



Center for Analysis of
Economic Reforms
and Communication

July 2017

AZERBAIJAN ECONOMIC REFORMS REVIEW



AMENDMENTS TO THE LAW “ON THE PUBLIC BUDGET OF THE REPUBLIC OF AZERBAIJAN FOR 2017”



On July 14, 2017, President of the Republic of Azerbaijan issued a Decree № 1180 “on Application of the Law № 754-VQD, dated June 30, 2017, of the Republic of Azerbaijan “on amendments to the Law of the Republic of Azerbaijan “on public budget of the Republic of Azerbaijan for 2017” and “on application of the Law of the Republic of Azerbaijan “on public budget of the Republic of Azerbaijan for 2017”.

According to the above Decree, the following amendments are specified in the Decree № 1180 of the President of the Republic of Azerbaijan “on application of the Law of the Republic of Azerbaijan “on public budget of the Republic of Azerbaijan for 2017”, dated December 27, 2016 (3 Legislative Volume of the Republic of Azerbaijan, 2016, № 12, Article 2098):

In the table in the Section 1, change the following words and figures:

“1.1.	General state services	2 846 898 155,0	2 747 976 896,0	98 921 259,0
1.1.1.	Cost of maintenance of legislative executive authorities	558 339 828,0	460 131 818,0	98 208 010,0
1.1.1.6.	State Service for Labor Inspectorate under the Ministry of Labor and Social Protection of the Republic of Azerbaijan	3 168 639,0	3 168 639,0	
1.1.1.10.	Ministry of Foreign Affairs of the Republic of Azerbaijan	9 963 208,0	9 963 208,0	
1.1.1.25	Ministry of Transport of the Republic of Azerbaijan	2 662 552,0	2 662 552,0	
1.1.1.27.	Ministry of Communication and High Technologies of the Republic of Azerbaijan	2 135 602,0	2 135 602,0	
1.1.1.69.	Improvement of organizational structure of legislative and executive authorities	15 002 000,0	15 002 000,0	
1.1.1.71.	Extra-budgetary expenditures of organizations of legislative and executive authorities financed from public budget	118 970 000,0	118 970 000,0	
1.1.2.	International activity and fees for membership in international organizations	229 069 761,0	229 069 761,0	
1.1.2.2.	Foreign diplomatic missions and consulates of the Republic of Azerbaijan	102 069 761,0	102 069 761,0	
1.3.	Judicial authority, law-enforcement and prosecution office	1 211 568 138,0	1 211 568 138,0	
1.3.4.	Services not included into other categories	174 074 601,0	174 074 601,0	

1.3.4.4.	Extra-budgetary costs of organizations of Judicial authority, law enforcement and prosecution offices financed from public budget	172 447 500,0	172 447 500,0	
1.4.	Education	1 736 052 890,0	1 594 253 852,0 1	141 799 038,0
1.4.1.	Pre-school education	137 786 562,0		137 786 562,0
1.4.3.	Vocational education	23 058 384,0	23 058 384,0	
1.4.3.2.	Ministry of Education of the Republic of Azerbaijan	19 761 873,0	19 761 873,0	
1.4.7.	Other entities and events in the field of education	553 639 783,0	549 627 307,0	4 012 476,0
1.4.7.1.	Ministry of Education of the Republic of Azerbaijan	172 471 717,0	172 471 717,0	
1.4.7.15.	Higher education funded by state order, diagnostic evaluation of knowledge and capacities of teachers in state general education facilities, establishment of vocational education centers and other measures in education	264 876 800,0	264 876 800,0	
1.5	Healthcare	745 381 258,0	522 705 148,0	222 676 110,0
1.5.1.	Polyclinics and ambulatory hospitals	113 927 419,0	56 798 932,0	57 128 487,0
1.5.1.1.	Ministry of Health of the Republic of Azerbaijan	113 927 419,0	56 798 932,0	57 128 487,0
1.5.2.	Hospitals	340 942 713,0	183 553 422,0	157 389 291,0
1.5.2.1.	Ministry of Health of the Republic of Azerbaijan	289 486 830,0	132 097 539,0	157 389 291,0
1.5.3.	Other services in healthcare	2 576 583,0	1 231 250,0	1 345 333,0
1.5.3.1.	Ministry of Health of the Republic of Azerbaijan	2 576 583,0	1 231 250,0	1 345 333,0
1.5.5.	Other services related to healthcare	282 869 078,0	276 056 079,0	6 812 999,0
1.5.5.1.	Ministry of Health of the Republic of Azerbaijan	208 206 192,0	201 393 193,0	6 812 999,0
1.5.5.10.	Extra- budgetary costs of health-related organizations funded from public budget	7 837 500,0	7 837 500,0	
1.6.	Social protection and social security	2 252 992 337,0	2 250 906 612,0	2 085 725,0
1.6.1.	Social protection costs	2 036 029 218,0	2 036 029 218,0	
1.6.1.1.	Ministry of Labor and Social Protection of Population of the Republic of Azerbaijan	564 808 901,0	564 808 901,0	

1.6.2.	Social security costs	216 863 119,0	214 777 394,0	2 085 725,0
1.7.	Activity in areas not included into culture, art, information, sport and other categories	282 589 235,0	274 812 727,0	7 776 508,0
1.7.4.	Activity not included into other categories	65 296 430,0	64 858 011,0	438 419,0
1.7.4.10.	Financial contributions from public budget	7 036 440,0	6 941 452,0	94 988,0
1.7.4.10.1.	Financial contribution to non-governmental organizations	3 533 240,0	3 438 252,0	94 988,0
1.11.	Industry, construction and minerals	2 521 126 000,0	2 521 126 000,0	
1.11.1.	Construction	2 504 276 000,0	2 504 276 000,0	
1.11.1.1.	State investment (investment costs)	2 501 000 000,0	2 501 000 000,0	
1.12.1.1.	Ministry of Transport of the Republic of Azerbaijan (regulation of the activity of motor transport)	2 185 000,0	2 185 000,0	
1.13.	Economic activity	191 507 755,0	191 507 755,0	
1.13.1.	Economic and commercial activity	135 000 000,0	135 000 000,0	
1.13.1.2.	Meet housing requirement of population of the Republic of Azerbaijan and provide privileged housing to citizens	100 000 000,0	100 000 000,0	
1.13.2.	Other areas of economic activity	55 168 345,0	55 168 345,0	
1.14.	Services not included into main sections	1 542 793 549,0	1 526 908 905,0	15 884 644,0
1.14.1.	Designated budget funds	261 000 000,0	261 000 000,0	
1.14.1.1.	Designated Budget fund "Motor roads"	261 000 000,0	261 000 000,0	
1.14.2.	Reserve funds	300 000 000,0	300 000 000,0	
1.14.2.2.	Reserve fund of the public budget	100 000 000,0	100 000 000,0	
1.14.3.	Other expenditures not included main sections	981 793 549,0	965 908 905,0	15 884 644,0
1.14.3.3.	Expenditures for other services	941 793 549,0	925 908 905,0	15 884 644,0
1.14.3.3.3.	Ministry of Finance of the Republic of Azerbaijan	25 402 330,0	24 100 680,0	1 301 650,0
1.14.3.3.3.1.	Print of specially protected and other documents	11 900 180,0	11 900 180,0	
1.14.3.3.3.3.	Involve experts to identify credit ranking of the Republic of Azerbaijan and assess other works	2 700 500,0	2 700 500,0	

1.14.3.3.5.	Enforcement of court decisions, legal aid regarding court processes and other services	6 301 650,0	5 000 000,0	1 301 650,0
1.14.3.3.4.	Extra-budgetary expenditures for services not included the main sections	4 480 000,0	4 480 000,0	
1.14.3.3.7.	Funding of social- economic and other measures	50 000 000,0	50 000 000,0	
1.14.3.3.10.	Social–economic, as well as other measures not considered in local expenditures	11 651 568,0		11 651 568,0”

With the following words and figures:

“1.1.	General state services	2 916 330 479,0	2 817 409 220,0	98 921 259,0
1.1.1.	Cost of maintenance of legislative executive authorities	622 596 552,0	524 388 542,0	98 208 010,0
1.1.1.6.	State Service for Labor Inspectorate under the Ministry of Labor and Social Protection of the Republic of Azerbaijan	3 048 639,0	3 048 639,0	
1.1.1.10.	Ministry of Foreign Affairs of the Republic of Azerbaijan	12 785 330,0	12 785 330,0	
1.1.1.25	Ministry of Transport of the Republic of Azerbaijan	1 285 665,0	1 285 665,0	
1.1.1.27.	Ministry of Communication and High Technologies of the Republic of Azerbaijan	3 512 489,0	3 512 489,0	
1.1.1.69.	Improvement of organizational structure of legislative and executive authorities	13 220 000,0	13 220 000,0	
1.1.1.71.	Extra-budgetary expenditures of organizations of legislative and executive authorities financed from public budget	182 306 602,0	182 306 602,0	
1.1.2.	International activity and fees for membership in international organizations	234 245 361,0	234 245 361,0	

1.1.2.2.	Foreign diplomatic missions and consulates of the Republic of Azerbaijan	103 545 361,0	103 545 361,0	
1.3.	Judicial authority, law-enforcement and prosecution office	1 223 770 473,0	1 223 770 473,0	
1.3.4.	Services not included into other categories	186 276 936,0	186 276 936,0	
1.3.4.4.	Extra-budgetary costs of organizations of Judicial authority, law enforcement and prosecution offices financed from public budget	184 649 835,0	184 649 835,0	
1.4.	Education	1 791 194 875,0	1 616 778 146,0	174 416 729,0
1.4.1.	Pre-school education	170 404 253,0		170 404 253,0
1.4.3.	Vocational education	28 991 718,0	28 991 718,0	
1.4.3.2.	Ministry of Education of the Republic of Azerbaijan	25 695 207,0	25 695 207,0	
1.4.7.	Other entities and events in the field of education	570 230 743,0	566 218 267,0	4 012 476,0
1.4.7.1.	Ministry of Education of the Republic of Azerbaijan	178 662 677,0	178 662 677,0	
1.4.7.15.	Higher education funded by state order, diagnostic evaluation of knowledge and capacities of teachers in state general education facilities, establishment of vocational education centers and other measures in education	275 276 800,0	275 276 800,0	
1.5	Healthcare	746 713 758,0	524 037 648,0	222 676 110,0
1.5.1.	Polyclinics and ambulatory hospitals	113 698 023,0	56 798 932,0	56 899 091,0
1.5.1.1.	Ministry of Health of the Republic of Azerbaijan	113 927 419,0	56 798 932,0	56 899 091,0
1.5.2.	Hospitals	341 463 130,0	183 553 422,0	157 909 708,0
1.5.2.1.	Ministry of Health of the Republic of Azerbaijan	290 007 247,0	132 097 539,0	157 909 708,0
1.5.3.	Other services in healthcare	5 285 195,0	4 231 250,0	1 053 945,0
1.5.3.1.	Ministry of Health of the Republic of Azerbaijan	2 285 195,0	1 231 250,0	1 053 945,0
1.5.5.	Other services related to healthcare	281 201 945,0	274 388 579,0	6 813 366,0

1.5.5.1.	Ministry of Health of the Republic of Azerbaijan	208 206 559,0	201 393 193,0	6 813 366,0
1.5.5.10.	Extra- budgetary costs of health-related organizations funded from public budget	6 170 000,0	6 170 000,0	
1.6.	Social protection and social security	2 351 992 337,0	2 349 906 612,0	2 085 725,0
1.6.1.	Social protection costs	2 068 029 218,0	2 068 029 218,0	
1.6.1.1.	Ministry of Labor and Social Protection of Population of the Republic of Azerbaijan	596 808 901,0	596 808 901,0	
1.6.2.	Social security costs	283 863 119,0	281 777 394,0	2 085 725,0
1.7.	Activity in areas not included into culture, art, information, sport and other categories	282 494 247,0	274 812 727,0	7 681 520,0
1.7.4.	Activity not included into other categories	65 201 442,0	64 858 011,0	343 431,0
1.7.4.10.	Financial contributions from public budget	6 941 452,0	6 941 452,0	
1.7.4.10.1.	Financial contribution to non-governmental organizations	3 438 252,0	3 438 252,0	
1.11.	Industry, construction and minerals	2 712 126 000,0	2 712 126 000,0	
1.11.1.	Construction	2 695 276 000,0	2 695 276 000,0	
1.11.1.1.	State investment (investment costs)	2 692 000 000,0	2 692 000 000,0	
1.12.1.1.	Ministry of Transport of the Republic of Azerbaijan (regulation of the activity of motor transport)	1 068 080,0	1 068 080,0	
1.13.	Economic activity	793 007 755,0	793 007 755,0	
1.13.1.	Economic and commercial activity	185 000 000,0	185 000 000,0	
1.13.1.2.	Meet housing requirement of population of the Republic of Azerbaijan and provide privileged housing to citizens	150 000 000,0	150 000 000,0	
1.13.2.	Other areas of economic activity	606 668 345,0	606 668 345,0	
1.14.	Services not included into main sections	1 554 279 393,0	1 538 389 452,0	15 889 941,0
1.14.1.	Designated budget funds	297 000 000,0	297 000 000,0	
1.14.1.1.	Designated Budget fund "Motor roads"	297 000 000,0	297 000 000,0	
1.14.2.	Reserve funds	301 500 000,0	301 500 000,0	
1.14.2.2.	Reserve fund of the public budget	101 500 000,0	101 500 000,0	

1.14.3.	Other expenditures not included main sections	955 779 393,0	939 889 452,0	15 889 941,0
1.14.3.3.	Expenditures for other services	915 779 393,0	899 889 452,0	15 889 941,0
1.14.3.3.3.	Ministry of Finance of the Republic of Azerbaijan	37 554 314,0	36 252 664,0	1 301 650,0
1.14.3.3.3.1.	Print of specially protected and other documents	14 402 164,0	14 402 164,0	
1.14.3.3.3.3.	Involve experts to identify credit ranking of the Republic of Azerbaijan and assess other works and maintain information system	7 350 500,0	7 350 500,0	
1.14.3.3.3.5.	Enforcement of court decisions, legal aid regarding court processes and other services	11 301 650,0	10 000 000,0	1 301 650,0
1.14.3.3.4.	Extra-budgetary expenditures for services not included the main sections	6 608 563,0	6 608 563,0	
1.14.3.3.7.	Funding of social- economic and other measures	9 700 000,0	9 700 000,0	
1.14.3.3.10.	Social –economic, as well as other measures not considered in local expenditures	11 656 865,0		11 656 865,0

At the same time, according to the Decree, it is planned to add the sub-paragraphs with the following content:

“1.1.2.5	Ministry of Economy of the Republic of Azerbaijan (Trade Representatives in the embassies and consulates of the Republic of Azerbaijan operating abroad)	3 700 000,0	3 700 000,0	
1.5.3.2.	Health facilities of “Azerbaijan Railways” Closed Joint Stock Company	3 000 000,0	3 000 000,0	
1.6.2.7.	State Oil Company of the Republic of Azerbaijan (Subsidy allocated to cover the loss arisen from the sale of natural gas lower than its prime cost in 2016)	250 000 000,0	250 000 000,0	

1.12.1.8.	Ministry of Transport, Communication and High Technologies	1 116 920,0	1 116 920,0	
1.13.2.6.	Ministry of Transport, Communication and High Technologies (Financial contributions allocated to High Technologies Park)	500 000,0	500 000,0	
1.13.2.7.	Costs of feasibility study associated with reforms planned in several public entities	5 000 000,0	5 000 000,0	
1.13.2.8.	Increase of registered capital of Deposit Insurance Fund	546 000 000,0	546 000 000,0	

Among the instructions given within the framework of this Decree, the following instructions are set for the implementation by the Ministry of Economy of the Republic of Azerbaijan under the Decree of the President of the Republic of Azerbaijan No. 1180 of December 27, 2016 "On the application of the Law of the Republic of Azerbaijan" On the State Budget of the Republic of Azerbaijan for 2017 ":

- Prepare within ten days and submit to the President of Azerbaijan of the Republic the proposal on the allocation of funds and objects in the amount of AZN 191.0 million from the undistributed part of the funds provided for public capital investments (investment costs);
- To provide, in coordination with the Ministry of Finance of the Republic of Azerbaijan, the distribution, as well as changes to the distribution of funds provided for the maintenance of trade representatives operating in the embassies and consulates of the Republic of Azerbaijan in foreign countries.

Among these instructions, it is envisaged to ensure access of people to housing within the Decree President of the Republic of Azerbaijan of December 27, 2016 No. 1180 "On the Application of the Law of the Azerbaijan Republic "On the state budget Of the Republic of Azerbaijan for 2017", and allocate AZN 50,0 million to State Agency for Housing Construction under the President of the Republic of Azerbaijan from the undistributed part of the funds envisaged for privileged access of people to housing.

Under the Decree, the Cabinet of Ministers of the Republic of Azerbaijan was given several tasks:

- Prepare and submit within three months to the President of the Republic of Azerbaijan Proposals on harmonizing the laws of the Republic of Azerbaijan and Acts of the President of the Republic of Azerbaijan with the Law Of the Republic of Azerbaijan on Amendments to the Law of Azerbaijan Republic of Azerbaijan on the State Budget for 2017 year".
- Prepare within three months and submit to the President of the Republic of Azerbaijan proposals on bringing the regulatory and legal acts of the Cabinet of Ministers of the Republic of Azerbaijan in line with this Law;
- Keep control of the process of the harmonization of normative and legal acts of central executive authorities with this Law and inform the President of the Republic of Azerbaijan about the progress of the execution of the assignment within five months;
- Resolve other issues arising from this Act and the Decree.

The Ministry of Justice of the Republic of Azerbaijan was instructed to bring the regulatory-Legal acts of the central executive authorities and the acts of normative character in line with the Law of the Republic of Azerbaijan "On Amendments to the Law of the Republic of Azerbaijan "On the State Budget Of the Republic of Azerbaijan for 2017 "and to inform the Cabinet of Ministers of the Republic of Azerbaijan thereabout.



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