

**International Budget Partnership
OPEN BUDGET QUESTIONNAIRE
Georgia, September 2009**

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Section One: The Availability of Budget Documents	3
Table 1. Budget Year of Documents Used in Completing the Questionnaire.....	4
Table 2. Key Budget Documents Used: Full Titles and Internet Links	5
Table 3. Distribution of Documents Related to the Executive’s Budget Proposal	7
Table 4. Distribution of the Enacted Budget and Other Reports	8
Section Two: The Executive’s Budget Proposal	9
Estimates for the Budget Year and Beyond.....	10
Estimates for Years Prior to the Budget Year	26
Comprehensiveness	37
The Budget Narrative & Performance Monitoring	49
Additional Key Information for Budget Analysis & Monitoring	57
Section Three: The Budget Process	68
Executive’s Formulation of the Budget	69
Legislative Approval of the Budget	77
Executive’s Implementation of the Budget.....	85
Year-end Report and the Supreme Audit Institution.....	103

Section One: The Availability of Budget Documents

Table 1. Budget Year of Documents Used in Completing the Questionnaire

Budget Documents Used in Completing the Questionnaire	
	Budget Year Used
Pre-Budget Statement	2009-2012
Budget Summary	2009
Executive's Budget Proposal	2009
Supporting Budget Documents	Not Available
Citizens Budget	Not Available
Enacted Budget	2009
In-Year Reports	2009
Mid-Year Report	Not Available
Year-End Report	2008
Audit Report	2008

Table 2. Key Budget Documents Used: Full Titles and Internet Links

Budget Document	Full Title, Date, and Internet Link
Pre-Budget Statement	Basic Data and Directions 2009-2012, released in 2008 http://www.mof.ge/default.aspx?sec_id=1484&lang=1 , September 2008
Budget Summary	Explanatory Note to the Draft Law of Georgia on the 2009 State Budget of Georgia, Publicly Available, but Not on the Internet, October 2009
Executive’s Budget Proposal	Draft Law of Georgia on the 2009 State Budget of Georgia, Publicly Available, but Not on the Internet, November 2009
Budget Document One in Support of the Executive’s Budget Proposal	Is produced for internal purposes only and is not publicly available
Budget Document Two in Support of the Executive’s Budget Proposal	Not Produced
Budget Document Three in Support of the Executive’s Budget Proposal	Not Produced
Citizens Budget	Not Produced in 2008 and 2009 (last one produced in 2007)
Enacted Budget	Law of Georgia on the 2009 State Budget of Georgia http://www.mof.ge/default.aspx?sec_id=3159&lang=1 , December 2008
In-Year Reports	Quarterly Reports on the Implementation of the 2009 State Budget of Georgia http://www.mof.ge/common/get_doc.aspx?doc_id=5752 , end of each quarter Also available on the web page of the Parliament Budget Office: http://www.pbo.parliament.ge/index.php?lang_id=GEO&sec_id=115
Mid-Year Review	Not Produced
Year-End Report	Year-End Report on the Implementation of the 2008 State Budget of Georgia http://www.mof.ge/common/get_doc.aspx?doc_id=5590 , March 2009

Audit Report	Report on the Fulfillment of the 2008 State Budget, Publicly Available, but not on the Internet yet, Released April 2009
Other Documents	Not Produced
Relevant Ministries & Departments	Ministry of Finance of Georgia www.mof.ge Chamber of Control of Georgia www.control.ge National Bank of Georgia www.nbg.gov.ge Parliament of Georgia www.parliament.ge

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

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

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

⁺Mark “Yes” if access by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.

Table 4. Distribution of the Enacted Budget and Other Reports

DISTRIBUTION OF ENACTED BUDGET AND OTHER REPORTS					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
A. Not produced, even for internal purposes			Yes		
B. Produced for internal purposes, but not available to the public					
C. Produced and available to the public, but only on request					Yes
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)	Yes	Yes		Yes	
<i>For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them?</i>					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
1. The release date is known at least one month in advance	Yes	Yes	NA	Yes	Yes
2. Advance notification of release sent to users, media	No	No	NA	No	No
3. Released to public same day as official release to media	Yes	Yes	NA	Yes	Yes
4. Available on the Internet free of charge	Yes	Yes	NA	Yes	No
5. Free print copies available, limited distribution	Yes	Yes	NA	Yes	No
6. Free print copies available, mass distribution	No	No	NA	No	No
7. Readily available outside capital/big cities ⁺	Yes	Yes	NA	Yes	No
8. Written in more than one language	No	No	NA	No	No
9. News conference is held to discuss release	No	No	NA	No	No

⁺Mark "Yes" if access is available by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.

Section Two: The Executive's Budget Proposal

Notes on abbreviations:

BY = budget year (year for which the budget proposals are being made)

BY+1 = one year beyond the budget year

BY-1 = one year before the budget year

Note 1: The Open Budget Survey research process was carried out over a 12-month period and the final version of the Open Budget Questionnaires reflect decisions made after multiple rounds of discussions between Survey researchers, peer reviewers, and the International Budget Partnership (IBP) (in several countries these decisions also considered comments received from governments). When peer reviewers or governments agreed with the answers provided by researchers, they often provided no comment. Thus for many questions, the section in the questionnaire that should contain peer reviewer comments is left blank. However, if the government did not provide any comments to a question (because it did not dispute the answer), the section within the questionnaire that is meant to reflect government comments specifies the answer that the government agreed with (by default).

Since the IBP continued its discussions with the researchers even after receiving peer reviewer and government comments, for some questions these discussions resulted in a mutual decision to change the answers, even if the peer reviewers and governments agreed with the original answer provided by the researcher. Such changes may have happened as a result of:

1. A more consistent application of the Survey methodology;
2. New information identified by the researcher or by IBP that had a bearing on the answer for a particular question; or
3. Decisions made to ensure cross-country comparability of answers.

For more information on these changes for any question please write to info@internationalbudget.org.

The Executive's Budget Proposal	
Estimates for the Budget Year and Beyond	
<p>1. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by administrative unit (that is, by ministry, department, or agency)?</p> <ul style="list-style-type: none"> a. All expenditures are classified by administrative unit. b. Expenditures are classified by administrative unit, but some small units are not shown separately. c. Expenditures are classified by administrative unit, but a significant number of units are not shown separately. d. No expenditures classified by administrative unit are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on State Budget 2009. Chapter 5, article 14</p> <p><u>Comment:</u> All expenditures of the state budget are assigned to the ministries, departments, different administrative bodies.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	a

<p>2. Does the executive’s budget or any supporting budget documentation present expenditures for the budget year that are classified by functional classification?</p> <ul style="list-style-type: none"> a. All expenditures are classified by functional classification, and the categorization is compatible with international standards. b. All expenditures are classified by functional classification, but the categorization is not compatible with international standards. c. Some, but not all, expenditures are classified by function. d. No expenditures classified by function are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on State Budget 2009. Chapter 3, article 9</p> <p><u>Comment:</u> Current expenditures as well as capital expenditures (now referred as: investment in non-financial assets) are reported in functional classification. Investments/purchase of financial assets are not shown in functional breakdown. This approach is in conformity with the requirements of GFS 2001 budget classification. Central budget classification has been complying with the GFS 2001 since 2007 and the local budget classification has been complying with GFS 2001 since 2009. Now all expenditures of the LEPLs (Health and Social Projects Implementation Center) as well as transfers to the local budgets are included in the functional breakdown.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>3. Does the executive’s budget or any supporting budget documentation present expenditures for the budget year that are classified by economic classification?</p> <ul style="list-style-type: none"> a. All expenditures are classified by economic classification, and the categorization is compatible with international standards. b. All expenditures are classified by economic classification, but the categorization is not compatible with international standards. c. Some, but not all, expenditures are classified by economic classification. d. No expenditures classified by economic classification are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on State Budget 2009. Chapter 3, article 7</p> <p><u>Comment:</u> The law presents current expenditures of the state budget classified in the following economic categories: wages and salaries, goods and services, interest payments, subsidies, grants, social expenditure, other expenditure. This breakdown is compatible with the GFS 2001 requirements. Further, information on capital expenditures (investment in non-financial assets) and on purchase of financial assets can be found in the text of the annual budget law, respectively in article 8 and article 11. In addition to the abovementioned elements, the set of macroeconomic tables (integral part of the budget submission to the parliament as well as the part of the BDD) also presents the economic breakdown of the state budget expenditures.</p> <p>All expenditures of the state budget, including the transfers to the LEPLs and the local budgets are provided in economic classification. The coverage has increased since Y2007 (covered by 2008 questionnaire) by including the transfers to LEPLs and local budgets.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a
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4. Does the executive's budget or any supporting budget documentation present expenditures for individual programs for the budget year?
- a. Program-level data are presented for all expenditures.
 - b. Program-level data are presented for at least two-thirds of, but not all, expenditures.
 - c. Program-level data are presented, but for less than two-thirds of expenditures.
 - d. No program-level data are presented.
 - e. Not applicable/other (please comment).

Citation:

Law of Georgia on State Budget 2009. Chapter 5; Chapter 7

Comment:

The law describes the major programs financed by budgetary sources. Such description of the programs can be found under the appropriation of each spending unit/line ministry that is responsible for implementation of the particular program. A large number of such programs can be found under the allocations of the Ministry of Education (budget code: 32), Ministry of Health (budget code 35) and the Ministry of Culture (budget code: 33). The narrative part of the draft budget, following the tables for each ministry provides the information on the programs to be implemented by each ministry.

In addition, the major governmental programs such as "cheap credit" and major education and social projects are described in chapter 7. Program level data is not provided by the Ministry of Defense and Ministry of Interior Affairs. Also, program level information is not provided for those ministries and spending units that did not have capacity/resources to prepare budget information in detail. (For example: the president's representatives in the regions, the office of the minister on Diaspora issues, the office of the minister on reintegration issues, etc.)

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's response.

b

5. In the executive's budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for a multi-year period (at least two years beyond the budget year)?
- Yes, multi-year estimates of aggregate expenditure are presented.
 - No, multi-year estimates of aggregate expenditure are not presented.
 - Not applicable/other (please comment).

Citation:

Law of Georgia on State Budget 2009

Comment:

The text of the budget shows the expenditures of the state budget only for the past two years and the budget year. The aggregate levels of expenditures (i.e. consolidated budget expenditures) for the subsequent three years are shown in the BDD.

Researcher Response to this question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Supporting budget documents comprise macroeconomic forecasts and have estimates of aggregate level of expenditure and revenue for the three after budget years. Therefore, the right answer should be "a."

Researcher Response: I suggest the answer should remain as I indicated in the questionnaire, "b." According to the *Guide to the Open Budget Questionnaire*, supporting documents must be released together with the budget. The BDD is regarded in this questionnaire as a Pre-Budget Statement, therefore the fact that the three year estimates are presented in the BDD does not mean that these estimates are shown in the budget proposal or its supporting documents. The budget proposal provides information on the two previous years, not the following years.

IBP Comment: IBP editors chose answer "b" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*.

b

6. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover a multi-year period (for at least two years beyond the budget year)?
- a. Yes, multi-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative).
 - b. Yes, multi-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs.
 - c. Yes, multi-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs.
 - d. No, multi-year estimates are presented for aggregate expenditure only, or they are not presented at all.
 - e. Not applicable/other (please comment).

Citation:

Law of Georgia on State Budget 2009

Comment:

This information is not presented in the Executive's Budget Proposal; however, information is given in the BDD 2010-2013. This document represents a significant improvement over its precedent. Namely, it provides a description of the planned government activities in every direction at significant detail. It has become an encompassing document that links the planned activities and the required budgets. As it improves further, the BDD will show budgets of each goal in more detail and more explicitly.

d

Researcher Response to this question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Budget statements prepared by the spending institutions present multi-year budget for individual programs this fact is not rightly stated in the comment. Taking into account the above mentioned and the rest of the comment itself the right answer should be "a" as far as the budget documents comprise programs' multi-year budgets.

Researcher Response: I chose my answer "d" because the information is presented in the BDD and not in the budget proposal itself or the supporting budget documents that are released together with the budget proposal.

IBP Comment: IBP editors chose answer "d" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*.

<p>7. Does the executive’s budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the budget year?</p> <ul style="list-style-type: none"> a. All sources of tax revenue are identified individually. b. Sources of tax revenue amounting to at least two-thirds of, but not all, tax revenues are identified individually. c. Sources of tax revenue amounting to less than two-thirds of all tax revenues are identified individually. d. No sources of tax revenue are identified individually. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on State Budget 2009. Chapter 2, article 4.</p> <p><u>Comment:</u> Article 4 of the Law of Georgia on State Budget 2009 provides detailed revenue projections by type of tax.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a
<p>8. Does the executive’s budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the budget year?</p> <ul style="list-style-type: none"> a. All sources of non-tax revenue are identified individually. b. Sources of non-tax revenue amounting to at least two-thirds of, but not all, non-tax revenues are identified individually. c. Sources of non-tax revenues amounting to less than two-thirds of all non-tax revenue are identified individually. d. No sources of non-tax revenues are identified individually. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on State Budget 2009. Chapter 2, article 6.</p> <p><u>Comment:</u> Article 6 of the Law of Georgia on State Budget 2009 provides detailed non-tax revenue projections by source.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a

9. In the executive's budget or any supporting budget documentation, are estimates of the aggregate level of revenue presented for a multi-year period (at least two years beyond the budget year)?

- a. Yes, multi-year estimates of aggregate revenue are presented.
- b. No, multi-year estimates of aggregate revenue are not presented.
- c. Not applicable/other (please comment).

Citation:

Law of Georgia on State Budget 2009

Comment:

The BDD shows revenue projections for the budget BY, as well as BY+3 years. Attachment 1. Major Macroeconomic Parameters. Table 2. Major Fiscal Indicators. Chapter on Forecast of Budget Receipts in 2009-2012. However, this information is not presented in the Budget proposal.

Researcher Response to this question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Draft budget law includes macroeconomic forecasts and based on economic classification have estimates of aggregate level of expenditure and revenue for the three after budget years. Therefore, the right answer should be "a."

Researcher Response: I chose my answer "b" because information on revenues, as detailed in the response, is presented in the BDD and its attachments (not in the executive's budget proposal or its supporting documents).

IBP Comment: IBP editors chose answer "b" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*.

b

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

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

Citation:

Law of Georgia on State Budget 2009

Comment:

Information is presented in the BDD, chapter on Forecast of Budget Receipts in 2009-2012. This chapter describes revenue projections by source, as well as percent of GDP. Detailed analysis is offered for the sources of tax and non-tax revenues as well as the receipts from the sale of financial and non-financial assets. However, the same information is not given in the budget proposal.

d

Researcher Response to this question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Draft budget law includes macroeconomic forecasts and estimates of tax revenues, non-tax revenues, grants, resources from privatization and resources received under state debt expressed both in nominal terms and in relation to GDP. These estimates are given for the three after budget years. Therefore, the right answer to the question should be "a."

Researcher Response: I chose my answer "d" because the requested information is provided only in the BDD.

IBP Comment: IBP editors chose answer "d" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*.

11. Does the executive's budget or any supporting budget documentation present data on the total government debt outstanding for the budget year?
- Yes, the data reflect the outstanding debt both at the start of the budget year and at the end of the budget year (and thereby reflect the net borrowing requirement of the budget).
 - Yes, the data reflect the outstanding debt at the end of the budget year.
 - Yes, the data reflect the outstanding debt at the start of the budget year.
 - No, data on the outstanding debt are not presented.
 - Not applicable/other (please comment).

Citation:

The Law of Georgia on State Budget 2009. Chapter 4, article 13; Chapter 7, article 22.

Comment:

The Executive's Budget Proposal shows the volume of expenditures that will be directed to service the government debt. The chapter in the budget identifies the total volume of the government debt that shall remain at the end of the current year, when the debt service envisaged by the current year budget law takes place. The present volume of the outstanding current debt is not shown, neither in the budget, nor in the BDD. On the other hand, detailed information on the volume of outstanding external debt of the government can be found on the MOF's web site. The data is updated on a monthly basis. There is very limited and obscure information on composition of the internal (domestic) debt of the government of Georgia.

a

Researcher Response to this question was "c"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Data series on end-period annual outstanding public debt stocks (both external and domestic) are presented in the BDD tables, including estimated e-o-p figures for the BY-1. These macroeconomic tables are revised and later submitted to the Parliament along with the draft annual Budget Law, which in turn contains annual borrowing, amortization and e-o-p public debt stock projections for the BY. Preliminary e-o-p debt stock figures for the BY-1 (start of BY) are also pointed out in the publicly available BY-1 annual budget law (as amended). Subsequently, external and domestic outstanding public debt stocks for the beginning of the budget year (end-period stock for BY-1) are also provided for in the annual Budget execution report. Hence the data reflects both the outstanding debt at the start of the budget year and at the end of the budget year. Response to the given question should be "a."

Researcher Response: I chose to change my answer to "a" because although, as stated in the answer, the provided data on debts is not detailed enough, the data is still shown in the budget proposal, and since the question only asks whether or not the debt data is provided in the budget (and not how comprehensive) and this is the case, the answer could be changed to "a."

<p><u>IBP Comment:</u> IBP editors chose answer “a” in light of researcher and Government comment, and to maintain the consistency of the data across the countries.</p>	
<p>12. Does the executive’s budget or any supporting budget documentation present interest payments on the debt for the budget year?</p> <p>a. Yes, interest payments on the debt are presented. b. No, interest payments on the debt are not presented. c. Not applicable/other (please comment).</p> <p><u>Citation:</u> Law of Georgia on State Budget 2009. Budget code 23 02.</p> <p><u>Comment:</u> Information is provided on the size of total interest payments to be made during the budget year. The projected interest payments are not disaggregated by project or donor. One can only see how much the budget pays, not how much each creditor receives.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Interest payments on government domestic and external debt are separately presented in the State Budget. Detailed breakdown of payments by creditor is provided in the Budget execution report.</p>	<p>a</p>

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

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

Citation:

The Law of Georgia on State Budget 2009. Chapter 4, article 13.

Comment:

The budget proposal presents the information on the composition of the external debt. It presents the information on the debt service for the BY as well as BY-2. There is very limited information on domestic debt. There is no information on the conditions of government borrowing (maturity, interest rate, function, etc.)

C

Researcher Response to this question was "c"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: A more appropriate response to this question would be "b." Annual Budget Law shows the composition of public domestic and external debt by instrument type (multilateral, bilateral, Eurobonds, T-bills etc.) and creditor. Although interest rates and maturities are not explicitly stated, Budget execution report provides detailed information on principal and interest payments by creditor. Thus, the more appropriate response would be "b."

Researcher Response: I chose to keep my answer "c" because as confirmed by the Government, the budget does not provide the data on interest rates and maturities. This information is given in the execution report, but the question is about the budget proposal and its supporting documents.

IBP Comment: IBP editors chose answer "c" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*.

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

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

Citation:

Law of Georgia on State Budget 2009

Comment:

This information is provided in the BDD. It presents the information on major macro parameters such as GDP growth, expected inflation, interest rates, monetary aggregates, etc. The information on unemployment rate is only presented for 2005 and 2006 (in the BDD 2009-2012), so, we can assume that there is no information on unemployment.

C

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Draft budget law includes macroeconomic forecasts and gives information on inflation, real GDP growth, nominal GDP, monetary indicators etc. for the budget and three after budget years and the successive budget years are planned based on the above information. Though some details are missing which are difficult to determine at the given stage. Therefore the right answer for the question should be "b."

Researcher Response: Currently there is very little information in the state budget on the macroeconomic forecasts. This information is primarily included in the BDD. Therefore the higher mark we can give is "c."

IBP Comment: IBP editors chose answer "c" to maintain consistency of assumptions in selecting answers across countries. Only information included in the Executive's Budget Proposal and its supporting documentation could be taken into account to respond to this question.

15. Does the executive's budget or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget (including expenditures, revenues, and debt)?

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

Citation:

N/A

Comment:

There is no sensitivity analysis presented in any budget document.

d

Researcher Response to this question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Draft budget supporting documents presents 4 after budget year data on GDP real and nominal growth, inflation, export-import volume, investments and other macroeconomic data based on which there are estimates presented on revenue and expenditure in the supporting documents. Therefore, the right answer to the question should be "b."

Researcher Response: I suggest leaving the answer "d" as the supporting documents mentioned in the Government comment are not publicly available.

IBP Comment: IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

16. Does the executive's budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect expenditures?
- a. Yes, extensive information on the impact of policy proposals on expenditures is presented, including both a narrative discussion and quantitative estimates.
 - b. Yes, information is presented, highlighting the impact of key policy proposals on expenditures, but some details are excluded.
 - c. Yes, some information is presented, but it lacks important details.
 - d. No, information on the impact of policy proposals on expenditures is not presented.
 - e. Not applicable/other (please comment).

Citation:

N/A

Comment:

The explanatory note has become a very dry, stylized document that does not provide any assessment of the policy proposals and its effects. A detailed explanatory note that was publicly available earlier is not available anymore.

C

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Both draft budget and budget execution reports have comparisons for the last years and gives detailed information on policy proposals in the budget affecting expenditures. Therefore the right answer to the question should be "b."

Researcher Response: I chose to change my answer to "c" because there is very little information in the budget and its explanatory note about the effects of policy proposals on expenditures.

IBP Comment: IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

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

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

Citation:

Law of Georgia on 2009 State Budget

Comment:

New initiatives related to the budget policies are often presented by high executives to the public through a press conference. At that stage the executive usually cites the numbers as part of underlying calculations that led the policy decision. Such numbers are usually not sufficiently detailed to allow an independent analysis.

C

Researcher Response to this question was "c"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Both draft budget and budget execution reports have comparisons for the last years and gives detailed information (by types of revenues) on policy proposals in the budget affecting revenues. Therefore the right answer to the question should be "a."

Researcher Response: I chose to keep my answer "c" because of the information provided in the original answer. There is more detailed information on this issue in the budget execution reports, but this question is about the budget proposal and its supporting documents.

IBP Comment: IBP editors chose answer "c" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*.

Estimates for Years Prior to the Budget Year	
<p>18. Does the executive’s budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by administrative unit (that is, by ministry, department, or agency)?</p> <ol style="list-style-type: none"> All expenditures are classified by administrative unit for BY-1. Expenditures are classified by administrative unit for BY-1, but some small units are not shown separately. Expenditures are classified by administrative unit for BY-1, but a significant number of units are not shown separately. No expenditures classified by administrative unit are presented for BY-1. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on State Budget 2009. Chapter 5, article 14</p> <p><u>Comment:</u> All expenditures of the state budget for BY-1 are classified by ministries, departments, and different administrative bodies.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a
<p>19. Does the executive’s budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by functional classification?</p> <ol style="list-style-type: none"> All expenditures are classified by functional classification for BY-1, and the categorization is compatible with international standards. All expenditures are classified by functional classification for BY-1, but the categorization is not compatible with international standards. Some, but not all, expenditures are classified by function for BY-1. No expenditures classified by function are presented for BY-1. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on State Budget 2009. Chapter 3, article 9</p> <p><u>Comment:</u> Current expenditures as well as the investment in non-financial assets for BY-1 are reported in functional classification. Investments/purchase of financial assets are not shown in functional breakdown. This approach is in conformity with the requirements of GFS 2001 budget classification.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a

<p>20. Does the executive’s budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by economic classification?</p> <ul style="list-style-type: none"> a. All expenditures are classified by economic classification for BY-1, and the categorization is compatible with international standards. b. All expenditures are classified by economic classification for BY-1, but the categorization is not compatible with international standards. c. Some, but not all, expenditures are classified by economic classification for BY-1. d. No expenditures classified by economic classification are presented for BY-1. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on State Budget 2009. Chapter 3, article 7</p> <p><u>Comment:</u> Current expenditures of the state budget for BY-1 are classified in the following economic categories: wages and salaries, goods and services, interest payments, subsidies, grants, social expenditure, other expenditure. This breakdown is compatible with the GFS 2001 requirements. Further, information on capital expenditures (investment in non-financial assets) and on purchase of financial assets can be found in the text of the law, respectively in article 8 and article 11. In addition to the abovementioned elements, the set of macroeconomic tables (integral part of the budget submission to the parliament) also presents the economic breakdown of the state budget expenditures.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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21. Does the executive's budget or any supporting budget documentation present expenditures for individual programs for the year preceding the budget year (BY-1)?
- a. Program-level expenditure data are presented for all expenditures for BY-1.
 - b. Program-level expenditure data are presented for at least two-thirds of, but not all, expenditures for BY-1.
 - c. Program-level expenditure data are presented, but for less than two-thirds of expenditures for BY-1.
 - d. No program-level expenditure data are presented for BY-1.
 - e. Not applicable/other (please comment).

Citation:

Law of Georgia on 2009 State Budget, Chapter 5.

Comment:

The law describes the major programs financed by budgetary sources. Such a description of the programs can be found under the appropriation of each spending unit/line ministry that is responsible for the implementation of the particular program. A large number of such programs can be found under the allocations of the Ministry of Education (budget code: 32), Ministry of Health (budget code 35) and the Ministry of Culture (budget code: 33). The narrative part of the draft budget, following the tables for each ministry provides the information on the programs to be implemented by each ministry.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's response.

b

<p>22. In the executive’s budget or any supporting budget documentation, how many months of actual data are reflected in the expenditure estimates of the year prior to the budget year (BY-1)?</p> <ol style="list-style-type: none"> a. All BY-1 estimates have been updated from the original enacted levels to reflect six or more months of actual expenditure. b. All BY-1 estimates have been updated from the original enacted levels, but reflect less than six months of actual expenditure. c. Some BY-1 estimates have been updated from the original enacted levels to reflect actual expenditure. d. The BY-1 estimates have not been updated from the original enacted levels, or no BY-1 estimates are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems. article 21.1.</p> <p><u>Comment:</u> The draft budget is submitted to parliament by the end September of the year preceding the budget year. By the time the work on the expenditure part of the budget is finalized for the submission to parliament, data on at least 7(seven) months of expenditures are available and consequently are reflected in the state budget projections for the next budget year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a
<p>23. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?</p> <ol style="list-style-type: none"> a. Yes, such prior-year estimates of aggregate expenditure are presented. b. No, such prior-year estimates of aggregate expenditure are not presented. c. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on State Budget 2009. Chapter 5</p> <p><u>Comment:</u> The budget text shows actuals for BY-2, estimates for BY-1 and forecast for BY.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a

<p>24. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?</p> <ul style="list-style-type: none"> a. Yes, such prior-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative). b. Yes, such prior-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs. c. Yes, such prior-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs. d. No, such prior-year estimates are presented for aggregate expenditure only, or they are not presented at all. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on State Budget 2009. Chapter 5</p> <p><u>Comment:</u> The budget text shows actuals for BY-2, estimates for BY-1 and forecast for BY. Actuals are presented in detail: by spending unit, by function, by program</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>25. In the executive's budget or any supporting budget documentation, what is the most recent year presented for which all expenditures reflect actual outcomes?</p> <ul style="list-style-type: none"> a. Two years prior to the budget year (BY-2). b. Three years prior to the budget year (BY-3). c. Before BY-3. d. No actual data for all expenditures are presented in the budget or supporting budget documentation. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on State Budget 2009</p> <p><u>Comment:</u> The text of the Budget proposal shows actuals for BY-2, estimates for BY-1 and forecast for BY.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	a
<p>26. Are the expenditure estimates for the years prior to the budget year adjusted, as needed, to be comparable with the budget-year estimates in terms of classification and presentation?</p> <ul style="list-style-type: none"> a. Yes, prior-year data are always adjusted to be comparable to the budget year data. b. Yes, in most cases, prior-year data are adjusted to be comparable. c. Yes, in some cases, prior-year data are adjusted to be comparable, but significant deviations between prior-year and budget-year classifications exist. d. No, prior-year data are not adjusted to be comparable, or no prior-year estimates are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on 2009 State Budget</p> <p><u>Comment:</u> Even when the classification was changed from GFS 1986 to GFS 2001, previous year figures were transformed into the new classification to ensure easy comparison across the years.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	a

<p>27. Does the executive’s budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the year preceding the budget year (BY-1)?</p> <ol style="list-style-type: none"> All tax revenues are identified individually for BY-1. Tax revenues amounting to at least two-thirds of, but not all, tax revenue for BY-1 are identified individually. Tax revenues amounting to less than two-thirds of all tax revenues for BY-1 are identified individually. No tax revenues are identified individually for BY-1. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on State Budget 2009. Chapter 2, article 4.</p> <p><u>Comment:</u> Article 4 of the budget text provides the details of the sources of tax revenues by type of tax for three budget years: BY-2, BY-1 and BY.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a
<p>28. Does the executive’s budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the year preceding the budget year (BY-1)?</p> <ol style="list-style-type: none"> All non-tax revenues are identified individually for BY-1. Non-tax revenues amounting to at least two-thirds of, but not all, non-tax revenue for BY-1 are identified individually. Non-tax revenues amounting to less than two-thirds of all non-tax revenues for BY-1 are identified individually. No non-tax revenues are identified individually for BY-1. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on State Budget 2009. Chapter 2, article 6.</p> <p><u>Comment:</u> Chapter 2, article 6 of the budget text provides the details of the sources of nontax revenues for three budget years: BY-2, BY-1 and BY.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a

<p>29. In the executive’s budget or any supporting budget documentation, how many months of actual data are reflected in the revenues estimates of the year prior to the budget year (BY-1)?</p> <ul style="list-style-type: none"> a. All BY-1 estimates have been updated from the original estimates to reflect six or more months of actual revenue collections. b. All BY-1 estimates have been updated from the original estimates, but reflect less than six months of actual revenue collections. c. Some BY-1 estimates have not been updated from the original estimates to reflect actual revenue collections. d. The BY-1 estimates have not been updated from the original estimates or no BY-1 estimates are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems. Article 21</p> <p><u>Comment:</u> The first draft of the budget is submitted to the parliament by end September. At that time, the actual revenues for at least seven months are known. Respectively, the BY-1 estimates are updated based on (at least) seven months of actual revenues. When the Ministry of Finance drafts the budget, it takes into consideration the most recent results available.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a
<p>30. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of revenues presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?</p> <ul style="list-style-type: none"> a. Yes, such prior-year estimates of aggregate revenue are presented. b. No, such prior-year estimates of aggregate revenue are not presented. c. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on 2009 State Budget of Georgia</p> <p><u>Comment:</u> The budget shows actuals for BY-2, estimates for BY-1 and forecast for BY.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a

<p>31. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?</p> <ol style="list-style-type: none"> Yes, such prior-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax). Yes, such prior-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue. Yes, such prior-year estimates are presented, but only for some individual sources of revenue. No, such prior-year estimates are presented for aggregate revenue only, or they are not presented at all. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on State Budget 2009.</p> <p><u>Comment:</u> The budget shows actuals for BY-2, estimates for BY-1 and forecast for BY.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	a
<p>32. In the executive's budget or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?</p> <ol style="list-style-type: none"> Two years prior to the budget year (BY-2). Three years prior to the budget year (BY-3). Before BY-3. No actual data for all revenues are presented in the budget or supporting budget documentation. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on State Budget 2009.</p> <p><u>Comment:</u> The law of Georgia on 2009 State Budget reflected actuals for 2007. i.e. BY-2</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	a

33. Does the executive's budget or any supporting budget documentation present information related to the government debt for the year preceding the budget year?

- a. Yes, extensive information is presented on the level and composition of government debt for the year preceding the budget year.
- b. Yes, information on the level of debt is presented, but some important details about the composition of the debt are excluded.
- c. Yes, but only information on the level of debt is presented.
- d. No, information related to the government debt for BY-1 is not presented.
- e. Not applicable/other (please comment).

Citation:

The Law of Georgia on State Budget 2009. Chapter 4, article 13.

Comment:

The budget provides information on the amount of amortization of the debt in BY, BY-1 and BY-2. Information on the composition of the debt in BY-1 and BY-2 is not provided. Article 13 shows the amount of external debt outstanding by the end of the budget year. The law does not show the composition of domestic debt.

Information on debt was not so encompassing in the previous years. The provision of detailed data on the stock and composition of external debt available on the internet is relatively new.

b

Researcher Response to this question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Annual Budget execution report provides information on outstanding public debt stocks (both external and domestic), as well as detailed information on principal and interest payments by creditor and on annual government borrowing for the year preceding the budget year. Aggregate domestic and external government debt service flows by principal and interest for the BY-1 are also presented in the Budget Law. The document upon submitting to the parliament is published at the Ministry of Finance website. Therefore, the answer should be "a."

Researcher Response: I chose my answer "b" because although there is more detailed information on public debt in the execution reports, this question is about the provision of information in the budget proposal and its supporting documents.

IBP Comment: IBP editors chose answer "b" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*.

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

- a. Two years prior to the budget year (BY-2).
- b. Three years prior to the budget year (BY-3).
- c. Before BY-3.
- d. No actual data for government debt are presented in the budget or supporting budget documentation.
- e. Not applicable/other (please comment).

Citation:

The Law of Georgia on State Budget 2009. Chapter 4, article 13

Comment:

The budget only shows the borrowing that took place in BY-2 and target for BY-1. The text of the budget also shows the debt amortization: actual for BY-2, projection for BY-1 and forecast for BY. The budget does not show the stock of debt at the end of BY-2 or BY-1. The text of the budget mentions the level of the debt that is expected by the end of the budget year.

The information on the size of government debt can be obtained from the MOF web site (<http://www.mof.ge/mof.ge/3129>) on a monthly basis, but this is independent from the budget package.

The practice is similar to that in the previous period, but researcher reassessment has led to a change in the response.

a

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Actual external and domestic public debt stocks for the BY-2 are presented in the BDD and the revised macroeconomic tables attached to the draft Budget Law at the time of submission to the Parliament. Actual external and domestic government debt service flows by principal and interest for the BY-2 are stipulated in the Budget Law. A more appropriate response to this question would be "a."

Researcher Response: I chose to change my answer to "a" because the information requested in this question is presented in the budget proposal. It is not sufficiently detailed, as explained in the answer but the question does not ask how detailed it is.

IBP Comment: IBP editors chose answer "a" to maintain the consistency of the assumptions used in selecting answers across the countries.

Comprehensiveness	
<p>35. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on extra-budgetary funds?</p> <ul style="list-style-type: none"> a. Yes, extensive information on extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key extra-budgetary funds, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on extra-budgetary funds is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> The Law on Budget Systems of Georgia. Amendment from End December, 2004.</p> <p><u>Comment:</u> There are no extra-budgetary funds in Georgia. All extra-budgetary funds have been consolidated into the budget as early as 2005.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	e

36. Does the executive's budget or any supporting budget documentation present information for at least the budget year on intergovernmental transfers?

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

Citation:

The Law of Georgia on State Budget 2009, Chapter 6.

Comment:

Chapter 6 provides the narrative and a detailed table on the transfers from the central budget to each municipality/local unit in Georgia. This information describes the transfers as equalizing, earmarked, infrastructure/investment transfers and/or financial assistance. However, there is no information on repayments by the local units to the central budget.

b

Researcher Response to this Question was "c"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: As it becomes clear from the comment itself budget law details the budget transfers for each local municipality/self-governing unit and the taxes of local self-governing units are determined by the representative bodies of those self-governing units. The information is given in the respective budgets of local self-governing units, which is public and is posted on the website of local self governing units. Therefore, the right answer should be "a."

Researcher Response: I chose to change my answer to "b" because the information on transfers to the local governments is quite detailed, as mentioned in the answer and also in the government's comment, but there is no information about payments by local units to the state budget.

IBP Comment: IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

<p>37. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on transfers to public corporations?</p> <ul style="list-style-type: none"> a. Yes, extensive information on transfers to public corporations is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key transfers to public corporations, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on transfers to public corporations is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> The Law of Georgia on State Budget 2009, Chapter 5, article 14.</p> <p><u>Comment:</u> Information on transfers to public corporations is presented within the expenditures of the state spending unit that supervises the public corporation.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	b
<p>38. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on quasi-fiscal activities?</p> <ul style="list-style-type: none"> a. Yes, extensive information on quasi-fiscal activities is presented, including both a narrative discussion and, where possible, quantitative estimates. b. Yes, information is presented, highlighting key quasi-fiscal activities, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on quasi-fiscal activities is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> The Law of Georgia on State Budget 2009</p> <p><u>Comment:</u> The annual budget law does not provide information on quasi-fiscal activities of the government - not even for the current year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	d

<p>39. Does the executive's budget or any supporting budget documentation present information on financial assets held by the government?</p> <ul style="list-style-type: none"> a. Yes, extensive information on financial assets is presented, including a listing of the assets, a discussion of their purpose, and an estimate of their market value. b. Yes, information is presented, highlighting key information, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on financial assets is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> The Law of Georgia on State Budget 2009, Chapter 4; Chapter 7</p> <p><u>Comment:</u> Information on the stock of financial possessions of the government is not provided in the annual draft budget law or any supporting document. The annual draft budget law only shows those purchases or sales of the financial assets that will be implemented during BY, i.e. the yearly budget shows the flow of funds, not stocks. However, the BDD tables show some information on government's financial holdings, namely the size of government's deposits at the National Bank and the change therein. But the size of such possessions among the total financial assets/positions of the government is very small. Chapter 7, article 24 elaborates on the government's stock of treasury bills and trade operations planned for the budget year. A separate chapter was introduced in 2009, but it still covered only one part of the government's financial holdings. Namely, the debt to the national bank and the treasury bills. This chapter will hopefully become more encompassing/interesting in the following years.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	<p>C</p>
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<p>40. Does the executive's budget or any supporting budget documentation present information on non-financial assets held by the government?</p> <ul style="list-style-type: none"> a. Yes, extensive information on non-financial assets is presented, including a listing of the assets, and (where possible) an estimate of their market value. b. Yes, information is presented, highlighting key information, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on non-financial assets is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> The Law of Georgia on State Budget 2009</p> <p><u>Comment:</u> Information on the stock of non-financial possessions of the government is not provided in the annual draft budget law. The annual draft budget law only shows those purchases or sales of the non-financial assets that will be implemented during the current year (i.e. flow, not stocks). The BDD tables show the total amount of sale of non-financial assets during the year that will be used to finance the budget deficit in 2009.</p> <p><u>Researcher Response to this Question was "d"</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Budget and supporting budget documentation gives information on a yearly basis on resources received from the non-financial assets, though the information does not detail the plans of purchase or sale of the assets. Therefore, the right answer to the question should be "b."</p> <p><u>Researcher Response:</u> I chose to change my answer to "c" because the reviewer's comment is correct, and the original answer also highlights that some information is presented in the budget itself.</p> <p><u>IBP Comment:</u> IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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<p>41. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on expenditure arrears?</p> <ul style="list-style-type: none"> a. Yes, extensive information on expenditure arrears is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key expenditure arrears, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on expenditure arrears is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> The Law of Georgia on State Budget 2009, Chapter 4, Chapter 7, article 22.</p> <p><u>Comment:</u> The Law of Georgia on State Budget 2009 provides information on arrears amortization planned for 2009. Information on the stock of arrears is not available. There is no information on how this amortization will reduce the stock of the outstanding expenditures.</p> <p><u>Researcher Response to this Question was “d”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> A more appropriate response to this question would be “e.” Georgian legislature does not allow expenditure arrears and none of the organization is doing that.</p> <p><u>IBP Comment:</u> IBP editors chose answer “d” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>d</p>
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42. Does the executive's budget or any supporting budget documentation present information on contingent liabilities (such as government loan guarantees)?

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

Citation:

Web page of the Ministry of Finance, monthly information on outstanding stock of debt. <http://www.mof.ge/mof.ge/3129>.

Comment:

At present Georgia has only two loans guaranteed by the government to repay. The government does not issue guarantees to creditors since 2000.

There is no narrative discussion of these debts in the Executive's Budget Proposal or any supporting documents. The volume and significance of these debts have decreased since last year.

b

Researcher Response to this question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: The right answer based on the comment itself should be "e." Outstanding amounts are negligible and are given by creditor in the Budget Law.

Researcher Response: I chose my answer "b" because although the Government is correct in saying that outstanding amounts are minor, they still exist and, although most of the related information is presented in the budget, some details are missing.

IBP Comment: IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

<p>43. Does the executive’s budget or any supporting budget documentation present information on future liabilities, such as civil service pensions?</p> <ul style="list-style-type: none"> a. Yes, extensive information on future liabilities is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key future liabilities, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on future liabilities is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> The Law of Georgia on State Budget 2009, budget expenditure code: 35 17 03.</p> <p><u>Comment:</u> Information on all types of pension expenditures is presented in the Executive's Budget Proposal.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>b</p>
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44. Does the executive's budget or any supporting budget documentation provide details on the sources of donor assistance, both financial and in-kind?

- a. All sources of donor assistance are identified individually.
- b. At least two-thirds of, but not all, sources of donor assistance, are identified individually.
- c. Less than two-thirds of sources of donor assistance are identified individually.
- d. No sources of donor assistance are identified individually.
- e. Not applicable/other (please comment).

Citation:

The Law of Georgia on State Budget 2009, Chapter 4.

Comment:

Only information on external sources of financing received in monetary terms is available.

Researcher Response to this question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Budget law gives detailed information on donor assistance and therefore the right answer should be "a."

Researcher Response: I chose my answer "b" because the budget provides no information on in-kind donor support; there is no readily available information elsewhere about whether or not donors provide in-kind support and if they do, what it entails: thus, it is difficult to assert that substantial in-kind support is provided, as it is not shown in the budget.

IBP Comment: IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

b

<p>45. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on tax expenditures?</p> <ul style="list-style-type: none"> a. Yes, extensive information on tax expenditures is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting key tax expenditures, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on tax expenditures is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> N/A</p> <p><u>Comment:</u> Information on government's tax expenditures is not presented in the 2009 budget proposal or any supporting budget document, unlike the previous year when there was one phrase in the budget on such expenditures.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>d</p>
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46. Does the executive's budget or any supporting budget documentation identify all earmarked revenues?

- a. All earmarked revenues are identified individually.
- b. At least two-thirds of, but not all, earmarked revenues are identified individually.
- c. Less than two-thirds of earmarked revenues are identified individually.
- d. No earmarked revenues are identified individually.
- e. Not applicable/other (please comment).

Citation:

Law of Georgia on Budget Systems of Georgia. Article 4, 1.F.

Comment:

There are no earmarked taxes or other revenues. All receipts are channeled to the budget and spent through the treasury single account, including foreign assistance or borrowing for particular projects. On the other hand, some donor finances (loans as well as grants), received for a particular purpose (for example: to remedy the damage imposed by war), are clearly identified in the text of the budget. These are the funds received from donors for recovery from the footprint of the August 2008 war.

a

Researcher Response to this Question was "c"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: The right answer based on the comment itself should be "e."

Researcher Response: I chose to change my answer to "a" because there are no other earmarked revenues except "donor assistance" and donor assistance is shown in full in the budget.

IBP Comment: IBP editors chose answer "a" to maintain the consistency of the assumptions used in selecting answers across the countries.

47. What percentage of expenditure in the budget year is dedicated to spending on secret items relating to, for instance, national security and military intelligence?
- One percent or less of expenditure is dedicated to secret items.
 - Three percent or less, but more than one percent, of expenditure is dedicated to secret items.
 - Eight percent or less, but more than three percent, of expenditure is dedicated to secret items.
 - More than eight percent of expenditure is dedicated to secret items, or the percentage is not available to the public.
 - Not applicable/other (please comment).

Citation:

The Law of Georgia on State Budget 2009, Chapter 5

Comment:

About 10 percent. Such expenditures are classified as "other" under the Ministry of Defense.

d

Researcher Response to this question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Budget law and budget execution report gives detailed information on spending. Information on spending which is not public is less than 3%. Therefore, the answer to the question should be "b."

Researcher Response: I chose my answer "d" because of the information provided in the original answer. See my initial comment.

IBP Comment: IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

The Budget Narrative & Performance Monitoring	
<p>48. Does the executive’s budget or any supporting budget documentation explain how the proposed budget is linked to government’s stated policy goals, by administrative unit (or functional category), for the budget year?</p> <ol style="list-style-type: none"> a. Yes, extensive information on the link between the budget and the government’s stated policy goals, by administrative unit (or functional category) is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the link between major policy goals and the budget, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on the link between the budget and the government’s stated policy goals is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on State Budget 2009</p> <p><u>Comment:</u> This information is not presented in full in the Executive's Budget Proposal, but it is presented in detail in the BDD. In 2009-2012 BDD priorities of many (much more than in 2008-2011) spending units are identified and described. The priorities of major LEPLs, courts, commissions are also provided. Earlier BDDs did not include a chapter on medium term plans of the spending units.</p> <p><u>Researcher Response to this Question was “c”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Chapter VIII of the draft budget law presents priorities almost for all spending institutions drafted within the framework of the BDD. Therefore the right answer to the question should be “b.”</p> <p><u>Researcher Response:</u> I chose to change my answer to “b” because the Government comment is correct and, also, the original answer states that the information is provided in both the state budget and the BDD.</p> <p><u>IBP Comment:</u> IBP editors chose answer “b” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	b

49. Does the executive's budget or any supporting budget documentation explain how the proposed budget is linked to government's stated policy goals for a multi-year period (for at least two years beyond the budget year)?
- Yes, extensive information on the link between the budget and the government's stated policy goals over a multi-year period is presented, including both a narrative discussion and quantitative estimates.
 - Yes, information is presented, highlighting the major policy goals, but some details are excluded.
 - Yes, some information is presented, but it lacks important details.
 - No, information on the link between the budget and the government's stated policy goals over a multi-year period is not presented.
 - Not applicable/other (please comment).

Citation:

Law of Georgia on State Budget 2009

Comment:

Information is not presented in full in the Executive's Budget Proposal, but it is presented in detail in the BDD. The BDD has become a detailed document that elaborates on the link between the planned expenditures and the priorities of the government for the multi-year framework.

b

Researcher Response to this Question was "c"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Chapter VIII of the draft budget law presents priorities almost for all spending institutions drafted within the framework of the BDD. Therefore the right answer to the question should be "b."

Researcher Response: I chose to change my answer to "b" because the Government comment is correct and, also, the original answer states that the information is provided in both the state budget and the BDD.

IBP Comment: IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

<p>50. Does the executive’s budget or any supporting budget documentation present non-financial data, such as the number of beneficiaries, for expenditure programs?</p> <ul style="list-style-type: none"> a. Non-financial data are presented for all programs. b. Non-financial data are presented for programs representing at least two-thirds of, but not all, expenditures. c. Non-financial data are presented for programs representing less than two-thirds of expenditure. d. No non-financial data are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> The Law of Georgia on State Budget 2009 (d)</p> <p><u>Comment:</u> Information on the number of recipients of government pensions, stipend or subsidies is not provided in the budget, nor is it provided in the BDD. Some information was provided in the explanatory note to the state budget that accompanied the initial version of the budget that was presented to the parliament in late 2008: but this is insufficient for analysis.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>d</p>
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<p>51. Are the non-financial data presented useful for assessing how an expenditure program is performing?</p> <ul style="list-style-type: none"> a. The non-financial data are very useful for assessing program performance. b. The non-financial data are mostly useful for assessing program performance. c. The non-financial data are somewhat useful for assessing program performance. d. No non-financial data are provided or they are not useful for assessing program performance. e. Not applicable/other (please comment). <p><u>Citation:</u> N/A</p> <p><u>Comment:</u> The MOF produces such analysis for its internal use and the analysis is quite comprehensive, but it is not released to the public.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u> Non-financial data such as performance indicators are not included into the state budget. The line ministries (such as Ministry of Education, Ministry of Health, Labor and Social Affairs etc.) mostly do not have the indicators in their internal documentation to assess program performance as well. State Programs are generally planned in a rush manner (prior to the elections, as a PR campaign etc.) and they mostly include only financial data. The Chamber of Control of Georgia also does not perform value for money audits, it only does financial audits.</p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>d</p>
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<p>52. Does the executive’s budget or any supporting budget documentation contain performance indicators for expenditure programs?</p> <ul style="list-style-type: none"> a. Performance indicators are presented for all programs. b. Performance indicators are presented for programs representing at least two-thirds of, but not all, expenditures. c. Performance indicators are presented for programs representing less than two-thirds of expenditures. d. No performance indicators are presented. e. Not applicable/other (please comment). <p><u>Citation:</u> The Law of Georgia on State Budget 2009</p> <p><u>Comment:</u> The Executive's Budget Proposal did not set any performance indicators.</p> <p><u>Researcher Response to this question was “d”</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> The answer to the question should be “e” as far as the program budget according to Georgian legislature shall be introduced from 2012. After that draft budget shall contain detailed performance indicators. At present program budget and performance indicators are under preparation and therefore the question right now is not applicable.</p> <p><u>Researcher Response:</u> I think that the answer should remain “d” as for whatever reasons the requested information is currently not presented in the Executive’s Budget Proposal, and this is what the question asks.</p> <p><u>IBP Comment:</u> IBP editors chose answer “d” to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>d</p>
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<p>53. Are the performance indicators sufficiently well designed, such that one can assess whether there has been progress toward meeting policy goals?</p> <ul style="list-style-type: none"> a. All performance indicators are well designed. b. Most performance indicators are well designed. c. Some performance indicators are well designed, but most are not. d. No programs have performance indicators, or they are not well designed. e. Not applicable/other (please comment). <p><u>Citation:</u> The Law of Georgia on State Budget 2009</p> <p><u>Comment:</u> The budget proposal does not include performance indicators.</p> <p><u>Researcher Response to this question was "d"</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> The answer to the question should be "e" as far as the program budget according to Georgian legislature shall be introduced from 2012. After that draft budget shall contain detailed performance indicators. At present program budget and performance indicators are under preparation and therefore the question right now is not applicable.</p> <p><u>Researcher Response:</u> I chose to keep my answer "d." See my comment for question 52.</p> <p><u>IBP Comment:</u> IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>d</p>
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54. Are performance indicators used in conjunction with performance targets presented in the executive's budget or any supporting budget documentation?

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

Citation:

The Law of Georgia on State Budget 2009

Comment:

The budget proposal does not include performance indicators.

d

Researcher Response to this question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: The answer to the question should be "e" as far as the program budget according to Georgian legislature shall be introduced from 2012. After that draft budget shall contain detailed performance indicators. At present program budget and performance indicators are under preparation and therefore the question right now is not applicable.

Researcher Response: I chose to keep my answer "d." See my comment for question 52.

IBP Comment: IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

<p>55. Does the executive’s budget or any supporting budget documentation present information on policies (both proposals and existing commitments) in at least the budget year that are intended to benefit directly the country’s most impoverished populations?</p> <ul style="list-style-type: none"> a. Yes, extensive information on policies intended to alleviate poverty is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the impact of key policies intended to alleviate poverty, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information on policies intended to alleviate poverty is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> The Law of Georgia on State Budget 2009</p> <p><u>Comment:</u> The texts of the budget proposal as well as the BDD provide the description of the social assistance programs financed by the Government of Georgia. The narrative includes only the description of the programs (who is eligible, the size of assistance), but does not indicate the number of beneficiaries, etc.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>b</p>
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Additional Key Information for Budget Analysis & Monitoring	
<p><i>Please note that the questions in this section ask about information that is generally available to the public. The information need not be included in the executive's budget proposal or supporting documents, but may be found in other documents issued by the executive.</i></p>	
<p>56. Does the executive make available to the public a description of the tax rate or fee schedule for all revenue sources, including commercial projects involving the private sector?</p> <ol style="list-style-type: none"> a. Yes, extensive information on tax rates, fees, royalties and other revenues sources is presented, including both a narrative discussion and quantitative estimates. b. Yes, information is presented, highlighting the rates and fees for major revenue sources, but some details are excluded. c. Yes, some information is presented, but it lacks important details. d. No, information is not presented. e. Not applicable/other (please comment). <p><u>Citation:</u> Tax Code of Georgia; various laws, establishing fees and duties,</p> <p><u>Comment:</u> Information on the types of taxes and their rates is available through the Tax Code. This information can also be found on the website of the revenue service (http://www.mof.ge/legislation). Information on non-tax payments and fees is scattered among different laws. These laws are public and are available through legal information distribution channels (printing materials, as well as e-media). These channels are not usually accessible to many people. The web page of the Parliament Budget Office provides a list of all non-tax payments that are assessed on the territory of Georgia. The rates of all fees are also provided. http://www.pbo.parliament.ge/index.php?lang_id=GEO&sec_id=102</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	b

<p>57. Does the executive make available to the public an analysis of the distribution of the tax burden?</p> <ul style="list-style-type: none">a. Yes, a detailed analysis of the distribution of the tax burden is presented, including both a narrative discussion and quantitative estimates.b. Yes, an analysis is presented, highlighting key aspects of the distribution, but some details are excluded.c. Yes, some analysis is presented, but it lacks important details.d. No analysis on the distribution of the tax burden is presented.e. Not applicable/other (please comment). <p><u>Citation:</u> N/A</p> <p><u>Comment:</u> No written analysis is available from official sources.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>d</p>
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58. Does the executive make available to the public an explanation of the conditions associated with assistance from international financial institutions (IFI)?

- a. Yes, extensive information on conditions associated with IFI assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality.
- b. Yes, information is presented, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on conditions associated with IFI assistance is not presented.
- e. Not applicable/other (please comment).

Citation:

The law of Georgia on state budget of Georgia 2009. Administrative Code of Georgia, article 3.

Comment:

The text of the budget provides a list of the projects financed by the foreign borrowing. The budget does not provide information on the conditions of such borrowing. This information can be obtained from the MoF website and IFI websites, but usually it is presented in very technical terms and cannot be regarded as "easily comprehensible." Sometimes, the authorities themselves struggle to get the exact information of how much do they have to pay in surcharges, commitment fees and different payments to the IFIs.

Researcher Response to this Question was "c"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: All relevant documents (signed after October 2008), including loan agreements associated with IFI assistance are posted on the official website of the Ministry of Finance by donor and by specific project/program (please refer to http://www.mof.ge/en/external_relations). These documents contain information on project-specific conditionality to the fullest extent possible. Moreover, extensive database on implementation of donor pledges, information on donor mapping and project pipeline are all posted on the website and updated on a regular basis (please follow the same hyperlink above). Reference to "easily comprehensible" in the "Comment" section is therefore irrelevant. Calculation of payments is performed in the broader public debt management context in accordance with the terms and conditions of the appropriate loan agreements and there is no "struggle" involved. A more appropriate response should be "a."

Researcher Response: I chose to change my answer to "b." As explained in the original answer, the information provided is not "easily comprehensible" for ordinary citizens: this especially relates to the agreements posted on the Ministry of Finance website. However, as explained by the Government, the information is presented for all donors, hence the higher grade of "b."

IBP Comment: IBP editors chose answer "b" to maintain the consistency of

b

the assumptions used in selecting answers across the countries.	
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59. Does the executive make available to the public an explanation of the conditions associated with assistance from donor countries?
- a. Yes, extensive information on conditions associated with donor country assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality.
 - b. Yes, information is presented, but some details are excluded.
 - c. Yes, some information is presented, but it lacks important details.
 - d. No, information on conditions associated with donor country assistance is not presented.
 - e. Not applicable/other (please comment).

Citation:

Administrative Code of Georgia, article 3. Law of Georgia on 2007 State Budget of Georgia, Chapter 3

Comment:

The text of the budget provides a list of the projects that will be financed by foreign donors. The budget does not provide information on the conditions of such financing. In particular cases, such information can be obtained by viewing the agreement with different creditors in the electronic systems distributing legal documents. Such legal e-system is a payable service, available only to subscribers.

Researcher Response to this question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment: The answer is correct. I would like to expand upon the comment: the Ministry of Finance is responsible on Donor coordination in Georgia. The Ministry is very open and transparent on Foreign Aid issues. The deputy Minister of Finance holds regular meetings with NGOs on Foreign Assistance issues, shares a regular updated matrix on Donor Assistance with the NGOs, which is also available on the MoF website:
http://mof.ge/default.aspx?sec_id=3211&lang=1

Government Comment: All relevant documents (signed after October 2008), including loan agreements associated with bilateral donor assistance, are posted on the official website of the Ministry of Finance by donor and by specific project/program (please refer to http://www.mof.ge/en/external_relations). These documents contain information on project-specific conditionality to the fullest extent possible. Moreover, extensive databases on implementation of donor pledges, information on donor mapping and project pipeline are all posted on the website and updated on a regular basis (please follow the same hyperlink above). A more appropriate response should be "a."

Researcher Response: I chose to keep my answer "b." See my comment in question 58.

IBP Comment: IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

b

60. Does the executive make available to the public a summary that describes the budget and its proposals?

- a. Yes, it provides a summary that is very informative.
- b. Yes, it provides a summary that is somewhat informative.
- c. Yes, but the summary is not very informative.
- d. No, it does not provide a summary.
- e. Not applicable/other (please comment).

Citation:

Law of Georgia on Budget Systems, article 21. Parliamentary Rules of Proceedings, article 147. Explanatory note to the Law of Georgia on 2009 State Budget of Georgia; Web page of the PBO.

Comment:

The budget documents that accompany the annual budget law, when the law is submitted to the parliament, include a so called "longer explanatory note." This is an informative document, written for the parliamentarians, the aim of which is to save the parliamentarians' time and provide the essence of the document submitted. However, sometimes this summary document by-passes sensitive issues that can be observed only in the full text of the budget law.

The Parliament Budget Office web page also provides the summary of the annual budget written in reader-friendly format:

http://www.pbo.parliament.ge/index.php?lang_id=GEO&sec_id=59

b

Researcher Response to this question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Ministry of Finance publishes annually and circulates a "citizens budget" as well as guidelines on BDD documents and budget execution reports and the public has easy to understand information presented in those documents. Therefore the right answer to the question should be "a."

Researcher Response: I chose to keep my answer "b." The information presented by the Ministry of Finance is not correct. The Ministry does not release an annual citizens budget.

IBP Comment: IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

61. Does the executive publish a "citizens budget" or some non-technical presentation intended for a wide audience that describes the budget and its proposals?

- a. Yes, it publishes a citizens budget that is very informative.
- b. Yes, it publishes a citizens budget that is somewhat informative.
- c. Yes, but the citizens budget is not very informative.
- d. No, it does not publish a citizens budget.
- e. Not applicable/other (please comment).

Citation:

http://www.pbo.parliament.ge/index.php?lang_id=GEO&sec_id=59

Comment:

Again, the authorities do not publish such a taxpayer guide. However, the Parliament Budget Office provides a good summary of the enacted budget.

The MOF published a Citizens Budget once with the assistance of a Georgian NGO (Young Economists Association of Georgia) working in the field of public finance transparency.

d

Researcher Response to this question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Ministry of Finance publishes annually and circulates a "citizens budget" as well as guidelines on BDD documents and budget execution reports and the public has easy to understand information presented in those documents. Herewith, "taxpayer guide" and "citizens budget" mentioned in the comment are different notions and hence the right answer to the question should be "a."

Researcher Response: I chose to keep my answer "d." See my comment for question 61.

IBP Comment: IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

<p>62. Does the executive make available to the public non-technical definitions of terms used in the budget and other budget-related documents (for instance, in a glossary)?</p> <ul style="list-style-type: none"> a. Yes, thorough definitions of budget terms are provided. b. Yes, definitions are provided, but some details are excluded. c. Yes, some definitions are provided, but it lacks important details. d. No, definitions are not provided. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems. The web page of the parliament budget office. http://www.pbo.parliament.ge/index.php?lang_id=GEO&sec_id=108</p> <p><u>Comment:</u> The Law on Budget Systems provides the explanation of a limited number of economic terms. The web page of the parliament budget office provides definitions of economic and budget terms.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>b</p>
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<p>63. Do citizens have the right <i>in law</i> to access government information, including budget information?</p> <ul style="list-style-type: none"> a. Yes, the right has been codified into law, and citizens are generally able in practice to obtain government information, including budget information. b. Yes, the right has been codified into law, but it is sometimes not possible for citizens in practice to obtain government information, including budget information. c. Yes, the right has been codified into law, but it is frequently or always impossible in practice to obtain access to government information, including budget information. d. No, the right to access government information has not been codified into law, or this right does not include access to budget information. e. Not applicable/other (please comment). <p><u>Citation:</u> Administrative Code of Georgia, Chapter 3; Law of Georgia on Budgetary Systems; Ministry of Finance website: www.mof.ge.; The PBO web page:http://www.pbo.parliament.ge/index.php?lang_id=GEO&sec_id=115</p> <p><u>Comment:</u> Budget information is public information and can be obtained either from the web site of the MOF or by submitting a written request to the respective state agency, following the procedures set forth by the Administrative Code of Georgia. The MOF does provide the budget if requested, but it does not always respond to the follow-up questions to the budget expenditures and its implementation.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>b</p>
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<p>64. Are citizens able in practice to obtain financial information on expenditures for individual programs in a format that is more highly disaggregated than that which appears in the executive’s budget proposal if they request it (for example, from a ministry or agency)?</p> <ul style="list-style-type: none"> a. In practice, highly disaggregated information is available to the public for all programs except those considered related to national security or military intelligence. b. In practice, highly disaggregated information is available to the public for programs representing at least two-thirds of, but not all, expenditures. c. In practice, highly disaggregated information is available to the public for programs representing less than two-thirds of expenditures. d. In practice, no highly disaggregated expenditure information is available. e. Not applicable/other (please comment). <p><u>Citation:</u> Administrative Code of Georgia, Chapter 3. Law of Georgia on Budgetary System, article 4.</p> <p><u>Comment:</u> While all budget related information is public information and theoretically can be obtained by submitting a written request to the respective state agency following the procedures set forth by the Administrative Code of Georgia, in practice it will be very difficult, if not impossible to get it, because the state agencies do not keep any more detailed information for programs than that they are required to produce according to the budget format. Some customized information is available from the Ministry of Health, Labor and Social Affairs at http://www.moh.gov.ge/news.php</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>C</p>
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65. Are citizens able in practice to obtain non-financial information related to expenditures (for example, number of beneficiaries, number of persons employed by the program, etc.) for individual programs in a format that is more highly disaggregated than that which appears in the executive's budget proposal if they request it from a ministry or agency?

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

Citation:

Administrative Code of Georgia, Chapter 3. Law of Georgia on Budgetary System, article 4.

Comment:

While all budget related information is public information and can be obtained through submitting a written request to the respective state agency following the procedures set forth by the Administrative Code of Georgia, in practice detailed information may not be available and the answers obtained through following the official procedures would turn out to be vague or very general.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's response.

C

Section Three: The Budget Process

The Budget Process		
Executive's Formulation of the Budget		
<p>66. How far in advance of the release of the budget is the day of its release known?</p> <ol style="list-style-type: none"> a. The release date is set in permanent law. b. The executive announces the release date at least two months in advance. c. The executive announces the release date less than two months but more than two weeks in advance. d. The executive announces the release date two weeks or less before the release, or makes no announcement. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, articles 17-22</p> <p><u>Comment:</u> The Law of Budget Systems of Georgia identifies the dates for the budget preparation cycle. According to this law, the Ministry of Finance starts working on the next year's budget by the 1st of March of the year preceding the budget year. The public, however, may see the first draft of the budget only by end September of the year preceding the budget year. By this time the budget is submitted to parliament.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	a	

67. Does the executive release to the public its timetable for preparation of the executive's budget proposal (that is, a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the ministry of finance or what ever central government agency is in charge of coordinating the budget's formulation)?

- a. Yes, a detailed timetable is released to the public.
- b. Yes, a timetable is released, but some details are excluded.
- c. Yes, a timetable is released, but it lacks important details.
- d. No, a timetable is not issued to the public.
- e. Not applicable/other (please comment).

Citation:

Law of Georgia on Budget Systems, articles 17-22.

Comment:

The Law of Budget Systems of Georgia identifies the dates for the budget preparation cycle. For the next year's budget preparation, the government usually closely follows the dates identified by the law. However, considering the late experience of passing numerous supplemental budgets during a year, their preparation dates are usually unpredictable and not disclosed to the public. There were 4 supplemental budget in 2007, again 4 in 2008, and 2 in 2009.

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: A more appropriate response to this question would be "a." Budget preparation timetable is determined by the law. Spending institutions submit budget proposals to the Ministry of Finance before 1st of September, Ministry of Finance submits to the Government main parameters of the draft budget before 15th of September; Ministry of Finance submits to the Government draft budget before 25th of September, the Government submits to the Parliament draft budget before 1st of October. The parliament returns draft budget with comments to the Government before 22nd of October, the Government submits to the Parliament revised draft budget before 5th of November, which is re-submitted with the comments of the Parliament before 15th of November. The Government submits to the Parliament the final draft budget before 30th of November which is approved by the Parliament before 3rd week of December. The executive always follows this timetable and the draft budget discussion at every stage is open and accessible by the public.

Researcher Response: I chose to change my answer to "a" because the timetable is provided in the law and the law is a public document.

IBP Comment: IBP editors chose answer "a" in light of researcher and government's comments.

a

68. Does the executive adhere to its timetable for the preparation and release of the budget?

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

Citation:

Law of Georgia on Budget Systems, articles 17-22.

Comment:

The authorities did adhere to the budget preparation timetable dates when they initially prepared the budget for 2009 (i.e. during 2008). However, the supplemental budgets were prepared violating all the dates of the preparation timetable.

Researcher Response to this question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Budget preparation timetable is determined by the law. Spending institutions submit budget proposals to the Ministry of Finance before 1st of September, Ministry of Finance submits to the Government main parameters of the draft budget before 15th of September; Ministry of Finance submits to the Government draft budget before 25th of September, the Government submits to the Parliament draft budget before 1st of October. The parliament returns draft budget with comments to the Government before 22nd of October, the Government submits to the Parliament revised draft budget before 5th of November, which is re-submitted with the comments of the Parliament before 15th of November. The Government submits to the Parliament the final draft budget before 30th of November which is approved by the Parliament before 3rd week of December. The executive always follows this timetable and the draft budget discussion at every stage is open and accessible by the public. Therefore, the right answer to the question should be "a."

Researcher Response: I chose my answer "d" because although the timeline is set in law, it is not always followed. See original comments for questions 67 and 68.

IBP Comment: IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

d

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

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

Citation:

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

Comment:

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

C

Researcher Response to this question was "c"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: At the initial stage the government agrees with the parliament the priorities for the up-coming years and based on the Parliament's comments and suggestions starts budget preparation. Draft budget is submitted to parliament three months prior to the planned budget year. The parliament and government hold intensive discussions and consultations on the budget. Therefore, the right answer should be "a."

Researcher Response: I chose to keep my answer "c" because I disagree with the Government comments. The Georgian Parliament's influence over the budget planning is limited in both legal and practical terms.

IBP Comment: IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

70. Does the executive hold consultations with the public as part of its process of determining budget priorities?

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

Citation:

Law of Georgia on Budget Systems, article 4.

Comment:

The Law on Budget Systems that governs the budgetary process in Georgia does not require the Ministry of Finance to hold special public discussions. The law only states that the budget discussions procedures in the parliament are public and can be broadcasted. People may attend the committee hearings of the budget and express their opinion, but such attendance is administratively complicated (need a pass to the administrative building, etc).

Researcher Response to this question was "d"

Peer Reviewer One Comment: I agree with the above comment, but I would like to add in the year 2009, the Mayor office of Tbilisi (Tbilisi Municipality) formally prepared a questionnaire and distributed it among the Tbilisi population with questions about priorities, and people were asked to answer questions on which priorities were most important for them.

d

Peer Reviewer Two Comment:

Government Comment: Draft budget is prepared in line with the goals and priorities of the ministries and the goals and priorities in turn are based on intensive public consultations. Therefore, the right answer to the question should be "a."

Researcher Response: I chose to keep my answer "d." The information provided in the Peer Reviewer's comment is correct. The Mayor's office allocated 200,000 GELs last year to distribute questionnaires to Tbilisi residents and have their opinion on what to include in the 2010 Tbilisi budget. This activity was initiated after it became known that there would be early local government elections in 2010 and there were only two months left before the finalization of the 2010 draft budget. At this point we are trying to find out whether or not the Mayor's office actually had enough time to analyze the questionnaires and formulate the draft budget in accordance with the questionnaire results.

IBP Comment: IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries. The example provided is very interesting, but refers in any case to a local administration (a municipality), while this question looks at the central government level.

<p>71. When does the executive release a pre-budget statement to the public?</p> <ul style="list-style-type: none"> a. The executive releases a pre-budget statement at least four months in advance of the start of the budget year. b. The executive releases a pre-budget statement at least two months (but less than four months) in advance of the start of the budget year. c. The executive releases a pre-budget statement, but it is released less than two months before the start of the budget year. d. The executive does not release a pre-budget statement. e. Not applicable/other (please comment). <p><u>Citation:</u> Administrative Code of Georgia, Chapter 3. Law of Georgia on Budget Systems, article 17.</p> <p><u>Comment:</u> The Pre-Budget Statement (Basic Data and Directions document) is a public document. It is posted on the web page of the Ministry of Finance and the Parliament Budget Office. It is usually available for public audience by June 1, 2009.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> The Government publishes budget execution report no later than three months after the end of the year. The said report is published on web-site and is available to public.</p>	<p>a</p>
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<p>72. Does the pre-budget statement describe the government’s macroeconomic and fiscal framework?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the government’s fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented; highlighting key aspects of the fiscal and macroeconomic framework, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, article 17.6.c. The Basic Data and Directions Document for 2009-2012</p> <p><u>Comment:</u> The BDD provides macroeconomic indicators for BY-2, By-1, BY, BY+1, By+2, By+3. It also describes the priorities of the GOG per sector and function. The BDD also provides a chapter and a table on the government's fiscal framework. Thus, the most recent BDD is a significant improvement to its predecessor.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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73. Does the pre-budget statement describe the government's policies and priorities that will guide the development of detailed estimates for the upcoming budget?

- a. Yes, an extensive explanation of the government's budget policies and priorities is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, an explanation is presented, highlighting key aspects of the government's budget policies and priorities, but some details are excluded.
- c. Yes, some explanation is presented, but it lacks important details.
- d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement.
- e. Not applicable/other (please comment).

Citation:

The Basic Data and Directions Document for 2007-2010

Comment:

The BDD well describes the government's policies and priorities that will guide the development of detailed estimates for the upcoming budget. However, the expenditure ceilings initially defined by the BDD may be lifted upwards during the consultations with the ministries or during parliamentary discussions of the draft budget. Preliminary budget figures may also be modified due to the higher available revenues, or to the need for higher expenditures.

b

Researcher Response to this question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: The yearly report describes in detail.

Researcher Response: I chose my answer "b" because the question is about the Pre-Budget Statement and the Government comment refers to yearly reports.

IBP Comment: IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

Legislative Approval of the Budget	
<p>74. How far in advance of the start of the budget year does the legislature receive the budget?</p> <ul style="list-style-type: none"> a. The legislature receives the budget at least three months before the start of the budget year. b. The legislature receives the budget at least six weeks, but less than three months, before the start of the budget year. c. The legislature receives the budget less than six weeks before the start of the budget year. d. The legislature does not receive the budget before the start of the budget year. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on the Budget Systems, Chapter II, article 21. Parliamentary Rules of Proceedings, Chapter XXVII</p> <p><u>Comment:</u> The draft budget for the upcoming year is submitted to the parliament by the end September of the previous year, i.e. three months before the end of the preceding fiscal year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>

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

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

Citation:

Law of Georgia on Budget Systems, article 22. Parliamentary rules of procedures

Comment:

The macroeconomic and fiscal framework is not discussed by the parliament committees separately. It is discussed as part of the budget discussions in the committees. Separate public hearings are not held.

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Parliamentary committees at committee hearings discuss draft budget and budget supporting documents including macroeconomic estimates and data. Committee hearings are public and anybody can attend and express views regarding the drafts. Therefore the right answer to the questions should be "b."

Researcher Response: I chose to change my answer to "c" because although there are no separate discussions about the macroeconomic forecasts, these issues can be brought up during the general draft budget discussion and the representatives of the executive government do attend these discussions. As for the public representatives, although the legislation does allow any interested parties to attend the committee hearings, this is significantly difficult to do in practice with the exception of few influential NGOs that can obtain passes required for entering the parliament building.

IBP Comment: IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

C

76. Do legislative committees hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the executive branch is heard?

- a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the executive branch is heard.
- b. Yes, hearings are held, covering key administrative units, in which testimony from the executive branch is heard.
- c. Yes, a limited number of hearings are held in which testimony from the executive branch is heard.
- d. No, public hearings are not held on the budgets of administrative units in which testimony from the executive branch is heard.
- e. Not applicable/other (please comment).

Citation:

Law of Georgia on Budget Systems, articles 20-22.

Comment:

The committees of economic profile hold public hearings on the individual budgets of state administrative units depending on their sectors of influence. Representatives of the executive do not participate in all of them.

C

Researcher Response to this Question was "c"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: A more appropriate response to this question would be "a." Every parliamentary committee holds public hearings. Such hearings are attended not only by representatives of executive but also by mass media and public and anybody may express views on any single program of the draft budget and propose to finance additional programs. The executive makes comments and those comments are discussed at the committee hearings.

IBP Comment: IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

77. Does a legislative committee (or committees) hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the public is heard?

- a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the public is heard.
- b. Yes, hearings are held, covering key administrative units, in which testimony from the public is heard.
- c. Yes, a limited number of hearings are held in which testimony from the public is heard.
- d. No, public hearings are not held on the budgets of administrative units in which testimony from the public is heard.
- e. Not applicable/other (please comment).

Citation:

Law of Georgia on Budget Systems, articles 20-22. Parliamentary Rules of Procedures, article 42

Comment:

Each committee holds public hearings on the budgets of those state units that relate to the sectoral expertise of the committee itself.

b

Researcher Response to this question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Every parliamentary committee including legislative holds public hearings. Such hearings are attended not only by representatives of executive but also by mass media and public and anybody may express views on any single program of the draft budget and propose to finance additional programs. The executive makes comments and those comments are discussed at the committee hearings. Therefore, the right answer to the question should be "a."

Researcher Response: I chose to keep my answer "b." See my original comment.

IBP Comment: IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries.

78. Do the legislative committees that hold public hearings release reports to the public on these hearings?

- a. Yes, the committees release very informative reports, which include all written testimony presented at the hearings.
- b. Yes, the committees release reports, but some details are excluded.
- c. Yes, the committees release reports, but they are not very informative.
- d. No, the committees do not release reports or do not hold public hearings.
- e. Not applicable/other (please comment).

Citation:

Law of Georgia on Budget Systems, articles 20-22. Law of Georgia on Committees, article 13. Parliamentary Rules of Procedures, article 42.

Comment:

The committees prepare their conclusions on the discussed draft budget. These conclusions give general assessment of the submitted draft budget. They are submitted to the parliamentary plenary session and to the executive for consideration. These conclusions are public documents and can be obtained by ordinary citizens, if requested. However, the committees do not produce any reports about their budgetary hearings for informing the public about the hearings, the main issues and the results.

d

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Based on the comment itself the right answer should be "b."

Researcher Response: I chose to keep my answer "d" because, as explained in the original answer, the committees do not prepare reports about the committee hearings; they only prepare and publish the reports that present their own conclusions on the submitted draft budget.

IBP Comment: IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

79. Is the legislature (or the appropriate legislative committee or members of the legislature) given full information for the budget year on the spending of all secret items relating to, for instance, national security and military intelligence?

- a. Yes, the appropriate legislative committee or members of the legislature is provided extensive information on all spending on secret items, which includes detailed, line item descriptions of all expenditures.
- b. No, the legislature is provided information on spending on secret items, but some details are excluded, or some categories are presented in an aggregated manner, or the legislature is provided no information on secret items.
- c. Not applicable/other (please comment).

Citation:

Law of Georgia on Trust Group, articles 1 and 7. Parliamentary Rules of Proceedings, article 179.

Comment:

This information on government's special military programs and other activities related to national security is provided only to the Parliamentary Trust Group (comprising four parliamentarians). It is difficult to assess whether or not the information provided to the Trust Group is informative and detailed enough due to the confidentiality of the information.

b

Researcher Response to this question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Based on the comment itself the right answer should be "c."

Researcher Response: "Not applicable" might be understood as if there is no secret information at all. I suppose it would be alright to change the answer as suggested by the Government, but in this case it would be important to include the original comment.

IBP Comment: IBP editors chose answer "b" to maintain the consistency of the assumptions used in selecting answers across the countries. As the researcher notes above, "not applicable" is not appropriate here, as there is likely some secret information.

80. Does the legislature have authority *in law* to amend the budget presented by the executive?

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

Citation:

Constitution of Georgia, article 93. Law on Budget Systems of Georgia, article 22. Parliamentary Rules of Proceedings, article 145.

Comment:

The legislation of Georgia does not authorize the parliament to change the annual budget law without prior approval from the Ministry of Finance. The parliament may propose a change to the annual budget law and engage in consultations with the government. However, only the Ministry of Finance, on behalf of the Government of Georgia, has the right to amend the budget. The Parliament may, however, disapprove the budget and send it back to the government for further fine-tuning. If the parliament fails to approve the budget at a plenary hearing, the parliament will be dismissed and the budget will be approved by presidential decree.

d

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: The legislative has the authority to amend the budget presented by the executive though in most cases Government's consent is required. Therefore the right answer to the question should be "c."

Researcher Response: I chose to keep my answer "d" because the legislature has no authority to change the budget without the government's consent.

IBP Comment: IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

<p>81. What is the most detail provided in the appropriation (expenditure budget) approved by the legislature?</p> <ul style="list-style-type: none"> a. The approved budget includes program-level detail. b. The approved budget includes departmental totals and some additional details (for instance, sub-department totals or major programs). c. The approved budget includes only departmental totals. d. The approved budget includes less information than departmental totals or the approved budget is not released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on 2009 State Budget, Chapter V.</p> <p><u>Comment:</u> The approved budget includes both sub-department totals and major programs.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>b</p>
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Executive's Implementation of the Budget	
<p>82. How often does the executive release to the public in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</p> <ol style="list-style-type: none"> In-year reports on actual expenditure are released at least every month. In-year reports on actual expenditure are released at least every quarter. In-year reports on actual expenditure are released at least semi-annually. In-year reports on actual expenditure are not released. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budgetary System: articles 34-35, Code of Georgia on General Administrative Proceedings, The web page of the Ministry of Finance http://www.mof.ge/budget/implementation_reports And the web page of the Parliament Budget Office http://www.pbo.parliament.ge/index.php?lang_id=GEO&sec_id=115</p> <p><u>Comment:</u> Budget execution reports are published quarterly. The execution reports are identical in format to the law of the budget law. Meanwhile, monthly information can also be obtained from the treasury upon request.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	b

<p>83. What share of expenditure is covered by in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</p> <ul style="list-style-type: none"> a. Yes, in-year reports cover all expenditures. b. Yes, in-year reports cover at least two-thirds, but not all, of expenditures. c. Yes, in-year reports cover less than two-thirds of expenditures. d. No in-year reports are released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budgetary System: articles 34-35, Code of Georgia on General Administrative Proceedings, The web page of the Ministry of Finance http://www.mof.ge/budget/implementation_reports And the web page of the Parliament Budget Office http://www.pbo.parliament.ge/index.php?lang_id=GEO&sec_id=115</p> <p><u>Comment:</u> Budget execution reports are published quarterly. These reports became more encompassing compared to the previous year. They take the same form as the budget, so it is easier to compare the targets (budget) and the execution (actuals).</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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<p>84. What is the most detail provided in the in-year reports on actual expenditures organized by <i>administrative unit</i>?</p> <ul style="list-style-type: none"> a. The in-year reports on actual expenditures organized by administrative unit contain program-level detail. b. The in-year reports on actual expenditures organized by administrative unit contain departmental totals and some additional details (for instance, sub-department totals or major programs). c. The in-year reports on actual expenditures organized by administrative unit contain only departmental totals. d. The in-year reports on actual expenditures organized by administrative unit are not released to the public, not produced, or contain less information than departmental totals. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budgetary System: articles 34-35, Code of Georgia on General Administrative Proceedings, The web page of the Ministry of Finance http://www.mof.ge/budget/implementation_reports And the web page of the Parliament Budget Office http://www.pbo.parliament.ge/index.php?lang_id=GEO&sec_id=115</p> <p><u>Comment:</u> Budget execution reports are published quarterly. The execution reports are identical in format to the law of the budget law.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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85. Do the in-year reports released to the public compare actual year-to-date expenditure with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

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

Citation:

Budget execution reports from the web page of the MOF
http://www.mof.ge/budget/implementation_reports

Comment:

The quarterly reports compare actual data with the targets for the same period.

a

Researcher Response to this question was "b"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: A more appropriate response to this question would be "a." Quarterly and yearly reports detail all expenditures planned and actual. Therefore the right answer should be "a."

IBP Comment: IBP editors chose answer "a" to maintain the consistency of the assumptions used in selecting answers across the countries.

<p>86. How often does the executive release to the public in-year reports on actual revenue collections by source of revenue?</p> <ul style="list-style-type: none"> a. In-year reports on actual revenue collections by source of revenue are released at least every month. b. In-year reports on actual revenue collections are released at least every quarter. c. In-year reports on actual revenue collections are released at least semi-annually. d. In-year reports on actual revenue collections by source of revenue are not released. e. Not applicable/other (please comment). <p><u>Citation and/or comment:</u> Information on revenues is available monthly through the request from the treasury. It can be requested by any interested citizen through a FOIA request. Quarterly information on revenues is also published on the web.</p> <p><u>Researcher Response to this Question was "a"</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's original answer "a," which the IBP modified for consistency purposes.</p> <p><u>IBP Comment:</u> IBP editors chose answer "b" given that the FOIA is not always universally applied. In-year reports are issued on a quarterly basis.</p>	<p>b</p>
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<p>87. What share of revenue is covered by the in-year reports on actual revenue collections?</p> <ul style="list-style-type: none"> a. In-year reports cover the actual revenue collections of all sources of revenue. b. In-year reports cover the actual revenue collections of at least two-thirds of, but not all, sources of revenue. c. In-year reports cover actual revenue collections of less than two-thirds of revenue sources. d. In-year reports on actual revenue collections are not released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Quarterly reports on budget execution, 2009</p> <p><u>Comment:</u> Compared to the previous year, revenue execution reports are now more detailed, showing all sources of all revenues: tax, non-tax, grants, and receipts from sale of financial and non-financial assets.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a
<p>88. Do the in-year reports released to the public compare actual year-to-date revenue collections with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?</p> <ul style="list-style-type: none"> a. Yes, comparisons are made for all revenue sources. b. Yes, comparisons are made for at least two-thirds of, but not all, revenue sources. c. Yes, but comparisons are made for less than two-thirds of revenue sources. d. No, comparisons are not made, or no in-year reports are released to the public. e. Not applicable/other (please comment). <p><u>Citation:</u> Quarterly reports on budget execution, 2009. Chapter 2.</p> <p><u>Comment:</u> The quarterly reports compare the actual revenues received during the quarter with the targets for the same period. The difference is shown in nominal terms as well as in percentage terms.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a

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

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

Citation:

Quarterly budget reports,
http://www.mof.ge/budget/implementation_reports
MOF information on external borrowing.

Comment:

Information on actual borrowing is included in the execution reports. At the end of every month the MOF reports on the stock of the outstanding debt, and the borrowing or the difference between the stocks of two months can be easily observed.

b

Researcher Response to this Question was "a"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Monthly reports contain information on outstanding external public debt stock, whereas the difference between the monthly stocks is equal to net external borrowing.

IBP Comment: IBP editors chose answer "b," given that the reports on execution are released quarterly.

90. Do in-year reports released to the public on actual borrowing present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, and currency denomination of the debt) for the budget year?
- Yes, extensive information related to the composition of government debt is presented.
 - Yes, key additional information is presented, but some details are excluded.
 - Yes, some additional information is presented, but it lacks important details.
 - No, additional information related to the composition of government debt is not presented, or such in-year reports on borrowing are not released.
 - Not applicable/other (please comment).

Citation:

N/A

Comment:

Information on the specific characteristics of external debt (maturity, interest rate, currency denomination) is not provided in the public documents. On the other hand, the volume of borrowing and external increased drastically compared to the previous year.

Researcher Response to this question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Monthly external public debt reports are published on the official website of the Ministry of Finance. These reports illustrate currency composition of external public debt stock by creditor and by instrument type (bilateral, multilateral, bonds, guaranteed). As mentioned before, external public loan agreements are publicly available on the official website of the Ministry of Finance, which basically means that maturities, interest rates and all other financial terms are easily accessible at any point throughout the year. Terms on which the Ministry of Finance borrows domestically by issuing T-bills (and recently T-notes) are published on the website upon conclusion of the T-bill auctions (please refer to <http://www.mof.ge/en/3832>). The more appropriate response should be "a."

Researcher Response: I chose to change my answer to "c." The information discussed by the Government is presented in the loan agreements that are posted on the Ministry of Finance website, while the question relates to the in-year reports. As for the in-year reports, these reports do present some information on the debt.

IBP Comment: IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

C

<p>91. For in-year reports on actual expenditure released to the public by the executive, how much time typically elapses between the end of the reporting period and when the report is released (e.g., are quarterly reports released less than 4 weeks after the end of the quarter)?</p> <ul style="list-style-type: none"> a. Reports are released 1 month or less after the end of the period. b. Reports are released 2 months or less (but more than 1 month) after the end of the period. c. Reports are released more than 2 months after the end of the period. d. In-year reports are not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, articles 34 and 35</p> <p><u>Comment:</u> The treasury department of the Ministry of Finance is required to publish information on the execution of the previous month's budget by the 20th of the month following the reporting month (20th of April for the March report, for example). The MOF is required to present to the Parliament information on the execution of the previous quarter budget by the end of the first month following the end of the previous quarter.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	<p>a</p>
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92. Does the executive release to the public a mid-year review of the budget that discusses the changes in economic outlook since the budget was enacted?
- Yes, the mid-year review includes an extensive discussion of the economy that includes a revised forecast for the full fiscal year and its effects on the budget.
 - Yes, the mid-year review includes a discussion of the economy, but it lacks some details.
 - Yes, the mid-year review includes a discussion of the economy, but it lacks important details.
 - No, the mid-year review does not include a discussion of the economy, or the executive does not release a mid-year review of the budget.
 - Not applicable/other (please comment).

Citation:

N/A

Comment:

Researcher Response to this question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Budget execution quarterly reports detail the information on economic developments of the country and those reports are published immediately (within four weeks after the end of a period).

Researcher Response: I chose my answer "d" because the *Guide to the Open Budget Questionnaire* said that a Mid-Year Review is different from quarterly reports and the Government comment refers to quarterly reports.

The government releases a six-month progress report. The content of this report is identical to the contents of the quarterly reports. Thus it does not correspond with the IBP's description of a Mid-Year Review. The exact title of the document is Six Months Progress Report.

http://www.mof.gov.ge/en/budget/implementation_reports

IBP Comment: IBP editors chose answer "d" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*.

d

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

- a. Yes, the mid-year review includes updated expenditure estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels.
- b. Yes, the mid-year review includes updated estimates of expenditure, but some details on why estimates have changed are not provided.
- c. Yes, the mid-year review includes updated estimates of expenditure, but important details on why estimates have changed are not provided.
- d. No, the mid-year review does not include updated expenditure estimates for the budget year, or the executive does not release a mid-year review of the budget.
- e. Not applicable/other (please comment).

Citation:

N/A

Comment:

Updated expenditure forecasts during the year may consult with the IMF program papers that are available on the web free of charge. <http://www.imf.org/external/country/GEO/index.htm>. The government endorses these papers before they are published, thus, these papers do represent the government's vision.

d

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: A more appropriate response to this question would be "c." According to the law of Georgia on "Budget system of Georgia" a mid-year review of the budget execution report is published during the 7th month of the year presenting updated expenditure and revenue estimates for the budget year underway. The report as well presents information on actual expenditures and revenues though there are no due explanations for the changes.

Researcher Response: I chose to change my answer to "c" because the mid-year report is released, but it provides very little information.

IBP Comment: IBP editors chose answer "d" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*. See Researcher Response under question 92. A Mid-Year Review is not released.

<p>94. What is the most detail provided in the mid-year review for expenditures?</p> <ul style="list-style-type: none"> a. The mid-year review includes program-level detail for expenditures. b. The mid-year review includes departmental totals (or functional totals) and some additional details (for instance, sub-department totals or major programs). c. The mid-year review includes only departmental totals (or functional totals). d. The mid-year review includes less information than departmental totals (or functional totals) for expenditures, or the executive does not release a mid-year review of the budget. e. Not applicable/other (please comment). <p><u>Citation:</u> N/A</p> <p><u>Comment:</u></p> <p><u>Researcher Response to this question was "d"</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> A more appropriate response to this question would be "a." Quarterly reports detail all expenditures planned and actual.</p> <p><u>Researcher Response:</u> I chose my answer because the question is about the Mid-Year Review and the Government comment refers to quarterly reports.</p> <p><u>IBP Comment:</u> IBP editors chose answer "d" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the <i>Guide to the Open Budget Questionnaire</i>. See Researcher Response under question 92. A Mid-Year Review is not released.</p>	<p>d</p>
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95. Does the executive release to the public a mid-year review of the budget that includes updated revenue estimates for the budget year underway?

- a. Yes, the mid-year review includes updated revenue estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels.
- b. Yes, the mid-year review includes updated estimates of revenue, but some details on why estimates have changed are not provided.
- c. Yes, the mid-year review includes updated estimates of revenue, but important details on why estimates have changed are not provided.
- d. No, the mid-year review does not include updated revenue estimates for the budget year, or the executive does not release a mid-year review of the budget.
- e. Not applicable/other (please comment).

Citation:

N/A

Comment:

The updated expenditure forecasts during the year may found in the IMF program papers that are available on the web free of charge.

<http://www.imf.org/external/country/GEO/index.htm>. The government endorses these papers before they are published: thus, these papers do represent the government's vision.

d

Researcher Response to this Question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: According to the law of Georgia on "Budget system of Georgia" a mid-year review of the budget execution report is published during the 7th month of the year presenting updated expenditure and revenue estimates for the budget year underway. The report as well presents information on actual expenditures and revenues though there are no due explanations for the changes. Therefore, the right answer to the question should be "c."

Researcher Response: I chose to change my answer to "c" because of the same reason as above – a Mid-Year Review is released, but it is very general.

IBP Comment: IBP editors chose answer "d" to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*. See Researcher Response under question 92. A Mid-Year Review is not released.

<p>96. Does the executive seek input from the legislature when the executive shifts funds between administrative units (except when the amounts are below a certain <i>minimal</i> level specified in law or regulation)?</p> <ul style="list-style-type: none"> a. Yes, the executive seeks approval from the legislature before shifting funds between administrative units. b. Yes, the executive gives prior notification to the legislature before shifting funds, giving the legislature an opportunity to block or modify the proposed adjustment. c. Yes, the executive seeks legislative approval, but only after the shift of funds has been implemented. d. No, the executive shifts funds between administrative units without seeking input from the legislature, or the amount allowed under the law or by regulation is significantly large enough to undermine public scrutiny and accountability (please describe arrangements below). e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, articles 24 and 34</p> <p><u>Comment:</u> The government needs parliamentary approval for any additional expenditure or for re-allocating expenditures between different administrative units. However, each spending unit may re-allocate up to 5% of its total assignments from one function to a different function, according to a rule set by the Minister of Finance.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>a</p>
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97. During the past year, have there been credible reported instances in which the procurement of goods and services has not followed an open and competitive process in practice?

- a. There were no credible reported instances of procurement failing to follow an open and competitive process in practice during the past year.
- b. The procurement of goods and services frequently followed an open and competitive process in practice, but there were some reported instances of irregularities.
- c. The procurement of goods and service followed an open and competitive process in many instances, but there were significant reported examples of irregularities.
- d. No, the procurement process was not open and competitive in practice.
- e. Not applicable/other (please comment).

Citation:

The report of the Chamber of Control on its activities in 2008. Chapter 2.2 on the Violations Detected Through the Audits, 2008.

Comment:

This year, unlike the previous year, in the report of the chamber of control there is a chapter on violations of the procurement procedures by the state spending agencies.

C

Researcher Response to this question was "c"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Public procurement frequently and in general followed open and competitive process though there were cases when procurement was done through the negotiation with one person to procure goods and services of State significance. Therefore, the right answer to the question should be "b."

Researcher Response: I chose my answer "c" because it is rather common for government agencies to choose sole source procurement instead of public tendering for procuring goods and services.

IBP Comment: IBP editors chose answer "c" to maintain consistency of assumptions in the selection of answers across countries.

98. When does the legislature typically approve supplemental budgets?

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

Citation:

Law of Georgia on Budget Systems, article 24

Comment:

The legislation of Georgia does not allow the government of Georgia to carry out expenditures if they are not approved in the budget. Only the expenditures from the President's and the Prime Minister's funds can be allotted without initial consent of the parliament. The total volume managed by these funds shall not exceed 2 percent of the state budget expenditures. None of the provided answers ("a", "b" or "c") describe the Georgian case well; however, "a" is the best answer.

a

Researcher Response to this question was "a"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Budget supplements only take place if there is a need for extra expenditures, further in the comment there should be Government Fund instead of Prime Minister's Fund as far as the government takes decision to allocate resources from the Fund.

Researcher Response: I do not agree with the first part of the Government comment, but I agree with the second part – the Prime Minister's Fund should be changed into the Government's Fund.

IBP Comment: IBP editors chose answer "a" to maintain the consistency of the assumptions used in selecting answers across the countries. The comments are not relevant to the question.

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

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

Citation:

Law of Georgia on 2009 State budget; The amendments to the Law of Georgia on 2009 State budget

Comment:

Supplemental budgets significantly alter the initial macroeconomic scenario. There were three supplemental budgets in 2005, three in 2006, four in 2007, four in 2008 and two in 2009 (as of end September, 2009).

d

Researcher Response to this question was "d"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Analysis of the recent years shows that despite the several supplements to the budget there is 2-5 percent difference between initial and supplemented budgets. Therefore the answer should be "b."

Researcher Response: I chose my answer because the information presented by the Government is not correct. Generally, there are frequent changes to the budget during the budget year, especially if elections are held that year (2006 local elections, 2008 presidential and parliamentary elections).

IBP Comment: IBP editors chose answer "d" to maintain the consistency of the assumptions used in selecting answers across the countries.

<p>100. When does the legislature approve the expenditure of contingency funds or other funds for which no specific purpose was identified in the budget?</p> <ol style="list-style-type: none"> a. Expenditures are approved before the funds are expended, or contingency funds or other funds with no specific purposes are not included in the budget. b. Expenditures are approved after the funds are expended, but before the end of the fiscal year. c. Expenditures are approved after the end of the fiscal year, for example in the next budget. d. Such expenditure takes place without legislative approval. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budgetary System, article 13.</p> <p><u>Comment:</u> According to the Law of Georgia on Budgetary System, the annual budget law includes the President’s Reserve Fund and the Government’s Reserve Fund the total volume of which should not exceed 2% of the total fixed appropriations in the budget. According to the same Law, the funds from these Reserve Funds shall be used “for emergency events of state importance, such as natural and other disasters and other unpredictable state obligations.” The expenditures from the two Funds shall be carried on without legislative approval. But all expenditures expensed from these two funds shall be based on the order of the president of Georgia or the government of Georgia. The order shall state the function and the size of such expenditures. Such expenditures are usually approved by the Parliament with the next supplemental budget or together with the budget fulfillment report that the executive submits to Parliament by the end of the budget year.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>C</p>
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Executive’s Year-end Report and the Supreme Audit Institution	
<p>101. How long after the end of the budget year does the executive release to the public a year-end report that discusses the budget’s actual outcome for the year?</p> <ol style="list-style-type: none"> a. The report is released six months or less after the end of the fiscal year. b. The report is released 12 months or less (but more than six months) after the end of the fiscal year. c. The report is released more than 12 months after the end of the fiscal year. d. The executive does not release a year-end report. e. Not applicable/other (please comment). <p><u>Citation:</u> Constitution of Georgia, article 93. Law of Georgia on Budget Systems, articles 45 and 46.</p> <p><u>Comment:</u> According to the Constitution of Georgia, the Ministry of Finance shall submit to Parliament the report on execution of the pervious year's budget within three months from the end of the fiscal year. Such a report is a public document.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a

<p>102. In the year-end report have the data on the actual outcomes been audited?</p> <ul style="list-style-type: none"> a. Yes, all data on actual outcomes have been audited. b. At least two-thirds, but not all, of the data on actual outcomes have been audited. c. Less than two-thirds of the data on actual outcomes have been audited. d. None of the data on actual outcomes has been audited, or a year-end report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, articles 45 and 47. Law of Georgia on the Chamber of Control, article 58.</p> <p><u>Comment:</u> The yearly report on the execution of the state budget by the Government of Georgia is submitted to Parliament by the end of the third month following the last reporting month. The Chamber of Control is required to submit to parliament its assessment of the government's report within one month from the day the government's report on budget execution is submitted to Parliament. This report includes audit information for only those state organizations that have been audited by the Chamber of Control during a year, as part of their audit plan. Thus, the share of audited information in the report is less than two-thirds.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	<p>C</p>
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<p>103. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> The Report on Execution of the 2008 State Budget. http://www.mof.ge/budget/implementation_reports</p> <p><u>Comment:</u> The differences between targets and actuals are identified and shown in percentage terms. However, the reasons for the differences are not explained.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>C</p>
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<p>104. What level of detail is the focus of the explanation of the differences between the enacted levels and the actual outcome for expenditures presented in the year-end report?</p> <ul style="list-style-type: none"> a. The explanation of the differences between the enacted expenditure levels and the actual outcome focuses on the program level. b. The explanation focuses on departmental totals (or functional totals) or some lower level of detail (but not the program level in all cases). c. The explanation focuses on a higher level of aggregation than departmental totals (or functional totals). d. No explanation of the differences is provided, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> The Report on Execution of the 2008 State Budget. http://www.mof.ge/budget/implementation_reports</p> <p><u>Comment:</u> There is no explanation provided for the differences, as stated above, but actuals are compared to targets at a very detailed level. The differences are easy to see.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>d</p>
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<p>105. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Report on Execution of the 2008 State Budget of Georgia</p> <p><u>Comment:</u> The report highlights the differences, but does not provide the reasons.</p> <p><u>Researcher Response to this question was "c"</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> There are no explanatory notes for the difference between initial and actual data though it is worth noting that each amendment to the budget is supported by the detailed explanation and accordingly the right answer should be "b."</p> <p><u>Researcher Response:</u> I chose my answer "c" because the question is about the year-end report and the Government refers to the explanations attached to the draft amendments submitted to the parliament.</p> <p><u>IBP Comment:</u> IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.</p>	<p>C</p>
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<p>106. Does the year-end report explain the difference between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Report on Execution of the 2008 State Budget of Georgia</p> <p><u>Comment:</u> A very general explanation is provided, but reasons are not explained.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	C
<p>107. Does the year-end report explain the difference between the original estimates of non-financial data and the actual outcome?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Report on Execution of the 2008 State Budget of Georgia</p> <p><u>Comment:</u> FY 2008 was a very special year for Georgia. There was an armed conflict with the neighbor which drastically changed the investor appetite for the assets (including non-financial) of this country. By the end of the year the margin between the forecasted data and the actually received proceeds from privatization (same as sale of non-financial assets) was very large. The year-end report omits any reference to the armed conflict and does not provide any reasons of why the forecasted parameters were not observed.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	d

<p>108. Does the year-end report explain the difference between the original performance indicators and the actual outcome?</p> <ul style="list-style-type: none"> a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates. b. Yes, an explanation is presented, highlighting key differences, but some details are excluded. c. Yes, some explanation is presented, but it lacks important details. d. No, an explanation is not presented, or such a report is not released. e. Not applicable/other (please comment). <p><u>Citation:</u> Report on Execution of the 2008 State Budget of Georgia</p> <p><u>Comment:</u> The report highlights the differences, but does not provide the reasons.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>d</p>
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109. Does the year-end report explain the difference between the enacted level of funds intended to benefit directly the country's most impoverished populations and the actual outcome?

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

Citation:

Report on Execution of the 2008 State Budget of Georgia

Comment:

The report highlights the differences, but does not explain the reasons for such differences. Some explanation is provided on the web page of the parliament budget office, but the summary provided therein is insufficient.

http://www.pbo.parliament.ge/index.php?lang_id=GEO&sec_id=60.

The details that are excluded from the narrative on the execution of the budget 2008 are very important, in reference to this question. There is absolutely no analysis and/or reason provided for assessing the effect of spending on the poorest part of the population. There was some information on the level of poverty in the previous year budget report.

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: Government did not dispute researcher's response.

d

<p>110. Does the year-end report present the actual outcome for extra-budgetary funds?</p> <ul style="list-style-type: none">a. Yes, extensive information on the actual outcome for extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates.b. Yes, information is presented, highlighting key issues, but some details are excluded.c. Yes, some information is presented, but it lacks important details.d. No, information is not presented on extra-budgetary funds, or such a report is not released.e. Not applicable/other (please comment). <p><u>Citation:</u> N/A</p> <p><u>Comment:</u> There are no extra-budgetary fund in Georgia. They were abolished in 2005.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>e</p>
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The Independence and Performance of the Supreme Audit Institution	
<p>111. How long after the end of the fiscal year are the final annual expenditures of national departments audited and (except for secret programs) released to the public?</p> <ol style="list-style-type: none"> Final audited accounts are released to the public six months or less after the end of the fiscal year. Final audited accounts are released 12 months or less (but more than six months) after the end of the fiscal year. Final audit accounts are released more than 12 months, but within 24 months of the end of the fiscal year. Final audited accounts are not completed within 24 months after the end of the fiscal year or they are not released to the public. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Budget Systems, article 48.</p> <p><u>Comment:</u> The revised assessment of the Chamber of Control shall be submitted to parliament by November 1st of the year following the accounting year. November 1 is the deadline for the approval of the Budget Execution Report of the Government of Georgia by the Parliament of Georgia.</p> <p><u>Researcher Response to this question was "b"</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Chamber of Control submits budget execution report statement within a month of the report being submitted to the parliament (no later than 4 months after the end of the year) and the statement is publicly available. Therefore, the right answer should be "a."</p> <p><u>Researcher Response:</u> I chose to change my answer from "b" to "a" because the Government comment is correct. The original answer referred to the revised assessment from the Chamber of Control.</p> <p><u>IBP Comment:</u> IBP editors agree with the answer chosen, also in light of the fact that the 2008 Audit Report was released in April 2009. Based on a review of comments, IBP chose answer "a."</p>	a

<p>112. Two years after the completion of a fiscal year, what percentage of annual expenditures has been audited and (except for secret programs) the report(s) released to the public?</p> <ul style="list-style-type: none"> a. All expenditures have been audited and the reports released to the public. b. Expenditures representing at least two-thirds of, but not all, expenditure have been audited. c. Expenditure representing less than two-thirds of expenditure have been audited. d. No expenditures have been audited, the reports have not been released to the public, or was released more than 24 months after the end of the fiscal year. e. Not applicable/other (please comment). <p><u>Citation:</u> Annual audit plan of the Chamber of Control, created in accordance with the Law of Georgia on the Chamber of Control.</p> <p><u>Comment:</u> The Chamber of Control conducts audits of the state organizations, according to its audit schedule. It is not required to audit all spending units within one or two fiscal years.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>C</p>
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<p>113. Does the annual audit report(s) that is released to the public include an executive summary?</p> <ul style="list-style-type: none"> a. The annual audit report(s) includes one or more executive summaries summarizing the report's content. b. No, the audit report(s) does not include an executive summary, or such reports are not released to the public, or was released more than 24 months after the end of the fiscal year. c. Not applicable/other (please comment). <p><u>Citation:</u> Chamber of Control, Report on the Fulfillment of the 2008 State Budget</p> <p><u>Comment:</u> The Chamber of Control reports on the execution of 2007 and 2008 budgets are not published on the web. The earlier report does not include a summary. However, as the reports are prepared for the parliament, they would have been accompanied by an explanation providing a summary of the document. The explanatory note may be obtained from the parliament budget office, following the procedure envisaged by the legislation of Georgia; but in practice it is difficult to obtain the report as well as the explanatory note.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	b
<p>114. Must a branch of government other than the executive (such as the legislature or the judiciary) give final consent before the head of the Supreme Audit Institution (SAI) can be removed from office?</p> <ul style="list-style-type: none"> a. Yes, the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before they are removed. b. No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature. c. Not applicable/other (please comment). <p><u>Citation:</u> Constitution of Georgia, article 64. Law of Georgia on Chamber of Control of Georgia, article 10</p> <p><u>Comment:</u> The head of the Chamber of Control is selected by the parliamentarians representing the majority in the Parliament. Only the Parliament can appoint and dismiss the head of the Chamber of Control.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	a

<p>115. Does the Supreme Audit Institution release to the public audits of extra-budgetary funds?</p> <ol style="list-style-type: none"> Yes, the SAI releases to the public audits of all extra-budgetary funds. Yes, the SAI releases audits representing at least two-thirds of, but not all, extra-budgetary funds. Yes, the SAI releases audits representing less than two-thirds of all extra-budgetary funds. No, the SAI does not release to the public audits of extra-budgetary funds, or it does not audit such funds, or such a report was released more than 24 months after the end of the fiscal year. Not applicable/other (please comment). <p><u>Citation:</u> N/A</p> <p><u>Comment:</u> Since 2005 there are no extra-budgetary funds in Georgia.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	e
<p>116. Beyond the established year-end attestation audits, does the Supreme Audit Institution (SAI) have <i>the discretion in law</i> to undertake those audits it may wish to?</p> <ol style="list-style-type: none"> The SAI has full discretion to decide which audits it wishes to undertake. The SAI has significant discretion, but faces some limitations. The SAI has some discretion, but faces considerable limitations. The SAI has no discretion to decide which audits it wishes to undertake. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on the Chamber of Control, article 18</p> <p><u>Comment:</u> According to the abovementioned law, the following officials/bodies may initiate an audit that was not included in the annual audit plan of the chamber of control: the President of Georgia, the Chairman of the Parliament of Georgia, Special Commissions of the Parliament of Georgia, the management board of the Chamber of Control, Prosecutor General of Georgia or his deputy.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	a

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

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

Citation:

Law of Georgia on the Chamber of Control, article 34.
Law of Georgia on State Budget of Georgia, code: 05 00.

Comment:

The Chamber of Control is a state spending unit, financed by the state budget. There is a provision on the law (article 34, 2) that the budget of the Chamber of Control every subsequent year shall not be less than that of the previous year. The parliament of Georgia presents the draft budget of the Chamber of Control to the Ministry of Finance for it to be included in the annual budget.

C

Researcher Response to this question was "c"

Peer Reviewer One Comment:

Peer Reviewer Two Comment:

Government Comment: At the request of the Chamber of Control the Parliament of Georgia drafts their budget which is reflected in the yearly budget law. Based on the above-said and the comment itself the answer to the questions should be "a."

Researcher Response: I chose my answer "c" because, although the Chamber of Control does draft its own budget, its resources are usually limited in comparison to its obligations.

IBP Comment: IBP editors chose answer "c" to maintain the consistency of the assumptions used in selecting answers across the countries.

<p>118. Does the Supreme Audit Institution employ designated staff for undertaking audits of the central government agencies pertaining to the security sector (military, police, intelligence services)?</p> <ul style="list-style-type: none"> a. The SAI employs designated staff, and the staffing levels are broadly consistent with the resources the SAI needs to fulfill its mandate. b. The SAI employs designated staff, but the staffing levels are a cause of some constraints to the SAI in fulfilling its mandate. c. The SAI employs designated staff, but the staffing levels pose a significant constraint on the SAI in fulfilling its mandate. d. The SAI does not employ designated staff for auditing of the security sector, or does not undertake audits of the security sector. e. Not applicable/other (please comment). <p><u>Citation:</u> Interview with the staff of the Chamber of Control of Georgia</p> <p><u>Comment:</u> The Chamber of Control does not employ designated staff for auditing any particular sector, including the security sector. The Chairman selects staff members for specific assignments.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>d</p>
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<p>119. Does the Supreme Audit Institution maintain formal mechanisms of communication with the public to receive complaints and suggestions to assist it in determining its audit program (that is, to identify the agencies, programs, or projects it will audit)?</p> <ul style="list-style-type: none"> a. Yes, the SAI maintains mechanisms of communication with the public, and received more than 100 communications from the public during the past year. b. Yes, the SAI maintains mechanisms of communication with the public, and received less than 100 but more than ten communications from the public during the past year. c. Yes, the SAI maintains mechanisms of communication with the public but it receives very little (less than ten) or no information from the public on potential subjects for audit. d. No, the SAI does not maintain any formal mechanisms of communication with the public. e. Not applicable. <p><u>Citation:</u> Law of Georgia on the Chamber of Control, article 2. Web page of the chamber of control: www.control.ge</p> <p><u>Comment:</u> The web page displays the window where a question can be submitted. The web page also shows the phone number of the hotline where questions may be directed. However, the Chamber of Control does not always respond to NGOs' and citizens' questions in time, or at all.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher's response.</p>	<p>b</p>
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<p>120. Does a committee of the legislature view and scrutinize the audit reports?</p> <ul style="list-style-type: none"> a. Yes, all audit reports are scrutinized. b. Yes, most audit reports are scrutinized. c. Yes, some audit reports are scrutinized. d. No, audit reports are not scrutinized. e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on the Chamber of Control of Georgia, article 2</p> <p><u>Comment:</u> The Chamber of Control is independent in the implementation of its functions. However, it shall disclose to the parliamentary committees the results of its audits, if requested by the parliamentary representatives.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	C
<p>121. Does the executive make available to the public a report on what steps it has taken to address audit recommendations or findings that indicate a need for remedial action?</p> <ul style="list-style-type: none"> a. Yes, the executive reports publicly on what steps it has taken to address audit findings. b. Yes, the executive reports publicly on most audit findings. c. Yes, the executive reports publicly on some audit findings. d. No, the executive does not report on steps it has taken to address audit findings. e. Not applicable/other (please comment). <p><u>Citation:</u> N/A</p> <p><u>Comment:</u> The state budget organizations prepare such reports for their internal use, but these documents are not publicized.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	d

<p>122. Does either the Supreme Audit Institution or the legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?</p> <ul style="list-style-type: none"> a. Yes, a comprehensive report is released regularly that tracks actions taken by the executive to address audit recommendations. b. Yes, a report is released, covering key audit recommendations, but some details are excluded. c. Yes, a report is released, but it lacks important details. d. No, a report is not produced or it is prepared for internal purposes only (please specify). e. Not applicable/other (please comment). <p><u>Citation:</u> N/A</p> <p><u>Comment:</u> Such a report has never been published.</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Government did not dispute researcher’s response.</p>	<p>d</p>
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<p>123. Are audit reports of the annual accounts of the security sector (military, police, intelligence services) and other secret programs provided to the legislature (or relevant committee)?</p> <ul style="list-style-type: none"> a. Yes, legislators are provided with detailed audit reports related to the security sector and other secret programs. b. Yes, legislators are provided audit reports on secret items, but some details are excluded. c. Yes, legislators are provided audit reports on secret items, but they lack important details. d. No, legislators are not provided audit reports on secret items, or secret programs are not audited (please specify). e. Not applicable/other (please comment). <p><u>Citation:</u> Law of Georgia on Trust Group</p> <p><u>Comment:</u> According to the Law on the Trust Group, this group may request and receive any information on the utilization of the state funds in the secret sectors.</p> <p><u>Researcher Response to this Question was "b"</u></p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p> <p><u>Government Comment:</u> Based on the comment itself the answer should be "a."</p> <p><u>Researcher Response:</u> I chose to change my answer to "e" because, in fact, it is difficult to assess whether or not this requirement is met in practice as the information provided to the Trust Group is not publicly accessible.</p> <p><u>IBP Comment:</u> IBP editors chose answer "a" to maintain consistency of assumptions in the selection of the answers across countries. There is no evidence that some information is withheld from the Trust Group.</p>	<p>a</p>
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