

# Open Budget Survey 2023

Questionnaire

Azerbaijan

May 2024

# Country Questionnaire: Azerbaijan

## 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:**

[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63232fd93c146.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63232fd93c146.pdf)

Landing page: <https://www.maliyye.gov.az/static/253/ilkin-budce-gostericileri>

**Comment:**

The MoF publishes the PBS in a timely and regular manner on its official website.

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Additional link: <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/632443545f05e.pdf>

**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:**

b. At least two months, but less than 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:**

[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63232fd93c146.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63232fd93c146.pdf)

<https://maliyye.gov.az/news/5766/azerbaycan-respublikasinin-2023-cu-il-ucun-dovlet-ve-icmal-budceleri-uzre-layihelerin-teqdimati>

**Comment:**

The PBS-2023 was published in the MoF website on September 15, the legislature received the EBP-2023 on November 3, 2022.

**Peer Reviewer**

**Opinion:** Agree

**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:**

15/9/2022

**Source:**

[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63232fd93c146.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63232fd93c146.pdf)

**Comment:**

<https://fed.az/az/maliyye/2023-cu-ilin-dovlet-budcesinin-ilkin-gostericileri-aciqlandi-140987>

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** In addition to the above-mentioned references, the news archive on the Ministry of Finance website also provides information about the publication date of the Pre-budget Statement. <https://www.maliyye.gov.az/news/5744/2023-cu-ilin-icmal-ve-dovlet-budcelerinin-ilkin-gostericilerine-dair-aciqlama>

**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:**

The PBS-2023 was published on the MoF official website on September 15, 2022 and its content meets the IBP requirements

**Source:**

[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63232fd93c146.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63232fd93c146.pdf)

**Comment:**

<https://525.az/news/200480-2023-cu-il-ucun-xercler-uzre-siyasetin-esas-istiqametleri-aciqlanib>

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Also from newspapers For example: <https://marja.az/92464/2023-cu-ilin-dovlet-budcesinin-ilkin-gostericileri-aciqlandi>

**Government Reviewer**

**Opinion:** Agree

**Comments:** In addition to the above-mentioned references, the news archive on the Ministry of Finance website also provides information about the publication date of the Pre-budget Statement. <https://www.maliyye.gov.az/news/5744/2023-cu-ilin-icmal-ve-dovlet-budcelerinin-ilkin-gostericilerine-dair-aciqlama>

**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://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63232fd93c146.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63232fd93c146.pdf)

**Source:**

[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63232fd93c146.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63232fd93c146.pdf)

**Comment:**

No comment

**Peer Reviewer**

**Opinion:** Agree

**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:**

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

**Source:**

[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63232fd93c146.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63232fd93c146.pdf)

**Comment:**

No machine readable format

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:** b. Yes, some of the numerical data are available in a machine readable format

**Comments:** The Pre-budget statement's narrative document is in PDF format, while the PBS annexes are in Excel format, making them machine-readable. The PBS's narrative document is located in the first line, while the remaining 3 documents as annexes, all contained within Excel files. You

can find also all the related documents related to PBS on the MoF's website's news page. <https://www.maliyye.gov.az/news/5744/2023-cu-ilin-icmal-ve-dovlet-budcelerinin-ilkin-gostericilerine-dair-aciqlama>

**Researcher Response**

Yes, agree with GR. The score might be upward on B

**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:**

[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63232fd93c146.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63232fd93c146.pdf)

**Comment:**

The PBS is publicly available

**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:**

No applicable

**Source:**

No sources

**Comment:**

No comment

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**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:**

Statement on the preliminary indicators of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələrinin ilkin göstəricilərinə dair Açıqlama)

**Source:**

[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63232fd93c146.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63232fd93c146.pdf)

**Comment:**

No comments

**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:**

[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63232fd93c146.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63232fd93c146.pdf)

**Comment:**

No "citizens version" of the PBS

**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://maliyye.gov.az/news/5766/azerbaycan-respublikasinin-2023-cu-il-ucun-dovlet-ve-icmal-budceleri-uzre-layihelerin-teqdimati>  
[https://maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news\\_files/6363ce56786ad.pdf](https://maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/6363ce56786ad.pdf)

**Comment:**

EBP for 2023 was submitted to the Parliament and published in the MoF website on November, 3, 2022.

**Peer Reviewer**  
Opinion: Agree

**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:**

3/11/2022

**Source:**

<https://maliyye.gov.az/news/5766/azerbaycan-respublikasinin-2023-cu-il-ucun-dovlet-ve-icmal-budceleri-uzre-layihelerin-teqdimati>  
[https://maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news\\_files/6363ce56786ad.pdf](https://maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/6363ce56786ad.pdf)

**Comment:**

EBP was submitted to the Parliament on November, 3.

**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:**

c. Less than two months in advance of the budget year, but at least in advance of the budget being approved by the legislature

**Source:**

<https://maliyye.gov.az/news/5766/azerbaycan-respublikasinin-2023-cu-il-ucun-dovlet-ve-icmal-budceleri-uzre-layihelerin-teqdimati>  
[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/6363ce56786ad.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/6363ce56786ad.pdf)

**Comment:**

EBP-2023 became publicly available on November, 3, 2022, by posting on the web site of MoF, which corresponds to option c.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**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:**

3/11/2022

**Source:**

<https://maliyye.gov.az/news/5766/azerbaycan-respublikasinin-2023-cu-il-ucun-dovlet-ve-icmal-budceleri-uzre-layihelerin-teqdimati>  
[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/6363ce56786ad.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/6363ce56786ad.pdf)



**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

The official web site of the Ministry of Finance of Azerbaijan published the mentioned doc on November 3, 2022, indicated as a date of publication.

**Source:**

<https://maliyye.gov.az/news/5766/azerbaycan-respublikasinin-2023-cu-il-ucun-dovlet-ve-icmal-budceleri-uzre-layihelerin-teqdimati>  
[https://maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news\\_files/6363ce56786ad.pdf](https://maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/6363ce56786ad.pdf)

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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://maliyye.gov.az/news/5766/azerbaycan-respublikasinin-2023-cu-il-ucun-dovlet-ve-icmal-budceleri-uzre-layihelerin-teqdimati>

**Source:**

<https://maliyye.gov.az/news/5766/azerbaycan-respublikasinin-2023-cu-il-ucun-dovlet-ve-icmal-budceleri-uzre-layihelerin-teqdimati>  
[https://maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news\\_files/6363ce56786ad.pdf](https://maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/6363ce56786ad.pdf)

**Comment:**

No comments

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**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:**

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

**Source:**

<https://maliyye.gov.az/news/5766/azerbaycan-respublikasinin-2023-cu-il-ucun-dovlet-ve-icmal-budceleri-uzre-layihelerin-teqdimati>  
[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/6363ce56786ad.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/6363ce56786ad.pdf)

**Comment:**

EBP is available only as a PDF file

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Disagree

**Suggested Answer:** b. Yes, some of the numerical data are available in a machine readable format

**Comments:** Azerbaijan has started to implement a rolling basis Medium-term Expenditure Framework (MTEF) since 2021. The MTEF documents are submitted and published to the public during the formal budgeting process. So MTEF doc 2023-2026 should be considered as a supporting document of the 2023 Executive Budget Proposal (EBP-2023). It was published on the MoF website in a timely manner with the EBP on 05 November 2022. The annexes of the MTEF document are available in Excel format to make machine readability. <https://www.maliyye.gov.az/static/297/2023-2026>

**Researcher Response**

Yes, the score might be upward on B

**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:**

<https://maliyye.gov.az/news/5766/azerbaycan-respublikasinin-2023-cu-il-ucun-dovlet-ve-icmal-budceleri-uzre-layihelerin-teqdimati>  
[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/6363ce56786ad.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/6363ce56786ad.pdf)

**Comment:**

No comments

**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:**

Not applicable

**Source:**

No sources

**Comment:**

No comments

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion:

**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:**

Presentation of the draft on the state and consolidated budgets of the Republic of Azerbaijan in 2023 (Original: Azərbaycan Respublikasının 2023-cü il dövlət və icmal büdcələri üzrə layihənin TEQDIMATI)

**Source:**

[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/6363ce56786ad.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/6363ce56786ad.pdf)

**Comment:**

Please note that this round we are proposing the MTEF doc 2023-2026 as a supporting document (<https://www.maliyye.gov.az/static/297/2023-2026>)

Although the MTEF is not submitted in the EBP package to parliament, the EBP itself refers to the MTEF doc, but the previous one; 2022-2025 (see page 7)

In addition, the MTEF 2023-2026 doc was published on the MoF website in a timely manner - the same time as the EBP.

Finally, from the MTEF preparation calendar, it appears the MTEF is created in synchrony with the budget proposal. See, for example:

**MTEF calendar**

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5e4b95857615e.pdf>

\*See page 2, middle of the page - March date for all organizations that contribute to the budget to prepare strategic plans in the manner determined by the cabinet for all budget organizations

\*See page 3, end of the page, when the MTEF is to be submitted to the Cabinet of Ministers by September

**Compare to:**

\* Page 4 of the calendar for the drafting of the state budget from Question 53, which as far as we can tell aligns exactly with the MTEF (when to start preparing for the current and coming three years; when to submit the plans to Cabinet of Ministers - by September - with the 2023 budget to be submitted to parliament no later than October, and so forth).

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/63b7cf6b1967f.pdf>

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** Azerbaijan has started to implement a rolling basis Medium-term Expenditure Framework (MTEF) since 2021. The MTEF documents were submitted and published to the public during the formal budgeting process. Budget documentation includes outturns and projections of revenues, expenditures, and financing over the medium term on the same basis as the annual budget. So MTEF doc 2023-2026 should be considered as a supporting document of the 2023 Executive Budget Proposal (EBP-2023). <https://www.maliyye.gov.az/static/297/2023-2026> Furthermore, the Chamber of Accounts (CoA) provides an opinion on the contents of the "budget envelope" and has also published an opinion on the 2023 Executive Budget Proposal (EBP-2023), specifically addressing the "Analysis of Medium-term Expenditure Framework" spanning pages 92 to 94. (Original: "4.7. Ortamüddətli xərclər çərçivəsinin təhlili"). [https://sai.gov.az/files/BUDCE\\_REY\\_2023-46346334.pdf](https://sai.gov.az/files/BUDCE_REY_2023-46346334.pdf)

**Researcher Response**

Thanks GR for valuable information, Yes, we referred to these documents.

**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:**

[https://maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news\\_files/6363ce56786ad.pdf](https://maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/6363ce56786ad.pdf)

**Comment:**

There is no "citizens version" of EBP, as the only Citizens Budget of Azerbaijan covers the Enacted Budget and has been published after budget approval.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**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:**

Confirmation of Parliamentary approval: <https://www.meclis.gov.az/news.php?id=4491&lang=az>

Confirmation of the President's signature: <https://maliyye.gov.az/news/5794/azerbaycan-respublikasinin-prezidenti-ilham-eliyev-2023-ci-il-dovlet-budcesi-haqqinda-qanunu-imzalayib>

Budget law: [https://maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news\\_files/63aed4383108c.pdf](https://maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/63aed4383108c.pdf)

Implementation decree: [https://maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news\\_files/63aed43846690.pdf](https://maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/63aed43846690.pdf)

Budget law in the unified electronic database of legal acts: <https://e-qanun.az/framework/53084>

**Comment:**

No comments

**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:**

9/12/2022

**Source:**

<https://maliyye.gov.az/en/news/index/5781?slug=milli-meclis-azerbaycan-respublikasinin-2023-cu-il-dovlet-budcesi-haqqinda-qanunu-qebul-edib>  
<https://maliyye.gov.az/en/news/5794/the-president-of-the-republic-of-azerbaijan-ilham-aliev-signed-the-law-on-the-state-budget-of-the-republic-of-azerbaijan-for-2023->

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**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:**

b. Between two weeks and six weeks after the budget has been enacted

**Source:**

<https://maliyye.gov.az/en/news/index/5781?slug=milli-meclis-azerbaycan-respublikasinin-2023-cu-il-dovlet-budcesi-haqqinda-qanunu-qebul-edib>  
<https://maliyye.gov.az/en/news/5794/the-president-of-the-republic-of-azerbaijan-ilham-aliev-signed-the-law-on-the-state-budget-of-the-republic-of-azerbaijan-for-2023->

**Comment:**

The Parliament approved 2023 budget on 09.12.2022 and the Enacted Budget was published in MoF website on 30.12.2022, right after the President signed it.

Media news about the adoption of the budget:

<https://az.trend.az/business/3679343.html>

<https://axar.az/news/toplum/697367.html>

The EB was also published on the President's website, see: <https://president.az/az/articles/view/58483>

See also archived link:

<http://web.archive.org/web/20221230175116/https://maliyye.gov.az/news/5794/azerbaycan-respublikasinin-prezidenti-ilham-eliyev-2023-ci-il-dovlet-budcesi-haqqinda-qanunu-imzalayib>

**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:**

30/12/2022

**Source:**

<https://maliyye.gov.az/en/news/5794/the-president-of-the-republic-of-azerbaijan-ilham-aliyev-signed-the-law-on-the-state-budget-of-the-republic-of-azerbaijan-for-2023->

**Comment:**

No comments

**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 Enacted Budget was published on the MoF website on December 30, 2022

**Source:**

<https://maliyye.gov.az/en/news/5794/the-president-of-the-republic-of-azerbaijan-ilham-aliyev-signed-the-law-on-the-state-budget-of-the-republic-of-azerbaijan-for-2023->

**Comment:**

No comments

**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://maliyye.gov.az/en/news/5794/the-president-of-the-republic-of-azerbaijan-ilham-aliyev-signed-the-law-on-the-state-budget-of-the-republic-of-azerbaijan-for-2023->

**Source:**

<https://maliyye.gov.az/en/news/5794/the-president-of-the-republic-of-azerbaijan-ilham-aliyev-signed-the-law-on-the-state-budget-of-the-republic-of-azerbaijan-for-2023->

**Comment:**

No comments

**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:**

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

**Source:**

[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63aed4383108c.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63aed4383108c.pdf)

[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63aed43846690.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63aed43846690.pdf)

**Comment:**

The EB is published only in PDF format.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:** a. Yes, all of the numerical data are available in a machine readable format

**Comments:** The Enacted budget statement's narrative document is in PDF format, while the EB annexes are in Excel format, making them machine-readable. Researchers referenced the EB's narrative document: [https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63aed4383108c.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63aed4383108c.pdf) and [https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63aed43846690.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63aed43846690.pdf)

The annexes of the Executive Budget (EB) are published concurrently with the EB itself, but

subsequent modifications were made to rectify technical numerical discrepancies on January 13, 2023, as indicated on the website. These annexes can be found in the "Main indicators of the approved state budget" section on the website at the following URL:

<https://www.maliyye.gov.az/static/254/tesdiq-olunmus-dovlet-budcesinin-esas-gostericileri>, accessible by selecting the 2023 budget year. These annexes are available in Excel format and cover various budget indicators, including "Expenses of the state budget by economic classification,"

"Expenses of the state budget by programs," "Tax and non-tax revenues of the state budget," and "Indicators related to public debt (new borrowings, amount of total borrowing, and interest to be paid)."



**Researcher Response**

More suitable option is B, as not all numerical data are available (e.g., functional classification, etc.)

**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:**

<https://maliyye.gov.az/en/news/5794/the-president-of-the-republic-of-azerbaijan-ilham-aliyev-signed-the-law-on-the-state-budget-of-the-republic-of-azerbaijan-for-2023->  
[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63aed4383108c.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63aed4383108c.pdf)

**Comment:**

No comments

**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:**

No answer

**Source:**

No sources

**Comment:**

No comments

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

**Government Reviewer**  
**Opinion:**

**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:**

Law "On the state budget of the Republic of Azerbaijan for 2023" (Original: "Azərbaycan Respublikasının 2023-ci il dövlət büdcəsi haqqında" Qanunu)

**Source:**

[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63be5f3193f62.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63be5f3193f62.pdf)

**Comment:**

No comments

**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:**

<https://maliyye.gov.az/news/5797/vetendasin-budce-beledcisi-hazirlanib>  
<https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/63b7dea4d5e69.pdf>  
Link to the video: <https://maliyye.gov.az/news/5802/dovlet-budcesi-ile-bagli-maariflendirici-video-rolik-hazirlanib>

**Comment:**

No comments

**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 2023

**Source:**

<https://maliyye.gov.az/news/5797/vetendasin-budce-beledcisi-hazirlanib>

**Comment:**

No comments

**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://maliyye.gov.az/news/5797/vetendasin-budce-beledcisi-hazirlanib>

<https://maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/63b7dea4d5e69.pdf>

**Comment:**

No comments

**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:**

No answer

**Source:**

No sources

**Comment:**

No comments

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion:

**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:**

30/12/2022

**Source:**

<https://maliyye.gov.az/news/5797/vetendasin-budce-beledcisi-hazirlanib>

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

<https://banker.az/2023-cu-il-ucun-v%C9%99t%C9%99ndasin-budc%C9%99-b%C9%99l%C9%99dcisi-hazirlanib/>  
<https://apa.az/az/maliyye/2023-cu-ilin-dovlet-ve-icmal-budcesi-ile-bagli-vetendasin-budce-beledcisi-hazirlanib-740861>  
<https://fed.az/az/maliyye/vetendasin-budce-beledcisi-hazirlanib-150902>

**Source:**

<https://maliyye.gov.az/news/5797/vetendasin-budce-beledcisi-hazirlanib>  
<https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/63b7dea4d5e69.pdf>

**Comment:**

The links cited in the response box correspond to three media articles dated January 6, 2023, mentioning the Citizens Budget, and including the link to consult it. The media did not pick up on the publication of the document immediately at the end of December, given the end-of-the-year holidays, which ended - as usual - on January 5.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/63b7dea4d5e69.pdf>

**Source:**

<https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/63b7dea4d5e69.pdf>

**Comment:**

No comments

**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 Guide for the state and consolidated budgets of 2023" Original: Azərbaycan Respublikasının 2023-cü il dövlət və icmal büdcələri üzrə Vətəndaşın büdcə bələdçisi)

**Source:**

<https://maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/63b7dea4d5e69.pdf>

**Comment:**

No comments

**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:**

1. The Law on Budget System
2. Law of the Republic of Azerbaijan on "The State Budget of the Republic of Azerbaijan for 2023"
3. Decree of the President of the Republic of Azerbaijan on some issues of the implementation of the "Law on the state budget of Azerbaijan for 2023"

**Source:**

<https://maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/63b7dea4d5e69.pdf>

**Comment:**

The Citizen's Budget Guide for 2023 has been significantly improved, becoming more user- friendly. This is a comprehensive guide consist of 68 pages, which is written in popular manner. It includes all necessary info, such as basic info about budget itself and budget system, legal frame, macroeconomic terms, law on budget 2023, etc.

The package of reference of the Guide is the Enacted Budget-2023.

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://maliyye.gov.az/en/static-page/periodic-reports>

**In parallel:**

<https://www.maliyye.gov.az/en/news/5761/information-on-execution-of-state-budget-of-the-republic-of-azerbaijan-for-9-months-of-2022#>

<https://www.maliyye.gov.az/en/news/index/5710?slug=2022-ci-ilin-ilk-alti-ayinda-azerbaycan-respublikasi-dovlet-budcesinin-icrasina-operativ-dair-melumat#>

**Comment:**

Documents may be better accessed through the Azerbaijani version of the website:

<https://maliyye.gov.az/static/105/dovlet-budcesinin-icrasina-dair-operativ-melumat>

All 2022 quarterly reports are there:

Q3, <https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6352419c66bde.pdf>

Q2, <https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62c3055805bee.pdf>

Q1, <https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6256a806cd124.pdf>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

**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:**

a. At least every month, and within one month of the period covered

**Source:**

Landing page: <https://maliyye.gov.az/en/static-page/periodic-reports#>

Example: January 2022, <https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2022/1/2.pdf>

**Comment:**

One on the landing page for the monthly reports, <https://maliyye.gov.az/en/static-page/periodic-reports#>, one can select the year and month. A new page will open and show the downloadable documents for that month.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** All IYRs are available on the website by selecting the budget year, and they are regularly updated on a monthly basis, primarily in machine-readable formats. <https://maliyye.gov.az/static-page/periodic-reports>

**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:**

21.10.2022: Report on the first 9 months of budget execution 2022

04.07.2022: Report on the first 6 months of budget execution 2022

13.04.2022: Report on the first 3 months of budget execution 2022

Every monthly execution report, as a rule, is made available by the end of the next month; <https://maliyye.gov.az/en/static-page/periodic-reports#>

For example, at the time of discussion with IBP, in last March 2023, both January and February 2023 were available.

**Source:**

Monthly reports: <https://maliyye.gov.az/en/static-page/periodic-reports#>

News/press releases on Quarterly reports:

Q3-2022 report: <https://www.maliyye.gov.az/news/5761/2022-ci-ilin-doqquz-ayi-erzinde-azerbaycan-respublikasi-dovlet-budcesinin-icrasina-operativ-dair-melumat>

Q2-2022 report: <https://www.maliyye.gov.az/en/news/index/5710?slug=2022-ci-ilin-ilk-alti-ayinda-azerbaycan-respublikasi-dovlet-budcesinin-icrasina-operativ-dair-melumat#>

Q1-2022 report <https://www.maliyye.gov.az/news/5674/2022-ci-ilin-i-rubunde-azerbaycan-respublikasi-dovlet-budcesinin-icrasina-operativ-dair-melumat>

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** The researcher referenced the publication dates of quarterly reports. In alignment with the OBS methodology, which requires indicating the publication dates of at least seven of the last 12 publicly available IYRs if they are published monthly, I have included the publication dates of these monthly reports for further context and compliance. For monthly reports: <https://www.maliyye.gov.az/static-page/periodic-reports> 1 month -



25 February 2022 2 months - 25 March 2022 3 months - 22 April 2022 4 months - 24 May 2022 5 months - 24 June 2022 6 months - 23 July 2022 7 months - 25 August 2022 8 months - 24 September 2022 9 months - 24 October 2022 10 months - 23 November 2022 11 months - 24 December 2022

**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:**

Every monthly execution report, as a rule, is made available by the end of the next month; <https://maliyye.gov.az/en/static-page/periodic-reports#>  
For example, at the time of discussion with IBP, in last March 2023, both January and February 2023 were available.

In addition, the Wayback Machine internet archive is showing a snapshot of the website on August 14, 2022 - At that time, the June 2022 report was available, which seems to confirm the regular monthly publication of these reports. See:

<http://web.archive.org/web/20220814014125/https://maliyye.gov.az/en/static-page/periodic-reports>

21.10.2022: Report on the first 9 months of budget execution 2022 - javascript confirms this date.

04.07.2022: Report on the first 6 months of budget execution 2022 - javascript confirms this date.

13.04.2022: Report on the first 3 months of budget execution 2022 - javascript confirms this date.

**Source:**

Monthly reports: <https://maliyye.gov.az/en/static-page/periodic-reports#>

Quarterly reports: <https://maliyye.gov.az/static/105/dovlet-budcesinin-icrasina-dair-operativ-melumat>

News/press releases on Quarterly reports:

Q3-2022 report: <https://www.maliyye.gov.az/news/5761/2022-ci-ilin-doqquz-ayi-erzinde-azerbaycan-respublikasi-dovlet-budcesinin-icrasina-operativ-dair-melumat>

Q2-2022 report: <https://www.maliyye.gov.az/en/news/index/5710?slug=2022-ci-ilin-ilk-alti-ayinda-azerbaycan-respublikasi-dovlet-budcesinin-icrasina-operativ-dair-melumat#>

Q1-2022 report <https://www.maliyye.gov.az/news/5674/2022-ci-ilin-i-rubunde-azerbaycan-respublikasi-dovlet-budcesinin-icrasina-operativ-dair-melumat>

**Comment:**

No comments

**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://maliyye.gov.az/en/static-page/periodic-reports#>

<https://maliyye.gov.az/static/105/dovlet-budcesinin-icrasina-dair-operativ-melumat>

**Source:**

Monthly reports ["Periodic (monthly, quarterly) reports on state budget execution"]: <https://www.maliyye.gov.az/en/static-page/periodic-reports>  
Quarterly reports ["(operational) information on the execution of the state budget"]: <https://maliyye.gov.az/static/105/dovlet-budcesinin-icrasina-dair-operativ-melumat>

**Comment:**

No comments

**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:**

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

**Source:**

<https://www.maliyye.gov.az/en/static-page/periodic-reports>  
<https://maliyye.gov.az/static/105/dovlet-budcesinin-icrasina-dair-operativ-melumat>

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:** b. Yes, some of the numerical data are available in a machine readable format

**Comments:** Some IYR documents are available in Excel format with .xls/.xlsx extensions, making them readily accessible in a machine-readable format. <https://www.maliyye.gov.az/en/static-page/periodic-reports> "Information on execution of the consolidated budget for January-December 2022" (Original: "2022-ci ilin yanvar-dekabr ayları üzrə icmal büdcənin operativ icra göstəriciləri barədə məlumat"); "Tax and non-tax revenues, indicators of both categories of income sources, as well as their comparison with the previous year" (Original: "İlin əvvəlindən hesabat dövrünədək olan büdcənin vergi və qeyri-vergi gəlirlərinin faktiki ümumi məbləği, hər iki kateqoriyanın daxilolma mənbələri üzrə göstəriciləri, habelə onların müvafiq daxilolma proqnozları və əvvəlki ilin müvafiq dövrü ilə müqayisəsi"); "Implementation of the programs in the state budget of 2022" (original: "2022-ci ilin dövlət büdcəsində nəzərdə tutulmuş proqramlar və bu qəbildən olan tədbirlərin yanvar-noyabr ayları üzrə icrası barədə məlumat")

**Researcher Response**

Yes, agree, the suitable option is B

**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:**

<https://www.maliyye.gov.az/en/static-page/periodic-reports>

<https://maliyye.gov.az/static/105/dovlet-budcesinin-icrasina-dair-operativ-melumat>

**Comment:**

No comments

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

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:**

Periodic (monthly, quarterly) reports on state budget execution

**Source:**

<https://maliyye.gov.az/en/static-page/periodic-reports#>

<https://maliyye.gov.az/static/105/dovlet-budcesinin-icrasina-dair-operativ-melumat>

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

<https://www.maliyye.gov.az/en/static-page/periodic-reports>

<https://maliyye.gov.az/static/105/dovlet-budcesinin-icrasina-dair-operativ-melumat>

**Comment:**

No comments

**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:**

FY 2022

**Source:**

<https://www.maliyye.gov.az/news/5723/2022-ci-ilin-dovlet-ve-icmal-budcelerinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozlentiler-senedi-mid-year-review-maliyye-nazirliyinin-saytinda-yerlesdirilib>

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** The Mid-year review document, since the previous round of Open Budget Survey evaluation, has been prepared and published. This document was developed in compliance with several fiscal diagnostic tools of public financial management, as well as the methodologies outlined in the Open Budget Survey and the "Best Practices for Fiscal Transparency" document by the Organization for Economic Cooperation and Development.

**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:**

a. Six weeks or less after the midpoint

**Source:**

<https://www.maliyye.gov.az/news/5723/2022-ci-ilin-dovlet-ve-icmal-budcelerinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozlentiler-senedi-mid-year-review-maliyye-nazirliyinin-saytinda-yerlesdirilib>

**Comment:**

Also confirmed by the "Wayback Machine" internet archive, that shows how on August 1, 2022, the 2022 MYR page was up and with all the relevant documents posted.

<https://web.archive.org/web/20220801135336/https://maliyye.gov.az/static/291/dovlet-budcesinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozlentiler-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:**

1/8/2022

**Source:**

<https://www.maliyye.gov.az/>

<https://www.maliyye.gov.az/news/5723/2022-ci-ilin-dovlet-ve-icmal-budcelerinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozlentiler-senedi-mid-year-review-maliyye-nazirliyinin-saytinda-yerlesdirilib>

**Comment:**

Also confirmed by the "Wayback Machine" internet archive, that shows how on August 1, 2022, the 2022 MYR page was up and with all the relevant documents posted.

<https://web.archive.org/web/20220801135336/https://maliyye.gov.az/static/291/dovlet-budcesinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozlentiler-mid-year-review->

**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:**

The Mid-Year Review -2022 was published in the MoF website on 01.08.2022

**Source:**

<https://www.maliyye.gov.az/news/5723/2022-ci-ilin-dovlet-ve-icmal-budcelerinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozlentiler-senedi-mid-year-review-maliyye-nazirliyinin-saytinda-yerlesdirilib>

**Comment:**

Also confirmed by the "Wayback Machine" internet archive, that shows how on August 1, 2022, the 2022 MYR page was up and with all the relevant documents posted.

<https://web.archive.org/web/20220801135336/https://maliyye.gov.az/static/291/dovlet-budcesinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozlentiler-mid-year-review->

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

<https://www.maliyye.gov.az/en/news/5723/mid-year-review-posted-on-the-website-of-the-ministry-of-finance>  
<https://maliyye.gov.az/static/291/dovlet-budcesinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozlentiler-mid-year-review->

**Source:**

News/press release: <https://www.maliyye.gov.az/en/news/5723/mid-year-review-posted-on-the-website-of-the-ministry-of-finance> (it includes the link to the page where the document is posted)  
Landing page of the MYR package: <https://maliyye.gov.az/static/291/dovlet-budcesinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozlentiler-mid-year-review->

**Comment:**

No comments

**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:**

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

**Source:**

News/press release: <https://www.maliyye.gov.az/en/news/5723/mid-year-review-posted-on-the-website-of-the-ministry-of-finance>  
MYR landing page: <https://maliyye.gov.az/static/291/dovlet-budcesinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozlentiler-mid-year-review->

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:** b. Yes, some of the numerical data are available in a machine readable format

**Comments:** The narrative of the MYR document is in PDF format, but all of the numerical data covered in the annexes of the document are available

in Excel format with .xls/.xlsx extensions, making them readily accessible in a machine-readable format. <https://maliyye.gov.az/static/291/dovlet-budcesinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozlentiler-mid-year-review> Revised indicators of the state budget revenues for 2022 by tax, non-tax revenues and revenues by types of payments (Original: Azərbaycan Respublikasının 2022-ci il üzrə dövlət büdcəsi gəlirlərinin ilkin təsdiq olunmuş və yenidən baxılmış göstəriciləri (vergi, qeyri-vergi gəlirləri və tədiyyə növləri üzrə gəlirlər) Revised breakdown of 2022 state budget expenditures by functional, economic and administrative classifications (Original: 2022-ci ilin dövlət büdcəsi xərclərinin funksional, iqtisadi və inzibati təsnifatlar üzrə yenidən baxılmış bölgüsü) Revised indicators of the state and consolidated budget for 2022 (Original: 2022-ci il üzrə dövlət və icmal büdcənin ilkin təsdiq olunmuş və yenidən baxılmış göstəriciləri) Information on the execution of the state and consolidated budgets for the first half of 2021-2022 (Original: 2021-2022-ci illərin birinci yarısı üzrə Azərbaycan Respublikasının dövlət və icmal büdcələrinin icrasına dair məlumatlar)

**Researcher Response**

Agree, the score might be upward on B

**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:**

e. Not applicable (the document is publicly available)

**Source:**

News/press release: <https://www.maliyye.gov.az/en/news/5723/mid-year-review-posted-on-the-website-of-the-ministry-of-finance>

MYR landing page: <https://maliyye.gov.az/static/291/dovlet-budcesinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozlentiler-mid-year-review>

**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:**



No answer

**Source:**

No sources

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:**

**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:**

"Reference document on the mid-year implementation of the state and consolidated budgets of the Republic of Azerbaijan for 2022 and expectations for the end of the year" (Mid-Year Review)

**Source:**

News/press release: <https://www.maliyye.gov.az/en/news/5723/mid-year-review-posted-on-the-website-of-the-ministry-of-finance>  
MYR landing page: <https://maliyye.gov.az/static/291/dovlet-budcesinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozlentiler-mid-year-review>

**Comment:**

See also supporting documents mentioned on the landing page:

- 1) Information on the implementation of the state and general budgets of the Republic of Azerbaijan for the first half of 2021-2022
- 2) Preliminary approved and revised indicators of the state and summary budget for 2022
- 3) Initial approved and revised indicators of the state budget revenues of the Republic of Azerbaijan for 2022 (tax, non-tax revenues and revenues by types of payments)
- 4) Revised breakdown of 2022 state budget expenditures by functional, economic and administrative classifications
- 5) Information on the programs and similar measures provided for in the state budget (semi-annual implementation, initial approved and revised indicators)
- 6) Distribution of expenditures by programs provided for in the initially approved and revised budgets of 2022 of the pilot sectors where the Medium-term Expenditure Framework and the results-based budgeting mechanism are applied

**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:**

<https://www.maliyye.gov.az/en/news/5723/mid-year-review-posted-on-the-website-of-the-ministry-of-finance>  
<https://maliyye.gov.az/static/291/dovlet-budcesinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozlentiler-mid-year-review->

**Comment:**

No comments

**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:**

"Annual report on the implementation of the 2021 state budget of the Republic of Azerbaijan",  
<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdfc32b13c.pdf>

MoF news page "The President of the Republic of Azerbaijan Ilham Aliyev signed the Law "On the implementation of the 2021 state budget",  
<https://www.maliyye.gov.az/news/5718/azerbaycan-respublikasinin-prezidenti-ilham-eliyev-2021-ci-il-dovlet-budcesinin-icrasi-haqqinda-qanunu-imzalayib>

"Law of the Republic of Azerbaijan on the implementation of the 2021 state budget of the Republic of Azerbaijan",  
[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d014052b7dc.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d014052b7dc.pdf)

"Decree of the President of the Republic of Azerbaijan on the implementation of the Law No. 559-VIQ dated June 28, 2022 of the Republic of Azerbaijan "On the implementation of the 2021 state budget of the Republic of Azerbaijan",  
[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d0140530f44.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d0140530f44.pdf)

**Comment:**

The Law on 2021 budget execution was signed on June 28, 2022.

The narrative on the YER was published on the website of the MoF on 30/06/2022.

The Law on 2021 Budget Execution and the Decree of the implementation of the Law was published on MoF website 14.07.22.

As the Law was signed in June 28 and the MoF published the narrative on June 30, we can indicate the YER was publicly available in June - within 6 month after the end of budget year.

**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://www.maliyye.gov.az/static/153/dovlet-budcesinin-icrasina-dair-illik-hesabat>

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf>

<https://www.maliyye.gov.az/news/5718/azerbaycan-respublikasinin-prezidenti-ilham-eliyev-2021-ci-il-dovlet-budcesinin-icrasi-haqqinda-qanunu-imzalayib>

[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d014052b7dc.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d014052b7dc.pdf)

[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d0140530f44.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d0140530f44.pdf)

**Comment:**

The Law on 2021 budget execution was signed in June 28, 2022.

The Narrative on the YER was published on the website of MoF on 30/06/2022.

The Law on 2021 Budget Execution and the Decree of the implementation of the Law was published on MoF website 14.07.22.

As the Law was signed in June 28 and MoF published the narrative on June 30, we can indicate the YER was publicly available in June - within 6 month after the end of budget year.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**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:**

30/6/2022

**Source:**

<https://www.maliyye.gov.az/static/153/dovlet-budcesinin-icrasina-dair-illik-hesabat>  
<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf>  
<https://www.maliyye.gov.az/news/5718/azerbaycan-respublikasinin-prezidenti-ilham-eliyev-2021-ci-il-dovlet-budcesinin-icrasi-haqqinda-qanunu-imzalayib>  
[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d014052b7dc.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d014052b7dc.pdf)  
[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d0140530f44.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d0140530f44.pdf)

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**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 MoF official website has published the info on 2021 budget execution on 30.06.2022.  
The Wayback Machine internet archive is showing a snapshot of July 4, 2022, confirming that by then the document was definitely uploaded:  
<http://web.archive.org/web/20220704024121/https://www.maliyye.gov.az/static/153/dovlet-budcesinin-icrasina-dair-illik-hesabat>

**Source:**

Landing page: <https://www.maliyye.gov.az/static/153/dovlet-budcesinin-icrasina-dair-illik-hesabat>  
Document: <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf>

**Comment:**

See also:  
<https://az.trend.az/azerbaijan/politics/3620876.html>  
<https://modern.az/aktual/358716/2021-ci-il-dvlet-budcesinin-icrasi-haqqinda-qanun-tesdiqlendi/>

**Peer Reviewer**

**Opinion:** Agree

**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://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf>

**Source:**

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf>

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

c. No

**Source:**

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf>

**Comment:**

The document is in PDF format.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf>

**Comment:**

No comments

**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:**

No answer

**Source:**

No sources

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:**

**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:**

The Annual Report on 2021 Budget Execution of Azerbaijan Republic (Original: Azərbaycan Respublikasının 2021-ci il dövlət büdcəsinin icrasına dair illik hesabat)

**Source:**

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf>

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

b. No

**Source:**

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf>

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

Chamber of Accounts' web page showing its "Opinion on the implementation of the 2021 state budget", here: <https://sai.gov.az/rej/94>

The Opinion (Audit report): [https://sai.gov.az/files/R%C9%99y-2021\\_%20icra%2019.05.2022\\_yekun-183625280.pdf](https://sai.gov.az/files/R%C9%99y-2021_%20icra%2019.05.2022_yekun-183625280.pdf)

**Comment:**

No comments

**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:**

Relevant Chamber of Accounts' page: <https://sai.gov.az/rej/94>

Opinion (SAI report): [https://sai.gov.az/files/R%C9%99y-2021\\_%20icra%2019.05.2022\\_yekun-183625280.pdf](https://sai.gov.az/files/R%C9%99y-2021_%20icra%2019.05.2022_yekun-183625280.pdf)

**Comment:**

No comments

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

**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:**

25/5/2022

**Source:**

Relevant Chamber of Accounts' web page: <https://sai.gov.az/rej/94>

SAI report: [https://sai.gov.az/files/R%C9%99y-2021\\_%20icra%2019.05.2022\\_yekun-183625280.pdf](https://sai.gov.az/files/R%C9%99y-2021_%20icra%2019.05.2022_yekun-183625280.pdf)

**Comment:**



This date is included on the Chamber of Accounts' web page, and is confirmed with the javascript code that shows "05/23/2022 03:03:17", that is two days prior to the official posting.

**Peer Reviewer**

**Opinion:** Disagree

**Suggested Answer:** 19/05/2022 This link has posted in Chamber of Accounts web page: [https://sai.gov.az/files/R%C9%99y-2021\\_%20icra%2019.05.2022\\_yekun-183625280.pdf](https://sai.gov.az/files/R%C9%99y-2021_%20icra%2019.05.2022_yekun-183625280.pdf) In the top of the that link was write this date: 19/05/2022

**Government Reviewer**

**Opinion:** Agree

**Researcher Response**

Thank you, peer reviewer,. Yes, there are some discrepancies between the dates of approval and publication. However the publication date is 25/5/2022. <https://sai.gov.az/rej/94>

**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 Chamber published the Audit Report on 2021 Budget Execution on its official web site on May 25, 2022.

**Source:**

<https://sai.gov.az/rej/94>

[https://sai.gov.az/files/R%C9%99y-2021\\_%20icra%2019.05.2022\\_yekun-183625280.pdf](https://sai.gov.az/files/R%C9%99y-2021_%20icra%2019.05.2022_yekun-183625280.pdf)

**Comment:**

This date is further confirmed by the javascript code that, applied to the document itself, shows a date of 05/23/2022 03:03:17. It looks like the document was posted and available even a couple of days before the official notification of posting.

**Peer Reviewer**

**Opinion:** Disagree

**Suggested Answer:** This link has posted in Chamber of Accounts web page: [https://sai.gov.az/files/R%C9%99y-2021\\_%20icra%2019.05.2022\\_yekun-183625280.pdf](https://sai.gov.az/files/R%C9%99y-2021_%20icra%2019.05.2022_yekun-183625280.pdf) In the top of the that link was write this date: 19/05/2022

**Government Reviewer**

**Opinion:** Agree

**Researcher Response**

See previous comment

**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://sai.gov.az/files/R%C9%99y-2021\\_%20icra%2019.05.2022\\_yekun-183625280.pdf](https://sai.gov.az/files/R%C9%99y-2021_%20icra%2019.05.2022_yekun-183625280.pdf)

**Source:**

[https://sai.gov.az/files/R%C9%99y-2021\\_%20icra%2019.05.2022\\_yekun-183625280.pdf](https://sai.gov.az/files/R%C9%99y-2021_%20icra%2019.05.2022_yekun-183625280.pdf)

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**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:**

[https://sai.gov.az/files/R%C9%99y-2021\\_%20icra%2019.05.2022\\_yekun-183625280.pdf](https://sai.gov.az/files/R%C9%99y-2021_%20icra%2019.05.2022_yekun-183625280.pdf)

**Comment:**

PDF format only

**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:**

[https://sai.gov.az/files/R%C9%99y-2021\\_%20icra%2019.05.2022\\_yekun-183625280.pdf](https://sai.gov.az/files/R%C9%99y-2021_%20icra%2019.05.2022_yekun-183625280.pdf)

**Comment:**

No comments

**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:**

No answer

**Source:**

No sources

**Comment:**

No comments

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion:

**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:**

Audit Report on the Law 'On execution of state budget for 2021 of the Republic of Azerbaijan' and annual report on state budget execution.  
"Azərbaycan Respublikasının 2021-ci il dövlət büdcəsinin icrası haqqında" Azərbaycan Respublikasının Qanun layihəsinə və dövlət büdcəsinin icrasına dair illik hesabatı Azərbaycan Respublikası Hesablama Palatasının Rəyi

**Source:**

[https://sai.gov.az/files/R%C9%99y-2021\\_%20icra%2019.05.2022\\_yekun-183625280.pdf](https://sai.gov.az/files/R%C9%99y-2021_%20icra%2019.05.2022_yekun-183625280.pdf)

**Comment:**

No comments

**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:**

a. Yes

**Source:**

[https://sai.gov.az/files/budce\\_xulasesi/xulase\\_2021.pdf](https://sai.gov.az/files/budce_xulasesi/xulase_2021.pdf)

**Comment:**

The Chamber for the first time prepared and published the infographic version of the AR.

**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:**

<https://www.stat.gov.az/source/finance/?lang=en>  
<http://maliyye.gov.az/en>  
<http://sai.gov.az>  
<https://www.oilfund.az/en>  
<http://www.e-qanun.az/>

**Comment:**

State Statistical Committee provides macro fiscal data info as a consolidated file with a machine-readable format respectively.  
Ministry of Finance provides government fiscal information.  
Others (Oil Fund, Chamber of Accounts, etc.), provide the fiscal info mainly from their own specifics  
e-qanun portal regularly publishes all legislative and other official documents, including fiscal documents

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**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:**

<https://www.stat.gov.az/source/finance/>  
<http://maliyye.gov.az/en>  
<http://sai.gov.az>  
<https://www.oilfund.az/en>  
<http://www.e-qanun.az/>

**Comment:**

The Chamber of Accounts web site published review on 2021 budget execution consists such kind of information.  
Also the macro-fiscal indicators, both revenue, and expenditure data can be downloaded on the official website of the State Statistical Committee (<https://www.stat.gov.az/source/finance/>) and Central Bank (<https://www.cbar.az/page-41/macroeconomic-indicators?language=en>) as a consolidated file, machine-readable format respectively.

**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:**

<https://www.stat.gov.az/source/finance>

<https://www.cbar.az/page-41/macroeconomic-indicators?language=en>

**Comment:**

The macro-fiscal indicators, both revenue, and expenditure data can be downloaded on the official website of the State Statistical Committee (<https://www.stat.gov.az/source/finance/>) and Central Bank (<https://www.cbar.az/page-41/macroeconomic-indicators?language=en>) as a consolidated file, machine-readable format for multiple years respectively.

**Peer Reviewer**

**Opinion:** Agree

**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://portal.datransparencia.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://portal.datransparencia.gov.br/orcamento> and <https://portal.datransparencia.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:**

[https://sai.gov.az/files/budce\\_xulasesi/xulase\\_2021.pdf](https://sai.gov.az/files/budce_xulasesi/xulase_2021.pdf)

<https://www.maliyye.gov.az/news/5802/dovlet-budcesi-ile-bagli-maariflendirici-video-rolik-hazirlanib---video>

<http://sai.gov.az/page/infoqrafikler>

**Comment:**

The Chamber prepared and published in the website the Infographic product on 2021 budget execution summary.

The MoF for the first time prepared an out on the website the enlightening video on budgeting, aimed mainly ordinary people.

**Peer Reviewer**

**Opinion:** Agree

**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:**

<http://www.e-qanun.az/framework/13241>

**Comment:**

There is a "Law on Internal Audit" (2007).

**Peer Reviewer**

**Opinion:** Disagree

**Suggested Answer:** a. Yes

**Comments:** this legislation allow internal audit only companies. "Law on Internal Audit" (2007). But the sources should be below's : About the Accounting Chamber LAW OF THE REPUBLIC OF AZERBAIJAN <https://e-qanun.az/framework/39922> this legislation give opportunitie for audit Government budget. About accounting LAW OF THE REPUBLIC OF AZERBAIJAN <https://e-qanun.az/framework/5458> About public participation LAW OF THE REPUBLIC OF AZERBAIJAN <https://e-qanun.az/framework/26879>

**Government Reviewer**

**Opinion:** Agree

**Comments:** In addition, 1. The Budget System Law of the Azerbaijan Republic, provides specific provisions: <https://e-qanun.az/framework/1126> Article 18. Execution of the state budget Article 20. Report on the execution of the state budget Article 21. Control of the execution of the state budget Article 22. Audit of the state budget and consolidated budget 2. Article 11-1 of the Budget System Law of the Azerbaijan Republic which defines the Fiscal Rules of the Budget System; 3. The Law on the Chamber of Accounts, specifically Articles 21, 22, 23, 24, and 25 are about Financial Control, Monitoring and Auditing <https://e-qanun.az/framework/39922>

**Researcher Response**

Thank you peer reviewer for the additional doc's.

**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 Access to Information: <http://www.e-qanun.az/framework/11142>

Law on Public Participation: <https://e-qanun.az/framework/26879>

**Comment:**

No comments

**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:**

d. No, expenditures are not presented by administrative unit.

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**Comment:**

The presentation doesn't provide information on administrative classification.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**Comments:** Azerbaijan has started to implement a rolling basis Medium-term Expenditure Framework (MTEF) since 2021. The MTEF documents are submitted and published to the public during the formal budgeting process. So MTEF doc 2023-2026 should be considered as a supporting document of the 2023 Executive Budget Proposal (EBP-2023). It was published on the MoF website in a timely manner with the EBP on 05 November 2022.

<https://www.maliyye.gov.az/static/297/2023-2026> Unfortunately, both "the presentation of the drafts of the state and consolidated budgets for 2023" and "MTEF doc 2023-2026," despite their supporting role, do not provide expenditure classifications by administrative unit for the budget year.

**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:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı": p.68-72  
<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**Comment:**

See pages 68-72 of the EBP.

Article 7 of the Draft of Law (Part of the Presentation) consists the following information: "The expenditures of the 2023 state budget of the Republic of Azerbaijan are directed to the following goals at the level of functional classification divisions and auxiliary divisions:" (i.e., function and sub-function).

Original text: Maddə7.Azərbaycan Respublikasının 2023-cü il dövlət büdcəsinin xərcləri funksional təsnifatın bölmə və köməkçi bölmələri səviyyəsində aşağıdakı məqsədlərə yönəldilir:

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** Beyond the 68-72 pages of the "Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023," the "2023-2026 MTEF documents" also present functional classification information. It was published on the MoF website in a timely manner with the EBP on 05 November 2022. Specifically, within the "2023-2026 MTEF documents," the section titled "Distribution of state budget expenses by functional and economic classification" (the fourth document from the top) presents functional classification details in a machine-readable format. (Original: Dövlət büdcəsi xərclərinin funksional və iqtisadi təsnifat üzrə bölgüsü). <https://www.maliyye.gov.az/static/297/2023-2026>

**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/qov/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](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:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**Comment:**

Azerbaijan's functional classification is mostly compatible with "Classification of Expense by Function of Government" in IMF Government Finance Statistics Manual 2001 (Page 76) and UN's Classification of the Functions of Government (COFOG), but partly compatible with OECD Best Practices for Budget Transparency (lack of information on non-financial assets, tax expenditure etc.)

The unified budget classification system which follows the requirements of the IMF's 2014 GFS classification entered into force in 2020 January.

Sample of main functions in the EBP:

General public services

Defense and national security

Judiciary, law enforcement and prosecutor's office

Education

Healthcare

Social protection and social security

Culture, art, information, physical education, youth policy and other such activities

Housing and communal economy

Agriculture

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** The functional classification aligns with the standards set by the IMF (as outlined in the Annex to Chapter 6: Classification of the Functions of Government).

**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:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023

(Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf> P.26-27

**Comment:**

See pages 26-27 of the EBP.

The EBP Presentation includes economic classification of budget expenditure, such as salary, salary supplements, pensions, other social allowances and payments, etc.

"İqtisadi təsnifata uyğun olaraq 2023-cü il dövlət büdcəsində əməyin ödənişi xərclərinə 8478,8 milyon manat (2022-ci illə müqayisədə 419,8 milyon manat və ya 5,2 faiz çox) və ya xərclərin 25,5 faizi həcmində, malların (işlərin və xidmətlərin) satın alınmasına 7860,3 milyon manat (2022-ci illə müqayisədə 1427,3 milyon manat və ya 22,2 faiz çox) və ya xərclərin 23,6 faizi həcmində, faizlər üzrə ödənişlərə 685,6 milyon manat (2022-ci illə müqayisədə 53,4 milyon manat və ya 8,4 faiz çox) və ya xərclərin 2,1 faizi həcmində, subsidiyaların və dövlət sifarişi əsasında bəzi xərclərin ödənilməsinə 1762,9 milyon manat (2022-ci illə müqayisədə 324,0 milyon manat və ya 22,5 faiz çox)", etc.

Rough translation:

"In accordance with the economic classification, in the 2023 state budget, 8478.8 million manats (419.8 million manats or 5.2 percent more than in 2022) or 25.5 percent of the costs, goods (works and services) 7860.3 million manats for purchase (1427.3 million manats or 22.2 percent more than in 2022) or 23.6 percent of expenses, 685.6 million manats for interest payments (53.4 million manats compared to 2022) or 8.4 percent more) or 2.1 percent of the expenses, 1762.9 million manats (324.0 million manats or 22.5 percent more than in 2022) for the payment of subsidies and some expenses based on the state order"

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** Beyond the "Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023," the "2023-2026 MTEF documents" also present economic classification information. It was published on the MoF website in a timely manner with the EBP on 05 November 2022. Specifically, within the "2023-2026 MTEF documents," the section titled "Distribution of state budget expenses by functional and economic classification" (the fourth document from the top) presents functional and economic classification details in machine-readable table format. (Original: Dövlət büdcəsi xərclərinin funksional və iqtisadi təsnifat üzrə bölgüsü). <https://www.maliyye.gov.az/static/297/2023-2026>

**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:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı": <https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf> P. 26-27

**Comment:**

Azerbaijan's economic classification is mostly compatible with "Economic Classification of Expense" in IMF Government Finance Statistics Manual 2001 (Table 6 on page 63, <https://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf>). Azerbaijan government initiates regular minor changes some sub-categories of economic classification. However, generally existing economic classification is compatible with international standards with some deviations. Categories such as salaries, goods & services, interest payments, subsidies, grants, social benefits and other are clearly presented, even if they are not presented neatly in a table as, for example the functions on pp 68 and following.

**Peer Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

b. No, the economic classification is not compatible with international standards, or expenditures are not presented by economic classification.

**Comments:** According to table No. 4 on page 179 of the International Monetary Fund's economic classification standards (IMF) 2001 document, the economic classification of state budget expenditures requires a more detailed disclosure in each direction. In the current preliminary budget

presentation document, the economic classification of expenses is given under general headings. However, we do not see what is meant by it. For example, the state budget includes 25% of salary expenses. The figure is 8,478.8 billion manats (in national currency). However, according to the standards, we do not see how much of the salary is in cash and how much is in kind. Also, it is not disclosed how much social payments are due to this salary. The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı": <https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf> P. 26-27

#### Government Reviewer

**Opinion:** Agree

**Comments:** The expenditures economic classification is fully compatible with the IMF standards. FYI, within the "2023-2026 MTEF documents," the section titled "Distribution of state budget expenses by functional and economic classification" (the fourth document from the top) presents functional and economic classification details in machine-readable table format. (Original: Dövlət büdcəsi xərclərinin funksional və iqtisadi təsnifat üzrə bölgüsü). <https://www.maliyye.gov.az/static/297/2023-2026>

#### IBP Comment

Many thanks to the peer reviewer for the detailed comment. For this question in the Open Budget Survey, we only look at the general headings (i.e., "salaries") to determine whether the country's presentation of expenses is presented by an economic classification compatible with international standards. Thus, answer "A" is maintained.

### 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:

c. Yes, programs accounting for less than two-thirds of expenditures are presented.

#### Source:

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı": <https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>)

#### Comment:

The Presentation provides individual programs financing, within science unit (p.32-33) health programs (p.34-36), social security (p.38), culture, art. etc. (p.39-40), but not all expenditure programs. It looks like these cover about 40,5% of the total budget, which is why we chose answer "C".

#### Peer Reviewer

**Opinion:** Agree

**Government Reviewer****Opinion:** Disagree**Suggested Answer:**

b. Yes, programs accounting for at least two-thirds of, but not all, expenditures are presented.

**Comments:** It's important to note that the "2023-2026 MTEF documents" also provide program classification information for pilot sectors where MTEF is applied in the third document from the top. <https://www.maliyye.gov.az/static/297/2023-2026> Education programs account for AZN 4423.1 million, Agriculture for AZN 1202.1 million, and Environment for AZN 371.5 million. These pilot sectors collectively represent 17.9% of the total 2023 budget expenditure of AZN 33353.3 million. Additionally, considering the researcher's comment that the Presentation covers individual program financing within various units, approximately 40.5% of the total budget is detailed. When combined with the MTEF-implemented programs at 17.9%, it constitutes 58.4% (40.5% + 17.9%) of the budget. <https://www.maliyye.gov.az/static/297/2023-2026> In addition to these, there is another program highlighted on page 42 of the Presentation, allocating AZN 3000.0 million or 8.9% of the 2023 state budget expenditures to the "Great Return" program (Original: Böyük Qayıdış programı). <https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf> When summing up all of these allocations, it totals 67.3% (40.5% + 17.5% + 8.9%). So, programs accounting for less than two-thirds of expenditures are presented.

**Researcher Response**

I'd like to thank GR for the comment. The individual programs expenditures-40,5% consists of education (13,3%), public health (5,7%), social security (13,3 %), science (0,7%), culture (1,7%), agriculture (5,8%) and environment (1,1%). The sum of these programs is even less than 40,5%. And, yes, MTEF pilot 3 sectors (education, agriculture, environment) is included. The Great Return program, mentioned by GR, is not specified by programs. So, the score "C" remains unchanged.

**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:**

c. Yes, multi-year expenditure estimates are presented by only one of the three expenditure classifications.

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

"Distribution of state budget expenses by functional and economic classification" (Dövlət büdcəsi xərclərinin funksional və iqtisadi təsnifat üzrə bölgüsü)

<https://www.maliyye.gov.az/static/297/2023-2026>

**Comment:**

The Supporting MTEF- 2023-2026 doc "Distribution of state budget expenses by functional and economic classification" (Dövlət büdcəsi xərclərinin funksional və iqtisadi təsnifat üzrə bölgüsü) provides only functional classification for budget years 2024, 2025, and 2026.

<https://www.maliyye.gov.az/static/297/2023-2026>

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

**Opinion:** Agree

**Comments:** The "2023-2026 MTEF documents provide multi-year expenditure estimates and were timely published on the MoF website alongside the EBP on November 5, 2022. Consequently, the MTEF doc 2023-2026 should be regarded as a supporting document for the 2023 Executive Budget Proposal (EBP-2023). Specifically, within the "2023-2026 MTEF documents," the section titled "Distribution of state budget expenses by functional and economic classification" (the fourth document from the top) presents a detailed breakdown of functional expenditure classification for the multi-year expenditure estimates starting from 2023 to 2026. (Original: Dövlət büdcəsi xərclərinin funksional və iqtisadi təsnifat üzrə bölgüsü). <https://www.maliyye.gov.az/static/297/2023-2026>

**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:**

Functional classification

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı"):

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

<https://www.maliyye.gov.az/static/297/2023-2026>

**Comment:**

See previous comment

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** The "2023-2026 MTEF documents provide multi-year expenditure estimates and were timely published on the MoF website alongside the EBP on November 5, 2022. Consequently, the MTEF doc 2023-2026 should be regarded as a supporting document for the 2023 Executive Budget Proposal (EBP-2023). Specifically, within the "2023-2026 MTEF documents," the section titled "Distribution of state budget expenses by functional and economic classification" (the fourth document from the top) presents a detailed breakdown of functional expenditure classification for the multi-year expenditure estimates starting from 2023 to 2026. (Original: Dövlət büdcəsi xərclərinin funksional və iqtisadi təsnifat üzrə bölgüsü). <https://www.maliyye.gov.az/static/297/2023-2026>

**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 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 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:**

c. Yes, multi-year estimates for programs accounting for less than two-thirds of expenditures are presented.

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı"):

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

"Distribution of expenditures by programs of the pilot sectors where the Medium-Term Expenditure Framework (MTEF) is applied" (Ortamüddətli Xərclər Çərçivəsinin (OMXÇ) tətbiq olunduğu pilot sektorların xərclərin proqramlar üzrə bölgüsü)

<https://www.maliyye.gov.az/static/297/2023-2026>

**Comment:**

The Supporting "MTEF-2023-2026" doc consists of "Distribution of expenditures by programs of the pilot sectors where the Medium-Term Expenditure Framework (MTEF) is applied" (Ortamüddətli Xərclər Çərçivəsinin (OMXÇ) tətbiq olunduğu pilot sektorların xərclərin proqramlar üzrə bölgüsü), based on 3 sectoral (education, agriculture, environment) programs estimation for multi-year period.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** The "2023-2026 MTEF documents" present program classification data for pilot sectors where MTEF is implemented, which is found in the third document from the top at this link: <https://www.maliyye.gov.az/static/297/2023-2026> Notably, MTEF-implemented programs constitute 17.9% of the total budget expenditure. Consequently, the document provides multi-year estimates for programs that collectively account for less than two-thirds of the total expenditures.

**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:**

a. Yes, individual sources of tax revenue accounting for all tax revenue are presented.

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023  
(Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":  
<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf> PP.17-25

**Comment:**

The Presentation provides substantial revenue information on individual sources, taxes, etc.: (Pages.17-25)

Specifically see the table on p.18

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** Beyond the Presentation, the "2023-2026 MTEF" documents detail individual tax revenue sources, including personal income tax, profit tax, property tax, VAT, etc. These details can be found in the second document from the top at <https://www.maliyye.gov.az/static/297/2023-2026>  
The attachment is an Excel file with two sheets: one for 'individual sources of tax revenue accounting for all tax revenue' and another for categories like tax and non-tax.

**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:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023  
(Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":  
<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>  
Pages 22, 24-25.

**Comment:**

The Presentation includes the information on non-tax revenues on p. 22, 24-25

**Peer Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

b. Yes, individual sources of non-tax revenue accounting for at least two-thirds of, but not all, non-tax revenues are presented.

**Comments:** In connection with the transfer from the state oil fund to the budget, only the transferred amount is written. Also, a comparison with last year is shown. Detailed information about the State Oil Fund was not provided. Therefore, considering the state oil fund, we cannot choose item "A".  
<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf> page: 23

**Government Reviewer**

**Opinion:** Agree

**Comments:** Furthermore, within the "2023-2026 MTEF documents," the section titled "Distribution of state budget revenues for 2020-2023 by types



of payments as well as tax and non-tax revenues" (located in the second document from the top) provides a breakdown of individual sources of non-tax revenue, covering all non-tax revenues. You can access this information at <https://www.maliyye.gov.az/static/297/2023-2026> The attachment is an Excel file with two sheets: the first sheet covers 'individual sources of tax revenue accounting for all tax revenue,' and the second sheet categorizes both tax and non-tax revenues. (Original: 2020-2023-cü illər üzrə dövlət büdcəsinin gəlirlərinin tədiyyə növləri habelə vergi və qeyri-vergi gəlirləri üzrə bölgüsü)

#### IBP Comment

We thank the reviewers for the additional comments and information. After further examination, we revise the response from "A" to "C" because it is not possible to identify individual revenue sources from the Oil Fund transfers. The share of Oil Funds transfers is a huge percentage of the budget, and it looks like Azerbaijan gets various revenue streams from SOCAR and SOFAZ, <https://oilfund.az/en/fund/documents/fund-budget/9>. While this information is not completely up to date, it confirms that there are different revenues streams coming into the budget from SOFAZ, and it's not simply a single revenue source. Based on this, it does not look like the "oil fund" can be considered as an individual revenue source.

#### 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:

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

##### Source:

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı": <https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

"Distribution of state budget revenues for 2020-2023 by types of payments as well as tax and non-tax revenues" (2020-2023-cü illər üzrə dövlət büdcəsinin gəlirlərinin tədiyyə növləri habelə vergi və qeyri-vergi gəlirləri üzrə bölgüsü) <https://www.maliyye.gov.az/static/297/2023-2026>

##### Comment:

The Supporting MTEF-2023-2026 document (excel file): "Distribution of state budget revenues for 2020-2023 by types of payments as well as tax and non-tax revenues" (2020-2023-cü illər üzrə dövlət büdcəsinin gəlirlərinin tədiyyə növləri habelə vergi və qeyri-vergi gəlirləri üzrə bölgüsü) provides multi-year estimates of revenue by category. It consists of an Excel sheet with two tabs and the second is categorizing revenue in tax and nontax, and related sub-items.

##### Peer Reviewer

Opinion: Agree

##### Government Reviewer

Opinion: Agree

#### 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:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

<https://www.maliyye.gov.az/static/297/2023-2026>

**Comment:**

The Presentation and Supporting documents do not provide information on estimates for individual sources of revenue for the period beyond of budget year. The excel sheet cited in question 11, includes revenue information for BY-, but not BY+.

**Peer Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

c. Yes, multi-year estimates for individual sources of revenue accounting for less than two-thirds of revenue are presented.

**Comments:** In most of the non-tax budget sources of revenue, several years are compared. A few entries even include a 10-year comparison table.

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf> page: 22-25

**Government Reviewer**

**Opinion:** Agree

**Researcher Response**

I'd like to thank the peer reviewer, however the comparisons are backwards-looking (before budget year 2023) and not forwards-looking (after budget year 2023). So, we maintain the score at "D".

**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:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı": <https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

"Indicators related to public debt" (Dövlət borcu ilə bağlı göstəricilər) <https://www.maliyye.gov.az/static/297/2023-2026>

**Comment:**

The Presentation provides:

The debt servicing limit info on page 75, Article 11 (table)

Net new borrowing limit info in Article 12

The narrative information is on pages 51-52 - upper limit of withdrawal of debt (foreign, domestic, and state guarantees) and interest payments.

The Supporting MTEF - 2023 "Indicators related to public debt" (Dövlət borcu ilə bağlı göstəricilər) excel file provides more substantial information on public debt for the multi-year period, including total debt burden. <https://www.maliyye.gov.az/static/297/2023-2026>

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** Within the "2023-2026 MTEF documents," the section titled "Indicators related to public debt" (located in the fifth document from the top) presents all three estimates related to government borrowing and debt. This Excel file, available in machine-readable format, presents comprehensive information on public debt, covering not only the budget year but also the multi-year period. Access this valuable data at <https://www.maliyye.gov.az/static/297/2023-2026> (Original: Dövlət borcu ilə bağlı göstəricilər)

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 interest payments on outstanding debt for the budget year

The central government's total debt burden at the end of the budget year

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı": <https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

"Indicators related to public debt" (Dövlət borcu ilə bağlı göstəricilər) <https://www.maliyye.gov.az/static/297/2023-2026>

**Comment:**

The Presentation provides:

The debt servicing limit info on page 75, Article 11 (table)

Net new borrowing limit info in Article 12

The narrative information is on pages 51-52 - upper limit of withdrawal of debt (foreign, domestic, and state guarantees) and interest payments.

The Supporting MTEF- 2023 "Indicators related to public debt" (Dövlət borcu ilə bağlı göstəricilər) excel file provides more substantial information on public debt for the multi-year period, including total debt burden.

<https://www.maliyye.gov.az/static/297/2023-2026>

**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:**

b. Yes, the core information is presented for the composition of the total debt outstanding.

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

"Indicators related to public debt" (Dövlət borcu ilə bağlı göstəricilər)

<https://www.maliyye.gov.az/static/297/2023-2026>.

**Comment:**

Page 52 of the Presentation presents the total debt as of July 2022, and its domestic and foreign breakdown.

The Supporting MTEF- 2023 "Indicators related to public debt" (Dövlət borcu ilə bağlı göstəricilər) excel file provides more substantial information on public debt for the multi-year period, including estimated total debt for the budget year (2023) and other years and whether it is foreign or domestic. It presents interest rate not as a percentage but a single figure.  
<https://www.maliyye.gov.az/static/297/2023-2026>.

The information on maturity profile is absent, however detailed info on creditors in the MTEF might be accepted as a compensation, therefore option "b" is relevant.

**Peer Reviewer**

**Opinion:** Agree

**Comments:** Answer to the question "Why is interest rate presented as figure and not percentage, in the MTEF?" To show the efficiency of foreign debt

**Government Reviewer**

**Opinion:** Agree

**Researcher Response**

I guess the interest rate figures, provided not in the percentage is a technical issue.

**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

Whether the debt is domestic or external

Information beyond the core elements (please specify)

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

"Indicators related to public debt" (Dövlət borcu ilə bağlı göstəricilər)

<https://www.maliyye.gov.az/static/297/2023-2026>.

**Comment:**

No comments

**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:**

b. Yes, the core information is presented for the macroeconomic forecast.

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>. (pages 1-6)

**Comment:**

The Presentation provides the main macroeconomic indicators (core components) including nominal GDP level, inflation rate, and real GDP growth. Beyond these core components, budget documents indicate economic parameters and forecasts such as oil and non-oil GDP (nominal amount and real growth rate), population income, average wage dynamics and other segregated data. There is no information on interest rates, but given that some beyond-the-core information is presented (see for example the graph on p. 3-4 dedicated to the composition of GDP growth), response "b" was selected.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

Comments: In addition, the Presentation includes information on GDP growth composition (pages 3-4) and exchange rate information (page 5), providing additional insights beyond the core elements. <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**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)

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":  
<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>. (pages 1-6)

**Comment:**

The Presentation provides the main macroeconomic indicators (core components) including nominal GDP level, inflation rate, and real GDP growth. Beyond these core components, budget documents indicate economic parameters and forecasts such as oil and non-oil GDP (nominal amount and real growth rate), population income, average wage dynamics and other segregated data. There is no information on interest rates.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** In addition, the Presentation includes information on GDP growth composition (pages 3-4) and exchange rate information (page 5), providing additional insights beyond the core elements. <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**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/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:**

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

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>. (P.55-65)

**Comment:**

The Presentation provides discussions of the sensitivity of fiscal forecasts to major macroeconomic assumptions in Section 6, Fiscal Risks (p.55-65).

The GDP growth scenarios are described on the p. 56-57 (Graph: 21,22, 23. and it's impact on fiscal parameters on the table3. (p.58)

The decline of oil price affects on budget revenues in different scenarios in the p. 59-60.

The inflation affects in the p. 61.

Given the lack of information on the impact of changes in interest rates, but a meaningful assessment of the scenarios for the impact on oil prices goes beyond the main one - option "b". is relevant.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

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

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>.

**Comment:**

The Presentation provides info on the new macroeconomy-fiscal challenges, specifically in light of global and regional changes/tensions, such as energy transition impact on oil prices (p.2/table 2) and Russian-Ukrainian war effects on the economy and budget of Azerbaijan, since both



countries are the main trade partners (p. 8).

Thus, the economy of Azerbaijan is suffering from the decline in oil prices, necessity expenditures optimization, etc.

However, no specific estimates are found.

#### Peer Reviewer

**Opinion:** Agree

#### Government Reviewer

**Opinion:** Disagree

#### Suggested Answer:

a. Yes, estimates that show how all new policy proposals affect expenditures are presented, along with a narrative discussion.

**Comments:** On 22 July 2022, the "Social-economic development strategy of the Republic of Azerbaijan for 2022-2026" was approved, resulting in the incorporation of numerous new policies and projects into the 2023 Executive Budget Proposal (EBP). As elaborated on pages 6-8 of the Presentation, the macro-fiscal challenge extends beyond local and regional shifts, inflation dynamics, and the energy transition. It also encompasses the financing of the "Social-economic development strategy for 2022-2026." Consequently, the 2023 EBP provides an overview of all new policy proposals that impact expenditures, accompanied by detailed narrative discussions. The EBP 2023 provides related expenditure for Social (page 28), Education (on page 29), Health (on page 34), Culture, art, youth policy (page 39), Tourism (page 40), and Investment sectors (on page 42). For the financing of this new strategy, allocated expenditures are presented in conjunction with a narrative discussion. Page 28, for instance, details, "AZN 1144.0 million allocated for the social measures outlined in the 'Social-economic Development Strategy,' including AZN 848.6 million for social support." (Original: "Azərbaycan Respublikasının 2022-2026-cı illərdə sosial-iqtisadi inkişaf Strategiyası"nda nəzərdə tutulmuş sosial tədbirlərin maliyyə təminatı üçün 1144,0 milyon manat, o cümlədən sosial dəstək tədbirləri üçün 848,6 milyon manat vəsait yönəldiləcəkdir.) <https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

#### Researcher Response

The evidence, provided by GR does not quite meet the requirements of the question, which asks about a new policy specific estimates and reflections on allocation. In addition, there isn't any substantial difference on the mentioning of new programs since last round. So, unfortunately the score "c" is maintained.

### 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:**

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

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023

(Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>.

**Comment:**

The Section 2 of the Presentation (p.9-11) provides info on the new policy proposals affect revenues. It includes i) Diversification, ii) Effective use of incentive tools to accelerate economic development in the liberated territories, iii) Implementation of favorable tax-customs policy, iiiii) Digitalisation, etc.

However, no specific estimates are found.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

b. Yes, expenditure estimates for BY-1 are presented by two of the three expenditure classifications.

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023

(Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>.

"Distribution of state budget expenses by functional and economic classification" (Dövlət büdcəsi xərclərinin funksional və iqtisadi təsnifat üzrə bölgüsü)

<https://www.maliyye.gov.az/static/297/2023-2026>

**Comment:**

The MTEF-2023 "Distribution of state budget expenses by functional and economic classification" (Dövlət büdcəsi xərclərinin funksional və iqtisadi təsnifat üzrə bölgüsü) provides functional and economic classification info on multi-year period

<https://www.maliyye.gov.az/static/297/2023-2026>

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** The "2023-2026 MTEF documents" within the titled "Distribution of state budget expenses by functional and economic classification" present expenditure estimates for BY-1 are presented by functional and economic expenditure classifications. Notably, the attachment is an Excel file with two sheets, one for functional and one for economic classification. <https://www.maliyye.gov.az/static/297/2023-2026> (The fourth document from the top)

**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 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-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:**

c. Yes, programs accounting for less than two-thirds of expenditures are presented for BY-1.

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı": <https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>).

"Distribution of expenditures by programs of the pilot sectors where the Medium-Term Expenditure Framework (MTEF) is applied" ("Ortamüddətli Xərclər Çərçivəsinin (OMXÇ) tətbiq olunduğu pilot sektorların xərclərin proqramlar üzrə bölgüsü" <https://www.maliyye.gov.az/static/297/2023-2026>

**Comment:**

The MTEF-2023 "Distribution of expenditures by programs of the pilot sectors where the Medium-Term Expenditure Framework (MTEF) is applied" ("Ortamüddətli Xərclər Çərçivəsinin (OMXÇ) tətbiq olunduğu pilot sektorların xərclərin proqramlar üzrə bölgüsü") provides information on education, agriculture and environment sectors programs for multi-year period. <https://www.maliyye.gov.az/static/297/2023-2026>

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** The "2023-2026 MTEF documents," under the titled "Distribution of expenditures by programs of the pilot sectors in which the MTEF is implemented," present expenditures for individual programs for the year preceding the budget year (BY-1) and the medium-term. This information can be found in the third document from the top at this link: <https://www.maliyye.gov.az/static/297/2023-2026> (Original: "Ortamüddətli Xərclər Çərçivəsinin (OMXÇ) tətbiq olunduğu pilot sektorların xərclərin proqramlar üzrə bölgüsü")

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:**

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

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>.

**Comment:**

The expenditure and revenue estimates of the year prior to the budget year (BY-1) been updated from the original enacted levels ratified by the law (<https://e-qanun.az/framework/48723>) on July, 2022 (<https://www.maliyye.gov.az/news/5709/prezident-ilham-eliyev-2022-ci-ilin-dovlet-budcesine-deyisiklikleri-tesdiqleyib>).

When the EBP-2023 was published (03/11/2022) expenditure estimates for 2022 have been updated from the original enacted levels, and it was reflected in the EBP-2023 on page 25-50.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

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:**

b. Yes, expenditure estimates for BY-2 and prior years are presented by two of the three expenditure classifications.

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023

(Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>.

"Distribution of state budget expenses by functional and economic classification" (Dövlət büdcəsi xərclərinin funksional və iqtisadi təsnifat üzrə

bölgüsü)

<https://www.maliyye.gov.az/static/297/2023-2026>

**Comment:**

The Presentation provides expenditures for more than one year prior to the budget year (BY-2 and prior years) by functional classification. For example, the education and health expenditure is showing information for five years (2019-2023) respectively on pages 26-28. Additionally, the Supporting MTEF-2023-2026 "Distribution of state budget expenses by functional and economic classification" (Dövlət büdcəsi xərclərinin funksional və iqtisadi təsnifat üzrə bölgüsü) provides expenditure estimates for BY-2 by 2 of 3 (functional, economic) classifications. <https://www.maliyye.gov.az/static/297/2023-2026>

**Peer Reviewer**

**Opinion:** Agree

**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:**

Functional classification

Economic classification

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>.

<https://www.maliyye.gov.az/static/297/2023-2026>

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

c. Yes, programs accounting for less than two-thirds of expenditures are presented for BY-2 and prior years.

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>.

"Distribution of expenditures by programs of the pilot sectors where the Medium-Term Expenditure Framework (MTEF) is applied" ("Ortamüddətli Xərclər Çərçivəsinin (OMXÇ) tətbiq olunduğu pilot sektorların xərclərin proqramlar üzrə bölgüsü")

<https://www.maliyye.gov.az/static/297/2023-2026>

**Comment:**

The Supporting MTEF-2023 "Distribution of expenditures by programs of the pilot sectors where the Medium-Term Expenditure Framework (MTEF) is applied" ("Ortamüddətli Xərclər Çərçivəsinin (OMXÇ) tətbiq olunduğu pilot sektorların xərclərin proqramlar üzrə bölgüsü") provides information on education, agriculture and environment sectors programs for multi-year period, which are less than 2/3 of expenditures.

<https://www.maliyye.gov.az/static/297/2023-2026>

**Peer Reviewer**

**Opinion:** Agree

**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:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>.

**Comment:**

The Presentation provides information on budget 2021 (actual outcomes), 2022 (updated) and 2023 (forecasted) for budget parameters with narrative discussion and comparative analysis on page 22-50.

Specifically see on the p. 25;

"2023-cü il dövlət büdcəsinin xərcləri 33300,0 milyon manat nəzərdə tutulur ki, bu da 2022-ci ilin proqnozuna nisbətən 996,2 milyon manat və ya 3,1 faiz, 2021-ci ilin icra göstəriciləri ilə müqayisədə isə 5877,6 milyon manat və ya 21,4 faiz çoxdur"

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** The actual outcome relates to the year 2021, which is two years prior to the budget year (2023).

**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:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı": <https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>.

**Comment:**

The Presentation provides revenue by category on a multiple years prior to 2023 in the tables and narrative. p.14-24

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** Additionally, within the "2023-2026 MTEF documents," the section titled "Distribution of state budget revenues for 2020-2023 by types of payments, as well as tax and non-tax revenues" (the second document from the top) presents revenue estimates for BY-1 categorized by type. The attachment is an Excel file with two sheets: the first sheet contains individual sources of tax revenue accounting for all tax revenue, and the second sheet categorizes revenues into tax and non-tax categories. (Original: 2020-2023-cü illər üzrə dövlət büdcəsinin gəlirlərinin tədiyyə növləri habelə vergi və qeyri-vergi gəlirləri üzrə bölgüsü) <https://www.maliyye.gov.az/static/297/2023-2026>

**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:**

a. Yes, individual sources of revenue accounting for all revenue are presented for BY-1.

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>.

**Comment:**

The Presentation provides such kind of info on a multiple years prior to 2023 in the tables and narrative. See pages 14-25

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** Additionally, within the "2023-2026 MTEF documents," the section titled "Distribution of state budget revenues for 2020-2023 by types of payments, as well as tax and non-tax revenues" (the second document from the top) presents individual sources of revenue accounting for all revenue are presented for BY-1. The attachment is an Excel file with two sheets: the first sheet contains individual sources of tax revenue accounting for all tax revenue, and the second sheet categorizes revenues into tax and non-tax categories. (Original: 2020-2023-cü illər üzrə dövlət büdcəsinin gəlirlərinin tədiyyə növləri habelə vergi və qeyri-vergi gəlirləri üzrə bölgüsü) <https://www.maliyye.gov.az/static/297/2023-2026>

**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:**

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

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>.

**Comment:**

The expenditure and revenue estimates of the year prior to the budget year (BY-1) been updated from the original enacted levels ratified by the law (<https://e-qanun.az/framework/48723>) on July, 2022 (<https://www.maliyye.gov.az/news/5709/prezident-ilham-eliyev-2022-ci-ilin-dovlet-budcesine-deyisiklikleri-tesdiqleyib>).

When the EBP-2023 was published (03/11/2022) expenditure estimates for 2022 have been updated from the original enacted levels, and it was reflected in the EBP-2023 on page 25-50.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>.

**Comment:**

The Presentation provides information on revenue estimates by categories for more than one year prior to the budget year (BY-2 and prior years). Such as tax category (income taxes, profit taxes and etc) is presented on pages 15-17, and non-tax (Oil Fund transfer, custom duties, and etc) are presented separately, along with a narrative discussion and graphs on pages 23-24.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** Additionally, within the "2023-2026 MTEF documents," the section titled "Distribution of state budget revenues for 2020-2023 by types of payments, as well as tax and non-tax revenues" (the second document from the top) presents revenue estimates for BY-2 and prior years are presented by category. The attachment is an Excel file with two sheets: the first sheet contains individual sources of tax revenue accounting for all tax revenue, and the second sheet categorizes revenues into tax and non-tax categories. (Original: 2020-2023-cü illər üzrə dövlət büdcəsinin gəlirlərinin tədiyyə növləri habelə vergi və qeyri-vergi gəlirləri üzrə bölgüsü) <https://www.maliyye.gov.az/static/297/2023-2026>

**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:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>.

**Comment:**

The transfers from Oil Fund, which account for about 47% of the total revenues, are not reported by individual sources. P. 24. Therefore the option "c" applies.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

a. Yes, individual sources of revenue accounting for all revenue are presented for BY-2 and prior years.

**Comments:** Within the "2023-2026 MTEF documents," the section titled "Distribution of state budget revenues for 2020-2023 by types of payments, as well as tax and non-tax revenues" (the second document from the top) provides detailed information on individual sources of revenue for years preceding the budget year. This supporting document contains data on various tax revenue sources, including personal income tax, profit tax, property tax, VAT, mining tax, custom duties, dividends received from state-owned enterprises, transfers from the State Oil Fund, excise tax, and

more, covering the years 2020, 2021, and 2022. Additionally, non-classified other revenues make up approximately 1.0% of the total revenues. (Original: 2020-2023-cü illər üzrə dövlət büdcəsinin gəlirlərinin tədiyyə növləri habelə vergi və qeyri-vergi gəlirləri üzrə bölgüsü) <https://www.maliyye.gov.az/static/297/2023-2026>

**IBP Comment**

We thank the Government Reviewer for the additional comments and information. The response remains, however, unchanged ("c") because it is not possible to identify individual revenue sources from the Oil Fund transfers. The share of Oil Funds transfers is a huge percentage of the budget, and it looks like Azerbaijan gets various revenue streams from SOCAR and SOFAZ, <https://oilfund.az/en/fund/documents/fund-budget/9>. While this information is not completely up to date, it confirms that there are different revenues streams coming into the budget from SOFAZ, and it's not simply a single revenue source. Based on this, it does not look like the "oil fund" can be considered as an individual revenue source.

**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:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı": <https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**Comment:**

On the p.15 of the Presentation, it's highlighted that;

"The revenues of the 2023 state budget are expected to be 30,720.7 million manats, which is 29.0 percent of the GDP, compared to the updated forecast of 2022, 1,522.9 million manats or 5.2 percent, 2021- 4324.4 million manats or 16.4 percent more than the performance indicators of 2021." Original: 2023-cü il dövlət büdcəsinin gəlirləri 30720,7 milyon manat nəzərdə tutulur ki, bu da ÜDM-in 29,0 faizi həcmində olmaqla, 2022-ci ilin dürüstləşdirilmiş proqnozu ilə müqayisədə 1522,9 milyon manat və yaxud 5,2 faiz, 2021-ci ilin icra göstəriciləri ilə müqayisədə 4324,4 milyon manat və yaxud 16,4 faiz çoxdur.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**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:**

b. Yes, the core information is presented for government debt.

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

"Indicators related to public debt" (Dövlət borcu ilə bağlı göstəricilər)

<https://www.maliyye.gov.az/static/297/2023-2026>

**Comment:**

The Presentation on page 51 presents total debt burden as of July 2022, and whether it is foreign or domestic, as well as maturity profile. However, since these figures are not for the full budget year, we cannot count them.

The Presentation does give interest payments for BY-1 on page 52.

Additionally, one of the Supporting doc "MTEF 2023-2026" "Indicators related to public debt" (Dövlət borcu ilə bağlı göstəricilər) provides more substantial information on the debt. It shows the total debt burden for the full budget year BY-1 (2022) and whether it is foreign or domestic; interest rate for BY-1 (presented as a figure, not a percentage); net new borrowing for BY-1; debt servicing for BY-1; and beyond the core elements (payment schedule, creditors, etc.).

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

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

**Comments:** Within the "2023-2026 MTEF documents," the section titled "Indicators related to public debt" (located in the fifth document from the top) not only presents core indicators but also provides detailed information such as gross new borrowing required during BY-1 (I section of the table), the type of interest rate associated with the debt (fixed or variable) (II section of the table), payment schedule (III section of the table), currency of the debt (IV section of the table), and a comprehensive profile of the creditors (V section of the table). <https://www.maliyye.gov.az/static/297/2023-2026> (Original: Dövlət borcu ilə bağlı göstəricilər)

**Researcher Response**

I'd like to thank government reviewer for the comments, however, due to the lack of information on maturity profile of the debt, the score "B" is maintained.

**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:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

"Indicators related to public debt" (Dövlət borcu ilə bağlı göstəricilər)

<https://www.maliyye.gov.az/static/297/2023-2026>

**Comment:**

The "Indicators related to public debt" (Dövlət borcu ilə bağlı göstəricilər)

<https://www.maliyye.gov.az/static/297/2023-2026> provides the debt info on 2020-2026 in Excel.

**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:**

c. Yes, information is presented, but it excludes some core elements or some extra-budgetary funds.

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023  
(Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":  
<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

Overview budget forecast for 2023 and the next three years (2023-cü il və sonrakı üç il üçün icmal büdcəsinin proqnozu)  
<https://www.maliyye.gov.az/static/297/2023-2026>

**Comment:**

The Presentation itself provides the information on two extra budgetary funds (State Social Protection Fund, Unemployment Insurance Fund) on pages 76-79.

Additionally one of the "MTEF-2023-2026" documents "Overview budget forecast for 2023 and the next three years (2023-cü il və sonrakı üç il üçün icmal büdcəsinin proqnozu)" provides info on 4 extra budgetary funds (SOFAZ, SSPF, UIF and Compulsory health insurance fund (İcbari tibbi sığorta fondu) in Excel. Since the stated funds do not include a statement of purpose or policy rationale, we score this question "C".

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

a. Yes, information beyond the core elements is presented for all extra-budgetary funds.

**Comments:** The "MTEF-2023-2026" documents, particularly the "Consolidated budget forecast for 2023 and the next three years (2023-cü il və sonrakı üç il üçün icmal büdcəsinin proqnozu)," present detailed information regarding extrabudgetary funds income and expenditures in Excel format, accessible in the fifth document from the top. Furthermore, within the 5th Chapter of the Presentation, you can find indicators pertaining to extrabudgetary funds, accompanied by a policy rationale for each of these funds. For instance, on page 54 of the Presentation, you will discover the reasons behind the establishment of a specific fund and its intended purposes. This provides clear insights into the fund's statement of purpose or policy rationale. <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf> AZN 11,280.0 million of the expenses of the Oil Fund were transferred to the state budget, AZN 38.5 million was allocated to the "State Program for increasing the international competitiveness of the education system" and AZN 36.7 million to the "State Program for education in foreign higher education institutions". (Original: Bu xərclərin 11280,0 milyon manatını Azərbaycan Respublikasının Dövlət Neft Fondundan dövlət büdcəsinə transfert, 38,5 milyon manatını "2020-2024-cü illər üçün Azərbaycan Respublikasında ali təhsil sisteminin beynəlxalq rəqabətliyi artırılması üzrə Dövlət Proqramı"nın və 36,7milyon manatını "Azərbaycan Respublikası vətəndaşlarının 2022-2026-cı illərdə xarici ali təhsil müəssisələrində təhsili üzrə Dövlət Proqramı"nın maliyyə təminatı ilə bağlı xərclər təşkil edəcəkdir) The projected income and expenditures of the State Social Protection Fund are expected to total AZN 6,264.0 million, representing an increase of AZN 657.7 million, or 11.7 percent, compared to the 2022 forecast. The primary components of the Fund's expenditures will encompass disbursements for labor pensions, benefits, sanatorium-resort treatments, expenses related to delivering social services to the populace, and the operational costs associated with maintaining the Fund's administrative and other structural divisions. (Original: Dövlət Sosial Müdafiəsi Fondunun gəlirləri və xərcləri bərabər olmaqla 6264,0 milyon manat məbləğində

proqnozlaşdırılır ki, bu da 2022-ci ilin proqnozu ilə müqayisədə 657,7 milyon manat və ya 11,7 faiz çoxdur. Fondun xərclərinin potensial hissəsini əmək pensiyalarının, müavinətlərin ödənişi, sanatoriya-kurort müalicəsi, əhaliyə sosial sahədə xidmətlərin göstərilməsi xərcləri, həmçinin Fondun aparatının və digər struktur bölmələrinin saxlanması ilə bağlı xərclər təşkil edəcəkdir.)

#### Researcher Response

I thank government reviewer for the additional info. However, the core info (a statement of purpose or policy rationale for the extra-budgetary fund, etc.) is provided not properly. So, the score "C" is maintained.

### 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:

a. Yes, central government finances are presented on a consolidated basis.

#### Source:

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

#### Comment:

See MTEF document "Overview budget forecast for 2023 and the next three years".

(<https://www.maliyye.gov.az/static/297/2023-2026>)

#### Peer Reviewer

Opinion: Agree

#### Government Reviewer

Opinion: Agree

### 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:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**Comment:**

The Presentation provides information on estimates of amount of the transfers from central government budget to the budgets of districts and cities, with narrative (p.53-54).

Individual transfers are shown on the pages 72-75 (Article 9).

**Peer Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

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

**Comments:** In the initial budget document, the information on the transfer of money between the State organizations is not fully disclosed. Here is the total amount of funding allocated for each administrative division. Only on pages 53-54 it is written why funds are allocated in general for several administrative units. However, for the vast majority of administrative units, it is not possible to see why the transfers were made in the state budget.

From this point of view, the answer can be considered between "c" and "b". Therefore, we choose answer "b". The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı": <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**Government Reviewer**

**Opinion:** Agree

**Researcher Response**

I'd like to thank peer reviewer, however, the question doesn't ask specifically about a quality and comprehensiveness of the narrative report on intergovernmental transfers. As we have such a report in the p.53-54, we have to estimate it properly. So, my guess, score "A" might be maintained.

**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](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:**

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

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı": <https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**Comment:**

The Presentation shows policies directed towards i) low income groups and ii) regional dimension;

p.29:

i) 8.0 from the next year's state budget for the provision of student loans in order to further increase access to higher education for the low-income population and expand the scope of higher education million manat funds have been allocated. Taking into account the funds allocated in 2021 and 2022, the total resource envelope of the Education Student Loan Fund will be 110.0 million manats (Original: Əhalinin aztəminatlı təbəqəsinin ali təhsilə əlçatanlığını daha da artırmaq və ali təhsilin əhatə dairəsini genişləndirmək məqsədilə tələbə kreditinin verilməsi üçün növbəti ilin dövlət büdcəsindən 8,0 milyon manat vəsait nəzərdə tutulmuşdur. 2021-ci və 2022-ci illərdə ayrılmış vəsaitləri də nəzərə aldıqda, ümumilikdə Təhsil Tələbə Kredit Fondunun resurs zərfi 110,0 milyon manat təşkil edəcəkdir

p.42;

ii) Reconstruction and restoration of cities and villages, creation of modern infrastructures (electricity, natural gas, 3000.0 million manats from the state budget of 2023 for the purpose of restoration and reconstruction of water, communication, road, education, healthcare, culture, housing, communal and other necessary infrastructures and cultural and historical monuments, construction of residential houses, etc.) compared to the current year, 330.0 million manats (12.4 percent) more funds were provided (Original: İşğaldan azad olunmuş ərazilərə böyük qayıdışın təmin edilməsi üçün şəhər və kəndlərin yenidən qurulması və bərpası, həmin ərazilərdə müasir infrastrukturların yaradılması (elektrik enerjisi, təbii qaz, su, rabitə, yol, təhsil, səhiyyə, mədəniyyət, mənzil, kommunal və digər zəruri infrastrukturların və mədəni, tarixi abidələrin bərpası və yenidən qurulması, yaşayış evlərinin tikintisi və s.) məqsədilə 2023-cü ilin dövlət büdcəsindən 3000,0 milyon manat və ya cari ilə nisbətdə 330,0 milyon manat (12,4 faiz) çox vəsait nəzərdə tutulmuşdur.)

However, it does not show how expenditures are distributed according to geographic region or at least how the sector budgets are distributed to different regions; or how the budget as a whole has impact on low income groups.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

b. Yes, two alternative displays of expenditures are presented to illustrate the financial impact of policies on different groups of citizens.



**Comments:** In light of the "b" response for Question 52, this can be considered as an additional alternate display (per the question guidelines, "if a country presents estimates of policies intended to benefit the most impoverished populations (see Question 52) then that should be considered an alternative display for purposes of answering this question." For additional context, it's worth noting that in 2021, a presidential decree redefined Azerbaijan's economic regions from 10 to 14, aiming to boost economic specialization, improve investment policy implementation, and enhance the reconstruction process. As the researcher referenced on page 44 of the Presentation, the expenditure details are related to the restructuring of the East Zangazur and Karabakh economic regions. Throughout the Presentation, the terms "Reconstruction and restoration process" are consistently used to refer to these regions. <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**Researcher Response**

I thank government reviewer, for the add. evidences. However. the presentations do not show how expenditures are distributed according to geographic region or at least how the sector budgets are distributed to different regions; or how the budget as a whole has impact on low income groups. So, we maintain the "D"

**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:**

None of the above

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı": <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**Comment:**

See Question 36

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:** Impacts of budget policies by Economic region and impacts of budget policies on vulnerable groups, refugees, and IDPs.

**Comments:** In light of the "b" response for Question 52, this can be considered as an additional alternate display (per the question guidelines, "if a country presents estimates of policies intended to benefit the most impoverished populations (see Question 52) then that should be considered an alternative display for purposes of answering this question." For additional context, it's worth noting that in 2021, a presidential decree redefined Azerbaijan's economic regions from 10 to 14, aiming to boost economic specialization, improve investment policy implementation, and enhance the reconstruction process. As the researcher referenced on page 44 of the Presentation, the expenditure details are related to the restructuring of the East Zangazur and Karabakh economic regions. Throughout the Presentation, the terms "Reconstruction and restoration process" are consistently used to refer to these regions. <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**IBP Comment**

Many thanks to the government reviewer for the comment. Please see the researcher's response in Question 36.

**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:**

c. Yes, estimates of some but not all transfers to public corporations are presented.

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**Comment:**

The Presentation provides some info about transfers to the public corporations, such as Airline (Azal), etc. on the p. 46-47

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

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

**Comments:** As a supporting document for the EPB, the "2023-2026 MTEF documents" feature a section titled "Financial Assistance and Subsidies from the State Budget" (located in the last document at the bottom). This section presents estimates concerning transfers to public corporations, public legal entities, and subsidies in the agriculture sector. However, it's important to note that this section does not include any accompanying narrative discussion. <https://www.maliyye.gov.az/static/297/2023-2026>

**Researcher Response**

I thank GR for the suggestion. The MTEF Excel file, titled "financial assistance (subsidy)" is an evidence and can be accept. The only concern is to verify, is there any transfers to public corporations beyond of this amount.

**IBP Comment**

Many thanks to the government reviewer and researcher for the comments. After further discussion with the peer reviewer, it seems not all transfers to public corporations are presented in the EBP. For example, the Entrepreneurship Development Fund receives financial assistance from the state but is not listed separately here. The audit reference document of the Entrepreneurship Development Fund shows allocations from the state budget. Score is maintained at "C".

**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:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı"):

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

MTEF -2023-2026 doc's:

<https://www.maliyye.gov.az/static/297/2023-2026>

**Comment:**

Neither the Presentation, nor the Supporting doc's provide information on the quasi-fiscal activities

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

c. Yes, information is presented, but it excludes some core elements or some quasi-fiscal activities.

**Comments:** The Ministry of Finance employs the approach of providing loans at below-market rates for various specific activities and related services. For instance, on page 46 of the EBP, there are details about actions implemented by the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan, focusing on addressing the housing needs of the population through preferential terms for obtaining housing. This involves issuing mortgage loans to households at interest rates lower than market rates. Additionally, page 46 also provides insights into actions taken to cover losses resulting from services offered at rates below the cost of production by the "Azeristiliktehzat" Open Joint Stock Company. Furthermore, information is available on measures undertaken by the "Azerbaijan Airlines" Closed Joint Stock Company concerning concessions for flights to the Autonomous Republic of Nakhchivan and transportation of vulnerable and disabled individuals to Commonwealth of Independent States countries, as outlined on page 47 of the EBP. <https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**Researcher Response**

I thank GR for the suggestion and comments. Unfortunately, the mentioned evidences fall more into the subsidy category, rather quasi-fiscal expenditures. The score "D" remains unchanged

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:**

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

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":  
<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**Comment:**

The Presentation provides an estimate of total value of financial assets of State Oil Fund on the p. 60

**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:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**Comment:**

No information on the nonfinancial assets

**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:**

e. Not applicable/other (please comment).

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**Comment:**

Option "e" is the appropriate response, as expenditures arrears are not created due to the specifics of Treasury control/commitments mechanisms.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

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:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**Comment:**

The Presentation (p.51), provides the following info;

"Conditional liabilities for state guarantees given to foreign debts raised by state enterprises are equivalent to 715.2 million US dollars or 1.1 percent of GDP, and the total amount of foreign public debt is equivalent to 7882.3 million US dollars or 11.7 percent of GDP."

(dövlət müəssisələri tərəfindən cəlb edilmiş xarici borclara verilmiş dövlət zəmanətləri üzrəşərti öhdəliklərisə715,2 milyon ABŞ dolları ekvivalentində və ya ÜDM-in 1,1 faizini təşkil etməklə, xarici dövlət borcunun ümumi məbləği7882,3 milyon ABŞ dolları ekvivalentində və ya ÜDM-in 11,7 faizini təşkil etmişdi)

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

**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:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":  
<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**Comment:**

No evidence on future liabilities estimates

Peer Reviewer

**Opinion:** Agree

**Comments:** However, the "Medium-term budget document" (2022 - 2025 years) of the Ministry of Finance of the Republic of Azerbaijan is available. In that document, there is information about the budget calls for the next 4, 5 years. For example, reduction of oil revenues, development of the non-oil sector, reintegration of regions, etc. However, this document doesn't cover 10 years. <https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/61cdd967407d9.pdf>

**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:**

e. Not applicable/other (please comment).

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı": <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**Comment:**

MTEF doc provides some donor assistance info in Excel (<https://www.maliyye.gov.az/static/297/2023-2026>) - see debt file

**Peer Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

d. No, estimates of the sources of donor assistance are not presented.

**Comments:** The Executive's Budget Proposal or any supporting budget documentation do not contain any information about financing by Donors file:///C:/Users/user/Downloads/6363ced6b1e38.pdf <https://www.maliyye.gov.az/static/297/2023-2026>

**Government Reviewer**

**Opinion:** Disagree

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

**Comments:** The researcher referred to the "2023-2026 MTEF documents," specifically the section titled "Indicators related to public debt," which provides data on government borrowing and debt. However, it's important to highlight that this document does not contain any information regarding donor assistance. Instead, it provides information such as gross new borrowing, interest payments, currency of the debt, and a comprehensive profile of the creditors. It's important to note that Azerbaijan is not a donor assistance recipient country. Given this, the appropriate response should be "E. Not applicable/other."

**Researcher Response**

I'd like to thank both reviewers for the valuable comments. I'm inclined to agree with the government's reviewer. Yes, for some time now, Azerbaijan has not been a donor assistance country. Therefore, the option "E" is most appropriate, as there is no practice of assistance, that can be estimated.



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:**

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

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf> p.25

**Comment:**

The Presentation provides a special paragraph on the p.25 "Assessment of the impact of tax and customs concessions and exemptions on state budget revenues for 2023" on tax expenditures. However, this doesn't meet the requirements on core information.

Therefore, option "c" is relevant.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

b. Yes, the core information is presented for all tax expenditures.

**Comments:** The statement of purpose or policy rationale for exceptions and other preferences that give rise to tax expenditures is typically provided in Chapter 2.3, titled "The Main Directions of Tax Policy for 2023," found on page 12 of the Presentation document. In addition, the Centralized Electronic Registry System on taxes has enabled the publication of detailed information on tax expenditures, including the intended beneficiaries and an estimate of the revenue foregone, as presented on page 25 of the Presentation. Specifically, the estimate of revenue foregone encompasses various components: AZN 1,995.8 million attributed to the income tax of salaried employees, AZN 185.5 million to the income tax of individuals engaged in entrepreneurial activities without creating a legal entity, AZN 598.5 million to the profit tax of legal entities, AZN 84.6 million to tax at the source of payment, AZN 2,989.1 million to domestic value-added tax, AZN 293.0 million to property tax for legal entities, AZN 5.0 million from taxpayers related to land tax, AZN 65.0 million from taxpayers subject to simplified tax, AZN 783.8 million from taxpayers associated with value-added tax on imports, AZN 818.3 million from taxpayers concerning import customs duty, and AZN 4.6 million from taxpayers in relation to import

excise tax. <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf> On page 25. (Original: Bu məbləğin 1995,8 milyon manatı müzdlü işlə əlaqədar gəlir vergisi, 185,5 milyon manatı hüquqi şəxs yaratmadan sahibkarlıq fəaliyyəti ilə məşğul olan fiziki şəxslərin gəlir vergisi, 598,5 milyon manatı hüquqi şəxslərin mənfəət vergisi, 84,6 milyon manatı ödəmə mənbəyindən vergi, 2989,1 milyon manatı əlavə dəyər vergisi (ölkə daxili üzrə), 293,0 milyon manatı hüquqi şəxslərin əmlak vergisi, 5,0 milyon manatı torpaq vergisi, 65,0 milyon manatı sadələşdirilmiş vergi, 783,8 milyon manatı idxalda əlavə dəyər vergisi, 818,3 milyon manatı idxal gömrük rüsumu, 4,6 milyon manatı idxalda aksiz vergisi üzrə təşkil edəcəkdir.")

#### Researcher Response

I thank GR for the comments and additional evidences. However, the evidence is not enough to upgrade the score. Due to the cross-country consistency we decide to maintain the score "C"

#### 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:

a. Yes, estimates of all earmarked revenues are presented, along with a narrative discussion.

##### Source:

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı": <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf> p.49-50)

##### Comment:

The Presentation includes a special paragraph on earmarked revenues on the p 49-50; "3.2.10.1. Income and expenses of earmarked budget funds", which consists of all earmarked revenues info narrative and estimates.

##### Peer Reviewer

Opinion: Agree

##### Government Reviewer

Opinion: Agree

#### 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:**

b. Yes, estimates that show how the proposed budget is linked to all the government's policy goals for the budget year are presented, but a narrative discussion is not included.

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**Comment:**

The Presentation (p.7) highlights the global and regional challenges and policy goals for the macroeconomy and budget, such as post-pandemic sustainability, oil prices volatility, liberated territories reintegration, etc. The MTEF "Overview budget forecast for 2023 and the next three years" (<https://www.maliyye.gov.az/static/297/2023-2026>) provides numbers, based on these policy goals.

**Peer Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

b. Yes, estimates that show how the proposed budget is linked to all the government's policy goals for the budget year are presented, but a narrative discussion is not included.

**Comments:** The information contained in the Executive's Budget Proposal or any supporting budget documentation is not suitable for choosing option "a". The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı": <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**Government Reviewer**

**Opinion:** Agree

**Comments:** In 2022, the "Social and Economic Development Strategy for 2022-2026" was approved as a guide to implementing priorities set by the "Azerbaijan 2030: National Priorities" long-term development roadmap. Over the next decade, this strategy outlines five key national priorities for socioeconomic development, offering a comprehensive framework for both short-term and long-term strategic planning. Consequently, the 2023 Executive Budget Proposal (EBP) reflects the integration of numerous new policies and projects. Specifically, the "2. The main directions of the budget and tax policy of the Republic of Azerbaijan" section of the Presentation (pages 6-14) and "2.4. The main directions of the expenditure policy" (page 13) provide information how the proposed budget, encompassing both new initiatives and existing policies, aligns with the goals of the government's Social and Economic Development Strategy for the 2023 budget year. Moreover, the Presentation provides financing details for various areas of the "Social-economic development strategy" on pages 29, 34, 39, 40, 42, and beyond, emphasizing the strategy's substantial influence on the budget. <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**Researcher Response**

I thank peer reviewer for the suggestion and GR for the additional info. Although the Presentation provides information on the linkage between government's policy goals and proposed budget, it lacks a narrative discussion, which could clarify better understanding of budget proposal's priorities. Taking into account this and cross-country consistency, the score may be downgraded to "B"

**IBP Comment**

Many thanks to the reviewers and the researcher for the comment. Following further consultation with the researcher, answer "B" is affirmed, due to the policy goals laid out in the abovementioned sources (including the "Social and Economic Development Strategy for 2022-2026" and the "Azerbaijan 2030: National Priorities" long-term development roadmap), in conjunction with sector-level estimates over a multi-year period in the MTEF supporting documents. Given that there is not an explanation of how each policy goal is linked to the proposed budget, we do not choose answer "A".

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:**

b. Yes, estimates that show how the proposed budget is linked to all the government's policy goals for a multi-year period are presented, but a narrative discussion is not included.

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/61cdd967407d9.pdf>)

**Comment:**

The presentation provides information on the linkage between policy goals and budget priorities for a multi-year period;

"Azerbaijan 2030: National Priorities for socio-economic development and Strategy for socio-economic development in 2022-2026. Implementation of the "Socio-economic Development Strategy of the Republic of Azerbaijan in 2022-2026" p.6

Medium-Term Budget Framework for 2022-2025

document <http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/61cdd967407d9.pdf>) shows the following calls; .. p.7

The main directions of the income policy for 2023-2026 p.9-11

"Azerbaijan 2030: National Priorities for socio-economic development" and the "Socio-economic Development Strategy of the Republic of Azerbaijan in 2022-2026" based on these priorities, as well as taking into account the current realities and challenges, the expenditure policy for 2023 is as follows.... p.13-14

**Peer Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

b. Yes, estimates that show how the proposed budget is linked to all the government's policy goals for a multi-year period are presented, but a narrative discussion is not included.

**Comments:** The information contained in the Executive's Budget Proposal or any supporting budget documentation is not suitable for choosing option "a". The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı": <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**Government Reviewer**

**Opinion:** Agree

**Comments:** In 2022, the "Social and Economic Development Strategy for 2022-2026" was approved as a guide to implementing priorities set by the "Azerbaijan 2030: National Priorities" long-term development roadmap. Over the next decade, this strategy outlines five key national priorities for socioeconomic development, offering a comprehensive framework for both short-term and long-term strategic planning. Consequently, the 2023 Executive Budget Proposal (EBP) reflects the integration of numerous new policies and projects. Specifically, the "2. The main directions of the budget and tax policy of the Republic of Azerbaijan" section of the Presentation (pages 6-14) and "2.4. The main directions of the expenditure policy" (page 13) provide information how the proposed budget, encompassing both new initiatives and existing policies, aligns with the goals of the government's Social and Economic Development Strategy. So, EBP 2023 presents information on how the proposed budget is linked to the government's policy goals for the budget year 2023-2026. <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

#### Researcher Response

I thank peer reviewer for the suggestion and GR for the additional info. Although the Presentation provides information on the linkage between government's policy goals and proposed budget, it lacks a narrative discussion, which could clarify better understanding of budget proposal's priorities. Taking into account this and cross-country consistency, the score may be downgraded to "B"

#### IBP Comment

Many thanks to the reviewers and the researcher for the comment. Following further consultation with the researcher, answer "B" is affirmed, due to the policy goals laid out in the abovementioned sources (including the "Social and Economic Development Strategy for 2022-2026" and the "Azerbaijan 2030: National Priorities" long-term development roadmap), in conjunction with sector-level estimates over a multi-year period in the MTEF supporting documents. Given that there is not an explanation of how each policy goal is linked to the proposed budget, we do not choose answer "A".

#### 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:

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı": <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf> p.40

##### Comment:

There is some data on nonfinancial results in the table. p.40, but it seems that inputs are primarily financial.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

c. Yes, nonfinancial data on inputs are presented for some programs and/or some administrative units (or functions).

**Comments:** In recent years, with the implementation of the Medium-Term Expenditure Framework and program budgeting reform in Azerbaijan, there has been gradual progress in the development of program budgeting. This progress has enabled the inclusion of non-financial indicators in the Executive Budget Proposal (EBP). For instance, under the "Education" sector, non-financial data on inputs includes the provision of approximately 8 million copies of free textbooks in more than 300 titles for the 2023/2024 academic year in the republic's secondary schools, as detailed on page 31 of the Presentation. <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf> (Original: "respublikanın ümumtəhsil məktəblərində şagirdlərin 2023/2024-cü tədris ilində 300-dən çox adda təqribən 8 milyon nüsxə pulsuz dərsliklərə təmin olunması ..")

**Researcher Response**

Thanks Government Reviewer, agree. Thanks to MTEF doc., there is a space for the upgrade. The option "C" is more appropriate.

**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:**

c. Yes, nonfinancial data on results are presented for some programs and/or some administrative units (or functions).

**Source:**

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı":

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf> p.40

**Comment:**

The nonfinancial data on inputs/expected results are presented for some programs in the table. p.40

**Peer Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

d. No, nonfinancial data on results are not presented.

**Government Reviewer**

**Opinion:** Agree

**Comments:** In recent years, Azerbaijan has made gradual progress in the development of program budgeting, driven by the implementation of the Medium-Term Expenditure Framework (MTEF) and related reforms. This progress has notably allowed for the inclusion of non-financial indicators in the Executive Budget Proposal (EBP). For Outputs: Within the "Education" sector, non-financial output data includes information on pupil numbers, as presented on page 31 of the Presentation. It is projected that in the coming year, the number of individuals receiving education through state orders and state-funded programs will increase by approximately 12,224, totalling 128,037 individuals. Additionally, the number of scholarship recipients is

expected to grow by 9,552, reaching a total of 120,100 beneficiaries (Original: Növbəti ildə dövlət sifarişi və dövlət hesabına kadr hazırlığı üzrə təhsilənlərin sayının təqribən 12224 nəfər artaraq 128037 nəfər, təqaüd alanların sayının isə 9552 nəfər artaraq 120100 nəfər olacağı gözlənilir.) There is also data concerning the beneficiaries of a social security program on page 37 of the Presentation. The 2023 state budget has allocated funds to provide a monthly allowance to approximately 474,000 individuals with displaced person status and equivalent categories. (Original: Məcburi köçkün statusu olan vəonlara bərabər tutulan şəxslərə (474 min nəfərə yaxın) 60 və 33 manat məbləğində vahid aylıq müavinətin verilməsi üçün 2023-cü ilin dövlət büdcəsində 328,7 milyon manat, digər tədbirlər üçün 38,0 milyon manat vəsait proqnozlaşdırılmışdır.) For Outcomes: Page 29 of the Presentation provides information on increased access to higher education. "To further enhance access to higher education for low-income segments of the population and expand the scope of higher education, the upcoming year's state budget has allocated funds for providing student loans." (Original: Əhalinin az-təminatlı təbəqəsinin ali təhsil əldə etməsini daha da artırmaq və ali təhsilin əhatə dairəsini genişləndirmək məqsədi ilə tələbə kreditinin verilməsi üçün növbəti ilin dövlət büdcəsindən 8,0 milyon manat vəsait nəzərdə tutulmuşdur.) <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

#### Researcher Response

I thank peer reviewer for the suggestion, but no evidence to reduce the score. As it's mentioned in the GR comments as well, there are enough evidences to answer this Q as "C"

### 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:

d. No, performance targets are not assigned to nonfinancial data on results, or the budget does not present nonfinancial data on results.

#### Source:

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı": <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>)

#### Comment:

No evidence that performance targets are assigned to nonfinancial data.

#### Peer Reviewer

Opinion: Agree

#### Government Reviewer

Opinion: Disagree

#### Suggested Answer:

c. Yes, performance targets are assigned to some nonfinancial data on results.

**Comments:** Performance targets are associated with non-financial outcome data, and many government programs include objectives, goals, target indicators, and corresponding performance targets. An example of performance targets related to non-financial outcome data can be found in the education program presented on page 31 of the Presentation. - Increasing the coverage of 5-year-old children with school preparatory education: The program aims to provide school preparatory education to approximately 150,000 five-year-old children in their respective academic years. The associated expenses for these activities are expected to remain at the 2022 level, amounting to AZN 53.2 million. (Original: Müvafiq tədris illərində təqribən 150 min 5 yaşlı uşağa məktəbə hazırlıq təhsili təmin etmək məqsədi güdür. Bu fəaliyyətlərə dair əlaqədar xərclər, təqribən 53,2 milyon manat səviyyəsində qalaqlayacaq.) - Stimulating the recruitment of young specialists in rural regions: The program's objective is to encourage the hiring of up to 18,800 young professionals, graduates of higher and secondary educational institutions with a pedagogical background, to work in general education institutions located in rural regions. To facilitate this, expenses covering travel, transportation of property, one-time expenditures, utility services, and housing rent to establish basic living conditions will amount to 31.8 million manats, intended for compensation and monthly salary supplements. (Original: Kənd rayonlarındakı ümumtəhsil müəssisələrində işə təlim etmiş ali və orta ixtisas təhsil müəssisələrini bitirmiş 18,800 gənc mütəxəssisi cəlb etməyi stimullaşdırmaq məqsədilə, onların səfər xərci, əmlakın daşınması, bir

dəfəlik xərclər, kommunal xidmətlər və yaşayış yerinin kirayə haqqı da daxil olmaqla əsas həyat şəraitini yaratmaq məqsədilə təminatı üçün təşkil olunan xərclər 31,8 milyon manat olacaqdır.) <https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

#### Researcher Response

Thanks Government Reviewer for the additional information. However, the performance targets mainly indicate changes in some program implementation, such as a percentage reduction in illiteracy or a reduction in rates of unemployment, etc. There is no evidence for such an assessment. Option "D" is remains unchanged

## 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 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](http://www.finance.gov.pk/budget/mtbf_2018_21.pdf) and [http://www.finance.gov.pk/survey\\_1718.html](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:

The Presentation of the drafts of the state and consolidated budgets of the Republic of Azerbaijan for 2023 (Original: "Azərbaycan Respublikasının 2023-cü ilin dövlət və icmal büdcələri üzrə layihələrin təqdimatı": <https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf> p.33-38

#### Comment:

The Presentation presents estimates of policies that are intended to benefit directly the country's most impoverished populations, such as vulnerable groups within public health programs (p.33-35), refugee and IDP's (p. 37-38), persons subjected to domestic violence, human trafficking, early marriage, children with limited health opportunities (p.38)

#### Peer Reviewer

Opinion: Agree

#### Government Reviewer

Opinion: Disagree



**Suggested Answer:**

a. Yes, estimates of all policies that are intended to benefit directly the country's most impoverished populations are presented, along with a narrative discussion.

**Comments:** Estimates of all policies specifically tailored to directly benefit the most impoverished populations of the country are comprehensively presented within the Executive Budget Proposal. This comprehensive presentation is accompanied by a narrative discussion. In addition to the elements previously mentioned by researchers, there is further detailed information available on these policies, which can be found on page 36 of the Presentation. For instance, in the 2023 state budget, AZN 1,981.1 million has been allocated to enhance income-earning opportunities and well-being for the population, reduce poverty levels, strengthen social protection for low-income families, and particularly vulnerable social groups, and financially support various social measures. This allocation reflects an increase of 24.2 million manats or 1.2 percent compared to the budget for the previous year in 2022. (Original: Dövlətin apardığı uğurlu sosial-iqtisadi siyasət nəticəsində əhalinin gəlir əldə etmək imkanlarının və rifahının yaxşılaşması, yoxsulluq səviyyəsinin azaldılması, aztəminatlı ailələrin, xüsusilə də sosial cəhətdən həssas qrupların sosial müdafiəsinin gücləndirilməsi və digər sosial tədbirlərin maliyyə təminatı üçün 2023-cü il dövlət büdcəsində 1981,1 milyon manat vəsait nəzərdə tutulmuşdur ki, bu da 2022-ci illə müqayisədə 24,2 milyon manat və ya 1,2 faiz çoxdur.) <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6363ced6b1e38.pdf>

**Researcher Response**

We thank Government Reviewer for the additional info. However, due to the lack of policy analysis and cross-country comparison reason, we can't upgrade the score. So, the option "B" is maintained.

**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:**

<http://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5bd965c514197.pdf>

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/63b7cf6b1967f.pdf>

**Comment:**

The timetable for formulating EBP available on the website of MoF,  
Besides, the Citizen's Budget Guide consists of the timetable as well

**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:**

b. Yes, the core information is presented for the macroeconomic forecast.

**Source:**

"Statement on the overview and preliminary indicators of the state budgets of 2023" (2023-cü ilin icmal və dövlət büdcələrinin ilkin göstəricilərinə dair Açıqlama) and other supporting doc's:

<https://www.maliyye.gov.az/news/index/5744?slug=2023-cu-ilin-icmal-ve-dovlet-budcelerinin-ilkin-gostericilerine-dair-aciqlama>

**Comment:**

The PBS itself presents the figures on inflation, GDP growth, and nominal GDP;

[https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news\\_files/63232fd93c146.pdf](https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/63232fd93c146.pdf)

Beyond-the-core info is presented in the Statement (composition of GDP, oil, non -oil, other components) and in the supporting documents;

<https://www.maliyye.gov.az/static/253/ilkin-budce-gostericileri>

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** The Pre-Budget Statement provides core economic indicators such as the Nominal GDP level, real GDP growth, and inflation rate, which are outlined on pages 9-10; however, it lacks information regarding interest rates. Furthermore, beyond the core economic data, additional information on the composition of GDP growth, oil and non-oil GDP, income and expenditure of the population, exchange rates, and fixed capital investments can be found on page 11. <https://www.maliyye.gov.az/news/index/5744?slug=2023-cu-ilin-icmal-ve-dovlet-budcelerinin-ilkin-gostericilerine-dair-aciqlama>

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:**

<https://www.maliyye.gov.az/news/index/5744?slug=2023-cu-ilin-icmal-ve-dovlet-budcelerinin-ilkin-gostericilerine-dair-aciqlama>

**Comment:**

The Pre-Budget Statement ([https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63232fd93c146.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63232fd93c146.pdf)) provides information on the government's policies, expenditure priorities, and estimate of total expenditures (page 12-19). In addition, it includes the estimates of expenditures by functional classification (page 23, graph).

The information about expenditure policy, allocated expenditures, and targets/outputs on Educational programs (such as preschool education, general education", vocational education), Agricultural programs, and programs on Environmental protection on the p. 18-19 and 22-23 accordingly.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** Furthermore, the Annex of the "Pre-budget Statement 2023," titled "Distribution of 2023 state budget expenses by functional and economic classification" (located in the third document from the top), presents expenditure estimates categorized by functional and economic classification in a machine-readable format. <https://www.maliyye.gov.az/news/index/5744?slug=2023-cu-ilin-icmal-ve-dovlet-budcelerinin-ilkin-gostericilerine-dair-aciqlama> (Original: 2023-cü il dövlət büdcəsi xərclərinin funksional və iqtisadi təsnifat üzrə bölgüsü)

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:**

<https://www.maliyye.gov.az/news/index/5744?slug=2023-cu-ilin-icmal-ve-dovlet-budcelerinin-ilkin-gostericilerine-dair-aciqlama>

**Comment:**

The Pre-Budget Statement provides revenue policies, revenue priorities on pages 17-18, the estimate of total revenues on page 20-21. Moreover, the PBS presents 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. For instance, with estimates provided by revenue category – taxes and non-taxes context info, taxes from the oil sector, total oil, and non-oil revenues, on page 20-21. In addition, some of the major individual sources of revenue, such as the amount of transfer from the Oil Fund to the state budget are provided in the same section.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** Furthermore, the Annex of the "Pre-budget Statement 2023," titled "Forecast indicators of tax and non-tax revenues of the 2023 state budget" (located in the 4th document from the top), presents revenue estimates categorized by revenue type (tax and non-tax) and its components in a machine-readable format. <https://www.maliyye.gov.az/news/index/5744?slug=2023-cu-ilin-icmal-ve-dovlet-budcelerinin-ilkin-gostericilerine-dair-aciqlama> (Original: 2023-cü ilin dövlət büdcəsinin vergi və qeyri-vergi gəlirlərinin proqnoz göstəriciləri)

**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:**

[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63232fd93c146.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63232fd93c146.pdf) includes earlier information on p. 8

[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63232fd95e8e7.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63232fd95e8e7.pdf)

**Comment:**

See PBS supporting doc "Indicators related to public debt and public obligations for 2020-2023, million manats" (2020-2023-cü illər üzrə dövlət borcu və şərti öhdəliklərə bağlı göstəricilər, mln manatla)

[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63232fd95e8e7.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63232fd95e8e7.pdf)

It provide all three estimates related to government borrowing and debt.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** The Annex of the "Pre-budget Statement 2023," titled "Indicators related to public debt and contingent liabilities for 2020-2023" (located in the last document at the bottom), presents all three estimates of borrowing and debt, along with details on the currency composition of the debt and the profile of the creditors, among other relevant information. <https://www.maliyye.gov.az/news/index/5744?slug=2023-cu-ilin-icmal-ve-dovlet-budcelerinin-ilkin-gostericilerine-dair-aciqlama> [https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63232fd95e8e7.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63232fd95e8e7.pdf) (Original: 2020-2023-cü illər üzrə dövlət borcu və şərti öhdəliklərə bağlı göstəricilər)

**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:**

<https://www.maliyye.gov.az/news/index/5744?slug=2023-cu-ilin-icmal-ve-dovlet-budcelerinin-ilkin-gostericilerine-dair-aciqlama>

**Comment:**

"The Expenditure forecasts of state and general budgets for 2023 and the next three years" (2023-cü il və növbəti üç il üzrə dövlət və icmal büdcələrin xərc proqnozları) Excel file provides info on multi-year expenditure estimates

See: <https://www.maliyye.gov.az/news/index/5744?slug=2023-cu-ilin-icmal-ve-dovlet-budcelerinin-ilkin-gostericilerine-dair-aciqlama>; OR <https://www.maliyye.gov.az/static/253/ilkin-budce-gostericileri> (It's the second document from the top, on the landing page)

**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:**

Law on the state budget of the Republic of Azerbaijan for 2023;

[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63be5f3193f62.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63be5f3193f62.pdf)

Decree of the President of the Republic of Azerbaijan on a number of issues related to the application of the Law of the Republic of Azerbaijan No 672-VIQ dated December 9, 2022 "On the State Budget of the Republic of Azerbaijan for 2023"

[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63be5f319d391.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63be5f319d391.pdf)

"Distribution of expenses of the state budget for 2021-2023 by economic classification" (2021-2023-cü illər üzrə dövlət büdcəsinin xərclərin iqtisadi təsnifat üzrə bölgüsü)

<https://www.maliyye.gov.az/static/254/tesdiq-olunmus-dovlet-budcesinin-esas-gostericileri> (please note that this file appears to have been modified on January 13 according to the date on the webpage. We have checked and it seems that originally it was put on Dec.30, the day when Decree on Budget-2023 Law Implementation was signed by President. Later, it was slightly modified, updated and put on Jan.13. Can the government confirm?)

**Comment:**

The Law on the state budget of the Republic of Azerbaijan for 2023 provides a functional classification info (Article 7. p.3-6)

The Decree provides functional and administrative classification info:

[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63be5f319d391.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63be5f319d391.pdf)

Excel file of "Distribution of expenses of the state budget for 2021-2023 by economic classification" (2021-2023-cü illər üzrə dövlət büdcəsinin xərclərin iqtisadi təsnifat üzrə bölgüsü)

(<https://www.maliyye.gov.az/static/254/tesdiq-olunmus-dovlet-budcesinin-esas-gostericileri>)

provides an economic classification info.

(please note that this file appears to have been modified on January 13 according to the date on the webpage. We have checked and it seems that originally it was put on Dec.30, the day when Decree on Budget-2023 Law Implementation was signed by President. Later, it was slightly modified, updated and put on Jan.13. Can the government confirm?)

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** The Enacted Budget for 2023, which was made available on the MoF website on December 30, 2022, comprises a narrative document in PDF format and machine-readable annexes in Excel format. These annexes were initially published alongside the Enacted Budget but underwent

subsequent revisions on January 13, 2023, to address technical numerical discrepancies, as indicated on the website. The Enacted Budget includes both functional classifications outlined in the Budget Law and administrative classifications specified in the Decree of the President. Specifically, the annexes of the Enacted Budget titled "Distribution of expenses of the state budget for 2021-2023 by economic classification" (located in the second document from the top) provide a breakdown of expenditures by economic classification. <https://www.maliyye.gov.az/static/254/tesdiq-olunmus-dovlet-budcesinin-esas-gostericileri> ; Budget Law [https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63be5f3193f62.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63be5f3193f62.pdf) ; Presidential Decree [https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63be5f319d391.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63be5f319d391.pdf)

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:**

Law on the state budget of the Republic of Azerbaijan for 2023;  
[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63be5f3193f62.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63be5f3193f62.pdf)

Decree of the President of the Republic of Azerbaijan on a number of issues related to the application of the Law of the Republic of Azerbaijan No 672-VIQ dated December 9, 2022 "On the State Budget of the Republic of Azerbaijan for 2023"  
[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63be5f319d391.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63be5f319d391.pdf)

"Distribution of expenses of the state budget for 2021-2023 by economic classification" (2021-2023-cü illər üzrə dövlət büdcəsinin xərclərin iqtisadi təsnifat üzrə bölgüsü)  
<https://www.maliyye.gov.az/static/254/tesdiq-olunmus-dovlet-budcesinin-esas-gostericileri>

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** The Enacted Budget for 2023, which was made available on the MoF website on December 30, 2022, comprises a narrative document in PDF format and machine-readable annexes in Excel format. These annexes were initially published alongside the Enacted Budget but underwent subsequent revisions on January 13, 2023, to address technical numerical discrepancies, as indicated on the website. The Enacted Budget includes both functional classifications outlined in the Budget Law and administrative classifications specified in the Decree of the President. Specifically, the annexes of the Enacted Budget titled "Distribution of expenses of the state budget for 2021-2023 by economic classification" (located in the second document from the top) provide a breakdown of expenditures by economic classification. <https://www.maliyye.gov.az/static/254/tesdiq-olunmus-dovlet-budcesinin-esas-gostericileri> ; Budget Law [https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63be5f3193f62.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63be5f3193f62.pdf) ; Presidential Decree [https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63be5f319d391.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63be5f319d391.pdf)

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:**

b. Yes, the Enacted Budget presents estimates for programs accounting for at least two-thirds of, but not all, expenditures.

**Source:**

Law on the state budget of the Republic of Azerbaijan for 2023;

[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63be5f3193f62.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63be5f3193f62.pdf)

Decree of the President of the Republic of Azerbaijan on a number of issues related to the application of the Law of the Republic of Azerbaijan No 672-VIQ dated December 9, 2022 "On the State Budget of the Republic of Azerbaijan for 2023"

[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63be5f319d391.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63be5f319d391.pdf)

Distribution of state budget expenses by programs in the pilot sectors where the MTEF is applied (OMXÇ-nin tətbiq olunduğu pilot sektorlarda dövlət büdcəsi xərclərinin proqramlar üzrə bölgüsü)

<https://www.maliyye.gov.az/static/254/tesdiq-olunmus-dovlet-budcesinin-esas-gostericileri>

**Comment:**

The Decree of the President on the application of the Law on 2023 Budget includes most of the individual programs info. (See the table starting on page 1, that shows information by ministry and under each ministry, "sub units", which for the purposes of the Survey can be considered "programs").

Distribution of state budget expenses by programs in the pilot sectors where the MTEF is applied (OMXÇ-nin tətbiq olunduğu pilot sektorlarda dövlət büdcəsi xərclərinin proqramlar üzrə bölgüsü)

(<https://www.maliyye.gov.az/static/254/tesdiq-olunmus-dovlet-budcesinin-esas-gostericileri>) additionally provides detailed estimates for 3 pilot sectors programs,

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** The Enacted Budget for 2023, which was published on the MoF website on December 30, 2022, includes both a narrative document in PDF format and machine-readable annexes in Excel format. While these annexes were initially released alongside the Enacted Budget, they underwent subsequent revisions on January 13, 2023, to address technical numerical discrepancies, as indicated on the website. Among these annexes, the document titled "Distribution of state budget expenses by programs in the pilot sectors where the MTEF is implemented" (located in the last document at the bottom) presents expenditure estimates by programs in machine-readable format.

<https://www.maliyye.gov.az/static/254/tesdiq-olunmus-dovlet-budcesinin-esas-gostericileri> (Original: OMXÇ-nin tətbiq olunduğu pilot sektorlarda dövlət büdcəsi xərclərinin proqramlar üzrə bölgüsü)

**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:**

Law on the state budget of the Republic of Azerbaijan for 2023;  
[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63be5f3193f62.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63be5f3193f62.pdf)

Decree of the President of the Republic of Azerbaijan on a number of issues related to the application of the Law of the Republic of Azerbaijan No 672-VIQ dated December 9, 2022 "On the State Budget of the Republic of Azerbaijan for 2023"  
[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63be5f319d391.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63be5f319d391.pdf)

The Indicators of tax and non-tax revenues of the state budget for 2020-2023 (2020-2023-cü illər üzrə dövlət büdcəsinin vergi və qeyri-vergi gəlirlərinin göstəriciləri) Third document from the top, on the "Main indicators of the approved state budget": <https://www.maliyye.gov.az/static/254/tesdiq-olunmus-dovlet-budcesinin-esas-gostericileri>

**Comment:**

The Indicators of tax and non-tax revenues of the state budget for 2020-2023 (2020-2023-cü illər üzrə dövlət büdcəsinin vergi və qeyri-vergi gəlirlərinin göstəriciləri) (<https://www.maliyye.gov.az/static/254/tesdiq-olunmus-dovlet-budcesinin-esas-gostericileri>) provides full info on revenue estimates by category

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** The Enacted Budget's annex presents revenue estimates by category (both tax and non-tax) for the year 2023, along with historical data spanning from 2020 to 2022.

**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:**

a. Yes, the Enacted Budget presents individual sources of revenue accounting for all revenue.

**Source:**

Law on the state budget of the Republic of Azerbaijan for 2023;  
[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63be5f3193f62.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63be5f3193f62.pdf)

Decree of the President of the Republic of Azerbaijan on a number of issues related to the application of the Law of the Republic of Azerbaijan No 672-VIQ dated December 9, 2022 "On the State Budget of the Republic of Azerbaijan for 2023"  
[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63be5f319d391.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63be5f319d391.pdf)

**Comment:**

The Law on 2023 State Budget presents individual sources for all revenues (pp. 1-2).

**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:**

Law on the state budget of the Republic of Azerbaijan for 2023;

[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63be5f3193f62.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63be5f3193f62.pdf)

Decree of the President of the Republic of Azerbaijan on a number of issues related to the application of the Law of the Republic of Azerbaijan No 672-VIQ dated December 9, 2022 "On the State Budget of the Republic of Azerbaijan for 2023"

[https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/63be5f319d391.pdf](https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/63be5f319d391.pdf)

"Indicators related to public debt for 2020-2023 (new borrowings, amount of total borrowing and interest to be paid)" (2020-2023-cü illər üzrə dövlət borcu ilə bağlı göstəricilər (yeni borclanmalar, ümumi borclanmanın məbləği və ödəniləcək faizlər)

<https://www.maliyye.gov.az/static/254/tesdiq-olunmus-dovlet-budcesinin-esas-gostericileri>

**Comment:**

The Law provide 2 of 3 estimates of the government borrowing and debt (interest payments and borrowing limits - see Articles 11 and 12 on page 8).

However "The Indicators related to public debt for 2020-2023 (new borrowings, amount of total borrowing and interest to be paid)" (2020-2023-cü illər üzrə dövlət borcu ilə bağlı göstəricilər (yeni borclanmalar, ümumi borclanmanın məbləği və ödəniləcək faizlər)

(<https://www.maliyye.gov.az/static/254/tesdiq-olunmus-dovlet-budcesinin-esas-gostericileri>)

provides info on all three estimates (amount of new borrowing, total debt outstanding and interest payment) of the borrowing and debt.

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** The top document in the Enacted Budget's Annex provides comprehensive information on all three estimates pertaining to government borrowing for the budget year, encompassing net new borrowing, total debt outstanding, and interest payments. Additionally, it furnishes details on the currency composition of the debt and the profile of the creditors, all available in machine-readable format.

<https://www.maliyye.gov.az/static/254/tesdiq-olunmus-dovlet-budcesinin-esas-gostericileri>

**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:**

a. The Citizens Budget provides information beyond the core elements.

**Source:**

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/63b7cf6b1967f.pdf>

**Comment:**

The Citizen's Budget Guide for 2023 consists of a description of the budget process, government policy objectives (p.18-21) , Macroeconomic forecasts and the main macroeconomic assumptions underlying the budget (p.13-14); aggregate revenues, expenditures (p 25-59) , Debt info (p.60-61), etc.,

In addition to core elements Citizen's Budget Guide provide the budget calendar (p.4) and Green budget info (p.58-59).

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

a. A Citizens Budget is disseminated widely through a combination of at least three different appropriate tools and media (such as the Internet, billboards, radio programs, newspapers, etc.).

**Source:**

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/63b7cf6b1967f.pdf>

[https://azertag.az/xeber/Maliyye\\_Nazirliyi\\_Vetendasin\\_budce\\_beledchisini\\_hazirlayib-2435726](https://azertag.az/xeber/Maliyye_Nazirliyi_Vetendasin_budce_beledchisini_hazirlayib-2435726)

<https://marja.az/97274/vetendasin-budce-beledcisi-hazirlanib>

<https://apa.az/az/maliyye/2023-cu-ilin-dovlet-ve-icmal-budcesi-ile-bagli-vetendasin-budce-beledcisi-hazirlanib-740861>

**Comment:**

The Citizen's budget guide is disseminated at least by two tools: internet and radio.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

a. A Citizens Budget is disseminated widely through a combination of at least three different appropriate tools and media (such as the Internet, billboards, radio programs, newspapers, etc.).

**Comments:** In addition to its online presence through the Internet and radio, the Citizen Budget is widely disseminated through various media channels, including newspapers and television. Newspapers: The Citizen Budget can be accessed through the following newspaper articles:

<https://vergiler.az/news/social/22018.html> <http://updater.news.memo.az/Gallery/2023/1/6/7?blocks=222-224-225-226-223> Television: The Citizen Budget is also available on television through the following links: [https://youtu.be/E\\_hT91h\\_HY0?si=cqXyCRszh6L0krZn](https://youtu.be/E_hT91h_HY0?si=cqXyCRszh6L0krZn) <https://youtu.be/J-GJ6Yg29ks?si=0AtxrRmQf5Wwt1KS>

**Researcher Response**

Thanks government reviewer, agree. The score "A" is appropriate.

**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:**

c. Yes, the executive has established mechanisms to identify the public's requirements for budget information in the Citizen's Budget, but these mechanisms are not accessible.

**Source:**

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/63b7cf6b1967f.pdf>

**Comment:**

Ministry of Finance is still discussing with the CSO leading group (Eurasia Hub team) on the content of Citizen's budget guide before publishing.

**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:**

c. A citizens version of budget documents is published for at least one stage of the budget process.

**Source:**

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/63b7cf6b1967f.pdf>

**Comment:**

The Citizen's budget guide is published for the enactment stage of the budget process, but also includes information on the previous formulation phase.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

b. Yes, the In-Year Reports present actual expenditures by two of the three expenditure classifications.

**Source:**

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2022/12/1.pdf>  
<https://www.maliyye.gov.az/en/static-page/periodic-reports>

**Comment:**

The monthly reports are made up of a big table that shows (as per the title) functional and economic classification of expenditures (and the level of detail is such that we can consider those sub-items as "programs"). Administrative classification is missing.

**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:**

Economic classification  
Functional classification

**Source:**

<https://www.maliyye.gov.az/en/static-page/periodic-reports>  
<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2022/12/1.pdf>

**Comment:**

The MoF publishes actual expenditures by two expenditure classifications (economic and functional) monthly

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

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 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," 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:**

c. Yes, the In-Year Reports present actual expenditures for programs accounting for less than two-thirds of expenditures.

**Source:**

See Periodic Reports page: <https://www.maliyye.gov.az/en/static-page/periodic-reports>

Link to the specific document: <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2022/6/4.pdf>

**Comment:**

**Peer Reviewer**

Opinion: Agree

**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:**

<https://www.maliyye.gov.az/en/static-page/periodic-reports>

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2022/12/1.pdf>

**Comment:**

In-Year Reports provide information comparatively with the same period in the previous year as well as with the original estimates for that period.

**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:**

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2022/1/1.pdf>

**Comment:**

MoF publishes monthly actual revenue by tax and non tax categories

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**Comments:** January- February: <https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2022/2/3.pdf> January- March: <https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2022/3/4.pdf> January- April: <https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2022/4/3.pdf> January- May: <https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2022/5/2.pdf> and other <https://maliyye.gov.az/en/static-page/periodic-reports>

**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:**

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2022/4/3.pdf>

**Comment:**

MoF publishes individual sources of actual revenue, such as income taxes, VAT, etc. monthly.



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

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

**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:**

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2022/4/3.pdf>

**Comment:**

Monthly Reports compare actual revenues with the same period in the previous year

**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:**

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2022/6/8.pdf>

**Comment:**

Monthly Reports provide all three estimates (net new borrowing; the total debt outstanding; and interest payments) of actual government borrowing and debt.

For example: in the link below there are 3 types of the required info;

1. new borrowing (xalis borcalma); 2. interest payment (faiz dereceleri); 3. total debt outstanding (dovrun sonuna birbasa devlet borcu).

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2022/6/7.pdf>

Note that total debt burden is provided on a quarterly basis only, i.e. March, June, September.

**Peer Reviewer**

**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:**

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

**Source:**

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2022/6/8.pdf>

**Comment:**

Monthly Reports provide the composition of the actual debt outstanding, beyond the core elements, such as interest rates on the debt; maturity profile of the debt; whether the debt is domestic or external, and also fixed or variable interest rate info, borrowing by currency, profile of creditors, etc.

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/periodic-reports/2022/6/8.pdf>

Note that this detailed information on composition of the actual debt outstanding is provided on a quarterly basis only (March, June, September reports, for example).

**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:**

b. Yes, the estimates for macroeconomic forecast have been updated, and an explanation of some of the differences between the original and updated forecasts is presented.

**Source:**

<https://www.maliyye.gov.az/static/291/dovlet-budcesinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozlentiler-mid-year-review>  
<https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/64d4a0b33a2d4.pdf> p. 7-9

**Comment:**

The "Mid-Year Review of the Republic of Azerbaijan in 2022 and expectations for the end of the year" (Azərbaycan Respublikasının 2022-ci ilin dövlət və icmal büdcələrinin yarımillik icrasına dair arayış və ilin sonuna gözləntilər) provides the updated macroeconomic forecast estimates on pages 7-9, and explanation of the differences between original and updated forecasts for all core pieces of information except interest rates.

**Peer Reviewer**

**Opinion:** Agree

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

**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:**

a. Yes, expenditure estimates have been updated, and an explanation of all of the differences between the original and updated expenditure estimates is presented.

**Source:**

<https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/64d4a0b33a2d4.pdf> p.12-14

**Comment:**

The Review provides updated expenditure estimates and explanation for that. p.12-14. Graph 10 shows the broad categories of expenditure (Current, Fixed, Expenditure related to servicing the public debt), and their changes. The following narrative illustrates the reasons behind the changes.

**Peer Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

b. Yes, expenditure estimates have been updated, and an explanation of some of the differences between the original and updated expenditure estimates is presented.

**Government Reviewer**

**Opinion:** Agree

**Comments:** The revised estimates of expenditure for 2022, categorized by administrative, functional, and economic classifications, have been presented in a machine-readable format in the Annex of the Mid-Year Review (MYR). This annex is titled "Revised breakdown of 2022 state budget expenditures by functional, economic, and administrative classifications" (Original: "2022-ci ilin dövlət büdcəsi xərclərinin funksional, iqtisadi və inzibati təsnifatlar üzrə yenidən baxılmış bölgüsü"). <https://www.maliyye.gov.az/static/291/dovlet-budcesinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozenliler-mid-year-review->

**Researcher Response**

I thank peer reviewer for the suggestion. However the supplement 2 of MYR (p.29-42) provides administrative classification info as well and MYR has been content improved substantially comparatively previous round. So, no changes.

**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:**

a. Yes, the Mid-Year Review presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

**Source:**

<https://www.maliyye.gov.az/static/291/dovlet-budcesinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozlentiler-mid-year-review->

**Comment:**

"The Revised breakdown of 2022 state budget expenditures by functional, economic and administrative classifications" (2022-ci ilin dövlət büdcəsi xərclərinin funksional, iqtisadi və inzibati təsnifatlar üzrə yenidən baxılmış bölgüsü), as one of the supporting doc of Mid-Year Review provides all three expenditure classification in Excel.

**Peer Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

b. Yes, the Mid-Year Review presents expenditure estimates by two of the three expenditure classifications.

**Comments:** In the Mid-Year Review of the state budget, the expenses are given according to functional and economic classification file:///C:/Users/user/Downloads/64d4a031abaef.pdf

**Government Reviewer**

**Opinion:** Agree

**Comments:** The revised estimates of expenditure for 2022, categorized by administrative, functional, and economic classifications, have been presented in a machine-readable format in the Annex of the Mid-Year Review (MYR). This annex is titled "Revised breakdown of 2022 state budget expenditures by functional, economic, and administrative classifications" (Original: "2022-ci ilin dövlət büdcəsi xərclərinin funksional, iqtisadi və inzibati təsnifatlar üzrə yenidən baxılmış bölgüsü"). <https://www.maliyye.gov.az/static/291/dovlet-budcesinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozlentiler-mid-year-review->

**Researcher Response**

Thank you, peer reviewer for you suggestion, MYR Supplement 2 (<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/64d4a031abaef.pdf>) (p.29-42), provides administrative classification info as well. The score remains unchanged.

**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:**

Administrative classification

Economic classification

Functional classification

**Source:**

<https://www.maliyye.gov.az/static/291/dovlet-budcesinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozlentiler-mid-year-review->

**Comment:**

All three classification is provided

**Peer Reviewer**

**Opinion:** Disagree

**Suggested Answer:** Economic classification Functional classification

**Government Reviewer**

**Opinion:** Agree

**IBP Comment**

Many thanks to the peer reviewer for the comment. Please see researcher comment to Question 78.

**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:**

c. Yes, the Mid-Year Review presents estimates for programs accounting for less than two-thirds of expenditures.

**Source:**

See document "Information on the programs and similar measures provided for in the state budget (mid-year review, initial approved and revised indicators)" (Original title: Dövlət büdcəsində nəzərdə tutulmuş proqramlar və bu qəbildən olan tədbirlər barədə məlumat (yarımillik icra, ilkin təsdiq olunmuş və yenidən baxılmış göstəriciləri), in the MYR package:

<https://www.maliyye.gov.az/static/291/dovlet-budcesinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozlentiler-mid-year-review>

**Comment:**

The document "Information on the programs and similar measures provided for in the state budget (mid-year review, initial approved and revised indicators)" provides information for 23% of the programs, accounting for 6.9 bln AZN expenditures, which is less than two-thirds of expenditures.

**Peer Reviewer**

**Opinion:** Agree

**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:**

a. Yes, revenue estimates have been updated, and an explanation of all of the differences between the original and updated revenue estimates is presented.

**Source:**

The Mid-Year Review supporting document "Initial approved and revised indicators of the state budget revenues of the Republic of Azerbaijan for 2022 (tax, non-tax revenues and revenues from types of payments)" (Original title: Azərbaycan Respublikasının 2022-ci il üzrə dövlət büdcəsi gəlirlərinin ilkin təsdiq olunmuş və yenidən baxılmış göstəriciləri (vergi, qeyri-vergi gəlirləri və tədiyyə növləri üzrə gəlirlər).

<https://www.maliyye.gov.az/static/291/dovlet-budcesinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozlentiler-mid-year-review>

**Comment:**

The Mid-Year Review supporting document "Initial approved and revised indicators of the state budget revenues of the Republic of Azerbaijan for 2022 (tax, non-tax revenues and revenues from types of payments)" provides revenue estimates with update in Excel.

See document starting on page 10.

**Peer Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

b. Yes, revenue estimates have been updated, and an explanation of some of the differences between the original and updated revenue estimates is presented.

**Government Reviewer**

**Opinion:** Agree

**Researcher Response**

I thank peer reviewer for the comment. The p.18-22 of MYR (5.Sensitivity analysis on the overall budget effects of crude oil price changes) provides substantial analysis on what is driving the differences. So, it's more than clear that the main driver for the changes is a crude oil prices and as an oil dependent economy, the budget affected by this factor. The option "A" is more appropriate.

**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:**

a. Yes, the Mid-Year Review presents revenue estimates by category.

**Source:**

The Mid-Year Review supporting doc "Initial approved and revised indicators of the state budget revenues of the Republic of Azerbaijan for 2022

(tax, non-tax revenues and revenues from types of payments" (Azərbaycan Respublikasının 2022-ci il üzrə dövlət büdcəsi gəlirlərinin ilkin təsdiq olunmuş və yenidən baxılmış göstəriciləri (vergi, qeyri-vergi gəlirləri və tədiyyə növləri üzrə gəlirlər)

<https://www.maliyye.gov.az/static/291/dovlet-budcesinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozlentiler-mid-year-review->

**Comment:**

The Mid-Year Review supporting doc "Initial approved and revised indicators of the state budget revenues of the Republic of Azerbaijan for 2022 (tax, non-tax revenues and revenues from types of payments" (Azərbaycan Respublikasının 2022-ci il üzrə dövlət büdcəsi gəlirlərinin ilkin təsdiq olunmuş və yenidən baxılmış göstəriciləri (vergi, qeyri-vergi gəlirləri və tədiyyə növləri üzrə gəlirlər) provides revenue estimates by category in Excel.

**Peer Reviewer**

**Opinion:** Agree

**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:**

a. Yes, the Mid-Year Review presents individual sources of revenue accounting for all revenue.

**Source:**

The Mid-Year Review supporting doc "Initial approved and revised indicators of the state budget revenues of the Republic of Azerbaijan for 2022 (tax, non-tax revenues and revenues from types of payments" (Azərbaycan Respublikasının 2022-ci il üzrə dövlət büdcəsi gəlirlərinin ilkin təsdiq olunmuş və yenidən baxılmış göstəriciləri (vergi, qeyri-vergi gəlirləri və tədiyyə növləri üzrə gəlirlər)

<https://www.maliyye.gov.az/static/291/dovlet-budcesinin-yarimillik-icrasina-dair-arayis-ve-ilin-sonuna-gozlentiler-mid-year-review->

**Comment:**

The Mid-Year Review supporting doc "Initial approved and revised indicators of the state budget revenues of the Republic of Azerbaijan for 2022 (tax, non-tax revenues and revenues from types of payments" (Azərbaycan Respublikasının 2022-ci il üzrə dövlət büdcəsi gəlirlərinin ilkin təsdiq olunmuş və yenidən baxılmış göstəriciləri (vergi, qeyri-vergi gəlirləri və tədiyyə növləri üzrə gəlirlər) provides all revenues by individual sources in Excel.

**Peer Reviewer**

**Opinion:** Agree

**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:**

c. Yes, estimates of government borrowing and debt have been updated, but information on the differences between the original and updated estimates is not presented.

**Source:**

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62e7be2a89c6c.pdf>

**Comment:**

"The Mid-Year Review of the budget of the Republic of Azerbaijan in 2022 and expectations for the end of the year" (Azərbaycan Respublikasının 2022-ci ilin dövlət və icmal büdcələrinin yarımillik icrasına dair arayış və ilin sonuna gözləntilər)

Grafik 10 on page 12 shows debt servicing, original estimates and forecast outcomes for 2022.

Net new borrowing - initial estimates and forecast outcomes for 2022 are shown on page 13.

Some information on total debt burden is found in Grafik 11 on page 14, but not original estimates nor composition.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

b. Yes, estimates of government borrowing and debt have been updated, and information on some of the differences between the original and updated estimates is presented.

**Comments:** It should be noted that the link provided by the researcher does not work. According to the guidelines for this question, it necessitates the provision of updated estimates of borrowing and debt, including a breakdown of its composition, for the ongoing budget year, along with an explanation of the updates made. In line with these requirements, the Mid-year Review document comprehensively presents updated figures for net new borrowing, the total debt burden at the conclusion of the budget year, and the interest payments on the outstanding debt for the current budget year. <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/64d4a0b33a2d4.pdf> However, it's important to note that the differences between the original estimates and the updated figures for the "total debt burden" are not included in the document (the researcher already mentioned). Although the estimates related to government borrowing and debt have been updated, specific information regarding

variations between the initial and revised estimates is not provided. In light of these considerations, the answer should indeed be "B" rather than "C."

#### Researcher Response

I'd like to thank Government Reviewer for the explanation. However, no information on the the interest rate - the key estimates of debt composition. So, "C" might be maintained.

#### 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:

b. Yes, estimates of the differences between the enacted levels and the actual outcome for all expenditures are presented, but a narrative discussion is not included.

##### Source:

The Law on 2021 budget execution:

[https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news\\_files/62d014052b7dc.pdf](https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/62d014052b7dc.pdf)

The Narrative on the YER was published on the website of MoF on 30/06/2022:

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/62bdfc32b13c.pdf>

The Decree of the implementation of the Law on 2021 Budget Execution:

[https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news\\_files/62d0140530f44.pdf](https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/62d0140530f44.pdf)

##### Comment:

The Narrative provides info on estimates of the difference btw enacted and actual outcome for all expenditures;

For example: on the p.10:

"96.1 % or 27,422.4 million manats of approved expenditures in the amount of 28,543.0 million manats in the 2021 state budget were implemented (1,006.1 million manats or 3.8 % more than in 2020)

Original: 2021-ci il dövlət büdcəsi ilə 28543,0 milyon manat məbləğində təsdiq olunmuş xərcilər 96,1 faiz və ya 27422,4 milyon manat məbləğində icra olunmuşdur (2020-ci illə müqayisədə 1006,1 milyon manat və ya 3,8 faiz çox)

#### Peer Reviewer

**Opinion:** Agree

**Comments:** In the analyzed Year-End Report of 2022, the difference between the actual expenses and the approved expenses was not drawn up in accordance with the requirement of point "b". However, in the half-yearly report of the 2021 budget used by the expert, a report was drawn up according to point "b". We expect more accurate reports for 2022 to be updated at the end of 2023 or the following year.

#### Government Reviewer

**Opinion:** Agree

#### Researcher Response

I thank peer reviewer for the valuable notes. I wouldn't say YER report provides less info on differences btw enacted and actual outcome. The report provided the differences on total revenues and expenditures, each expenditure line in this manner. And also, the YER -2021 is more substantial (69 pages), rather the previous one (42 pages). So, I don't see any reason to downward the score.

**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:**

The Law on 2021 budget execution:

[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d014052b7dc.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d014052b7dc.pdf)

The Narrative on the YER was published on the website of MoF on 30/06/2022:

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf>

The Decree of the implementation of the Law on 2021 Budget Execution:

[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d0140530f44.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d0140530f44.pdf)

**Comment:**

The Law, Decree and Narrative altogether provide all three expenditures classification.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** The Law on the 2021 budget execution and the Decree implementing the Law on the 2021 Budget Execution provide information on administrative and functional classification expenditures. Furthermore, the narrative on the YER presents detailed budget expenditure information by economic classification, with specific details available on pages 16-17, 19-21, 24-25, 28, 32, and 46.

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf>

**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:**

The Law on 2021 budget execution:

[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d014052b7dc.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d014052b7dc.pdf)

The Narrative on the YER was published on the website of MoF on 30/06/2022:

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf>

The Decree of the implementation of the Law on 2021 Budget Execution:

[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d0140530f44.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d0140530f44.pdf)

**Comment:**

All three classification provided

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** The Law on the 2021 budget execution and the Decree implementing the Law on the 2021 Budget Execution provide information on administrative and functional classification expenditures. Furthermore, the narrative on the YER presents detailed budget expenditure information by economic classification, with specific details available on pages 16-17, 19-21, 24-25, 28, 32, and 46.

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf>

**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:**

c. Yes, the Year-End Report presents estimates for programs accounting for less than two-thirds of expenditures.

**Source:**

The Law on 2021 budget execution:

[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d014052b7dc.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d014052b7dc.pdf)

The Narrative on the YER was published on the website of MoF on 30/06/2022:

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf>

The Decree of the implementation of the Law on 2021 Budget Execution:

[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d0140530f44.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d0140530f44.pdf)

**Comment:**

See 3.2.9 State programs and targeted expenditures financed from the state budget on the p 40- 41

Programs were allocated 2030,9 milyon manat, but the totals of the expenditures were 27 422 420,2 min manat, so programs made up around 7% of the total.

**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:**

b. Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, but a narrative discussion is not included.

**Source:**

The Law on 2021 budget execution:

[https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news\\_files/62d014052b7dc.pdf](https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/62d014052b7dc.pdf)

The Narrative on the YER was published on the website of MoF on 30/06/2022:

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The Decree of the implementation of the Law on 2021 Budget Execution:

[https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news\\_files/62d0140530f44.pdf](https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/62d0140530f44.pdf)

**Comment:**

The Narrative provides estimates of the differences between the enacted levels and the actual outcome for all revenues..p.4-10

**Peer Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

b. Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, but a narrative discussion is not included.

**Comments:** The difference between the initially approved income and the actual income is given in the Year end report. The percentage rate is also displayed. However, there is no information about how that difference was created. For example, what policy of the state or what event caused such a difference?

**Government Reviewer**

**Opinion:** Agree

**Researcher Response**

I thank peer reviewer for the suggestion. However, the question 87 doesn't require the explanation such as "what policy of the state or what event caused such a difference?". Therefore, the score "A" might be maintained

**IBP Comment**

Many thanks to the peer reviewer and researcher for the comments. The Narrative of the Year-End Report provides estimates of the differences between the enacted levels and the actual outcome for all revenues, in narrative form. However, there does not appear to be a narrative discussion on the differences. For cross-country comparison purposes, the score is revised from "A" to "B".

**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:**

The Law on 2021 budget execution:

[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d014052b7dc.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d014052b7dc.pdf)

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**Comment:**

The Law and Narrative (p.4-10) provide a substantial info on revenue estimates by category.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**Comments:** In addition to the YER, the Law presents information on tax revenues in subsections 2.1.1 to 2.1.9 and non-tax revenues in subsections 2.1.10 to 2.1.22. [https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d014052b7dc.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d014052b7dc.pdf)

**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:**

a. Yes, the Year-End Report presents individual sources of revenue accounting for all revenue.

**Source:**

The Law on 2021 budget execution:

[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d014052b7dc.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d014052b7dc.pdf)

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**Comment:**

The Law and Narrative (p.4-10) provide necessary info on individual sources of revenue

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

c. Yes, estimates of the differences between some but not all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented.

**Source:**

The Law on 2021 budget execution:

[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d014052b7dc.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d014052b7dc.pdf)

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**Comment:**

The Narrative provides some information on the differences between the original estimates of government borrowing and debt for the fiscal year and the actual outcome.

Original estimates of net new borrowing (budget deficit) as compared to actual outcome can be found on page 4.

On p. 43-45, there is information on total debt, whether foreign and domestic, maturity profile, interest rates and interest payments, but only actual outcomes (not compared to original estimates).

**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

**Source:**

The Law on 2021 budget execution:

[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d014052b7dc.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d014052b7dc.pdf)

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**Comment:**

No comments

**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:**



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.

**Source:**

The Law on 2021 budget execution:

[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d014052b7dc.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d014052b7dc.pdf)

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**Comment:**

The Narrative provides info on differences between original macroeconomic assumptions for the fiscal year and the actual outcome on the p.1-4. However, interest rates are not shown.

**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 Narrative on the YER provides core economic indicators such as the nominal GDP level and real GDP growth on page 1, and the inflation rate on page 2. However, it lacks information about interest rates. According to the OBS methodology, additional information beyond the core data, along with narrative discussion, is available for oil prices on page 3. Therefore, the answer should be B instead of C. Additionally, the YER includes information about the composition of GDP growth, oil and non-oil GDP, the current account balance, and the exchange rate.

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf>

**Researcher Response**

I thank Government Reviewer for the comments. However, due to the lack of core info and cross-country comparison reason, the option "C" maintained.

**IBP Comment**

To maintain consistency of responses across countries, this response has been revised, from "c" to "b". Even if one piece of core information is missing (interest rates), some beyond-the-core information is presented (such as oil price and trade balance).

**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:**

Nominal GDP level

Inflation rate

Real GDP growth

Information beyond the core elements

**Source:**

The Law on 2021 budget execution:

[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d014052b7dc.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d014052b7dc.pdf)

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**Comment:**  
See page 3.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:** Nominal GDP level Inflation rate Real GDP growth Information beyond the core elements (Oil Price)

**Comments:** The Narrative on the YER provides core economic indicators such as the nominal GDP level and real GDP growth on page 1, and the inflation rate on page 2. However, it lacks information about interest rates. According to the OBS methodology, additional information beyond the core data, along with narrative discussion, is available for oil prices on page 3. Therefore, the answer should be B instead of C. Additionally, the YER includes information about the composition of GDP growth, oil and non-oil GDP, the current account balance, and the exchange rate.

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf>

**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:**

d. No, estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome are not presented.

**Source:**

The Law on 2021 budget execution:

[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d014052b7dc.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d014052b7dc.pdf)

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**Comment:**

Annex1 of the Narrative provides the subtitle "With state programs and measures financed from the funds of the 2021 state budget" (2021-ci il dövlət büdcəsinin vəsaiti hesabına maliyyələşdirilən dövlət proqramları və tədbirləri), which includes nonfinancial data on inputs on the p. 50-67.

**Peer Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

d. No, estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome are not presented.

**Comments:** The Year-end report of the budget shows the results achieved in the current year on non-financial data. We do not see here the comparison with the previous year and the reason for the change. Also, we do not see the difference between the non-financial measures in the approved forecast budget and the achieved results. Also, there is no explanation for that difference.

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf>

**Government Reviewer****Opinion:** Agree**Comments:** The YER-2021 narrative presents separate tables dedicated to each program, allowing for the presentation of inputs, outputs/outcomes, and performance measurement indicators. For instance, on page 51 of the Narrative, you can find details about the "Informatization of the educational system" program, including nonfinancial data on inputs, such as the distribution of 21,000 computers (laptops) to educational institutions. On page 59 of the Narrative, the "Program on Measures against Diabetes" is also featured, presenting nonfinancial data on inputs like the number of medicines (406600 boxes) and appropriate devices (10000 pieces) for diabetics, among other program-specific information throughout the report. <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf>**Researcher Response**

I thank the peer reviewer. The difference between original estimates and actual outcomes can be figure out by comparison End Year Report data with EB-2021 one. For instance in EB -2021, "provision of antidiabetic drugs and appropriate devices for diabetic patients" considers 46 mln. AZN (<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/5ffc5a74c8ac4.pdf>), p.1. YER -2021 says this line was implemented as 44,1 mln.AZN (<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf>), p.59. So, we have an estimation of the difference. Nevertheless, the score.might be downgraded to "D".

**IBP Comment**

Many thanks to the reviewers, and to the researcher for the comment. Indeed, one can compare information in the 2021 Year-End Report to information in the 2021 Enacted Budget. However, since the original estimates of nonfinancial data on inputs are not in the Year-End Report itself, we must score this question "D".

**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:**

d. No, estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome are not presented.

**Source:**

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**Comment:**

Annex1 of the Narrative provides the subtitle "With state programs and measures financed from the funds of the 2021 state budget" (2021-ci il dövlət büdcəsinin vəsaiti hesabına maliyyələşdirilən dövlət proqramları və tədbirlər), which includes nonfinancial data on results on the p. 50-67.

**Peer Reviewer****Opinion:** Disagree**Suggested Answer:**

d. No, estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome are not presented.

**Comments:** The Year-end report of the budget shows the results achieved in the current year on non-financial data. We do not see here the

comparison with the previous year and the reason for the change. Also, we do not see the difference between the non-financial measures in the approved forecast budget and the achieved results. Also, there is no explanation for that difference.

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#### Government Reviewer

**Opinion:** Agree

**Comments:** The YER-2021 narrative presents separate tables dedicated to each program, allowing for the presentation of inputs, outputs/outcomes, and performance measurement indicators. For instance, on page 52 of the Narrative, you can find details about the "State secondary schools" program, which includes nonfinancial data on results and the actual outcome. One notable achievement highlighted is the increase in the coverage of 5-year-old children with pre-school education, reaching an impressive 85 percent. Furthermore, on page 61 of the Narrative, you'll find coverage of the "Program for increasing the employment opportunities of the population," presenting nonfinancial data on results and the actual outcome. Among the program-specific information throughout the report, it's noted that 43565 public workplaces were created and unemployed citizens were provided with suitable jobs. <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf>

#### Researcher Response

I thank peer reviewer for the suggestion. As it was indicated in the previous question, the option might be downgraded to "D"

#### IBP Comment

Many thanks to the reviewers, and to the researcher for the comment. Indeed, nonfinancial data on the actual outcome of results are available in the Year-End Report. However, since the original estimates of nonfinancial data on results are not available, we must score this question "D".

**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:

b. 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, but a narrative discussion is not included.

#### Source:

The Law on 2021 budget execution:

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#### Comment:

The Narrative provides info on 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 on pages 22-23

#### Peer Reviewer

**Opinion:** Agree

**Government Reviewer****Opinion:** Disagree**Suggested 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.

**Comments:** The Narrative within the Year-End Report provides comprehensive information regarding the differences between enacted budget levels for policies directly benefiting the country's most impoverished populations and the actual outcomes, as the researcher already mentioned.

Furthermore, the narrative delves into this discussion across two pages on 22-23. <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf> "Indeed, the actual implementation of targeted state social assistance expenditures decreased by 81.0 percent, amounting to 45.5 million manats less than initially forecasted. Additionally, other pensions, such as those for the disabled, individuals with disabilities of the first degree, or individuals caring for children under the age of 18, were executed with 36.8 million manats. Furthermore, social benefits for disability experienced a decrease of 26.3 million manats, while social benefits based on age were executed by 20.0 million manats. The pensions allocated to the families of martyrs were executed with 14.9 million manats, and other social payments, including one-time allowances for the birth of a child and allowances for children under the age of 18, were executed with a less than 24.5 million manats compared to the initial forecasts." Furthermore, for instance, another noteworthy detail from page 23 indicates that 354.4 million manats were earmarked from the 2021 state budget for the social protection of refugees and internally displaced persons, reflecting a shortfall of 10.1 million manats, equivalent to 2.8 percent less than the forecasted amount. The primary reason behind this under-execution of costs was the determination that the construction works did not meet safety requirements and, therefore, were not deemed suitable for the intended purpose. (Original: "Beləki, xərclərin icrası ünvanlı dövlət sosial yardımı üzrə 81,0 faiz və ya 45,5 milyon manat, digər təqaüdlər (müharibə əlillərinə Azərbaycan Respublikası Prezidentinin təqaüdü, müharibə veteranlarına Azərbaycan Respublikası Prezidentinin təqaüdü, I dərəcə əlilliyi olan şəxslərə və ya sağlamlıq imkanları məhdud 18 yaşınadək uşaqlara qulluq edən şəxslərə Azərbaycan Respublikası Prezidentinin təqaüdü) üzrə 89,8 faiz və ya 36,8 milyon manat, əlilliyə görə müavinət üzrə 90,1 faiz və ya 26,3 milyon manat, yaşa görə müavinət üzrə 89,13 faiz və ya 20,0 milyon manat, şəhid ailələrinə verilən təqaüdlər üzrə 83,5 faiz və ya 14,9 milyon manat az olmuşdur. Digər sosial ödənişlər üzrə (uşağın anadan olmasına görə birdəfəlik müavinət, ailə başçısını itirməyə görə müavinət, sağlamlıq imkanları məhdud 18 yaşadək uşaqlara müavinət, haqqı ödənilən ictimai işlərin təşkili və s. xərclər) proqnozdan 24,5 milyon manat az icra edilmişdir.") (Original: Qaçqın və məcburi köçkünlərin sosial müdafiəsi üçün 2021-ci ilin dövlət büdcəsindən 354,4 milyon manat məbləğində vəsait yönəldilmişdir ki, bu da proqnoza nisbətən 10,1 milyon manat (2,8faiz) azdır. Xərclərin az icra olunmasının əsas səbəbi tikinti işlərinin aparılmasının təhlükəsizlik baxımından məqsədə uyğun hesab edilməməsi olmuşdur.)

**Researcher Response**

I'd like to thank Government Reviewer for the additional information, however, due to the cross-country comparison reason, this is not enough to improve the score. "B" is maintained.

**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:**

b. Yes, estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome are presented, but a narrative discussion is not included.

**Source:**

The Law on 2021 budget execution:

[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d014052b7dc.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d014052b7dc.pdf)

The Narrative on the YER was published on the website of MoF on 30/06/2022:

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf>

The Decree of the implementation of the Law on 2021 Budget Execution:

[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d0140530f44.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d0140530f44.pdf)

**Comment:**

The Narrative provides original estimates of extra-budgetary funds (Oil Fund, Social Security Fund, Unemployment Fund) and the actual outcome, along with a narrative discussion on the p. 47-48, but it is not substantial.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:** a. Yes, estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome are presented, along with a narrative discussion.

**Comments:** The Narrative offers initial estimates of all extra-budgetary funds (Oil Fund, Social Security Fund, Unemployment Fund, ) and the actual outcomes, complemented by a substantial narrative discussion spanning pages 47 to 48. I've included rough translations of key points from this narrative discussion for your reference. <https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf> Aggregate level discussion: "The revenues of the consolidated budget for 2021 amounted to 33,903.7 million manats, with 10,075.6 million manats (42.3%) more than the forecast of 23,828.1 million manats. This is 9438.5 million manats or 38.6 percent more than in 2020. The expenses of the consolidated budget were 29990.5 million manats or 96.2 percent compared to the forecast of 31163.4 million manats. This is 830.4 million manats or 2.8 percent more than in 2020. Detailed discussion of revenue and expenditure of Oil Fund: The revenues of the budget of the State Oil Fund of the Republic of Azerbaijan were 15949.3 million manats more than the approved indicator of 8001.2 million manats. The expenditures of the budget of the State Oil Fund of the Republic of Azerbaijan amounted to 11,360.2 million manats, which is 860.3 million manats or 7.0 percent less than the approved indicator. 11,350.0 million manats or 99.9 percent of the fund's expenses were transferred to the state budget (850.0 million manats less than the forecast), and 10.2 million manats or 0.1 percent (10.3 million manats less than the forecast) allocated for the State Program on "Increasing international competitiveness in the higher education system". In 2021, 850.0 million manat less than the projected transfer from the State Oil Fund of the Republic of Azerbaijan to the state budget was used due to the expected savings on additional incomes and expenses to the state budget through the lines of tax and customs bodies." Discussion of revenue and expenditure of Social Protection Fund of Consolidated budget: "The revenues of the budget of the State Social Protection Fund, which is a part of the consolidated budget, were implemented in the amount of 5178.0 million manats or 100.6 percent compared to the forecast indicator (amount of 5146.0 million manats). This is 429.7 million manats or 9.0 percent more than in 2020.

**Researcher Response**

I thank Government Reviewer for the additional evidence, but, unfortunately, due to the cross-country comparison reason, this is not substantial to change the score, so "B" is maintained. In the same time, the score "B" is higher than in the previous round, because this round report is more substantial (69 pages), provides more comparative info, rather the previous one (42 pages.)

**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:**

The Law on 2021 budget execution:

[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d014052b7dc.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d014052b7dc.pdf)

The Narrative on the YER was published on the website of MoF on 30/06/2022:

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf>

The Decree of the implementation of the Law on 2021 Budget Execution:

[https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news\\_files/62d0140530f44.pdf](https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/news_files/62d0140530f44.pdf)

**Comment:**

The Year-End Report doesn't include financial statement, neither within the report, nor separately.

**Peer Reviewer**

**Opinion:** Agree

**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:**

The Audit Report on 2021 Budget Execution.

Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsinin icrası haqqında" Azərbaycan Respublikasının Qanun layihəsinə və dövlət büdcəsinin icrasına dair illik hesabatla Azərbaycan Respublikası Hesablama Palatasının Rəyi"  
[https://sai.gov.az/files/R%C9%99y-2021\\_%20icra%2019.05.2022\\_yekun-183625280.pdf](https://sai.gov.az/files/R%C9%99y-2021_%20icra%2019.05.2022_yekun-183625280.pdf)

Annual Report of the Chamber of Accountant on 2022 Activity:

Original: Azərbaycan Respublikası Hesablama Palatasının 2022-ci ildə Fəaliyyəti Haqqında Hesabat  
[https://sai.gov.az/files/fealiyye\\_hesabati-870614218.pdf](https://sai.gov.az/files/fealiyye_hesabati-870614218.pdf)

**Comment:**

CoA Activity Plan provides substantial info on performance, compliance and financial audits, carried out in 2022.

[https://sai.gov.az/files/fealiyye\\_hesabati-870614218.pdf](https://sai.gov.az/files/fealiyye_hesabati-870614218.pdf)  
performance & compliance audits; p.11.(7.0.3.3.), 25-37, 42-47  
financial audit: p. 38-41

**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:**

c. Expenditures representing less than two-thirds of expenditures within the SAI's mandate have been audited.

**Source:**

The Audit Report on 2021 Budget Execution.

Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsinin icrası haqqında" Azərbaycan Respublikasının Qanun layihəsinə və dövlət büdcəsinin icrasına dair illik hesabat Azərbaycan Respublikası Hesablama Palatasının Rəyi"  
[https://sai.gov.az/files/R%C9%99y-2021\\_%20icra%2019.05.2022\\_yekun-183625280.pdf](https://sai.gov.az/files/R%C9%99y-2021_%20icra%2019.05.2022_yekun-183625280.pdf)

Annual Report of the Chamber of Accountant on 2022 Activity:

Original: Azərbaycan Respublikası Hesablama Palatasının 2022-ci ildə Fəaliyyəti Haqqında Hesabat  
[https://sai.gov.az/files/fealiyye\\_hesabati-870614218.pdf](https://sai.gov.az/files/fealiyye_hesabati-870614218.pdf)

**Comment:**

The Audit Report on 2021 Budget Execution provides audit info about less than two-thirds of expenditures, excluding military & security, some other sectors.

**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:**

a. All extra-budgetary funds within the SAI's mandate have been audited.

**Source:**

The Audit Report on 2021 Budget Execution.

Original: "Azərbaycan Respublikasının 2021-ci il dövlət büdcəsinin icrası haqqında" Azərbaycan Respublikasının Qanun layihəsinə və dövlət büdcəsinin icrasına dair illik hesabatı Azərbaycan Respublikası Hesablama Palatasının Rəyi"

[https://sai.gov.az/files/R%C9%99y-2021\\_%20icra%2019.05.2022\\_yekun-183625280.pdf](https://sai.gov.az/files/R%C9%99y-2021_%20icra%2019.05.2022_yekun-183625280.pdf)

Annual Report of the Chamber of Accountant on 2022 Activity:

Original: Azərbaycan Respublikası Hesablama Palatasının 2022-ci ildə Fəaliyyəti Haqqında Hesabat

[https://sai.gov.az/files/fealiyye\\_hesabati-870614218.pdf](https://sai.gov.az/files/fealiyye_hesabati-870614218.pdf)

**Comment:**

CoA has audited all Extra-budgetary funds, such as SOFAZ, SSPF, Unemployment Insurance Fund and provided the extract of this action on the p. 60 of the 2022 Report. .

[https://sai.gov.az/files/fealiyye\\_hesabati-870614218.pdf](https://sai.gov.az/files/fealiyye_hesabati-870614218.pdf) p.60, table

**Peer Reviewer**

**Opinion:** Agree

**Comments:** All extra-budgetary funds were audited <https://sai.gov.az/filter?type=rey>

**Government Reviewer**

**Opinion:** Agree

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:**

a. Yes, the annual Audit Report(s) includes one or more executive summaries summarizing the report's content.

**Source:**

Summaries:

<https://sai.gov.az/en/budce-xulasesi>

**Comment:**

CoA publishes all summaries on its web site:

<https://sai.gov.az/en/budce-xulasesi>

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

**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:**

<https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf> p. 48.

**Comment:**

On the p. 48 of 2021 Budget Execution:

"Accounting Chamber of the Republic of Azerbaijan about the proposals raised in their opinions a number of issues mentioned in the opinions of the Accounting Chamber of the Republic of Azerbaijan regarding the management of state finances, improving the quality of budget documentation, and making appropriate amendments to budget accountability Azerbaijan

"Reports submitted to state institutions by the Ministry of Finance of the Republic of Azerbaijan" approved by Decree No. 72 of the President of the Republic dated May 15, 2018 forms and the Rule for their submission" and the annual report on the implementation of the state budget of 2021 were taken into account."

However, without specific evidence on what audit findings the executive is following up on, we must score this "D".

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Disagree

**Suggested Answer:** a. Yes, the executive reports publicly on what steps it has taken to address audit findings.

**Comments:** Chapter V of the Year-End Report (YER) provides public information about the specific actions taken to address all audit findings in various areas. This includes addressing issues related to public financial management, enhancing the quality of budget documentation, and making necessary amendments to budget reporting, as highlighted in the paragraph. The recommendations of the Chamber of Accounts were considered both in the YER itself and in the "Forms of reports submitted by the Ministry of Finance to state institutions and the Rules for their submission." (Original: "5.Azərbaycan Respublikası Hesablama Palatasının rəylərində qaldırılmış təkliflər barədə" on page 48.

<https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/62bdefc32b13c.pdf> Additionally, information regarding the status of implementing the recommendations from the Chamber of Accounts and the outcomes of the audit can be found on pages 80-81 of the "Report on the Activities of the Cabinet of Ministers of the Republic of Azerbaijan in 2021." In light of these considerations, option "a" is the appropriate choice for this question.

**Researcher Response**

I thank GR for the suggestion and additional evidences. However, as the "Report on the Activities of the Cabinet of Ministers of the Republic of Azerbaijan in 2021" is not publicly available, the score remains unchanged.

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:**

c. Yes, the SAI or legislature reports publicly on some audit recommendations.

**Source:**

Annual Report of the Chamber of Accountant on 2022 Activity:

Original: Azərbaycan Respublikası Hesablama Palatasının 2022-ci ildə Fəaliyyəti Haqqında Hesabat

[https://sai.gov.az/files/fealiyye\\_hesabati-870614218.pdf](https://sai.gov.az/files/fealiyye_hesabati-870614218.pdf)

**Comment:**

The CoA Activity Plan includes info about what steps the executive has taken to address all audit recommendations on the p. 77-78.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

a. Yes, the SAI or legislature reports publicly on what steps the executive has taken to address all audit recommendations.

**Comments:** In the researcher's comment submitted regarding this question, it is emphasized that the Chamber of Accounts provided information on the status of the implementation of all recommendations. However, the originally selected answer option only reflected the publication of information on the status of the implementation of some audit recommendations. Given this clarification, option "a" should be selected. Details about actions taken by the executive to address audit recommendations for accountability purposes can be found on pages 76-77 and 87-88 of the "Report on the Activities of the Accounting Chamber of the Republic of Azerbaijan in 2021." [https://sai.gov.az/files/Hesabat\\_2021\\_final-176632876.pdf](https://sai.gov.az/files/Hesabat_2021_final-176632876.pdf) For additional reference, on page 63 of the "Report on the Activities of the Accounting Chamber of the Republic of Azerbaijan in 2022," it is noted that out of a total of 205 proposals, 123 (87 financial, 36 procedural) were fully implemented, 40 (23 financial, 17 procedural) were partially implemented, while 42 (24 financial, 18 procedural) were not implemented. [https://sai.gov.az/files/fealiyye\\_hesabati-870614218.pdf](https://sai.gov.az/files/fealiyye_hesabati-870614218.pdf)

**Researcher Response**

I thank GR for the suggestion. Indeed, the report indicated that they executive considers all 205 audit recommendations. (p.63) The only issue that how comprehensive the recommendations and full coverage of recommendations of CA findings. Suggest to upgrade the score to "B"

**IBP Comment**

Many thanks to the government reviewer and researcher for the comments. Indeed, the details in page 76-77 and 87-88, as noted by the government reviewer, show steps the government has taken to follow up on audit recommendations. The reference on page 63 is very helpful, as it shows summary statistics. However, since the specific steps taken to address some of the 205 proposals mentioned are not actually detailed in the report, for cross-country comparison purposes, the score is maintained at "C".

**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:**

No source

**Comment:**

There isn't any independent institute specializing in fiscal policy, or public financial management.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

No source

**Comment:**

There isn't any independent institute specializing in fiscal policy, or public financial management.

**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:**

No source

**Comment:**

There isn't any independent institute specializing in fiscal policy, or public financial management.

**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:**

No source

**Comment:**

There isn't any independent institute specializing in fiscal policy, or public financial management.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

d. No, neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.

**Source:**

<https://meclis.gov.az/news.php?id=4426&lang=az>

<https://meclis.gov.az/news.php?id=4432&lang=az>

<https://meclis.gov.az/news.php?id=4435&lang=az>

<https://meclis.gov.az/news.php?id=4491&lang=az>

**Comment:**

In the plenary session of the Parliament (Milli Meclis) during the debate on EBP-2023 MP's discussed the budget package, provided some proposal on the next year budgeting, but didn't create any recommendations for the improvement of the upcoming budget. We score this "D" because did not come prior to the tabling of the 2023 EBP.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

c. The legislature receives the Executive's Budget Proposal at least one month, but less than two months, before the start of the budget year.

**Source:**

<https://maliyye.gov.az/news/5766/azerbaycan-respublikasinin-2023-cu-il-ucun-dovlet-ve-icmal-budceleri-uzre-layihelerin-teqdimati>

Article 13, The Law on Budget System: <https://www.resourceata.org/dataset/rgi-law-on-budget-system-of-the-republic-of-azerbaijan/resource/6a621ada-754b-47f5-94d9-4485dae163f3>

**Comment:**

The Parliament (Milli Meclis) of Azerbaijan received the EBP on November 3. The Ministry of Finance posted the related info on its official website. According to the "Law on Budget System," "the Draft law on the state budget of the next year, alongside with other documents enclosed to it, should be submitted to the discussion and approval of the Milli Majlis (parliament) of the Republic of Azerbaijan not later than the October 15 of the current year, in accordance with provision 2 of article 109 of the Constitution of the Republic of Azerbaijan".

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

<https://maliyye.gov.az/en/news/index/5781?slug=milli-meclis-azerbaycan-respublikasinin-2023-cu-il-dovlet-budcesi-haqqinda-qanunu-qebul-edib>

**Comment:**

The Legislature (Milli Meclis) approved the EBP-2023 on December 9, 2022.

According to the "Law on Budget System" article: 15.3. "The state budget of the next budget year is approved with law not later than the December 20 of the current year in the Milli Majlis (parliament) of the Republic of Azerbaijan".

**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:**

b. Yes, the legislature has authority in law to amend the Executive's Budget Proposal, with some limitations.

**Source:**

<https://www.maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/621dfb6c37a9a.pdf>

**Comment:**

According to "The Law on Budget System", article 15.5 "A question on additions and changes to the Law on the state budget of the current year can be raised before the Milli Majlis (Parliament) of the Republic of Azerbaijan as a legislative initiative taking into consideration provision 2 of article 109 of the Constitution of the Republic of Azerbaijan."

**Peer Reviewer**

**Opinion:** Agree

**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:**

<https://azertag.az/xeber/2403950>  
<https://www.meclis.gov.az/news.php?id=4491&lang=az>  
<https://www.meclis.gov.az/news.php?id=4415&lang=az>  
<https://www.meclis.gov.az/news.php?id=4417&lang=az>

**Comment:**

During the discussion, MP's provide a dozen of suggestions to amend to the budget 2023 law, such as making changes to the amount of funding for certain areas and categories of citizens receiving benefits from the budget, also taking into account socially vulnerable categories people needs. The suggestions mostly were focused on increasing the amount of budget spending to the socially vulnerable group of people. After discussion the government decided to increase the budget spending for socially vulnerable group of people, cultural programs, etc.

**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:**

<https://meclis.gov.az/news.php?id=4400&lang=az>

<https://meclis.gov.az/news.php?id=4475&lang=az>

**Comment:**

The Committee for Economic Policy, Industry and Entrepreneurship, which is the specialized committee on the budget, examined the EBP, right after entering this document into Parliament, on November 3, 2022, and after that initiated the joint meeting with other related committees. The budget proposal was passed, after discussion during another reading, on December 5, 2022.

However, there is no evidence of publicly available reports, consist of findings and recommendations.

**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:**

November 4, 2022, joint meeting of the Youth and Sports, Labor and Social Policy, Agrarian Policy, Regional Affairs, Natural Resources, Energy and Ecology Committees: <https://meclis.gov.az/news.php?id=4403&lang=az>

November 10, 2022, joint meeting of the Public Unions and Religious Institutions, Science and Education, Family, Women's and Children's Affairs, Health, and Culture Committees: <https://meclis.gov.az/news.php?id=4415&lang=az>

November 11, 2022, joint meeting of the Labor and social policy and Economic policy, industry and entrepreneurship committees: <https://meclis.gov.az/news.php?id=4418&lang=az>

November 22, 2022, Labor and social policy committee meeting: <https://meclis.gov.az/news.php?id=4449&lang=az>

**Comment:**

During the budget discussion, all related committees have participated in the 2023 budget law draft and have a joint committees meeting as well. Particularly the Committee of Law, Labour and Social Policy, Science and Education, Human Rights, Youth Policy, International Affairs committees were active in these discussions.

**Peer Reviewer**

**Opinion:** Agree

**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:**

d. No, a committee did not examine in-year implementation.

**Source:**

May 25, 2022, meeting of the Economic Policy, Industry and Entrepreneurship Committee: <https://www.meclis.gov.az/news.php?id=4124&lang=az>  
June 6, 2022, meeting of the Economic Policy, Industry and Entrepreneurship Committee: <https://www.meclis.gov.az/news.php?id=4150&lang=az>

**Comment:**

The Committee for Economic Policy, Industry and Entrepreneurship of the Parliament (Milli Meclis) has a practice to discuss in-year budget implementation, inviting for this senior representatives from the relevant government agencies. However, these discussion are not regular and frequent. Besides, there aren't any records and recommendations which might be evidence. In the sessions linked above, the committee was examining the execution of the 2021 budget, not the 2022 budget, so we score this "D".

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Disagree

**Suggested Answer:**

b. Yes, a committee examined in-year implementation on one or more occasion (but less than three times), and it published a report with findings and recommendations.

**Comments:** During discussions with a representative of the legislature, it was noted that the legislature reviews the in-year implementation of the Enacted Budget by utilizing the relevant report from the Chamber of Accounts. [https://sai.gov.az/files/budce\\_xulasesi/xulase\\_2022\\_yarimil\\_.pdf](https://sai.gov.az/files/budce_xulasesi/xulase_2022_yarimil_.pdf)

**Researcher Response**

The Q asks about the committee of legislature examination, not a CA report on that. The evidence, provided by GR is not relevant. Thus, no changes.

**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:**

d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to shifting funds between administrative units, and in practice the executive shifts funds between administrative units before obtaining approval from the legislature.

**Source:**

The Law on Budget System. Article 18.4.

<https://www.maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/static-pages/files/621dfb6c37a9a.pdf>

<http://www.e-qanun.az/framework/6038>

**Comment:**

According to the Law on Budget System, article 18.4. "If necessary, relevant executive power body can make changes at budget allocation limits, within sections of functional classification, among the sections, sub-sections, paragraphs, items and subtotals of economic classification".

According to the Decree on "The Preparation of the State Budget", the Ministry of Finance must request permission from the President to amend the limits of budget allocations, in the sections of the functional classification, among the sections, subsections, paragraphs, paragraphs and subtotals of the economic classification

<http://www.e-qanun.az/framework/6038> Article 5.5.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

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.

**Source:**

The Law on Budget System. Article 18:

<https://maliye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6244003cde4ad.pdf>

**Comment:**

According to Article 18 of the Law on Budget System, "The execution of the state budget"; 18.4. If necessary, the relevant executive body can make changes to budget allocation limits, within sections of functional classification, among the sections, sub-sections, paragraphs, items and subtotals of economic classification. 18.5. In case incomes and funds envisaged for financing of deficit are less than the approved amount in the process of state budget execution, expenditures of functional and economic classification (excluding justified provisions of expenditures) can be reduced proportionally, while expenditures of administrative classification can be reduced in the manner specified by relevant executive power body. 18.6. The amount of funds envisaged in the state budget of the next year can be increased by 20 percent or reduced in the amount of additional funds entered in comparison with the forecast of local incomes by relevant executive power body in order to regulate local incomes and expenditures of the state budget in the process of state budget execution.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**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:**

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.

**Source:**

The Law on Budget System. Article 18:

<https://maliyye.gov.az/scripts/pdfjs/web/viewer.html?file=/uploads/static-pages/files/6244003cde4ad.pdf>

**Comment:**

According to Article 18 of the Law on Budget System "The execution of the state budget"; 18.4. If necessary, the relevant executive body can make changes to budget allocation limits, within sections of functional classification, among the sections, sub-sections, paragraphs, items and subtotals of economic classification. 18.5. In case incomes and funds envisaged for financing of deficit are less than the approved amount in the process of state budget execution, expenditures of functional and economic classification (excluding justified provisions of expenditures) can be reduced proportionally, while expenditures of administrative classification can be reduced in the manner specified by relevant executive body. 18.6. The amount of funds envisaged in the state budget of the next year can be increased by 20 percent or reduced in the amount of additional funds entered in comparison with the forecast of local incomes by relevant executive power body in order to regulate local incomes and expenditures of the state budget in the process of state budget execution.

According to Article 23. of the Law on Budget System "Review of the state budget and application of curtailment to expenditures"; 23.8. According to the provisions 23.2, 23.3 and 23.4 of this Law, if it is considered to make changes to at the level of sections of the budget income classification and functional classification of the budget expenditures in the framework of approved incomes and expenditures of the state budget, the relevant executive body submits the following documents to the Milli Majlis (parliament) of the Republic of Azerbaijan: [...]

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree

**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:**

Press release about the Committee for Economic Policy, Industry and Entrepreneurship of the Parliament examining the YER and the Audit Report, May 25, 2022: <https://www.meclis.gov.az/news.php?id=4124&lang=az>

Opinion on the implementation of the 2021 state budget, May 25, 2022, landing page: <https://sai.gov.az/rej/94>

PDF of the Audit Report: [https://sai.gov.az/files/R%C9%99y-2021\\_%20icra%2019.05.2022\\_yekun-183625280.pdf](https://sai.gov.az/files/R%C9%99y-2021_%20icra%2019.05.2022_yekun-183625280.pdf)

**Comment:**

The Committee for Economic Policy, Industry and Entrepreneurship of the Parliament (Milli Meclis) examines Audit Report on the annual budget, but did not publish any report with findings and recommendations.

See the (rough) translation of an extract from the press release:

"At the meeting, Chairman of the Accounting Chamber of the Republic of Azerbaijan Vugar Gulmammadov presented the opinion of the Accounting Chamber on the implementation of the 2021 state budget. He said that the draft law and the report were prepared in accordance with the requirements of the current legislation. He drew attention to the macro approaches reflected in the opinion regarding the correctness of the main parameters of the budget.

It was stated that the opinion reflects the reasonableness and completeness of the indicators of the implemented state budget revenues and expenses, public debt, budget deficit, and the compliance of these indicators with the main macro parameters. The document includes the assessment of the efficiency of some parameters of last year's receivables, state procurement, and the results of control measures completed in the relevant period. At the same time, issues regarding the use of state funds allocated for the implementation of state programs and measures, reconstruction and restoration works in the territories freed from occupation were kept in mind."

**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:**

Law on "The Chamber of Accounts": Article 11, 13, 14  
<https://sai.gov.az/files/Hesablama-Palatasi-Qanun.pdf>  
<https://sai.gov.az/milli-meclisin-qerarlari>

**Comment:**

The Law on "The Chamber of Accounts" (Articles 11, 13, 14) as well as the Internal Regulation of the Parliament of Azerbaijan indicate that the head of the Chamber is appointed by the Parliament of Azerbaijan.

**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:**

Law on "The Chamber of Accounts": Article 17;  
<http://sai.gov.az/files/Hesablama-Palatasi-Qanun.pdf>

**Comment:**

The Law on "The Chamber of Accounts" (Article 17) as well as the Internal Regulation of the Parliament of Azerbaijan indicate that Parliament has to have a final consent before removing of the head of the Chamber of Accounts.

**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:**

a. The SAI determines its own budget (i.e., 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 by the legislature or judiciary (or some independent body), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.

**Source:**

Law on "The Chamber of Accounts": Article 33;  
<https://sai.gov.az/files/Hesablama-Palatasi-Qanun.pdf>

**Comment:**

The Law on "The Chamber of Accounts" (Article 33) indicates that the Chamber of Accounts budget is determined by the Parliament (Milli Meclis) of Azerbaijan.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

Law on "The Chamber of Accounts": Article 20;  
<http://sai.gov.az/files/Hesablama-Palatasi-Qanun.pdf>

**Comment:**

The Law on "The Chamber of Accounts" (Article 20) indicates that the Chamber has the right to decide which audits they wish. The only limit is that the list of audits must be included in the workplan beforehand.

**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:**

a. Yes, an independent agency conducts and publishes a review of the audit processes of the SAI on an annual basis.

**Source:**

Annual Report of the Chamber of Accountant on 2021 Activity:

Original: Azərbaycan Respublikası Hesablama Palatasının 2021-ci ildə Fəaliyyəti Haqqında Hesabat  
[https://sai.gov.az/files/Hesabat\\_2021\\_final-176632876.pdf](https://sai.gov.az/files/Hesabat_2021_final-176632876.pdf) (p.17, 119-120)

Annual Report of the Chamber of Accountant on 2020 Activity:

Original: Azərbaycan Respublikası Hesablama Palatasının 2020-ci ildə Fəaliyyəti Haqqında Hesabat  
[https://sai.gov.az/files/Hesabat2020\\_FINAL\\_son.pdf](https://sai.gov.az/files/Hesabat2020_FINAL_son.pdf) (p. 17, 154-155)

**Comment:**

According to the Strategic Plans of the Chamber of Accounts (CoA) 2018-2020 and 2021-2025, since 2020, the CoA Annual Report on 2020 Activity provides information that the audit process of the CoA has been reviewed by independent agencies (pages 17 and 154-155) and continuously reviewed the next year (2021), as is indicated in the 2021 Annual Report (p.17, 119-120). Within the framework of the program organized by INTOSAI and IDI, all activities of the Chamber of Accounts, including the audit process, were evaluated through the SAI PMF (Supreme Audit Institutions Performance Measurement Framework) and the results were considered in the new Strategic Plan of the Chamber of Accounts.

Under an agreement signed in 2020, the entire process of compliance, financial, and efficiency audits of the CoA was evaluated by the Court of Accounts of the Republic of Turkey through a peer review in 2021.

In 2022, "the financial statements of the Accounting Chamber for 2022 were audited by the AAO of Pakistan and a positive opinion was given (excerpt from the auditor's opinion is attached)" - see p. 102-104 of the Report ([https://sai.gov.az/files/fealiyye\\_hesabati-870614218.pdf](https://sai.gov.az/files/fealiyye_hesabati-870614218.pdf))

**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:**

November 17, 2022: "The Chairman of the Chamber of Accounts V. Gulmammadov made a speech at the plenary session of the Milli Majlis regarding the budget of the State Social Protection Fund for 2023": <https://sai.gov.az/xeberler/197>

November 16, 2022: "[the] Chairman of the Chamber of Accounts Vugar Gulmammadov spoke at the plenary session of the Milli Majlis regarding the draft of the 2023 state budget": <https://sai.gov.az/xeberler/196>

June 22, 2022: "[the] Chairman of the Chamber of Accounts Vugar Gulmammadov spoke at the plenary session of the Milli Majlis": <https://sai.gov.az/xeberler/164>

May 31, 2022: "Speech of the Chairman of the Chamber of Accounts V. Gulmammadov on the opinion of the Chamber of Accounts regarding the implementation of the state budget of 2021 at the plenary session of the Milli Majlis": <https://sai.gov.az/xeberler/157>

April 26, 2022: "The Report of the Accounting Chamber on its activities in 2021 was heard at the plenary session of the Milli Majlis of the Republic of Azerbaijan": <https://sai.gov.az/xeberler/143>

April 20, 2022: "The report of the Chamber of Accounts was heard in the economic policy, industry and entrepreneurship committee": <https://www.meclis.gov.az/news.php?id=4016&lang=az>

**Comment:**

The Law on "The Chamber of Accounts" (Article 3.1) indicates The Chamber is responsible to the Parliament, it must report to the Parliament and testify regularly. This happens with the speech of the head of the Chamber, mainly in the Economic Policy, Industry and Entrepreneurship Committee of the Parliament. In the past 12 months it happened more than five times.

**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](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:**

d. The requirements for a "c" response or above are not met.

**Source:**

Law on the Public Participation: <https://e-qanun.az/framework/26879>

**Comment:**

The Law on the Public Participation indicates the engagement of the public to the discussion and getting feedback from citizens on formulating and implementation of the government policy (projects), including budget discussion. However, in practice there are rare cases when the Ministry of Finance or Ministry of Economy conducts such kinds of meetings with the relevant groups. There is no evidence, or records of these meetings.

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

Law on the Public Participation: <https://e-qanun.az/framework/26879>

**Comment:**

Option "d" was selected for question 125. Therefore, as per the OBS methodology, the appropriate response to this question is "b."

**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:**

d. The requirements for a "c" response or above are not met.

**Source:**

Law on the Public Participation: <https://e-qanun.az/framework/26879>

**Comment:**

Option "d" was selected for question 125. Therefore, as per the OBS methodology, the appropriate response to this question is "d."

**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](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:**

Law on The Public Participation: <https://e-qanun.az/framework/26879>

**Comment:**

There is no evidence of such practice.

**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:**

Law on The Public Participation: <https://e-qanun.az/framework/26879>

**Comment:**

There is no evidence of such practice.

**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:**

n/a

**Comment:**

No comments

**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 there 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:**

n/a

**Comment:**

No comments

**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:**

n/a

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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 take 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:**

n/a

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

b. The requirements for an "a" response are not met.

**Source:**

n/a

**Comment:**

No comments

**Peer Reviewer**

Opinion: Agree

Government Reviewer

Opinion: Agree

**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](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:**

<http://idp.gov.az/en/news/1376>

<http://idp.gov.az/en/news/1395>

<http://idp.gov.az/en/news/1474>

**Comment:**

The State Committee for Affairs of Refugees and Internally Displaced Persons (IDP) provide such kind of inputs from the relevant group of people and organizations.

**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:**

n/a

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

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:**

n/a

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

n/a

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

n/a

**Comment:**

No comments

**Peer Reviewer**

**Opinion:** Agree

**Government Reviewer**

**Opinion:** Agree

**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:**

a. Yes, the SAI maintains formal mechanisms through which the public can suggest issues/topics to include in its audit program.

**Source:**

[https://sai.gov.az/files/Hesabat\\_2021\\_final-176632876.pdf](https://sai.gov.az/files/Hesabat_2021_final-176632876.pdf) (p.104-107)

**Comment:**

The Annual Report of Chamber of Accounts on 2021 consists of the information on suggestions, appeals, received from the citizens, which have been used in the Chamber activity (p.104-107)

**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:**

b. Yes, the SAI provides a written record which includes both the list of inputs received and a summary of the how the inputs were used to determine its audit program.

**Source:**

[https://sai.gov.az/files/Hesabat\\_2021\\_final-176632876.pdf](https://sai.gov.az/files/Hesabat_2021_final-176632876.pdf) p. 104-107

**Comment:**

The Annual Report of Chamber of Accounts on 2021 for the first time consists of the special paragraph "Consideration of citizens' applications and provision of participation" includes the information on the feedback on how citizens' inputs have been used to determine its audit program (p.104-107)

**Peer Reviewer**

**Opinion:** Disagree

**Suggested Answer:**

b. Yes, the SAI provides a written record which includes both the list of inputs received and a summary of the how the inputs were used to determine its audit program.

**Government Reviewer**

**Opinion:** Agree

**Researcher Response**

The difference between A and B is detailed report, or summary. The CA report in the p. 04-107 mainly looks like detailed info, rather summary. So, no changes

**IBP Comment**

Many thanks to the peer reviewer and the researcher for the comments. After further discussion with the peer reviewer, we find that the document provides general statistics on petitions (164 petition were received for 2021, 60 are about jobs, social support, 74 appeals regarding the activity of Chamber, etc.) but \*not\* information on which inputs were used or not used, why, and how. Because of this more general information, we revise the score from "A" to "B".

**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:**

[https://sai.gov.az/files/Hesabat\\_2021\\_final-176632876.pdf](https://sai.gov.az/files/Hesabat_2021_final-176632876.pdf) p.104-107

Hesablama Palatasına daxil olmuş Ekologiya və Təbii Sərvətlər Nazirliyinin Meşələrin İnkişafı Xidmətinin Masallı Regional Meşə Təsərrüfatı Mərkəzinin fəaliyyəti ilə əlaqədar 8 vətəndaş müraciəti 2021-ci il 31 may 10 iyun tarixlərində Lənkəran və Masallı rayonlarına ezam edilmiş Hesablama Palatasının əməkdaşları tərəfindən müraciət edən vətəndaşlarla birlikdə yerində araşdırılmış, qeyd edilən məsələlər öz təsdiqini tapmış və bununla bağlı vətəndaşlara rəsmi cavab məktubları göndərilmişdir (p.105)

\*Translation\*: 8 citizens' appeals regarding the activities of the Masallı Regional Forestry Center of the Forestry Development Service of the Ministry of Ecology and Natural Resources entered the Accounting Chamber, together with the citizens who applied by the employees of the Accounting Chamber sent to Lankaran and Masallı regions on May 31 and June 10, 2021, were investigated on the spot, the mentioned issues were confirmed,

and official response letters were sent to the citizens in this regard (p.105)

**Comment:**

The Chamber's Annual report on 2021 provides the info related public input and audit investigation, but as far as we know it does not have a formal mechanism for the public to contribute to audit investigations.

**Peer Reviewer**

Opinion: Agree

**Government Reviewer**

Opinion: Agree