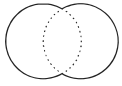
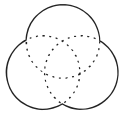
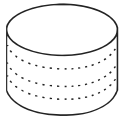


Overview

**Transparency:****57** /100

(Open Budget Index score)

**Public Participation:****9** /100**Budget Oversight:****63** /100

About the survey

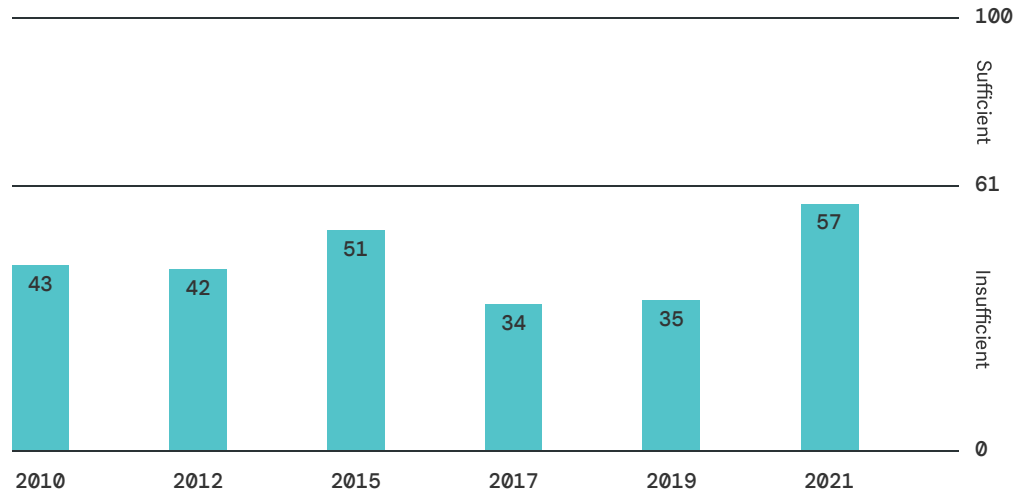
Government budget decisions – what taxes to levy, what services to provide, and how much debt to take on – have important consequences for all people in society. When governments provide information and meaningful channels for the public to engage in these decisions, we can better ensure public money is spent on public interests.

The Open Budget Survey (OBS) is the world's only independent, comparative and fact-based research instrument that uses internationally accepted criteria to assess public access to central government budget information; formal opportunities for the public to participate in the national budget process; and the role of budget oversight institutions, such as legislatures and national audit offices, in the budget process.

The survey helps local civil society assess and confer with their government on the reporting and use of public funds. This 8th edition of the OBS covers 120 countries.

Visit www.internationalbudget.org/open-budget-survey for more information, including the full OBS methodology, the 2021 Global and Regional Reports, findings for all surveyed countries, and the Data Explorer.

How has the transparency score for Azerbaijan changed over time?

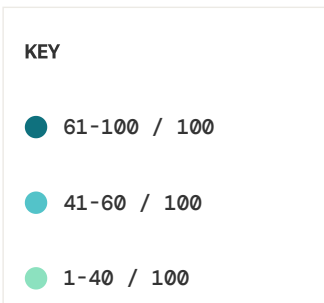


Public availability of budget documents in Azerbaijan

KEY	
●	Available to the Public
●	Published Late, or Not Published Online, or Produced for Internal Use Only
⊘	Not Produced

Document	2010	2012	2015	2017	2019	2021
Pre-Budget Statement	⊘	⊘	⊘	⊘	⊘	●
Executive's Budget Proposal	●	●	●	●	●	●
Enacted Budget	●	●	●	●	●	●
Citizens Budget	⊘	⊘	●	●	●	●
In-Year Reports	●	●	●	●	●	●
Mid-Year Review	●	●	⊘	⊘	⊘	●
Year-End Report	●	●	●	●	●	●
Audit Report	●	●	●	●	●	●

How comprehensive is the content of the key budget documents that Azerbaijan makes available to the public?



Key budget document	Document purpose and contents	Fiscal year assessed	Document content score
Pre-Budget Statement	Discloses the broad parameters of fiscal policies in advance of the Executive's Budget Proposal; outlines the government's economic forecast, anticipated revenue, expenditures, and debt.	2021	78
Executive's Budget Proposal	Submitted by the executive to the legislature for approval; details the sources of revenue, the allocations to ministries, proposed policy changes, and other information important for understanding the country's fiscal situation.	2021	43
Enacted Budget	The budget that has been approved by the legislature.	2021	78
Citizens Budget	A simpler and less technical version of the government's Executive's Budget Proposal or the Enacted Budget, designed to convey key information to the public.	2020	58
In-Year Reports	Include information on actual revenues collected, actual expenditures made, and debt incurred at different intervals; issued quarterly or monthly.	2020	96
Mid-Year Review	A comprehensive update on the implementation of the budget as of the middle of the fiscal year; includes a review of economic assumptions and an updated forecast of budget outcomes.	2020	63
Year-End Report	Describes the situation of the government's accounts at the end of the fiscal year and, ideally, an evaluation of the progress made toward achieving the budget's policy goals.	2019	62
Audit Report	Issued by the supreme audit institution, this document examines the soundness and completeness of the government's year-end accounts.	2019	62

Azerbaijan's transparency score of **57** in the OBS 2021 is substantially higher than its score in 2019.

What changed in OBS 2021?

Azerbaijan has increased the availability of budget information by:

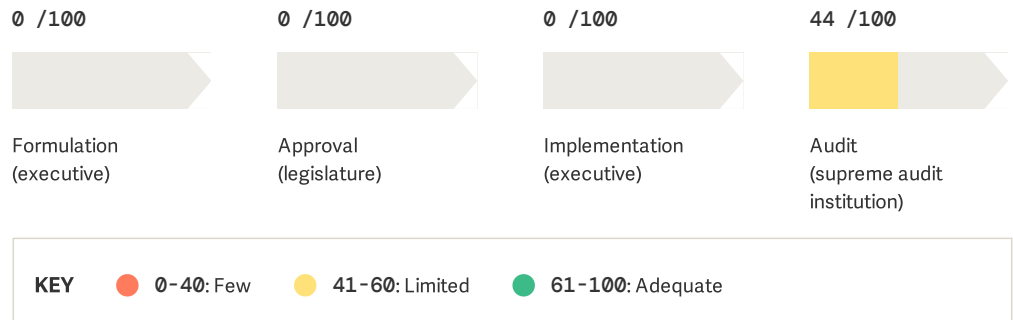
- Publishing the Pre-Budget Statement and Mid-Year Review online.
- Increasing the information provided in the In-Year Reports and Year-End Report.

Recommendations

Azerbaijan should prioritize the following actions to improve budget transparency:

- Include in the Executive's Budget Proposal multi-year expenditure and revenue estimates, as well as more information on the fiscal position of the government, including future liabilities, the stock of nonfinancial assets, quasi-fiscal activities, and tax expenditures.
- Continue to produce and institutionalize the publication of the Mid-Year Review. While it is currently published as part of the supplementary budget package, going forward it can be a standalone piece, to be published irrespective of whether a supplementary budget is issued or not.
- Strengthen the processes around the inclusiveness and coverage of the Citizens Budget, by consulting more widely with the public on the budget information they would like to be featured in the document, and by publishing simplified versions of budget documents during all phases of the budget process.

Extent of opportunities for public participation in the budget process



Recommendations

To further strengthen public participation in the budget process, Azerbaijan's Ministry of Finance should prioritize the following actions:

- Pilot mechanisms to engage the public during budget formulation and to monitor budget implementation.
- Actively engage with vulnerable and underrepresented communities, directly or through civil society organizations representing them.

Azerbaijan's Parliament (Milli Məclis) should prioritize the following actions:

- Allow members of the public or civil society organizations to testify during its hearings on the budget proposal prior to its approval.
- Allow members of the public or civil society organizations to testify during its hearings on the Audit Report.

Azerbaijan's Chamber of Accounts has established mechanisms for the public to assist in developing its audit program. It should prioritize the following actions to improve public participation in the budget process:

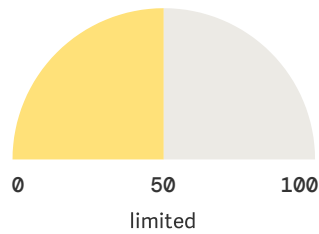
- Establish formal mechanisms for the public to contribute to relevant audit investigations.

Budget Oversight

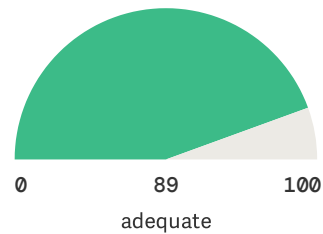
The OBS examines the role that legislatures and supreme audit institutions (SAIs) play in the budget process and the extent to which they provide oversight; each country is scored on a scale from 0 to 100 based on 18 equally weighted indicators. In addition, the survey collects supplementary information on independent fiscal institutions (see Box).

The legislature and supreme audit institution in Azerbaijan, together, provide adequate oversight during the budget process, with a composite oversight score of **63** (out of 100). Taken individually, the extent of each institution's oversight is shown below:

Legislative oversight



Audit oversight



KEY ● 0-40: Few ● 41-60: Limited ● 61-100: Adequate

Recommendations

Azerbaijan's Parliament (Milli Məclis) provides limited oversight during the planning stage of the budget cycle and limited oversight during the implementation stage. To improve oversight, the following actions should be prioritized:

- The Executive's Budget Proposal should be submitted to legislators at least two months before the start of the budget year, to give Parliament and its committees sufficient time to examine it and publish reports with their analysis online.
- A legislative committee should regularly examine in-year budget reports as well as the Audit Report, and publish their findings online.

- In practice, ensure the legislature is consulted before the executive shifts funds specified in the Enacted Budget between administrative units during the budget year.

To strengthen independence and improve audit oversight by the Azerbaijan Chamber of Accounts, the following actions are recommended:

- Ensure audit processes are reviewed by an independent agency.

The emerging practice of establishing independent fiscal institutions

Azerbaijan does not have an independent fiscal institution (IFI). IFIs are increasingly recognized as valuable independent and nonpartisan information providers to the Executive and/or Parliament during the budget process.

**These indicators are *not* scored in the Open Budget Survey.*

Methodology

- Only documents published and events, activities, or developments that took place through 31 December 2020 were assessed in the OBS 2021.
- The survey is based on a questionnaire completed in each country by an independent budget expert:
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Consultant, Eurasia Extractive Industries Knowledge Hub
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ingilab.ahmadov@gmail.com
- To further strengthen the research, each country's draft questionnaire is also reviewed by an anonymous independent expert, and in Azerbaijan by a representative of the Ministry of Finance.