



Annex H

Budget Transparency Work in Azerbaijan- National Budget Group

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Azerbaijan economy

Fast economic growth and open economy

- GDP increased on average by 13.9% in 1995-2009
- Foreign trade increased on average by 14% in 1995-2009 & 4.7 times in 2008

Reliable financial regulations

- Developing bank sector

Favourable investment climate

- The highest per-capita foreign direct investment in the region
- Improved legislation

Rich natural resources

- Oil and natural gas
- Fossils and useful fields
- Peculiar climate

Strategic location

- Caspian Sea border
- Bridge between Europe and Central Asia
- Fast development towards Europe

Competitive production costs

- Cheap and skilled work force
- Industrial traditions

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Azerbaijan

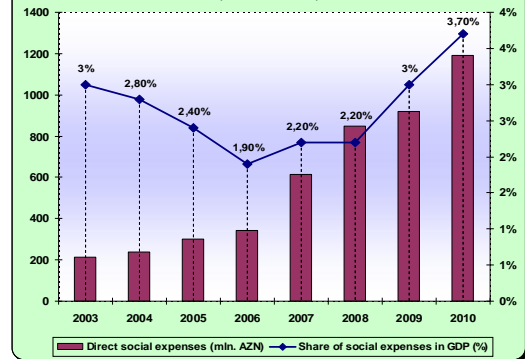
- Territory – 86,6 km²
- Population – 9 million
- Economy type – Transition, post-soviet, resource-rich and resource dependent economy

Azerbaijan, situated at the coast of the Caspian Sea, is very rich with its oil and gas resources; actually these are Country's most important and strategic resources.



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ZP@B@qur@MAMA

Social expenses and GDP (1 USD = 0,8 AZN)



Budget Issue in Azerbaijan

One of the main problems related to budget and generally economy in Azerbaijan is relatively tight access to budget information. This resulted in the fact Azerbaijan held 52nd place among 94 countries in IBP's Open Budget Index 2010. Many people think budget is a complicated table for academicians and officials only and ordinary people do not have anything to do with it. And forget that budget is public money. This leads to shortage of public control over budget expenses and transparency, as budget transparency is mostly related to those expenses.



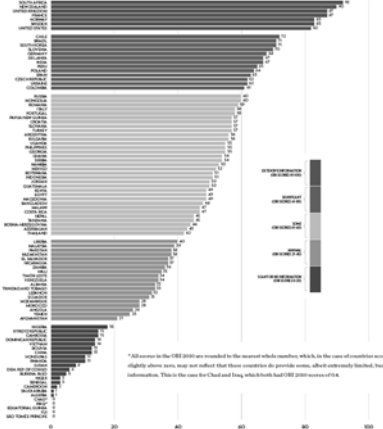
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Adequacy & Availability of Eight Key Budget Documents

Document	Level of Information Grade*	Publication Status
Pre-Budget Statement	E	Not Produced
Executive's Budget Proposal	C	Published
Enacted Budget	D	Published
Citizens Budget	E	Not Produced
In-Year Reports	C	Published
Mid-Year Review	D	Published
Year-End Report	E	Published
Audit Report	D	Published

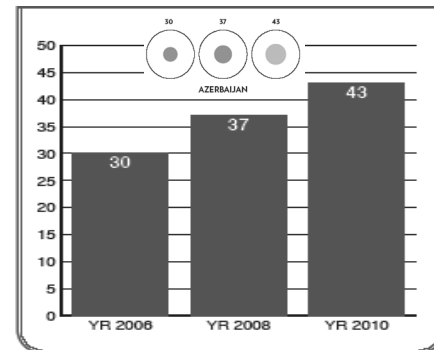
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OBI 2010 SCORES

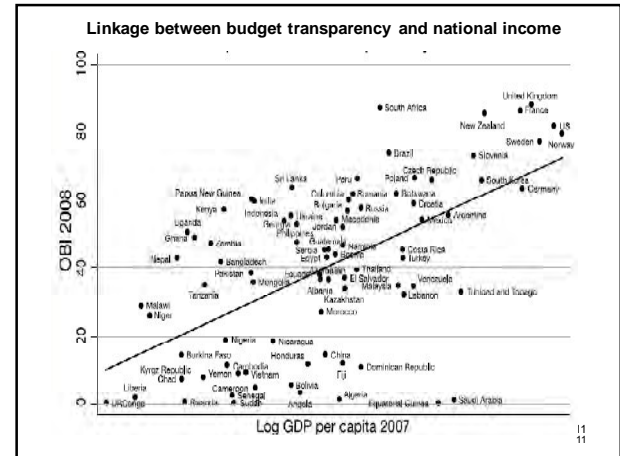
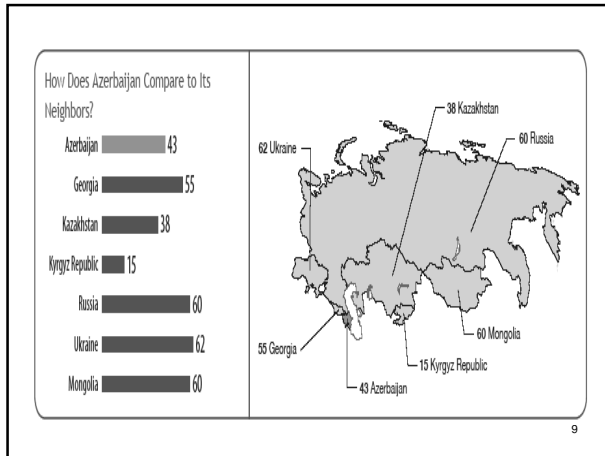


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OBI results for last three round



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OBI 2006, OBI 2008 and OBI 2010 – country with significant improvements

COUNTRY	2006	2008	2010
AFGHANISTAN	NA	8	21
ANGOLA	5	4	26
ARGENTINA	40	56	56
AZERBAIJAN	30	37	43
CROATIA	42	59	57
EGYPT	19	43	49
GEORGIA	34	53	55
GHANA	42	50	54
INDIA	53	60	67
LIBERIA	NA	3	40
MALAWI	NA	28	47
MONGOLIA	18	36	60
NORWAY	72	80	83
RUSSIA	47	58	60
RWANDA	NA	1	11
SRI LANKA	47	64	67
TURKEY	42	43	57
UGANDA	32	51	55
VIETNAM	3	10	14
YEMEN	NA	10	25

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National Budget Group

History: NBG was established in February, 2006.

Members: NBG has 9 members and though Group itself was established 1,5 years ago, all of its members have broad experience in budgeting

Purposes:

- Achieving transparency and effectiveness of budget expenses, as transparency issue is mostly related to expenses
- Publicizing budget issue for providing public oversight over budgetary issues

Goals:

- Increasing and popularization of budget information
- Improving the budget legislation
- Participation in budget process and achieving public influence in decision-making process
- Providing accountability in budget process and increasing the effectiveness of budget implementation
- Participation in international budgeting initiatives

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Achievements by directions

Institutional

Institutional direction was designed for general management, as well as PR, advocacy, data base and web-site and international relations.

The main achievement of NBG within this direction was collaboration with radio Liberty. So that NBG and radio Liberty had joint weekly radio programs on most interesting for public issues related to budget, such as transparency of educational expenses, health, infrastructure, etc. NBG also used this opportunity to inform public on its reviews on 2006, 2007 and 2008 budgets.

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NBG in 2008

Core part

- Budget process stages
- ▶ Review on previous year budget
 - ▶ Review on amendments to budget
 - ▶ 3 year budget prognosis
 - ▶ Budget project
 - ▶ Adopted budget

Auxiliary part

- ▶ Popular social programs
- ▶ Corruption risks of investment expenses
- ▶ Efficiency indicators of increased budget expenses
- ▶ Achieving participation at budget process discussions
- ▶ Enlightenment

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NBG in 2008

In 2008, which was election year NBG concentrated on total budget process and auxiliary activities strengthening the core work.

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NBG in 2008

Core part target groups

- ▶ Political parties (year of elections)
- ▶ IFIs
- ▶ NGOs/CSOs
- ▶ Public
- ▶ Parliament members

Core part goals

- ▶ Popularization of budget issues and problems
- ▶ Popularization of NBG as budget group
- ▶ Including budget problems to electoral campaigns
- ▶ Tighter collaboration with MPs
- ▶ Attracting public attention to problems
- ▶ Achieving government reporting

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NBG in 2009

Activities

- ▶ Preparing reviews
- ▶ Discussions/meetings with candidates
- ▶ Simple articles with stress on serious problems
- ▶ Investigations
- ▶ Public discussions
- ▶ Problems discussing and recommendations
- ▶ Publications
- ▶ Radio and TV access
- ▶ PR and advocacy
- ▶ Collaboration with foreign and regional partners
- ▶ Collaboration with foreign media

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Thanks for attention..!

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NBG in 2010

Activities

- ▶ Broader usage of NBG information and materials
- ▶ Including budget problems to electoral campaigns
- ▶ Recognition by government
- ▶ More systematic work
- ▶ Access to ordinary people and products for them
- ▶ Establishing "Budget Office"
- ▶ OBI 2010 – national launching
- ▶ Popular social programs (among students, retirees)
- ▶ Corruption risks of investment expenses
- ▶ Effectiveness indicators on increasing budget expenses
- ▶ Public/MP participation in budget process (new public hearings in the regions)

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