Ministry of Finance, it is not included in 2021 YER.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer: e. Not applicable/other (please comment).

Comments: since 2020 all extra budgetary funds are eliminated

IBP Comment

IBP worked with researcher to revise response to E.

96. Is a financial statement included as part of the Year-End Report or released as a separate report?**GUIDELINES:**

Question 96 asks whether a financial statement is included as part of the Year-End Report, or whether it is released as a separate report. The financial statement can include some or all of the following elements: a cash flow statement, an operating statement, a balance sheet, and notes on accounting. For purposes of responding to this question, the financial statement in question does not need to be audited. For an example of a financial statement, see the document "Financial Statements of the Government of New Zealand 2013" (<https://treasury.govt.nz/sites/default/files/2013-10/fsgnz-year-jun13.pdf>)

To answer "a," a financial statement must either be included in the Year-End Report or must be released as a separate report. Answer "a" applies if a financial statement is released as a separate report, even if the Year-End Report is not publicly available. Answer "b" applies if no financial statement is released either as part of the Year-End Report or as a separate report.

Answer:

b. No, a financial statement is neither part of the Year-End Report nor released as a separate report.

Source:**Comment:**

The first financial statement for the Republic of Armenia should be prepared for 2024. See Law on Accounting in Public Sector Organizations.

Peer Reviewer

Opinion: Agree

Comments: The GoA was supposed to prepare the first financial statements in 2020 (for 2019). However, it did not. In 2021 the GoA amended the Law on Accounting in Public Sector Organizations and now it has to prepare the statement for 2024. However, I think in 2020 the GoA did not comply with the requirements of the Law.

Government Reviewer

Opinion: Agree

97. What type of audits (compliance, financial, or performance) has the Supreme Audit Institution (SAI) conducted and made available to the public?**GUIDELINES:**

Question 97 asks about the types of audits conducted by the Supreme Audit Institution (SAI). There are three basic types of audits:

- Financial audits are intended to determine if an entity's financial information is accurate (free from errors or fraud) and presented in accordance with the applicable financial reporting and regulatory framework. See ISSAI 200 (<https://www.issai.org/pronouncements/issai-100-fundamental-principles-of-public-sector-auditing/>) for more detail.
- Compliance audits look at the extent to which the relevant regulations and procedures have been followed. See ISSAI 400 (<https://www.issai.org/pronouncements/issai-400-compliance-audit-principles/>) for more details.
- Performance audits assess whether activities are adhering to the principles of economy, efficiency, and effectiveness. See ISSAI 300 (<https://www.issai.org/pronouncements/issai-300-performance-audit-principles/>) for more details.

Financial and compliance audits are more common than performance audits, which usually occur only once a performance framework has been agreed upon. In some countries, the SAI's mandate limits the type of audit it can conduct.

To answer "a," the SAI must have conducted all three types of audit – financial, compliance, and performance – and made all of them available to the public. A "b" response applies if the SAI has conducted two of the three audit types, and a "c" applies if it has conducted only one type of audit. Answers "b" and "c"

may be selected even if the Audit Report is not publicly available, as long as the SAI has conducted compliance or performance audits and made them available to the public. A "d" response applies if the SAI has not conducted any of the three types of audits, or has not made them available to the public.

Answer:

a. The SAI has conducted all three types of audits (compliance, financial, or performance) and made them available to the public.

Source:

Webpage of current conclusions (<http://armsai.am/hy/current-conclusions>) and AR starting from 2020 (<https://armsai.am/hy/budget-conclusions>) on the Audit Chamber's website (<http://armsai.am/>)

Law on Audit Chamber of RA - <https://www.arlis.am/DocumentView.aspx?DocID=165069>

Comment:

The RA Audit Chamber, which is Armenia's supreme audit institution by law, shall conduct (see Article 33 of the Law on Audit Chamber of RA) and in practice conducts all three types of audit and makes them available to public.

According to Part 1 of Article 27 of the Law on Audit Chamber, the Audit Report (AR) is prepared based on the current conclusions on financial and compliance audits on the 3-, 6- and 9-months execution of the state budget by different state bodies (in such cases both types of audit are conducted together). Though performance audits also are conducted, their results are not used in the preparation of AR).

All current conclusions are publicly available (see <https://armsai.am/hy/current-conclusions>). From that link one can see that during 2021 the Audit Chamber conducted more, than 70 audits. Below see examples of financial, compliance and performance audits:

1. Current conclusion of the audit on the 2021 annual execution of the state budget by the Ministry of Labor and Social Issues - financial and compliance audit (see <https://armsai.am/sites/default/files/program/2022/socap2021.pdf>)
2. Current conclusion of the audit on the results of budget expenditures on overcoming COVID-19 pandemic consequences by the Ministry of Economy - performance audit (see <https://armsai.am/sites/default/files/program/2022/economica-covid.pdf>).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

98. What percentage of expenditures within the mandate of the Supreme Audit Institution (SAI) has been audited?

GUIDELINES:

Question 98 focuses on the coverage of audits by the Supreme Audit Institution (SAI), asking what percentage of expenditures within the SAI's mandate has been audited.

The SAI's mandate is typically defined in statute. Only expenditures related to budgetary central government (ministries, departments, and agencies) that are within the SAI's mandate should be considered for this question. (Question 99 addresses audits of extra-budgetary funds.) Further, the question does not apply to "secret programs" (for example, security-related expenditures that are confidential). Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.

Only the Audit Report identified in Section 1 should be used to answer this question. Financial audits and compliance audits, or a hybrid of the two, can be taken into account to answer this question. Performance audits should not be considered for this question.

To answer "a," all expenditures within the SAI's mandate must be audited. A "b" response applies if at least two-thirds, but not all, expenditures within the SAI's mandate have been audited. A "c" response is appropriate when less than two-thirds of expenditures within the SAI's mandate have been audited. A "d" response applies when no expenditures have been audited.

Answer:

a. All expenditures within the SAI's mandate have been audited.

Source:

Conclusion on the Execution of RA 2021 State Budget (AR) - <http://www.armsai.am/files/conclusion2021.pdf>

Law on Audit Chamber of RA - <https://www.arlis.am/DocumentView.aspx?DocID=165069>

Comment:

The relevant Article of the Law on RA Audit Chamber, namely, Article 27 (Conclusion on the Execution of the State Budget) does not define concrete percentage of expenditures within the mandate of the Audit Chamber. At the same time, on p.6 of the Conclusion on the Execution of RA 2021 State Budget (AR 2021) it is stated that it has been audited 91.1% of the expenditure part of the 2021 state budget.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

99. What percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited?

GUIDELINES:

Question 99 focuses on audits of extra-budgetary funds, asking what percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited. These funds, although technically outside the budget, are governmental in nature and thus should be subject to the same audit requirement as other government programs.

The SAI's mandate is typically defined in statute. Only expenditures related to extra-budgetary funds within the SAI's mandate should be considered for this question. (Question 98 addresses audits of budgetary central government.) Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.

To answer "a," all extra-budgetary funds within the SAI's mandate must be audited. A "b" response applies if extra-budgetary funds accounting for at least two-thirds of, but not all, expenditures associated with extra-budgetary funds within the SAI's mandate have been audited. A "c" response applies if extra-budgetary funds accounting for less than two-thirds of expenditures associated with extra-budgetary funds within the SAI's mandate have been audited. A "d" response applies if extra-budgetary funds have not been audited.

Answer:

d. No extra-budgetary funds have been audited.

Source:

Comment:

As it has been mentioned in the Comment to Q 33, extra-budgetary funds (and only one out of eight types of such funds) are not included in EBP or EB. They are formed during the budget year and are reflected only in IYRs and YER. Thus, its auditing becomes meaningless. It is more relevant to carry out their oversight, which is, primarily, the task of the RA State Supervision Service.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

100. Does the annual Audit Report(s) prepared by the Supreme Audit Institution (SAI) include an executive summary?

GUIDELINES:

Question 100 asks whether the annual Audit Report includes an executive summary. Only the Audit Report identified in Section 1 should be used to answer this question. The Audit Report can be a fairly technical document, and an executive summary of the report's findings can help make it more accessible to the media and the public.

To answer "a," the Audit Report must include at least one executive summary summarizing the report's content. Answer "b" applies if the Audit Report does not include an executive summary, or the Audit Report is not made publicly available.

Answer:

b. No, the annual Audit Report(s) does not include an executive summary.

Source:

Conclusion on the Execution of RA 2021 State Budget (AR) - <http://www.armsai.am/files/conclusion2021.pdf>

Law on Audit Chamber of RA - <https://www.arlis.am/DocumentView.aspx?DocID=165069>

Comment:

According to Part 4 of Article 26 of the Law on RA Audit Chamber, the Audit Chamber (AC) performs audit on the 3-, 6-, 9-month and one year execution of the state budget by state bodies. Based on the results of each audit, current conclusion on the execution of the state budget by a particular state body for one of the mentioned above time periods is prepared. After that, all these conclusions are summarized and the Conclusion on the Execution of State Budget (AR) for the particular budget year is prepared. In particular, AR 2021 consists of 14 pages, and that report, actually, itself, is an executive summary of all current audit reports, based on which AR was prepared.

Response "B" is chosen, as AR does not have an executive summary.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

101. 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?

GUIDELINES:

Question 101 asks whether the executive reports to the public on the steps it has taken to address audit recommendations made by the Supreme Audit Institution (SAI). The ultimate purpose of audits is to verify that the budget was executed in a manner consistent with existing law, and to hold the government accountable for this execution and its future improvement. The extent to which audits achieve the latter depends on whether there is adequate and timely follow-up on the recommendations provided in the SAI's audit reports.

To answer "a," the executive must report publicly on the steps it has taken to address all audit findings. A "b" response applies if the executive reports publicly on the steps it has taken to address most, but not all, audit findings. A "c" response applies if the executive reports publicly on the steps it has taken to address only some audit findings. As long as the executive reports publicly on the steps it has taken to address audit finding, answer "a," "b," or "c" may be selected, even if the Audit Report is not made publicly available. A "d" response applies if the executive does not report at all on its steps to address audit findings.

Answer:

d. No, the executive does not report on steps it has taken to address audit findings.

Source:

Conclusion on the Execution of RA 2021 State Budget (AR) - <http://www.armsai.am/files/conclusion2021.pdf>

Law on Audit Chamber of RA - <https://www.arlis.am/DocumentView.aspx?DocID=165069>

Comment:

As it stems from the Comment to the previous Question, AR is the summary of current conclusions of audits of the execution of state budget by state bodies. Part 6 of Article 26 of the Law on Audit Chamber provides that AC shall send the conclusion of the particular audit to the head of the state body, which was the object of that audit, and the latter, within 30 days after receiving the conclusion, shall inform in a written form, on the steps

it has taken to address all audit findings. That information then AC shall then attach to that conclusion.

As it can be seen, information on the steps taken by the executive to address all audit findings is published by AC, not by the executive, and for this reason the response "D" is chosen.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

102. Does either the Supreme Audit Institution (SAI) or legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?

GUIDELINES:

Question 102 asks whether the Supreme Audit Institution (SAI) or the legislature track actions by the executive to address audit recommendations. After audit results and recommendations are discussed and validated by the legislature, the executive is normally asked to take certain actions to address the audit findings. For accountability purposes, the public needs to be informed about the status of those actions, and steps the executive has taken to address audit recommendations. In addition to the executive reporting on its actions (see Question 101), the SAI and legislature – as the key oversight institutions – have a responsibility to keep the public informed by tracking the executive's progress in addressing audit recommendations.

To answer "a," the SAI or legislature must report publicly on what steps the executive has taken to address all audit findings. A "b" response applies if the SAI or legislature reports publicly on what steps the executive has taken to address most, but not all, audit findings. A "c" response applies if the SAI or legislature reports publicly on what steps the executive has taken to address only some audit findings. As long as the SAI or legislature reports publicly on the steps the executive has taken, answer "a," "b," or "c" may be selected, even if the Audit Report is not made publicly available. A "d" response applies if neither the SAI nor the legislature reports on the executive's steps to address audit findings.

Answer:

a. Yes, the SAI or legislature reports publicly on what steps the executive has taken to address all audit recommendations.

Source:

Conclusion on the Execution of RA 2021 State Budget (AR) - <http://www.armsai.am/files/conclusion2021.pdf>

Law on Audit Chamber of RA - <https://www.arlis.am/DocumentView.aspx?DocID=165069>

Comment:

Part 7 of Article 26 of the Law on RA Audit Chamber provides that within three days after receiving feedback from the object of audit, AC shall attach it to the current conclusion. This provision was followed in practice in 2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

103. Is there an Independent Fiscal Institution (IFI) that conducts budget analyses for the budget formulation and/or approval process?

GUIDELINES:

Question 103 examines whether an Independent Fiscal Institution (IFI) exists that contributes budget analyses to the budget formulation and/or approval process. According to the Principles for Independent Fiscal Institutions, adopted by the OECD Council in 2014, "independent fiscal institutions are publicly funded, independent bodies under the statutory authority of the executive or the legislature which provide non-partisan oversight and analysis of, and in some

cases advice on, fiscal policy and performance”, and with “a forward-looking ex ante diagnostic task”. In practice, they come in two main forms:

- Parliamentary budget offices (also known as PBOs) such as the Congressional Budget Office in the United States (<https://www.cbo.gov/>), the Parliamentary Budget Office in South Africa (<https://www.parliament.gov.za/parliamentary-budget-office>), and the Center for Public Finance Studies in Mexico (Centro de Estudios de las Finanzas Públicas, <http://www.cefp.gob.mx/>); or
- Fiscal councils such as the Office for Budget Responsibility in the United Kingdom (<https://obr.uk/>) and the High Council for Public Finances in France (Haut Conseil des finances publiques, <https://www.hcfp.fr/>).

For more information, see von Trapp et al. ‘Principles for Independent Fiscal Institutions and Case Studies’, OECD Journal on Budgeting 15:2 (special issue, 2016), <https://doi.org/10.1787/budget-15-5jm2795tv625>.

To answer “a,” there must be an IFI, and its independence must be set in law. In addition, it must have sufficient staffing and resources, including funding, to carry out its tasks. Answer “b” applies if an IFI exists, but either its independence is not set in law or its staffing and resources are insufficient to carry out its tasks. Answer “c” applies if an IFI exists, but its independence is not set in law and it lacks sufficient staffing and resources. Answer “d” applies if no IFI exists.

If the answer is “a,” “b,” or “c,” please specify in the comments the name and type of IFI that exists (e.g., parliamentary budget office or fiscal council). If the answer is “a” or “b,” identify the law that guarantees its independence, and provide evidence in support of the assessment of the adequacy of its staffing and resources. This can include the IFI’s total budget allocation over recent years, any press reports that discuss perceived funding shortfalls, assessments by international organizations, and/or information from interviews with staff of the IFI.

Answer:

d. No, there is no IFI.

Source:

Law on the Rules of Procedure of the National Assembly of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175794>

Regulations of the National Assembly of the Republic of Armenia - <http://parliament.am/legislation.php?sel=show&ID=5744&lang=arm>

Webpage of the Budget Office in NA website - http://parliament.am/budget_office.php?sel=about&action=functions&lang=arm

Comment:

The structure, which, formally, resembles to IFI in Armenia, is the Budget Office of the National Assembly (NA) of Armenia. The functioning of the Budget Office (BO) is stipulated by the Law on the Rules of Procedure of the National Assembly of Armenia, mainly, by Article 163 of the Law. According to Part 1 of that Article, BO has functional independence, which could be considered as sufficient to argue that BO is independent. It also provides that coordination and activities of BO shall be performed by the relevant standing committee of NA.

Functioning, staffing, powers and responsibilities of BO are defined also by the Work Procedure of the National Assembly, the current version of which was approved by December 16, 2016 Decision AZhO-267-N of NA. In particular, Chapter 24 (Points 108 to 126) is specifically regulating the functioning of BO

In order to assess level of resemblance of Armenian BO to IFI criteria, it should be assessed its powers and functions and to what extent the size of BO’s staff, volume of funding allocated to it and material resources (computers, printers, etc.) allow BO to carry out its functions provided through NA Work Procedure (see Points 115-118 of the Work Procedure). Armenian BO was established at the beginning of 2016 and since that time its staff consists of three experts (see http://parliament.am/budget_office.php?sel=about&action=structure&lang=arm), one of whom is the expert-coordinator (head of BO), though according to NA Work Procedure (see Point 108) its staff should consist of 5 experts, including the expert-coordinator. Obviously, such small number of staff (Armenian BO is the smallest BO in the world) does not allow BO to carry out analytical work and it limits itself only by providing necessary assistance to NA members, standing committees and factions through preparing references, summary descriptions for them, as well as assisting them in formulating interventions to EBP (see http://parliament.am/budget_office.php?sel=reports_and_statements&action=references&lang=arm for references, and http://parliament.am/budget_office.php?sel=reports_and_statements&action=annual_reports&lang=arm - for summary descriptions). Such limited scope of BO’s functions does not allow the researcher to conclude that BO has sufficient resources. In addition, though, as it has been mentioned above, BO, by law, enjoys functional independence, its budget is not a separate line in the state budget, but rather it is part of NA budget, approved by NA Speaker. Also, BO has no its own Charter of Regulations or Work Procedure, but rather its activities are regulated by a number of provisions set in NA Work Procedure (see Chapter 24 (Points 108 to 126) of NA Work Procedure).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, there is an IFI, its independence is set in law, and it has sufficient staffing and resources, including funding, to carry out its tasks.

IBP Comment

Many thanks to the reviewers for their comments. For cross-country consistency and given that the workplans of Budget Office are not fully at its discretion, it cannot be considered an IFI.

104. Does the Independent Fiscal Institution (IFI) publish macroeconomic and/or fiscal forecasts?

GUIDELINES:

Question 104 assesses whether an Independent Fiscal Institution (IFI) has a role in producing the macroeconomic forecast (e.g., GDP growth, inflation, interest rates, etc.) and/or the fiscal forecast (revenues, expenditure, deficits, and debt), and if so, what kind of role it has. Macroeconomic and/or fiscal forecasting is a typical core function across IFIs, but their role in forecasting takes several forms (von Trapp et al. 2016, p. 17 and Table 2). Some IFIs produce just a macroeconomic forecast, while others produce a complete fiscal forecast (which also typically requires an underlying macroeconomic forecast). In some cases, the fiscal forecast reflects continuation of current budget policies; such forecasts can be used by the legislature, the media, or the public to assess the projections in the executive's budget reflecting the government's policy proposals.

Some IFIs produce the official macroeconomic and fiscal forecasts used in the executive's budget. In other cases, IFIs do not prepare their own independent forecasts, but rather produce an assessment of the official estimates, or provide an opinion on, or endorsement of, the government's forecasts. Some others have no role at all in forecasting.

To answer "a", there must be an IFI that publishes both its own macroeconomic AND fiscal forecasts. Answer "b" applies if an IFI publishes its own macroeconomic OR fiscal forecast (but not both). Answer "c" applies if the IFI does not publish a macroeconomic or fiscal forecast, but rather publishes an assessment of the official forecasts produced by the executive and used in the budget. Choose option "d" if there is no IFI; or if there is an IFI that neither publishes its own macroeconomic and/or fiscal forecasts, nor a commentary on the official forecasts for the budget.

Macroeconomic forecasts may include indicators relating to economic output and economic growth, inflation, and the labor market, amongst others. Fiscal forecasts may include estimates of revenues, expenditures, the budget balance, and debt. If the answer is "a" or "b," please specify which indicators and estimates are included in the forecasts and whether the forecast is used by government as the official forecast. If the answer is "c," please describe the nature and depth of the assessment (e.g., the length of the commentary, or whether it covers both economic and fiscal issues).

Answer:

d. No, there is no IFI; or the IFI neither publishes its own macroeconomic and/or fiscal forecasts, nor a commentary on the official forecasts produced by the executive.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

105. Does the Independent Fiscal Institution (IFI) publish its own costings of new policy proposals, to assess their impact on the budget?

GUIDELINES:

Question 105 assesses whether an Independent Fiscal Institution (IFI) has a costing function that involves assessing the budgetary implications of new policy proposals for both revenues and expenditures, and if so, what kind of role it has. Many IFIs have a costing role, but with substantial diversity in the nature and extent of this work (von Trapp et al 2016, pp. 17-18 and Table 2). Some assess virtually all new policy proposals, while others cost only a selection of new policy proposals. Others only publish opinions on, or scrutinize the costings of, budget measures produced by the executive.

To answer "a," the IFI must publish its own costings of all (or virtually all) new policy proposals. Answer "b" applies if the IFI publishes its own costings, but only for major new policy proposals – for instance, only those proposals that cost or save above a certain amount. Answer "c" applies if the IFI publishes its own costings, but only on a limited number of proposals. This could occur, for instance, if the IFI lacked the capacity to assess proposals dealing with certain sectors. Instead of producing a cost estimate, it can also publish an assessment of the estimates produced by the executive. Answer "d" applies if there is no IFI; or if the IFI does not publish its own costings of new policy proposals or provide an assessment of the official costings of new policy proposals.

Answer:

d. No, there is no IFI; or the IFI does not publish its own costings of new policy proposals.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

106. In the past 12 months, how frequently did the head or a senior staff member of the Independent Fiscal Institution (IFI) take part and testify in hearings of a committee of the legislature?

GUIDELINES:

Question 106 concerns the interaction between two important oversight actors and assesses how frequently the Independent Fiscal Institution (IFI) made high-level inputs to the work of legislative committees. Almost all IFIs interact with the legislature in some form (von Trapp et al 2016, p. 18), but the intensity of the interaction varies. This question assesses this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the IFI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the IFI staff member in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). As evidence to support your answer, you can refer to official records of legislative committees, websites and annual reports of the IFI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; and "c" for once or twice. Answer "d" should be selected if the head or a senior staff member of the IFI never took part and testified in hearings of a committee of the legislature, or if there is no IFI.

Answer:

d. Never, or there is no IFI.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Frequently (i.e., five times or more).

IBP Comment

many thanks to the reviewer. Please see response to indicator 103.

107. Does the full legislature and/or a legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal?

GUIDELINES:

Question 107 asks whether the legislature debated budget policies prior to the tabling of the Executive's Budget Proposal for the most recent budget year before the research cut-off date. In general, prior to discussing the Executive's Budget Proposal for the coming year, the legislature should have an opportunity to review the government's broad budget priorities and fiscal parameters. Often times this information is laid out in a Pre-Budget Statement, which the executive presents to the legislature for debate. (See Questions 54-58.)

A number of countries conduct a pre-budget debate in the legislature around six months before the start of the budget year. In some cases, they adopt laws that guide the upcoming budget, for example the Budget Guidelines Law in Brazil and the Spring Fiscal Policy Bill in Sweden. A pre-budget debate can serve two main purposes: 1) to allow the executive to inform the legislature of its fiscal policy intentions by presenting updated reports on its annual and medium-term budget strategy and policy priorities; and 2) to establish "hard" multi-year fiscal targets or spending ceilings, which the government must adhere to when preparing its detailed spending estimates for the upcoming budget year.

To answer "a," the full legislature must debate budget policy prior to the tabling of the Executive's Budget Proposal and approve recommendations for the upcoming budget.

Answer "b" applies if a legislative committee (but not the full legislature) debates budget policy prior to the tabling of the Executive's Budget Proposal, and approves recommendations for the budget. Option "b" also applies if, in addition to the action by the committee, the full legislature also debates budget policy in advance of the budget, but does not approve recommendations.

Answer "c" applies if the full legislature and/or a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, but does not approve recommendations for the budget. Answer "d" applies if neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.

In your comment, please indicate the dates of the budget debate, and if both the full legislature and a legislative committee held a debate. Note that a debate does not need to be open to the public, but a public record of the meeting or a public notice that the meeting occurred is required. In addition, please indicate whether the budget debate was focused on a Pre-Budget Statement published by the Executive. If the Executive did not publish a Pre-Budget Statement, then please indicate what served as the focus of the legislature's debate (for instance, a report released by an IFI or some other institution).

Answer:

c. Yes, the full legislature and/or a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, but it does not approve recommendations for the upcoming budget.

Source:

Prime Minister's decisions on starting the budgetary process - for the decision on the start of FY 2023 budgetary process see January 21, 2022 Decision of the Prime Minister N 72-A on the Start of the 2023 Republic of Armenia Budgetary Process - <https://www.arlis.am/DocumentView.aspx?DocID=159682>

Law on the Budgetary System of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175826>

Comment:

Though neither the full legislature, nor any of its committee debate budget policy prior to the tabling of EBP, NA is indirectly involved in budgetary processes prior to the tabling of EBP.

As it has been already mentioned (see responses to questions of Section 1 of this questionnaire), the budgetary process for the preparation of the 2023 state budget and 2023-2025 MTPEF (which, in Armenian context, is PBS) started with the adoption of Prime-Minister's Decision N 72-A, which was signed on January 21, 2022. The appendix of that decision is the timetable (budget calendar) of the budgetary process. According to that timetable, after the Government adopts the preliminary draft of the next year's state budget (EBP) and corresponding MTPEF (which, according to the to the Point 2.10 of Article 21 of the Law on Budgetary System of the Republic of Armenia, shall be adopted the latest on July 10 and in 2022 it was adopted on June 30 by the June 30, 2022 Government Decree N 1010-N), it sends both documents (preliminary draft and MTPEF) to NA for information (according to the same Point of the same Article of the Law, the deadline for the submission of the named documents to NA is July 20). Then, according to the same timetable, each of the corresponding standing committees of NA shall discuss in its meeting those budget programs included in the preliminary draft, which are under their jurisdiction. In 2022 these discussions, according to the timetable, initially should take place from June 17, 2022 (it was the day after the deadline of the submission the named documents to NA (June 16, 2022) - see Point 25 of the timetable for the named deadline) to July 29 (see Point 28 of the timetable), but because of the delay of the adoption of these documents (June 30 instead of June 9 as provided by Point 24 of the timetable), the start of discussions in NA standing committees was shifted from June 17 to July 1. As a result of those discussions, NA committees submit recommendations on the budget programs to corresponding state entities (the deadline for the submission of suggestions and comments was July 29, 2022 - see Point 29 of the timetable). After that, the corresponding state entities shall submit their opinions to those recommendations to the Ministry of Finance, which is responsible for drafting the state budget (in 2022 the deadline for submitting the opinions was set as August 5). Finally, based on those opinions, these entities shall modify their parts of the preliminary draft of the state budget (in 2022 the deadline for this modification was August 12).

However, these timelines are constantly violated (the same happened also in 2022) and the discussions in the committees in 2022 took place only at the beginning of September (this also happened in previous years). The major reason of this delay is that according to the Law on the Performance Guarantees of NA Members (see Article 10 of the Law), NA members have the right for paid vacation only in summer and, by the same Law, the length of that vacation is equal to 30 working days (6 weeks). This means that the timelines set by the Prime-Minister's decision usually fall within that vacation period, especially considering the fact that it is a usual practice in Armenian NA, to have frequent extraordinary sessions after the end of the regular sessions (third Thursday of June for Spring sessions and third Thursday of December for Fall sessions). As a result of this practice, for example in 2022, the sessions in NA ended only at the middle of July (July 14) and immediately after that NA members took their paid vacations until the end of August. Consequently, NA standing committees discussed parts of EBP under their jurisdiction only at the end of August - beginning of September 2022.

Peer Reviewer

Opinion: Agree

Comments: However, it is necessary to take into account that the document submitted to National Assembly in June-July is not the final official draft budget. It is submitted to the National Assembly to get preliminary opinion of MPs about programs and activities. The GoA officially approves the draft budget for the next year in late-September and submits it to National Assembly in early October.

Government Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, and approves recommendations for the upcoming budget.

IBP Comment

IBP confirms answer choice C. Legislative subcommittees send recommendations to Executive Ministries, but these are not approved by the legislature.

108. How far in advance of the start of the budget year does the legislature receive the Executive's Budget Proposal?

GUIDELINES:

Question 108 examines how far in advance of the start of the most recent budget year the legislature receives the Executive's Budget Proposal. International good practice recommends that the Executive's Budget Proposal should be submitted to the legislature far enough in advance to allow the legislature time to review it properly, or at least three months prior to the start of the fiscal year. (See, for instance, Principle 2.2.2 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>)).

For the purposes of responding to this question, if – and only if – the most recent budget submission occurred later than usual as a result of a particular event, such as an election, please use a more normal year as the basis for the response. If, however, delays have been observed for more than one budget year, and the legislature has not received the Executive's Budget Proposal in a timely manner on more than one occasion in the last three years, then "d" will be the appropriate answer.

To answer "a," the legislature must receive the Executive's Budget Proposal at least three months in advance of the start of the budget year. Answer "b" applies if the legislature receives the Executive's Budget Proposal at least two months, but less than three months, before the start of the budget year. Answer "c" applies if the legislature receives the Executive's Budget Proposal at least one month, but less than two months, before the start of the budget year. Answer "d" applies if the legislature does not receive the Executive's Budget Proposal at least one month prior to the start of the budget year, or does not receive it at all.

Answer:

b. The legislature receives the Executive's Budget Proposal at least two months, but less than three months, before the start of the budget year.

Source:

Constitution of the Republic of Armenia (last, 2015 edition) - <https://www.arlis.am/DocumentView.aspx?DocID=143723>

Law on the Rules of Procedure of the National Assembly - <https://www.arlis.am/DocumentView.aspx?DocID=175794>

Law on the Budgetary System of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175826>

NA website - http://parliament.am/draft_history.php?id=13664

Comment:

According to Part 2 of Article 110 of the Constitution, the Government shall submit the draft of the next year's budget at least 90 days prior to the start of the budget year (in Armenian case - January 1). The same provision is repeated in the Law on the Rules of Procedure of the National Assembly (see Part 2 of Article 87) and Law on the Budgetary System of the Republic of Armenia (see Part 13 of Article 21).

As October 1 and 2 in 2022 were not working days (weekend days), EBP was submitted immediately after these weekend days - on October 3, 2022, which technically is less, than 90 days.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. The legislature receives the Executive's Budget Proposal at least three months before the start of the budget year.

109. When does the legislature approve the Executive's Budget Proposal?**GUIDELINES:**

Question 109 examines when the legislature approves the Executive's Budget Proposal. International good practice recommends that the Executive's Budget Proposal should be approved by the legislature before the start of the fiscal year the budget proposal refers to. This gives the executive time to implement the budget in its entirety, particularly new programs and policies.

In some countries, the expenditure and revenue estimates of the Executive's Budget Proposal are approved separately; for purposes of this question, at least the expenditure estimates must be approved. Further, approval of the budget implies approval of the full-year budget, not just a short-term continuation of spending and revenue authority.

To answer "a," the legislature must approve the Executive's Budget Proposal at least one month before the start of the budget year. Answer "b" applies if the legislature approves the Executive's Budget Proposal less than one month in advance of the start of the budget year, but at least by the start of the budget year. Answer "c" applies if the legislature approves the Executive's Budget Proposal less than one month after the start of the budget year. Answer "d" applies if the legislature approves the Executive's Budget Proposal more than one month after the start of the budget year, or does not approve the budget.

Answer:

b. The legislature approves the budget less than one month in advance of the start of the budget year, but at least by the start of the budget year.

Source:

Law on the Rules of Procedure of the National Assembly - <https://www.arlis.am/DocumentView.aspx?DocID=175794>

Website of NA - http://parliament.am/draft_history.php?id=13664

Comment:

The choice of b) as the answer to this Question is based on the practice, whereas the Law on the Rules of Procedure of the National Assembly allows also earlier approval of EBP (such precedent took place in 2018 with the approval of 2019 EBP (on November 22, 2018) and that was connected with conducting of snap parliamentary elections to be held on December 9, 2018). According to Part 4 of Article 87 of the Law, the debates on EBP shall start not later, than on the first regular 4-day sitting in November (in 2022 it was the November 15-18 session). After the completion of debates on that sitting, according to Part 6 of Article 90 of the Law, the discussion on EBP shall be interrupted for at least 4 days, during which NA members and factions shall submit to the Government their suggested amendments. The Government shall consider those amendments and after that the discussions shall re-start. Thus, it is possible to approve EBP even in November. However, the usual practice is that the interruption lasts much longer, than 4 days, and extends until the beginning of December, when the following regular 4-day sitting takes place, during which EBP is approved. This practice was in place in 2022, as well, and EBP was approved on December 8, 2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

110. Does the legislature have the authority in law to amend the Executive's Budget Proposal?

GUIDELINES:

Question 110 examines the legislature's power to amend—as opposed to simply accept or reject—the budget proposal presented by the executive. This question is about legal authority rather than actions the legislature takes in practice. The legislature's powers to amend the budget can vary substantially across countries.

The "a" response is appropriate only if there are no restrictions on the right of the legislature to modify the Executive's Budget Proposal, including its right to change the size of the proposed deficit or surplus. The "b" response would be appropriate if, for instance, the legislature is restricted from changing the deficit or surplus, but it still has the power to increase or decrease funding and revenue levels. The more limited "c" response would apply if, for instance, the legislature can only re-allocate spending within the totals set in the Executive's Budget Proposal or can only decrease funding levels or increase revenues. Finally, response "d" would apply if the legislature may not make any changes (or only small technical changes), or if amendments must first be approved by the executive. In these cases, the legislature is essentially only able to approve or reject the budget as a whole. If the answer is "b" or "c", please indicate the nature of the amendment powers available to the Parliament and how they are limited.

Answer:

a. Yes, the legislature has unlimited authority in law to amend the Executive's Budget Proposal.

Source:

Law on the Rules of Procedure of the National Assembly - <https://www.arlis.am/DocumentView.aspx?DocID=175794>

Comment:

According to the Law on the Rules of Procedure of the National Assembly, the members and factions of the legislature (NA) has the authority to propose amendments to EBP to the Government (see Part 7 of Article 90 of the Law). In its turn, the Government decides which of those amendments to accept and which of them - reject (see Part 2 of Article 91 of the Law).

Peer Reviewer

Opinion: Agree

Comments: I agree with the answer, however, I have some reservation regarding the phrase "the Government decides which of those amendments to accept and which of them reject". The law is adopted by the National Assembly and the National Assembly may adopt it as it finds appropriate. Part 7 of Article 90 refers to submission of proposals related to draft budget by MPs and factions of the parliament (after at least 4 days). Part 7 of Article 91 of the Law on the Rules of Procedures of the National Assembly refers to amendments in the law on budget (not amendments to draft budget or EBP). Part 2 of Article 91 refers to amount of time allocated to Prime Minister or the Minister of Finance to present the updated budget after the National Assembly resumes discussions after 4 day break.

Government Reviewer

Opinion: Agree

111. During the most recent budget approval process, did the legislature use its authority in law to amend the Executive's Budget Proposal?

GUIDELINES:

Question 111 assesses whether any formal authority of the legislature to amend the Executive's Budget Proposal is used in practice. The responses to this question should be determined based on action by the legislature related to the Enacted Budget used in the OBS. Choose answer "a" if the legislature used its authority in law to amend the Executive's Budget Proposal during the most recent budget approval process, and amendments were adopted (all, or at least some of them). Answer "a" also applies if the legislature used its authority in law to amend the Executive's Budget Proposal, but the amendments were rejected by executive veto. Answer "b" applies if the legislature used its authority in law to propose amendments to the Executive's Budget Proposal, but none of these amendments were adopted. Answer "c" applies if the legislature has the authority in law to amend the budget, but no amendments were proposed during its consideration. Answer "d" applies when the legislature does not have any authority to amend the budget (that is, Question 110 is answered "d").

If the answer is "a" or "b", please specify in the comments the number of amendments introduced by the legislature (and in the case of an "a" response, the number adopted, or if applicable, information about an executive veto) and describe their nature. For example, did the amendments result in an increase or

decrease of the deficit? What were the most significant amendments to revenues and to expenditures in terms of the sums involved? How did amendments affect the composition of expenditures? If the answer is "a," please specify which amendments were adopted, and provide evidence for it.

Answer:

a. Yes, the legislature used its authority in law to amend the Executive's Budget Proposal, and (at least some of) its amendments were adopted.

Source:

Agenda of the December 6-9, 2022 4-day session of NA - <http://parliament.am/agenda.php?AgendaID=665&day=08&month=12&year=2022&lang=#08.12.2022>

EBP final version adopted on December 8, 2022, including supporting documents, among them the summary note containing the amendments and requests for clarifications proposed by NA members and factions - <http://parliament.am/drafts.php?sel=showdraft&DraftID=13664&Reading=0>

Comment:

According to the summary sheet, NA members and factions submitted 45 amendments and requests for clarification, from which the Government fully accepted 6, out of which 5 were suggestions on adding new or modifying existing non-financial outcome indicators of the measures of budgetary programs and only 1 was amendment brought to change in the budget numbers, namely, it increased (in an amount of around 1,299,000 USD (500 mln AMD)) budget expenditures.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

112. During the last budget approval process, did a specialized budget or finance committee in the legislature examine the Executive's Budget Proposal?

GUIDELINES:

Question 112 assesses the role of a specialized budget or finance committee during the budget approval stage. Effective committee involvement is an essential condition for legislative influence in the budget process. Specialized committees provide opportunities for individual legislators to gain relevant expertise, and to examine budgets and policy in depth. Yet, the involvement of committees differs across legislatures. Some legislatures have separate committees to examine spending and tax proposals, while others have a single finance committee. Not all legislatures have a specialized budget or finance committee to examine the budget. In addition, there can be differences in the time available for the committee's analysis of the budget.

A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, therefore it must be published before the legislature has adopted the budget.

Response "a" requires that, in the last budget approval process, a specialized budget or finance committee had one month or more to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted. Response "b" applies where such a committee examined the draft budget and published a report, but within a shorter timeframe of less than one month. Response "c" applies if a committee examined the budget (without regard to the time period), but did not publish a report prior to the adoption of the budget. Response "d" applies where a specialized budget or finance committee did not examine the Executive's Budget Proposal.

Please specify in your comment the name of the committee and the number of days it had available to examine the budget. For bicameral legislatures where one house or chamber has greater constitutional authority in budgetary matters, the question applies to the house or chamber (usually the upper or second one) that is decisive. For bicameral legislatures with co-equal houses or chambers, the question should be answered with reference to the one that achieves the higher score for this question. In the case of bicameral legislatures, please note the relevant arrangements in each house or chamber. If applicable, provide a copy of the report. Please note also if a report is published, but only after the budget has been adopted.

Answer:

c. Yes, a specialized budget or finance committee examined the Executive's Budget Proposal, but it did not publish a report with findings and recommendations prior to the budget being adopted.

Source:

Law on Rules of Procedure of the National Assembly of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175794>

Webpage of the Standing Committee on Financial-Credit and Budgetary Affairs on NA website - <http://parliament.am/committees.php>

do=show&ID=111218&lang=arm&enc=utf8

Webpage on the news stories on NA website - <http://parliament.am/news.php?lang=arm>

Comment:

The areas of budget legislation and state budget are among the areas under the jurisdiction of NA Standing Committee on Finance-Credit and Budgetary Affairs. Due to that, it serves as steering committee in the process of EBP approval in NA. According to Article 88 of the Law on Rules of Procedures of the National Assembly of the Republic of Armenia, the Standing Committee on Finance-Credit and Budgetary Affairs as steering committee a) coordinates the preliminary hearings on EBP in the standing committees (these hearings take place during the two weeks preceding the week before the first 4-day full session in November when EBP is debated) and co-chairs those hearings together with the chairs of the relevant standing committees, and, b) through its oral presentation made during the debates on EBP at 4-day regular session presents the findings revealed during the preliminary discussion in the Committee. However, it hardly could be considered as a report with findings and recommendations mentioned in the question, primarily because it is not disseminated prior to the debates on EBP at the 4-day regular session(s).

Considering the fact that the Government submits EBP to NA not later, than 90 days before the start of the budget year, and that deadline is October 2, the Standing Committee on Finance-Credit and Budgetary Affairs has more, than month available to examine EBP.

In practice, the mentioned legal requirements are followed (see news stories about the hearings on EBP in the NA standing committees - see, for example, the news story on the first such hearing on October 31, 2022 at http://parliament.am/news.php?cat_id=2&NewsID=17559&year=2022&month=10&day=31)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

113. During the last approval process, did legislative committees, responsible for particular sectors (e.g., health, education, defense, etc.), examine spending in the Executive's Budget Proposal related to the sector for which they are responsible?

GUIDELINES:

Question 113 assesses the role of committees of the legislature that are responsible for particular sectors (e.g., health, education, defense, etc.) during the budget approval stage. The role of sectoral committees differs across legislatures. Some legislatures do not involve them in the budget approval process, while others do. In addition, the time available for committee analysis differs.

A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, so therefore must be published before the legislature has adopted the budget. Response "a" requires that sector committees had one month or more to examine the Executive's Budget Proposal, and published a report with findings and recommendations prior the budget being adopted. Response "b" applies where such committees examined the draft budget and published a report, but within a shorter timeframe of less than one month. Response "c" applies if sectoral committees examined the budget (without regard to the time period), but did not publish a report prior to the adoption of the budget. Response "d" applies where sectoral committees did not examine the Executive's Budget Proposal.

Please note that the examination of sectoral budgets by a specialized budget or finance committee is assessed in Question 112 and should not be considered for this question.

Please provide in the comments a brief overview of the committee structure and specify the number of days that sectoral committees had available to examine the budget and to publish their reports. For bicameral legislatures where one house or chamber has greater constitutional authority in budgetary matters, the question applies to the house or chamber (usually the upper or second one) that is decisive. For bicameral legislatures with co-equal houses or chambers, the question should be answered with reference to the one that achieves the higher score for this question. In the case of bicameral legislatures, please note the relevant arrangements in each house or chamber. If applicable, provide a sample copy of at least one of the reports. Please note if a report is published, but only after the budget has been adopted.

For purposes of responding to this question, use those sectoral committees that are best performing – that is, the ones that examine the budget the longest and that publish reports.

Answer:

c. Yes, sector committees examined the Executive's Budget Proposal, but they did not publish reports with findings and recommendations prior to the budget being adopted.

Source:

Law on Rules of Procedure of the National Assembly of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175794>

Webpage on the news stories on NA website - <http://parliament.am/news.php?lang=arm>

Comment:

As it has been mentioned in the Comment to Question 112, preliminary hearings on EBP in all standing committees shall be held prior to the debates at the regular 4-day session of NA at which EBP shall be debated. During these hearings the committee members can submit their amendments to the Government.

In practice, the mentioned legal requirements are followed (see news stories about the hearings on EBP in the NA standing committees).

Peer Reviewer

Opinion: Agree

Comments: The standing committees examine sections of the draft budget and ask questions to representative of the GoA during joint sessions with Standing committee on Financial Credit and Budgetary Affairs. However, the standing committees responsible for sectors rarely express opinion on draft budget. In most cases only standing Committee on Financial Credit and Budgetary Affairs and Committee on Defense and Security express opinion.

Government Reviewer

Opinion: Agree

114. In the past 12 months, did a committee of the legislature examine in-year implementation of the Enacted Budget during the relevant budget execution period?**GUIDELINES:**

Question 114 is about legislative oversight of budget execution. It assesses whether and how often a committee examined the implementation of the budget during the budget execution period (i.e., financial year) for which it was approved, and whether this resulted in an official report with findings and recommendations. This question does not apply to the ex post review of implementation following the end of the budget year as part of the audit stage, which is assessed separately. Nor does it apply to the legislature's review of the budget that it may undertake as part of the process of considering a supplemental budget during the year. In-year monitoring by the legislature will be affected by the frequency that the executive publishes In-Year Reports.

To answer "a," a committee must have examined in-year implementation of the Enacted Budget at least three times during the course of the relevant budget year and published reports with findings and recommendations. Answer "b" applies where this occurred only once or twice during the year.

Exception: If a legislature is in session only twice during the year, and it examines the implementation of the budget during both sessions, then it would be eligible for an "a" response.

Choose "c" if a committee examined in-year implementation (without regard to frequency), but did not publish any report with findings and recommendations. Answer "d" applies where no committee examined in-year implementation.

If the answer is "a" or "b," please specify the name of the committee and when it reviewed budget implementation, and provide a copy of its report(s). If the answer is "c," please specify the name of the committee and when it reviewed budget implementation.

For purposes of responding to this question, if more than one committee holds in-year reviews of the budget, use the committee that is best performing – that is, the one that examines in-year implementation the most times and that publishes a report.

Answer:

c. Yes, a committee examined in-year implementation, but it did not publish any report with findings and recommendations.

Source:

Law on Rules of Procedure of the National Assembly of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175794>

Webpage on the news stories on NA website - <http://parliament.am/news.php?lang=arm>

Comment:

According to Part 1 of Article 114 of the Law on Rules of Procedure of the National Assembly of the Republic of Armenia, within 40 days after the

end of each quarter, the Government shall submit reference on the in-year implementation of the state budget to NA. Part 3 of the same Article provides that each corresponding standing committee shall discuss the reference at its meeting. However, there is no publicly available information on these discussions. In practice, NA is very active only in discussing YER.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, a committee examined in-year implementation, but it did not publish any report with findings and recommendations.

Comments: The Standing Committee on Financial Credit and Budgetary Affairs discussed quarterly and semiannual information (according to the Law on Budget System this is not a report but an information or notification - I don't know the exact translation) submitted by the GoA. On 13 June 2022 the Standing Committee on Financial Credit and Budgetary Affairs discussed information about budget execution during the first quarter of 2022. It was the second topic of the 17th session (http://www.parliament.am/committees.php?do=show&ID=111218&showdoc=2867&cat_id=agendas&month=all&year=2022&lang=arm). The text and tables are available at http://www.parliament.am/budget_office.php?sel=reports_and_statements&action=annual_reports&lang=arm&id=467. On 5 September 2022, during its first fall session, the Standing Committee on Financial Credit and Budgetary Affairs discussed information about semiannual budget execution. It was the second topic of the agenda (http://www.parliament.am/committees.php?do=show&ID=111218&showdoc=2918&cat_id=agendas&month=all&year=2022&lang=arm). The text and tables are available via the link. On 15 December 2022 the Standing Committee on Financial Credit and Budgetary Affairs discussed information related to 9 month budget execution. It was the first topic on the agenda (http://www.parliament.am/committees.php?do=show&ID=111218&showdoc=2994&cat_id=agendas&month=all&year=2022&lang=arm). In 2023 the Standing Committee on Financial Credit and Budgetary Affairs continued to discuss quarterly and semiannual informations about budget execution. In 2023 the Standing Committee on Financial Credit and Budgetary Affairs discussed semiannual information on 25 September 2023 (http://www.parliament.am/committees.php?do=show&ID=111218&showdoc=3165&cat_id=agendas&month=all&year=2023&lang=arm). The Minister of Finance informed the committee about budget execution during the first six months. The title of the topic on the agenda also highlights that this is not a discussion of the report but of quarterly information submitted by the GoA. Information related to the first quarter budget execution was discussed on 7 July 2023 (http://www.parliament.am/committees.php?do=show&ID=111218&showdoc=3138&cat_id=agendas&month=all&year=2023&lang=arm). There is no information about discussion of information related to in year budget execution in other standing committees.

Government Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, a committee examined in-year implementation, but it did not publish any report with findings and recommendations.

IBP Comment

Many thanks to reviewers for their suggestion and citations. IBP worked with researcher to revise to answer choice C.

115. Does the executive seek approval from the legislature prior to shifting funds between administrative units that receive explicit funding in the Enacted Budget, and is it legally required to do so?

GUIDELINES:

Question 115 examines whether the executive seeks approval from the legislature prior to shifting funds between administrative units, and whether it is legally required to do so.

In some countries, the executive has the power in law to adjust funding levels for specific appropriations during the execution of the budget. This question examines rules around shifting funds between administrative units (ministries, departments, or agencies) or whatever funding unit (or "vote") is specified in the Enacted Budget.

The conditions under which the executive may exercise its discretion to shift funds should be clearly defined in publicly available regulations or law. In addition, the amount of funds that the executive is allowed to transfer between administrative units should not be so excessive as to undermine the accountability of the executive to the legislature.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before shifting funds between administrative units, and it does so in practice. Answer "b" applies if the executive obtains legislative approval before shifting funds between administrative units, but is not legally required to do so. Answer "c" applies if the executive is legally required to receive legislative approval before shifting funds, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to shift funds between administrative units and the executive does not obtain legislative approval in practice. Answer "d" also applies if the executive is authorized to shift an amount considered so excessive as to undermine accountability (roughly equal to 3 percent of total budgeted expenditures). A "d" response applies if the legislature only approves the shifting of funds after it has already occurred.

In the comments, please indicate any law or regulation that provides the executive with standing authority to shift funds between administrative units and, if so, describe that authority. Similarly, legislative approval for shifting funds between administrative units typically occurs with the adoption of legislation such

as a supplemental budget. But if other formal procedures for gaining approval from the legislature exist, then please provide information about that approval process.

Answer:

a. The executive is required by law or regulation to obtain approval from the legislature prior to shifting funds between administrative units, and it does so in practice.

Source:

Law on the Budgetary System of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175826>

Law on 2023 State Budget of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=180160>

Law on Amending the Law on 2022 State Budget of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=172452>

Comment:

According to the second paragraph of Part 3 of Article 23 of the Law on the Budgetary System of the Republic of Armenia, the Government can shift some amounts between administrative units without prior approval from NA, provided that the total amount of shifted funds shall not exceed 3% of total allocations (expenditures) of the state budget, if nothing else is envisaged in the annual budget law. The last part of the provision (...if nothing else ...) in practice actually indirectly increases the 3% cap without changing the named provision of the Law on the Budgetary System, which, to some extent, undermines the accountability of the executive to the legislature, though with the consent of the latter.

Similar to previous years, the Law on 2023 State Budget of the Republic of Armenia also contains provisions, especially in the Articles 7 and 9 of the Law, which indirectly increase the share of funds that the Government can shift between administrative units, without prior approval from legislature. For example, Point 20 of the named Article provides that the Government is allowed to exceed the mentioned above 3% cap while shifting the funds between administrative units, if the redistribution is carried out for the implementation of the programs and measures aimed to overcome economic and social consequences of COVID-19 pandemic.

Finally, on December 26, 2022, just 5 days before the end of 2022 budget year, NA adopted the Law on Amending the Law on 2022 State Budget of the Republic of Armenia by which it increased the mentioned above cap from 3% to 5% for 2022 state budget.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. The executive is required by law or regulation to obtain approval from the legislature prior to shifting funds between administrative units, but in practice the executive shifts funds before obtaining approval from the legislature.

Comments: The GoA shifts funds between programs and activities by its decrees. Over the recent years number of decrees increased substantially. While over 2011-2018 the GoA used to adopt every year approximately 200-300 decrees making changes to annual budget, since 2019 the number of decrees increased substantially: 2019 - 517 decrees; 2020 - 457, 2021 - 529, 2022 - 519. Some of the GoA Decrees envisaged large scale changes to the budget ('monster' decrees). E.g., the GoA Decree №1700-N from 3 November 2022 can actually be considered as sequestration because as a result of it appropriations to 62 activities of 36 programs with the total amount exceeding AMD 4 billion have been amended: appropriations to 61 activities were reduced by AMD 5.7 billion, appropriations to government reserve fund were increased by AMD 4.1 billion and for the rest of the amount the GoA reduced the deficit. Another 'monster' decree, the GoA Decree №1864-N from 1 December 2022 reallocated funds between 141 activities of 62 programs an absolute amount of AMD 69.9 billion: appropriations to 138 programs were reduced by AMD 50.4 billion, appropriations to 3 programs were increased by AMD 19.9 billion and revenues and the deficit were reduced for the rest of the amount. As a result of the GoA decree №1864-N original appropriations were reduced by 2.3% (AMD 50.4 billion of AMD 2.2 trillion). One of the specifics of expenditure virements in Armenia is that in recent years - since 2019 - the law on annual budget contains a provision that virements that involve government reserve fund are not counted as virements and don't fall under 3% cap specified in the Law on Budget System. Taking as a basis the above mentioned provision of the law in several cases the GoA transfers funds from certain program / activity to government reserve fund and then moves from government reserve fund to another program / activity. The GoA does not count these shift of appropriation as virements and does not account them under 3% cap specified by the Law. The researcher referred to the Law adopted by the National Assembly that increased the cap for expenditure virements from 3% to 5%. The Law was adopted on 16 December 2022 and entered into force on 28 December 2022 (<https://www.arlis.am/documentview.aspx?docid=172452>), two days before the end of fiscal year. Thus by amending the law it is not that the National Assembly allowed the GoA to make expenditure virements but actually legalised the virements carried out before that day.

Government Reviewer

Opinion: Agree

IBP Comment

Many thanks to peer reviewer. IBP worked with researcher to maintain answer choice A. The laws, in particular, Law on Budgetary System of the Republic of Armenia and Law on [year] State Budget, are adopted by NA, which means that such shifting are approved by NA. Regarding sums of money transferred during the budget year between administrative units - all these transfers the legislature approved in advance through special provisions put in EB. Note that while the laws are in place, last round (OBS 2021) due to Emergencies declared following covid and a border war, the practice was different than usual.

116. Does the executive seek approval from the legislature prior to spending excess revenue (that is, amounts higher than originally anticipated) that may become available during the budget execution period, and is it legally required to do so?

GUIDELINES:

Question 116 examines whether the executive receives approval from the legislature prior to spending excess revenue, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if additional revenue is collected unexpectedly during the year, which often happens in oil/mineral-dependent countries, and it was not accounted for in the Enacted Budget, there should be a procedure in place to ensure that the legislature approves any proposed use of these "new" funds. If such requirements are not in place, the executive might deliberately underestimate revenue in the budget proposal it submits to the legislature, in order to have additional resources to spend at the executive's discretion, with no legislative control.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before spending any funds resulting from higher-than-expected revenues, and it does so in practice. Answer "b" applies if the executive obtains legislative approval before spending excess revenue, but is not legally required to do so. Answer "c" applies if the executive is legally required to receive legislative approval before spending excess revenue, but does not do so in practice. Answer "d" applies if prior legislative approval is not legally required for the executive to spend excess revenue and the executive does not obtain legislative approval in practice. A "d" response applies if the legislature only approves the additional spending after it has already occurred.

Typically, legislative approval of additional spending beyond what was reflected in the Enacted Budget would occur with the adoption of a supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.

Answer:

c. The executive is required by law or regulation to obtain approval from the legislature prior to spending excess revenues, but in practice the executive spends these funds before obtaining approval from the legislature.

Source:

Law on the Budgetary System of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175826>

Law on 2023 State Budget of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=180160>

Laws on State Budgets, and changes and amendments to those laws from 2003 to 2022

Comment:

The response "Not/applicable" is chosen, as the correct answer in the case of Armenia would be "The executive is required by law or regulation to obtain approval from the legislature prior to spending excess revenues, but in practice since 2003 when relevant amendment has been introduced in the Law on the Budgetary System of the Republic of Armenia (see below) only two times (in 2003 and 2007) it was applied in practice".

Part 3 of Article 23 of the Law on the Budgetary System of the Republic of Armenia provides that "Any changes and (or) amendments to the state budget approved by NA can be made through legislative initiative upon the proposal from the Government, members of NA or NA factions" (the only exception is when the excess revenue is donation to the state budget, in which case the Law allows the Government to spend that revenue without prior approval from NA and on the priorities defined by the donor - see Part 8 of Article 23 of the Law).

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. The executive is required by law or regulation to obtain approval from the legislature prior to spending excess revenues, but in practice the executive spends these funds before obtaining approval from the legislature.

Comments: According to part 1 of Article 110 (Adoption of the State Budget) of the Constitution "The National Assembly shall adopt the State Budget upon submission of the Government. The State Budget shall include all revenues and expenditures as prescribed by law" (<https://www.president.am/en/constitution-2015/>). I am not a lawyer but would like to stress the word "all" in the second sentence: The state budget shall include ALL revenues and expenditures ... If the GoA is allowed not to include ALL the revenues then it may include in the annual budget only part of the revenue forecasted and keep the rest under its discretion. On 23 June 2022 the GoA 'suddenly' discovered AMD 40 billion additional taxes and duties (GoA Decree №944-N from 23 June 2022. Available in Armenian at <https://www.arlis.am/documentview.aspx?docid=164594>). AMD 40 billion constitute 2.17 percent of all taxes and duties (AMD 1,843,916,831.0 thousands) approved by the National Assembly. The GoA spend the additional revenue without getting permission from the National Assembly. This was not the only such case in recent years. During the GoA session on 22 May 2019 the Prime Minister announced that revenue side of the budget will be overperformed by AMD 62 billion and the GoA needs to decide how to allocate those additional budgetary means (<https://www.primeminister.am/en/press-release/item/2019/05/22/Nikol-Pashinyan-meeting/>).

The National Assembly was not involved.

Government Reviewer

Opinion: Disagree

Suggested Answer:

a The executive is required by law or regulation to obtain approval from the legislature prior to spending excess revenues, and it does so in practice.

IBP Comment

Many thanks to reviewers for their suggestions. IBP worked with researcher to revise response to C (from E). Through special provisions National Assembly (NA) gives its approval for all future cases of spending of the excess revenue during the coming budget year. This implies Executive is able to shift funds through out the year without much oversight. Note that the practice recorded in OBS 2021 was an exception in practice due to multiple emergencies relating to Covid and border war.

117. Does the executive seek approval from the legislature prior to reducing spending below the levels in the Enacted Budget in response to revenue shortfalls (that is, revenues lower than originally anticipated) or other reasons during the budget execution period, and is it legally required to do so?

GUIDELINES:

Question 117 examines whether the executive receives approval from the legislature prior to cutting spending below the levels in the Enacted Budget in response to revenue shortfalls or for any other reason, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if less revenue is collected unexpectedly during the year, the legislature should approve or reject any proposed reductions in expenditures that are implemented as a result. If such requirements are not in place, the executive might substantially change the composition of the budget at the executive's discretion, with no legislative control.

Typically, legislative approval of proposals to reduce spending below the levels reflected in the Enacted Budget would occur as part of the supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.

To answer "a," the executive is required by law or regulation to obtain prior legislative approval before implementing spending cuts in response to revenue shortfalls or for other reasons, and it does so in practice. Answer "b" applies if the executive received legislative approval before implementing such cuts, but is not legally required to do so. Answer "c" applies if the executive is legally required to obtain legislative approval before implementing such cuts, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to implement such cuts and the executive does not obtain such approval in practice. A "d" response applies if the legislature only approves the spending cuts after they have already occurred.

Answer:

d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to reducing spending below enacted levels, and in practice the executive implements these spending cuts before seeking prior approval from the legislature.

Source:

Law on the Budgetary System of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175826>

Law on 2023 State Budget of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=180160>

Laws on State Budgets, and changes and amendments to those laws from 2003 to 2022

Comment:

The response "Not/applicable" is chosen, as the correct answer in the case of Armenia would be "The executive is required by law or regulation to obtain approval from the legislature prior to reducing spending, but in practice it has never been applied in practice".

It should also worth mentioning that according to Part 7 of Article 23 of the Law on the Budgetary System of the Republic of Armenia, if the revenue shortfall is estimated as less, than 10% of the revenues of EB, then the Government can adopt decree (without prior approval from NA) on reducing the spending.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. The executive is required by law or regulation to obtain approval from the legislature prior to reducing spending below the enacted levels in response to revenue shortfalls or other reasons, and it does so in practice.

IBP Comment

For cross country consistency, IBP revised to answer choice D given that in practice legislature is bypassed.

118. Did a committee of the legislature examine the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI)?

GUIDELINES:

Question 118 is about ex post oversight following the implementation of the budget. It probes whether a committee examined the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI), and whether this resulted in an official report with findings and recommendations. A key issue is how soon after the SAI releases the report does it legislature review it. This question does not apply to the legislative scrutiny of in-year implementation of the Enacted Budget during the relevant budget execution period, which is assessed separately. Also, the question is asking specifically about the SAI's annual report on the execution of the budget, not about other audit reports that the SAI may produce. (This is the Audit Report used for responding to Question 98.)

To answer "a," a legislative committee must have examined the annual Audit Report within three months of it being released by the SAI, and then published a report (or reports) with findings and recommendations. (Note that the three-month period should only take into account time when the legislature is in session.)

Answer "b" applies when the committee examines it within six months of it being released (but more than three months), and then published a report with its findings and recommendations. Choose "c" if a committee examined the annual Audit Report more than six months after it became available or it did not publish any report with findings and recommendations. Answer "d" applies where no committee examined the annual Audit Report.

If the answer is "a" or "b," please specify the name of the committee and when it reviewed the Audit Report, and provide a copy of its report(s). If the answer is "c," please specify the name of the committee and when it reviewed budget implementation. Answers "a," "b," or "c" may be selected if the Audit Report is produced by the SAI but not made publicly available.

Answer:

c. Yes, a committee examined the Audit Report on the annual budget, but it did so after the report had been available for more than six months or it did not publish any report with findings and recommendations.

Source:

Law on the Rules of Procedure of the National Assembly of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175794>

Comment:

Response "Not applicable/other" is chosen, because, though in 2022 standing committees examined the Audit Report on the annual budget within three months of its availability, but no report was published with findings and recommendations.

The Audit Report (AR), which, according to Part 3 of Article 116 of the Law on the Rules of Procedure of the National Assembly of the Republic of Armenia, the Audit Chamber shall submit to NA not later, than 1 month after the Government submits EYR to NA (meaning that the deadline of the submission of AR is June 1), is discussed only together with the End-Of-Year Report (EYR) and it is preliminarily discussed by all standing committees of NA.

The procedures of preliminary discussions of YER and AR in the standing committees in NA and then their debates at the 4-day regular session (sitting) are identical to those for EBP (see Article 117 of the Law on the Rules of Procedure of the National Assembly of the Republic of Armenia). Similar to EBP case, here also the Standing Committee on Finance-Credit and Budgetary Affairs is acting in the capacity of steering committee and it coordinates preliminary discussions and then it can present its findings during the debates at the 4-day sitting. In particular, on June 12, 2022 the Annual Report on Execution of RA State Budget for 2021 was debated at joint sitting of RA NA standing committees - see news story on that at http://parliament.am/news.php?do=view&cat_id=2&day=12&month=06&year=2023&NewsID=18953&lang=arm

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

119. Was the process of appointing (or re-appointing) the current head of the SAI carried out in a way that ensures his or her independence?

GUIDELINES:

Question 119 concerns the appointment process of the current head of the Supreme Audit Institution (SAI). Appointment procedures vary greatly across countries, as well as across different types of SAIs. Moreover, conventions and informal practices can greatly affect the de facto independence of the head of the SAI. While these factors make it difficult to devise a single metric against which all SAIs can be assessed with regard to this particular aspect, this question focuses on whether the legislature or judiciary must appoint or approve the appointment of the head of the SAI as a way to ensure the SAI's independence from the executive. However, if the appointment is carried out in another way that nonetheless ensures the independence of the SAI head, then that approach could be also considered.

To answer "a," the legislature or judiciary must appoint (or re-appoint) the head of the SAI, or approve the recommendation of the executive, as a way that ensure his or her independence from the executive. (As noted above, alternative approaches may also be acceptable.) Choose "b" if the appointment process does not ensure the independence of the head of the SAI, e.g. the executive may appoint the head of the SAI without the final consent of the legislature or judiciary.

Irrespective of which answer you selected, provide a description of how the head of the SAI is appointed.

Answer:

a. Yes, the head of the SAI may only be appointed by the legislature or judiciary, or the legislature or judiciary must give final consent before the appointment takes effect.

Source:

Constitution of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=143723>

Law on the Rules of Procedure of the National Assembly of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175794>

Comment:

According to Part 2 of Article 199 of the Constitution, all 7 members of the Audit Chamber, including its Chair (the number of members is defined by Part 1 of the same Article of the Constitution) shall be appointed by NA.

The Procedure of the election of the Chair and members of the Audit Chamber, together with the procedure of election of other officials appointed by NA (Prosecutor General, Ombudsman, Chair of the Central Bank and others) are defined by Article 145 of the Law on the Rules of Procedure of the National Assembly of the Republic of Armenia.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

120. 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?

GUIDELINES:

Question 120 covers the manner in which the head or senior members of the SAI may be removed from office. This question draws on best practices identified in the Lima Declaration of Guidelines on Auditing Precepts (<http://internationalbudget.org/wp-content/uploads/LimaDeclaration.pdf>), including measures intended to guarantee the office's independence from the executive.

To answer "a," the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before the head of the SAI is removed. For example, the legislature or judiciary may give final consent following a certain external process, such as a criminal proceeding. So while the executive may initiate a criminal proceeding, the final consent of a member of the judiciary – or a judge – is necessary to render a verdict of wrongdoing that may lead to the removal from office of the head of the SAI. Answer "b" applies if the executive may remove the head of the SAI without the final consent of the judiciary or legislature.

Answer:

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 he or she is removed.

Source:

Constitution of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=143723>

Law on the Rules of Procedure of the National Assembly of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175794>

Comment:

Part 6 of Article 199 of the Constitution provides that NA removes the member of the Audit Chamber by three fifth of the votes of all members of NA.

Article 153 of the Law on the Rules of Procedure of the National Assembly of the Republic of Armenia provides the procedure of the removal (not only of the Audit Chamber member, but also other high-ranking officials, who, by Constitution, are appointed by NA).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

121. Who determines the budget of the Supreme Audit Institution (SAI)?

GUIDELINES:

Question 121 asks who determines the budget of the Supreme Audit Institution (SAI). To ensure objective audits of government budgets, another important component of the SAI's independence from the executive is the extent to which the SAI's budget is determined by a body other than the executive, and whether the SAI has adequate resources to fulfill its mandate.

Answer "a" applies if the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate, AND either the SAI determines its own budget and then submits it to the executive (which accepts it with little or no change) or directly to the legislature, or the budget of the SAI is determined directly by the legislature or judiciary (or some independent body). Answer "b" applies if the SAI's budget is determined by the executive (absent a recommendation from the SAI), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate. Answer "c" applies if the legislature or judiciary (or some independent body) determines the SAI's budget, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Answer "d" applies if the executive determines the SAI's budget, and the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Please provide evidence in support of the assessment that the funding level is or is not broadly consistent with the resources the SAI needs to fulfill its mandate.

Answer:

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.

Source:

Law on Audit Chamber - <https://www.arlis.am/DocumentView.aspx?DocID=175794>

Comment:

Similar to all other state bodies, every year the Audit Chamber (AC), according to Part 1 of Article 20 of the Law on the Audit Chamber and based on the Law on the Budgetary System of the Republic of Armenia, prepares and submits to the Ministry of Finance its budget request for the next budget year in the timelines defined by the Prime-Minister's decision on the budgetary process. Part 2 of the same Article provides that Audit Chamber's budget request either unchanged or changed by the Ministry of Finance is included in EBP and submitted to NA. If the Ministry, on behalf of the Government changes the request, then, according to Part 3 of the same Article, it shall submit its explanations for changing the budget request prepared by Audit Chamber, to NA and Audit Chamber. These explanations are discussed first between Audit Chamber, and the Government, and then, after their submission to NA, in NA, with participation of Audit Chamber. Discussions could entail to modification of the proposed by the Government changes.

Response "Not applicable/other" is chosen, because, though the Audit Chamber determines its own budget by submitting its budget request to the Ministry of Finance, the final version of EBP prepares the latter and frequently it makes serious changes in the request submitted by AC, as a rule, by decreasing it.

Peer Reviewer**Opinion:** Agree

Comments: I am a little bit confused because the researcher assessed "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) but later in the comments stated that "Response "Not applicable/other" is chosen, ..."

Government Reviewer**Opinion:** I choose not to review this question**IBP Comment**

IBP confirms answer choice C for this indicator.

122. Does the Supreme Audit Institution (SAI) have the discretion in law to undertake those audits it may wish to?**GUIDELINES:**

Question 122 explores the scope of the investigative powers of the Supreme Audit Institution (SAI) as prescribed in law.

Question 97 asks which of the three types of audits – financial, compliance, and performance – the SAI conducts. This question asks if the SAI is constrained by law (rather than by a lack of capacity or an inadequate budget) from undertaking any form of audit or investigating irregularities in any program or activity.

There are numerous examples of limitations. For instance, some SAIs are not permitted by their legal mandate to audit joint ventures or other public-private arrangements. Others are only allowed to undertake financial audits, precluded from conducting performance or value-for-money audits. The SAIs in some countries do not have the legal mandate to review arrangements involving oil or stabilization funds, or other types of special or extra-budgetary funds. The SAI may also not have the ability to audit commercial projects involving the public and private sector.

To answer "a," the SAI must have full discretion in law to decide which audits to undertake. Answer "b" applies if some limitations exist, but the SAI enjoys significant discretion to undertake those audits it wishes to. Answer "c" applies if the SAI has some discretion, but significant legal limitations exist. Answer "d" applies if the SAI has no power at all to choose which audits to undertake

Consulting the Lima Declaration of Guidelines on Auditing Precepts (<http://internationalbudget.org/wp-content/uploads/LimaDeclaration.pdf>) may be useful in answering this question as its provisions serve to define the appropriate scope of a SAI's legal mandate and jurisdiction.

Answer:

a. The SAI has full discretion to decide which audits it wishes to undertake.

Source:Constitution of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=143723>Law on Audit Chamber - <https://www.arlis.am/DocumentView.aspx?DocID=165069>**Comment:**

According to Article 198 of the Constitution of the Republic of Armenia, the Audit Chamber is an independent state body and carries out its activities based on the action plan developed and approved by himself.

Part 1 of Article 5 of the Law on Audit Chamber defines in which bodies do AC can conduct audit (Part 4 of Article 33 of the Law provides that AC is free to conduct any of the three types of audit) and in which bodies it cannot. According to it, AC does not conduct audit in those state and municipal bodies, which do not receive funding from state or municipal budgets. The mentioned above Article 198 of the Constitution provides that Audit Chamber can conduct audit of legal persons only in cases defined by law and Part 2 of Article 5 of the Law on Audit Chambe specifies in which cases Audit Chamber can conduct audit on legal persons.

Peer Reviewer**Opinion:** Agree**Government Reviewer****Opinion:** Agree

123. Are the audit processes of the Supreme Audit Institution (SAI) reviewed by an independent agency?

GUIDELINES:

Question 123 assesses whether and to what extent the audit processes of the Supreme Audit Institution (SAI) are subject to review by an independent agency. The latter could be a peer SAI, an international organization, an academic institution with relevant expertise, or an independent domestic agency with quality assurance functions in the area of financial reporting.

To answer "a," an independent agency must conduct and publish a review of the audit processes of the SAI on an annual basis. Answer "b" applies if a review was carried out within the past five years, and published, but it is not conducted annually, but. Choose answer "c" if the SAI has an internal unit that reviews the audit processes of the SAI on a regular basis, but an independent agency does not conduct such a review. Answer "d" applies if the audit processes of the SAI are reviewed neither by an independent agency nor by a unit within the SAI.

If the answer is either "a" or "b," please specify the name of the independent agency and when last it conducted such a review, and provide a copy of the published report. If the answer is "c," please specify the name of the unit within the SAI that is tasked with conducting such reviews.

Answer:

d. No, the audit processes of the SAI are reviewed neither by an independent agency nor by a unit within the SAI.

Source:

Law on Audit Chamber - <https://www.arlis.am/DocumentView.aspx?DocID=165069>

Comment:

Part 2 of Article 23 of the Law on Audit Chamber provides that "Aimed at increasing the effectiveness of risk management in the financial, control and administrative-managerial process of Audit Chamber a system of quality management system shall be established". Though this provision is in place in the initial text of the Law, i.e. since January 2018, the Audit Chamber Decision on the approval of the concept of the establishment of the quality management system in Audit Chamber was adopted only on May 2020 (see May 26, 2020 Audit Chamber Decision N 92-L at <http://armsai.am//files/decrees/internal-acts/qmsconcept.pdf>). According to the timetable of the establishment of the quality management system in AC (see Appendix 2 of the named Decision), that system will be fully introduced by the 4th quarter of 2023 (October 1 - December 31, 2023). The only development related to the creation of the named system after the adoption of this Decision was the adoption of the decision on the approval of the establishment of the quality management system and methodology of the implementation of the function of quality management system in AC (see June 30, 2022 Decision of AC at <http://armsai.am/hy/content/%D5%B0%D5%A1%D5%B7%D5%BE%D5%A5%D6%84%D5%B6%D5%B6%D5%AB%D5%B9-%D5%BA%D5%A1%D5%AC%D5%A1%D5%BF%D5%A8-%D5%B0%D5%A5%D6%80%D5%A9%D5%A1%D5%AF%D5%A1%D5%B6-%D5%B6%D5%AB%D5%BD%D5%BF-%D5%A7-%D5%A1%D5%B6%D6%81%D5%AF%D5%A1%D6%81%D6%80%D5%A5%D5%AC-31>). The named Decision reconfirmed the December 31, 2023 deadline for the full introduction of the quality management system in AC.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

124. In the past 12 months, how frequently did the head or a senior staff member of the Supreme Audit Institution (SAI) take part and testify in hearings of a committee of the legislature?

GUIDELINES:

Question 124 concerns the interaction between two important oversight actors and assesses how frequently the Supreme Audit Institution (SAI) made high-level inputs to the work of legislative committees. Many SAIs interact with the legislature in some form, but the nature and intensity of the interaction varies. This question probes this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the SAI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the SAI representative in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). You can refer to official records of legislative committees, websites and annual reports of the SAI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; "c" for once or twice, and "d" for never.

Answer:

a. Frequently (i.e., five times or more).

Source:

Law on the Rules of Procedure of the National Assembly of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175794>

Webpage of news stories on the NA website - <http://parliament.am/news.php?lang=arm>

Comment:

First of all, the Audit Chamber Chair and/or its members interact with NA in the cases, which are foreseen by the Law on the Rules of Procedure of the National Assembly of the Republic of Armenia. Those are presentation and discussion of the current conclusions of Audit Chamber (Article 115 of the Law), which in practice does not occur, preliminary discussions of End-of-Year Report in NA standing committees (Article 117 of the Law), debates on End-of-Year Report at NA 4-day session (Article 118 of the Law), and presentation and discussion of Audit Chamber annual activity programs (Article 130 of the Law).

Examination of the webpage of news stories on the NA website revealed that during 2022 only the current AC Chair took part in the hearings of a standing committee of NA or NA sessions 12 times since we was elected by NA to this position on March 2, 2022 (the previous Chair resigned on January 19, 2022 and before that in 2022 he never took part in any hearings in NA).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

125. Does the executive use participation mechanisms through which the public can provide input during the formulation of the annual budget (prior to the budget being tabled in parliament)?

GUIDELINES:

This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:

https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf.

Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in the formulation of the annual budget, including annual pre-budget discussions. Participation mechanisms used only by line ministries should not be used to answer this question. If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as spending and tax policy, funding and revenue levels, and macro-fiscal planning .

To answer "a," the executive must use open participation mechanisms that involve the public in the formulation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government officials. Examples include public meetings and online deliberative exchanges.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input in the formulation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include surveys, focus groups, report cards, published policy consultation exercises, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to participate in the budget formulation phase, but:

1) The mechanisms are not structured and happen only on ad-hoc basis, or not regularly.

and/or

2) The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", there should be some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and individual members of the public can have knowledge of the meeting, who participated, and what was discussed.

Examples of mechanisms that might qualify as a "c" response include hotlines, Facebook announcements, and one-off meetings with NGOs in which there is a public record.

The researcher must present evidence to support selection of a "c" response.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

c. Yes, the executive uses participation mechanisms during the budget formulation phase, but either these mechanisms capture only some ad-hoc views, or the executive invites specific individuals or groups for budget discussions (participation is not, in practice, open to everyone).

Source:

January 20, 2022 Decision N 72-A of Prime Minister on the Start of the Budgetary Process of 2023 State Budget of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=159682>

Comment:

The Appendix of the above mentioned in the source Prime-Minister's Decision N 72-A is the Timetable (which can be called also budget calendar) of the 2023 state budget and 2023-2025 MTPEF development process. Measure (Action) 19 of the Timetable states: "Conducting discussions on the budget requests with interested CSOs operating in the areas of jurisdiction of the particular state body in the framework of activities on the development of MTPEF draft (including draft of the 2021 state budget), and presenting of information on the results of the discussions (summary note on acceptance or rejection of comments and suggestions made by CSOs)". The ministries then submit summary notes (April 8, 2022 was set as the deadline for submission) to the Ministry of Finance (the Ministry is mentioned in the Timetable as state body receiving necessary documents from other ministries).

The responsible state bodies for implementation of this measure are line ministries or other state bodies, rather than Ministry of Finance or Office of the Prime Minister (the latter - as central coordinating agency designated by the government to implement participation mechanisms).

Per advise from IBP, response C is chosen, because MoF simply released a notice (on 25 March 2022) - please see here https://minfin.am/hy/content/haytarutyun_byujetyayin_hayteri_shurj_qnnarkumneri_orva_veraberyal/

Peer Reviewer

Opinion: Agree

Comments: Public participation mechanisms are formal and not engaging. Several CSOs and members of expert community became disappointed because this is one side talk when the CSOs and experts talk, however, public bodies don't listen and don't pay attention. E.g., the draft budget was uploaded at <https://www.e-draft.am/projects/4797/digest> . 13 comments were received, one from an individual and 12 from "Center of Economic Law" CSO. As one can see the GoA did not provide opinion on any of the comments (column 3 for "opinion" by the GoA is empty) and did not make any changes to the draft (column 4). Several other CSOs and experts do not engage because they do not see any value on making comments and not getting any feedback or getting formalistic feedback because it is just waste of time.

Government Reviewer

Opinion: Agree

IBP Comment

Many thanks to researcher and reviewer. IBP understands that in accordance with Decision No. 72A of Prime Minister, the Ministry of Finance held one meeting with CSOs in April 2022, and later opened up the draft budget for comments on government's centralized portal. However, the practice is weak and participation from civil society is minimal. IBP agrees with C response.

126. With regard to the mechanism identified in question 125, does the executive take concrete steps to include vulnerable and under-represented parts of the population in the formulation of the annual budget?

GUIDELINES:

This question reflects the GIFT principle of "Inclusiveness", and examines the executive's effort to actively reach out to citizens who are from socially vulnerable groups and/or underrepresented in national processes. The emphasis here is on the executive's efforts to seek out the views of members of the public from socially vulnerable groups and/or who are underrepresented in the process.

To answer "a," the executive must actively seek out individuals from at least one vulnerable and underrepresented community and/or civil society organization representing vulnerable and underrepresented individuals and communities. The researcher must provide evidence to show the government's efforts and actions. The researcher must speak with the relevant government official(s), and subsequently double check with an alternative source, such as representatives of vulnerable/underrepresented groups.

Answer "b" applies if the executive does not take concrete steps to incorporate vulnerable/underrepresented individuals, or organizations representing them, into participation mechanisms or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

b. The requirements for an "a" response are not met.

Source:

January 20, 2022 Decision N 72-A of Prime Minister on the Start of the Budgetary Process of 2023 State Budget of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=159682>

Comment:

Response "Not applicable/other" is chosen, as the responsible state bodies for implementation of this measure are line ministries or other state bodies, rather than Ministry of Finance or Office of the Prime Minister (the latter - as central coordinating agency designated by the government to implement participation mechanisms).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

127. During the budget formulation stage, which of the following key topics does the executive's engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider all of the mechanisms currently used by the executive to promote public participation during the formulation of the annual budget.

Please note that while the public engagement can/may cover other topics -- and for this reason the other questions assessing the executive's engagement with the public during budget formulation can be answered on the basis of engagement on topics other than the six listed above -- for the purpose of answering this question, "key topics" are considered to be only the ones listed above. If the executive's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.

Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has

personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

Answer "d" applies if requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

c. The executive's engagement with citizens covers at least one (but less than three) of the above-mentioned topics.

Source:

January 20, 2022 Decision N 72-A of Prime Minister on the Start of the Budgetary Process of 2023 State Budget of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=159682>

Comment:

Budget requests of the line ministries are discussed based on the requirement set by Measure 21 of the Timetable include social spending policies, public service and public investment projects

The responsible state bodies for implementation of this measure are line ministries or other state bodies, rather than Ministry of Finance or Office of the Prime Minister (the latter - as central coordinating agency designated by the government to implement participation mechanisms).

Per advise from IBP, as there were no topics specified, response C is chosen.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

128. Does the executive use participation mechanisms through which the public can provide input in monitoring the implementation of the annual budget?

GUIDELINES:

This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:

https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf

Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in monitoring the implementation of the annual budget. If the executive has designated a central coordinating agency to implement participation mechanisms throughout the national budget process, researchers may consider these mechanisms. Participation mechanisms used only by line ministries should not be used to answer this question. If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the implementation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenue administration, public service delivery, public investment project implementation, including procurement, and the administration of social transfer schemes.

To answer "a," the executive must use open participation mechanisms that involve the public in the implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government official. Examples include public meetings, online, deliberative exchanges, procurement complaint mechanisms, and social monitoring and dialogue.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input on the implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include public hearings, surveys, focus groups, report cards, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to provide input on budget implementation, but:

1) The mechanisms are not structured, happen only on ad-hoc basis, or not regularly.

and/or

2) The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", the researcher must have evidence that the government is holding participation mechanisms that have some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and members of the public can have knowledge of the meeting, who participated, and what was discussed.

Examples include hotlines, Facebook announcements, one-off meetings with NGOs in which there is a public record.

The researcher must present evidence to support selection of a "c" response.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

No formal mechanisms are set up to engage with citizens on budget execution and, in practice, as the search on the Unified Website for the Publication of Legal Acts' Drafts reveals (<https://www.e-draft.am/>), no drafts related to state budget execution are posted on that website.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

129. With regard to the mechanism identified in question 128, does the executive take concrete steps to receive input from vulnerable and underrepresented parts of the population on the implementation of the annual budget?

GUIDELINES:

This question reflects the GIFT principle of "Inclusiveness", and examines the executive's effort to actively reach out to citizens who are from socially vulnerable groups and/or underrepresented in national processes. The emphasis here is on national government's efforts to obtain input from members of the public who are from socially vulnerable groups and/or underrepresented in national processes during the implementation of the annual budget.

To answer "a," the executive must actively seek out individuals from at least one vulnerable and underrepresented community and/or civil society organization representing vulnerable and underrepresented individuals and communities. The researcher must provide evidence to show the government's efforts and actions. The researcher must speak with the relevant government official(s), and subsequently double check with an alternative source, such as representatives from vulnerable/underrepresented groups.

Answer "b" applies if the national executive does not take concrete steps to incorporate vulnerable/underrepresented individuals, or organizations representing them, into participation mechanisms or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

b. The requirements for an "a" response are not met.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

130. During the implementation of the annual budget, which of the following topics does the executive's engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Changes in macroeconomic circumstances
2. Delivery of public services
3. Collection of revenue
4. Implementation of social spending
5. Changes in deficit and debt levels
6. Implementation of public investment projects

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider all of the mechanisms currently used by the executive to promote public participation during the implementation of the annual budget.

Please note that while the public engagement can/may cover other topics -- and for this reason the other questions assessing the executive's engagement with the public during budget implementation can be answered on the basis of engagement on topics other than the six listed above -- for the purpose of answering this question, "key topics" are considered to be ONLY the ones listed above. If the executive's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.

Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

Answer "d" applies if requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

The Ministry of Finance publishes both IYRs and YER on its website, by which ensuring the transparency for these documents.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

131. When the executive engages with the public, does it provide comprehensive prior information on the process of the engagement, so that the public can participate in an informed manner?

Comprehensive information must include at least three of the following elements:

1. Purpose
2. Scope
3. Constraints
4. Intended outcomes
5. Process and timeline

GUIDELINES:

This question relates to the GIFT principle of "Openness," and addresses whether the executive provides relevant information on the process of the engagement before public participation takes place, in order to help citizens engage effectively. The question addresses whether the "rules of the public engagement" are clearly spelled out, in advance and in detail, so that those members of the public who want to engage know how to do so, in terms of when they can do so, what they are expected to provide input on, by when, to whom, etc. This question does not cover the substance of the engagement, which is covered by questions 127 and 130.

Non-comprehensive information means that the government provides information that includes at least one but less than three of the elements listed above.

Purpose refers to a brief explanation of why the public engagement is being undertaken, including the executive's objectives for its engagement with the public.

Scope refers to what is within the subject matter of the engagement as well as what is outside the subject matter of the engagement. For example, the scope may include how a current policy is administered but exclude the specifics of the policies themselves.

Constraints refers to whether there are any explicit limitations on the engagement. An example of a constraint could be that any policy changes must not cost (or forgo revenue) more than a specific amount or have no net fiscal cost.

Intended outcomes refers to what the executive hopes to achieve as a result of the engagement. Examples of intended outcomes could be revising a policy to better reflect citizen or service-user views or to improve the way in which a particular program is administered.

Process refers to the methods by which the public engagement will take place and the discrete steps in the process. For example, the process may simply be a one-off Internet-based consultation, with a summary published of public inputs and the official response. The process may involve simultaneous or overlapping steps, and may be conducted in one round or in two or more rounds of engagement.

Timeline refers to the specific dates on which the discrete steps in the process will take place, or during which they will be completed, and clear start and end dates for the overall engagement.

Answer "d" applies if the executive does not use public participation mechanisms during the budget implementation or formulation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

January 20, 2022 Decision N 72-A of Prime Minister on the Start of the Budgetary Process of 2023 State Budget of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=159682>

Comment:

According to the Measure (Activity) 19 of the timetable of the mentioned in the source Decision, the users of the information described in its description part are NGOs working with the particular state body, rather than ordinary citizens.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

132. With regard to the mechanism identified in question 125, does the executive provide the public with feedback on how citizens' inputs have been used in the formulation of the annual budget?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the executive provides information to citizens on which public inputs were received, which ones are used in the formulation of the annual budget, and how/why.

By "written record", we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.

Answer "a" applies when the executive provides a written document with:

- *The inputs (e.g., a written transcript) received from the public and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)*

Answer "b" applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public and*
- *A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used.*

Answer "c" applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public or*
- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

January 20, 2022 Decision N 72-A of Prime Minister on the Start of the Budgetary Process of 2023 State Budget of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=159682>

Comment:

The executive (in this case state bodies) "provides a written record which includes both the list of inputs received and a summary of the how the inputs were used in the formulation of the annual budget", there is no legal obligation to publish that written record and, based on the results of the search conducted by the OBS 2023 researcher, no such record in 2022 was revealed.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

IBP Comment

IBP understands that comments by public are posted on a public platform and available for all to see. There is no follow up or summary provided by the government. As such, answer choice D applies.

133. With regard to the mechanism identified in question 128, does the executive provide the public with information on how citizens' inputs have been used to

assist in monitoring the implementation of the annual budget?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the executive provides information to citizens on which public inputs were received during the implementation of the annual budget, which ones are taken into account to improve budget monitoring, and how/why.

By "written record", we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.

Answer "a" applies when the executive provides a written document with:

- *The inputs (e.g., a written transcript) received from the public and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)*

Answer "b" applies when the executive provides a written document that includes:

- *The inputs received (e.g., a written transcript) from the public and*
- *A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were or were not taken into account by the executive during budget monitoring.*

Answer "c" applies when the executive provides a written document that includes:

- *The inputs (e.g., a written transcript) received from the public or*
- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

There are no opportunities for citizens to participate during budget execution phase.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

134. Are participation mechanisms incorporated into the timetable for formulating the Executive's Budget Proposal?

GUIDELINES:

This question reflects the GIFT principles on "Sustainability", "Timeliness" and "Complementarity" and addresses whether the executive is able to link participation mechanisms to the administrative processes that are used to create the annual budget.

Please note that "timetable" refers to a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. This document is sometimes referred to as the budget calendar and is the same document referenced in Question 53.

Answer "a" applies if the national executive establishes a clear set of guidelines that enable citizens and civil servants to understand when participation

mechanisms should be used to enable citizen inputs to be incorporated into the annual budget. For answer choice "a", the timetable must be available to the public prior to the budget preparation process beginning.

Answer "b" applies if the executive does not establish a clear set of guidelines that enable citizens and civil servants to understand when participation mechanisms should be used to enable citizen inputs to be incorporated into the annual budget or if the executive does not use public participation mechanisms during the budget formulation or implementation stage.

Answer:

a. Yes, the executive incorporates participation into its timetable for formulating the Executive's Budget Proposal and the timetable is available to the public.

Source:

January 20, 2022 Decision N 72-A of Prime Minister on the Start of the Budgetary Process of 2023 State Budget of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=159682>

Comment:

The Source Decision is issued not by the Ministry of Finance (State body for implementing the budgetary procedures), but rather by the Office of Prime Minister.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

IBP understands that PMO issues a Decision (timetable) very early on during budget formulation laying the timetable for budget process. Please see <https://www.arlis.am/DocumentView.aspx?DocID=159682>. Article 3(3) says "Within the framework of the processing of the ECHR Project (including the National Budget of Armenia 2023), as defined in paragraph 19 of the timetable set out in the Appendix to this Decision; to organize discussions with civil society organizations in these areas, if possible, in an online way." The time table lays deadlines, for e.g. MoF was expected to complete consultations by April 8th' 2022.

135. Do one or more line ministries use participation mechanisms through which the public can provide input during the formulation or implementation of the annual budget?

GUIDELINES

While questions 125 – 134 focus only on participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency currently use to allow the public to participate in the national budget process, this question asks about participation mechanisms used by line ministries to allow the public to participate in national budget processes. Thus, participation mechanisms used by the Ministry of Finance, lead budget agency, or central coordinating agency should not be used to answer this question. If there is more than one mechanism used by a line ministry or if multiple line ministries use participation mechanisms, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the formulation and/or implementation of the annual budget.

This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:

https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf

To answer "a," a line ministry must use open participation mechanisms that involve the public in the formulation or implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government official. Examples include public meetings and online deliberative exchanges.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics,

independent experts, policy think tanks, and business organizations) can provide their input in the formulation or implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which a line ministry seeks out inputs from citizens. Examples include surveys, focus groups, report cards, published policy consultation exercises, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if a line ministry has established a mechanism or mechanisms to allow citizens to participate in the budget formulation phase, but:

1) The mechanisms are not structured and happen only on ad-hoc basis, or not regularly.

and/or

2) A line ministry consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the line ministry determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", there should be some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and individual members of the public can have knowledge of the meeting, who participated, and what was discussed.

The researcher must present evidence to support selection of a "c" response.

Examples of mechanisms that might qualify as a "c" response include hotlines, Facebook announcements, and one-off meetings with NGOs in which there is a public record.

Answer:

c. Yes, at least one line ministry uses participation mechanisms during the budget formulation or implementation phase, but either these mechanisms capture only some ad-hoc views, or the executive invites specific individuals or groups for budget discussions (participation is not, in practice, open to everyone).

Source:

The website of the Corruption Prevention Committee (CPC) is <http://cpcarmenia.am/hy/> It is an autonomous state body, which means that it is a structure within executive branch of the government, but is not part of any ministry, other agency or the Cabinet. CPC invited CSOs to inform and consult about their budget request.

Comment:

On March 28, 2022, OBS 2023 Armenia national researcher was invited by the Corruption Prevention Committee to discuss its budget request for 2023. Invitations were sent to 50 NGOs, but only 2 accepted them and attended the discussion (including researcher). However, examination of the websites of other (around 15) state bodies did not reveal the use of this practice in 2022, though the named Decision was obligatory for them to execute. Also, it is possible that the state bodies under researcher's examination simply did not mention those discussions on their websites.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

136. Does the legislature or the relevant legislative committee(s) hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the formulation of the annual budget (pre-budget and/or approval stages)?

GUIDELINES:

This question reflects the GIFT principle on "Sustainability," "Transparency," and "Complementarity" and assesses the extent to which the participation mechanism(s) used by the legislature are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.

Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) has put in place and is using to allow the public to participate in their deliberations on the annual budget. This includes deliberations during the pre-budget phase (i.e.,

when the executive is still in the process of formulating the draft budget) and the budget discussions after the budget has been tabled to parliament and before it is approved. In the comment box, please specify during which stage of the budget cycle the legislature has put in place a public participation mechanism.

Mechanisms through which members of the public reach out to individual Members of Parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.

If there is more than one mechanism, please select a mechanism that best shows/reflects the legislature's efforts to incorporate citizens into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenues, policy selection, and macro-fiscal planning (please note that the issue of coverage is covered in a subsequent question).

To answer "a," the legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).

Answer "b" should be selected if the following applies:

- The legislature holds public hearings on the budget;
- Testimony is not allowed from members of the public or CSOs; but
- There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.

Answer "c" should be selected if the following applies:

- The legislature holds public hearings on the budget;
- Testimony is not allowed from members of the public or CSOs;
- No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, but
- The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)
- The legislature has a provision (via standing orders or in law) through which the public can submit their inputs, and members of the public or CSOs actively use it to submit opinions on the budget.

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Law on Normative Legal Acts - <https://www.arlis.am/DocumentView.aspx?DocID=175854>

October 10, 2018 Government Decree N 1146-N on the Organization and Conducting of Public Discussions - <https://www.arlis.am/DocumentView.aspx?docid=126002>

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about> - <https://www.e-draft.am/en/projects/4797>

Law on the Procedures of National Assembly of the Republic of Armenia - <https://www.arlis.am/DocumentView.aspx?DocID=175794>

Comment:

Chapter 2 (Articles 3 and 4) of the Law on Normative Legal Acts regulates drafts of which types of legal acts shall be subject to public discussions (Article 3) and requirements set for public discussions (Article 4). Based on these requirements on October 10, 2018 the Government adopted Decree N 1146-N on the Organization and Conducting of Public Discussions. Apparently, EBP is under the jurisdiction of these legal acts and their provisions are applicable on EBP, as well, and in practice they are followed.

Though the mentioned Decree provides that public discussions could be conducted also in the form of public hearings and public inquiries, which shall be completely inclusive (any citizen or organization can participate in the hearings or submit inquiry), in practice state bodies, including the Ministry of Finance in the case of EBP, as a rule, use only the electronic form of public discussions by posting the drafts on the Unified Website for Publication of Legal Acts' Drafts (<http://e-draft.am>). Since the introduction of the mentioned form EBP was always publicly discussed through this platform.

Specifically, for 2023 EBP, its draft was posted on the e-draft.am website from October 5 to 25, 2022 and, according to summary note posted (see <https://www.e-draft.am/en/projects/4797/digest>), there were 13 suggestions made on it, of which were made by the same NGO (Center for

Economic Rights) and 1 - by individual citizen. Interestingly none of these suggestions received any feedback from the Ministry of Finance, though the feedback is required, according to the mentioned above Government Decree on the Organization and Conducting of Public Discussions.

In addition, after EBP is submitted to NA for the latter's approval to become EB, citizens and CSOs, theoretically, can have inputs to it. According to Part 3 of Article 88 of the Law on the Procedures of National Assembly of the Republic of Armenia, the preliminary discussions on EBP in the NA standing committees (according to Part 1 of the above mentioned Article, before debating EBP on the NA floor, there must be preliminary discussions on them on the meetings of NA standing committees) can attend members of the Government, persons authorized by Prime Minister, as well as "other persons mentioned in the timetable (of these discussions)". These "other persons" can be also citizens or representatives of CSOs. However, it is impossible to find out, whether citizens or representatives of CSOs were invited to those meetings of NA standing committees, as the minutes of standing committees meetings are not posted on NA website.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, public hearings on the budget are held, and members of the public/CSOs testify.

IBP Comment

Upon further review with researcher, IBP revised the response to D given that this mechanism is cited in indicator 125. IBP understands that while the budget is posted on government's centralized portal after it is submitted to parliament, it is the executive that posts it, reviews and responds to it.

137. During the legislative deliberations on the annual budget (pre-budget or approval stages), which of the following key topics does the legislature's (or relevant legislative budget committee) engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider the range of mechanisms currently used by the legislature to promote public participation during legislative deliberations on the annual budget.

Please note that while the public engagement can/may cover other topics, for the purpose of answering this question, "key topics" are considered to be only the ones listed above. If the legislature's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.

Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.

If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Law on Normative Legal Acts - <https://www.arlis.am/DocumentView.aspx?DocID=175854>

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about> - <https://www.e-draft.am/en/projects/4797>

Comment:

The legislature (NA) does not specify what kind of inputs it seeks from the citizens and CSOs (see also Article 3 of the Law on Normative Legal Acts, where it is not provided that the state body shall seek feedback from public to certain area(s)).

As it can be seen from the suggestions and comments to 2023 EBP posted on the Unified Website for Publication of Legal Acts' Drafts, they include social spending policies, forecasts of certain type of revenue, strengthening social justice-based approach in social spending policies (re-allocate part of the funds planned for paying bonuses to public officials to pensions), macroeconomic issues (by re-introducing progressive taxation), improving fiscal planning and others.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

See IBPs comment to indicator 136. Upon consistency, this response was revised to D.

138. Does the legislature provide feedback to the public on how citizens' inputs have been used during legislative deliberations on the annual budget?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the legislature provides information to citizens on which public inputs were received and how inputs were used during legislative deliberations (please note that these deliberations can refer to the pre-budget and approval phases). By "written record" in this question, we mean a document that is produced and released by the legislature.

Answer "a" applies when the legislature provides a written document with:

- *The inputs received from the public (e.g., a written transcript) and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how).*

Answer "b" applies when the legislature provides a written document that includes:

- *The inputs received from the public (e.g., a written transcript) and*
- *A not-so-detailed report on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used in legislative deliberations on the annual budget (please note that these deliberations refer to the pre-budget and approval phases).*

Answer "c" applies when the legislature makes available a video recording of the relevant legislative session or provides a written document that includes:

- *The inputs received from the public (e.g., a written transcript) or*
- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

October 10, 2018 Government Decree N 1146-N on the Organization and Conducting of Public Discussions - <https://www.arlis.am/DocumentView.aspx?docid=126002>

Draft of the 2023 State Budget of the Republic of Armenia (without Central Bank of Armenia's Conclusion on the Draft of the 2023 State Budget) - <https://www.e-draft.am/projects/4797/about> - <https://www.e-draft.am/en/projects/4797>

Comment:

According to the October 10, 2018 Government Decree N 1146-N on the Organization and Conducting of Public Discussions the state body, who posted its draft on the Unified Website for Publication of Legal Acts' Drafts, is required to provide written summary note which includes both the list of inputs received and a summary of the how the inputs were used, specifically, for 2023 EBP such summary note was not prepared.

Regarding the inputs of citizens or CSOs submitted to NA relevant standing committees during the preliminary discussions of EBP in standing committees (see Comment on Q136), there are no explicit legal regulations on it (see, mainly, Article 88 of the Law on the Procedures of National Assembly). What NGOs, and TI Armenia among them, usually do, is that they send their inputs to the relevant standing committee, asking to include them in the changes in EBP proposed by that committee to the Ministry of Finance, after EBP is debated at the 4-day session of NA. In 2020, in the framework of one of its projects, TI Armenia submitted its inputs to the NA Standing Committee on Health, Labor and Social Issues on the relevant part of 2021 EBP, and some of them were accepted by the Ministry (see about the accepted suggestions at <https://transparency.am/hy/publication/232>).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

See IBPs comment to indicator 136. Upon consistency, this response was revised to D.

139. Does the legislature hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the Audit Report?

GUIDELINES:

This question reflects the GIFT principle on "Sustainability," "Transparency," and "Complementarity" and assesses the extent to which the participation mechanism(s) used by the legislative are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.

A key constitutional role of the legislature in almost all countries is to oversee the government's management of public resources. While the Supreme Audit Institution is responsible for checking the government's accounts and publishing the outcome of their audits, for accountability purposes it is essential that the legislature reviews and scrutinizes those reports, and checks on whether the executive is taking the appropriate corrective actions based on the Supreme Audit Institution's recommendations.

Holding public hearings to review audit findings allows the public to learn more about how the government has managed its resources for the budget years that have ended, and demand accountability in case of mismanagement and irregularities. Reviewing and discussing those reports in public is therefore a key responsibility of a legislature.

Please note that by "Audit Report" we refer to the same audit report assessed in the transparency section of this Survey, i.e., one of the eight key budget documents that all governments (in this case, the Supreme Audit Institution) must produce, according to best practice.

Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) have put in place and using to allow the public to participate in their deliberations on the Audit Report.

Mechanisms through which members of the public reach out to individual members of parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.

To answer "a," the national legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).

Answer "b" should be selected if the following applies:

- *The legislature holds public hearings on the budget;*
- *No testimony is allowed from the public; BUT*
- *There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise*

discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.

Answer "c" should be selected if the following applies:

- The legislature holds public hearings on the budget;
- No testimony is allowed from the public;
- No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, BUT
- The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the Audit Report.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

140. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can suggest issues/topics to include in the SAI's audit program (for example, by bringing ideas on agencies, programs, or projects that could be audited)?

GUIDELINES:

This question assesses whether the Supreme Audit Institution (SAI) has established mechanisms through which the public can provide suggestions on issues/topics to be included in its audit program. When deciding its audit agenda, the SAI may undertake audits for a sample of agencies, projects, and programs in the country; and such a selection could be based on complaints and suggestions made by members of the public. To receive such suggestions, the SAI may create formal mechanisms, like setting up a website, hotline, or office (or assigning staff to liaise with the public).

Please note that formal mechanisms that do not explicitly seek the public's input in the audit program (such as general comment submission boxes on the SAI's website) should not be considered for this question.

Answer:

b. The requirements for an "a" response are not met.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

141. Does the Supreme Audit Institution (SAI) provide the public with feedback on how citizens' inputs have been used to determine its audit program?

GUIDELINES:

This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the Supreme Audit Institution provides information to citizens on which public inputs were received, which ones are used to determine the Supreme Audit Institution's audit program. By "written record" in this question, we mean a document that is produced and released by the Supreme Audit Institution.

Answer "a" applies when the Supreme Audit Institution provides a written document with:

- The inputs received from the public and
- A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how).

Answer "b" applies when the SAI provides a written document that includes:

- The inputs received from the public and
- A not-so-detailed report on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used to determine the SAI's annual audit program.

Answer "c" applies when the SAI provides a written document that includes:

- The received from the public or
- A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.

Answer "d" applies if requirements for a "c" response or above are not met or if maintain formal mechanisms through which the public can suggests issues/topics to include in the SAI's audit program.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

142. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can contribute to audit investigations (as respondents, witnesses, etc.)?

GUIDELINES:

This question mirrors question 140, but instead of covering public assistance in formulating the SAI's audit program, it focuses on whether the Supreme Audit Institution has established mechanisms through which the public can participate in audit investigations. In addition to seeking public input to determine its audit agenda, the SAI may wish to provide formal opportunities for the public and civil society organizations to participate in the actual audit investigations, as witnesses or respondents.

Answer:

b. The requirements for an "a" response are not met.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question