

ESPFC Project Newsletter

Issue 1, 2012

Welcome from Project Director

Dear Readers,

We have launched the implementation of Effective System of Public Finance Control (ESPFC) Project which aims to enhance the effectiveness of external scrutiny and audit.

The action focuses on reviewing and analyzing relevant documentation and legislation on the external audit of public finance, developing recommendations and supporting dissemination of information aimed at contributing to enhance knowledge on the work undertaken at the level of the Chamber of Accounts and Parliament and on the progress expected as realistically achievable by these institutions in the medium-term period. The Project envisions specific activities such as creating special section about public finance monitoring on the web page of Eastern Partnership Civil Society Forum Azerbaijan National Platform (EaP CSF AzNP), holding forums dedicated to transparent management and effective scrutiny of public finances and budgetary expenditures on social networks, conducting competition for investigative journalists, talk shows on TV, articles in the newspapers, organizing round-tables and conferences, meetings and discussions with the leadership of the Chamber of Accounts and members of the National Assembly. Meantime, the project envisages developing a number of publications including a manual titled Budget Guide to address the needs of members of the National Assembly and their aides in evaluating budget analyses as well as budget-related references by the Chamber of Accounts.

The Project will study experience of advanced countries in the sphere of public finance policy and management as well as adapt best practices to the country during the twenty-month period of project implementation which will be carried out in mutual cooperation with relevant state authorities and will involve members of EaP CSF Azerbaijan National Platform, international organizations, analytical centers, universities, public unions and the media.

We hope that the project will serve to minimize risks of inefficient use of public finances, increase the culture of good governance, strengthen public-private partnership and raise awareness of budgetary process and its monitoring in Azerbaijan.

Financed by the European Commission, the ESPFC Project is administered in partnership with Economic Research Center, Center for Economic and Social Development, Public Association for Assistance to Free Economy and Partnership for Economic and Social Initiatives representing EaP CSF AzNP.

Sincerely, Sabit Bagirov

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ESPFC Project Board Members meet with international organizations

During the project inception period, several meetings were organized with representatives of international organizations operating in Azerbaijan.



On December 17, the ESPFCP delegation comprised of Project Director Sabit Bagirov from Entrepreneurship Development Foundation, Vugar Bayramov, Chairman of Center for Economic and Social Development (Project Partner) and Farid Malikov, Executive Director of Partnership for Economic and Social Initiatives Public Union (Associate Partner) held a meeting with representatives of the Baku Office of International Finance Corporation including

Aliya Azimova, Country Officer, Hasan Huseynov, Economic Analysis Specialist and Abulfaz Manafov, Economic Consultant.

On January 24, ESPFC Project Director Sabit Bagirov from Entrepreneurship Development Foundation, Vugar Bayramov, Chairman of Center for Economic and Social Development (Project Partner) and Farid Malikov, Executive Director of Partnership for Economic and Social Initiatives Public Union (Associate Partner) held a meeting with representatives of the Baku Office of the World Bank Group including Larisa Leshchenko, Country Manager, and Zaur Rzayev, Communications Associate.



On January 28, the ESPFCP delegation, comprised of Project Director Sabit Bagirov from Entrepreneurship Development Foundation, Vugar Bayramov, Chairman of Center for Economic and Social Development (Project Partner) and Farid Malikov, Executive Director of Partnership for Economic and Social Initiatives Public Union (Associate Partner) held a meeting with representatives of Azerbaijan Resident Mission of Asian Development Bank (ABD) including Olly Norojono, Resident Representative, and Nail Valiyev, Economic Officer.



The meetings served to introduce the Project and learn opinion and experience as well as works and activities undertaken by certain organizations on public finance policy and management (PFPM), and to discuss cooperation prospects in the area of PFPM.

ESPFC Project Director meets Chairman of Azerbaijan Chamber of Accounts

On February 6, 2013, Project Coordinator met with Chairman of the Chamber of Accounts. Project coordinator informed Chairman about the ESPFC Project, spoke about completed, ongoing and future activities. Chairman briefed the project coordinator with works of the Chamber of Accounts, given his view on the Project, touched upon the CAPSAP Project and expressed interest for further cooperation. He told that he would ensure participation from Chamber of Accounts in the future events organized in the frame of the Project. In addition, he said to assign someone from the managerial staff in order to support the coordination of activities between both sides, who would meantime receive members of the Project Consortium to further discuss prospects of cooperation.

PFPM-related section created on the EaP CSFAzNP webpage

Special section featuring PFPM-related issues about public finance monitoring was created on the web page (www.eap-csf.az) of Eastern Partnership Civil Society Forum Azerbaijan National Platform. The section aims to provide wider groups of Internet users with pfmp-related information including legislative acts (documents regulating activities of the Chamber of Accounts), materials on the activities of the Chamber of Accounts (reports of the Accounting Chamber of Accounts, analytical articles, newspaper articles, etc.); reports about the works carried out within the framework of the project; recommendations, analytical articles and comprehensive reports prepared within the framework of the project; recordings of TV and radio programmes and highlights of media articles.



Synergies developed with CAPSAP

On November 20, 2012 members of ESPFC Project Board of Directors Sabit Bagirov, Zohrab Ismayil and Farid Malikov met Nailya Safarova and Matthias Feldmann, representatives of the World Bank administered Corporate and Public Sector Accountability Project for Azerbaijan (CAPSAP). The aim of the meeting was to facilitate information sharing and mutual consultation in the area of PFPM. Both sides exchanged on activities undertaken with the Chamber of Accounts and discussed prospects of cooperation.

Project experts develops recommendations upon findings from research activities

Project experts analyzed legislative acts regulating works of the Chamber of Accounts (laws, decrees of the President of the Azerbaijan Republic, decisions of the National Assembly and the Cabinet of Ministers, internal normative acts and annual reports of the Chamber of Accounts), studied international experience, including international standards regarding activities of Supreme Audit Institutions, requirements of international organizations, experience of advanced countries, and prepared the report enabling to make comparative analysis of international experience with legal framework, status, operating principles, functions and powers of the Chamber of Accounts.

As a result of these activities, a package of recommendations for enhancing the effectiveness of external audit and scrutiny and improving the activity of the Chamber of Accounts of Azerbaijan was prepared and discussed with the project experts, members of the National Budget Group and EaP CSF Azerbaijan National Platform.

Project activities highlighted on media

Two articles were published in local media. The first media article was dedicated to "Public finance control: Turkish experience". The article forms clear idea on the operational principles of the Turkish Chamber of Accounts, its authorities and audit works, as well as contains publications and recommendations to be useful for Azerbaijan. The link of the article published on Media Forum news portal is the following:

http://www.mediaforum.az/korrupsiya/articles.php?lang=az&page=06&article_id=20130522034737345#.UZ2K57UqzSd

The second article, entitled how to change the Chamber of Account, discusses findings and results of legal expertise carried out to assess legislation of the Chamber of Accounts and recommendations to improve its activity. The link of the article is as follows:

<http://www.mediaforum.az/az/2013/07/03/Hesablama-Palatas%C4%B1n%C4%B1-nec%C9%99-d%C9%99yi%C5%9Fm%C9%99li-050730801c06.html#.UdqC7Ky1uKV>

ESPFC Project profile raised through social networks

Project facebook and twitter pages were created to enable holding forums dedicated to public finance expenditure and the activity of the Chamber of Accounts on social networks. The pages also contain project-related materials, publications and reports.

The link of the facebook page can be found at <https://www.facebook.com/pages/The-effective-system-of-public-finance-control-ESPFC-Project/453019478104246?ref=hl>

The link of the Twitter page is as follows: <https://twitter.com/ESPFCProject>

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