

Approved by
 Yagub Eyyubov, Chairman
 The Committee on Business Environment
 and International Rankings,
 First Deputy Prime Minister,
 The Cabinet of Ministers
 of the Republic of Azerbaijan

26 January 2019

**Actions Plan
 of the Effective Management and Macroeconomic Indicators Task Force
 of the Committee on Business Environment and International Rankings for 2019**

#	Indicators	Current situation (2018)	Methodology	Actions to be taken	Implementation period	Implementing authorities	Responsible persons
<i>The Global Competitiveness Report</i>							
1.	1.06 Budget transparency	Rank 116, Score 34.6	Represents the Open Budget Data Score, which indicates the extent to which the government publishes data related to budget and spending and is based on the evaluation of 20 key criteria. The scale ranges from 0 (low transparency) to 100 (high transparency).	The related authority takes relevant efforts on following directions and the Task Force renders critical support to the relevant authority in question: 1. Publication of a Budget Manual on the official website of the Ministry of Finance in Azerbaijani and English on a timely manner; 2. Disclosure of more detailed information on the status of the budget implementation and key macroeconomic forecast indicators in Azerbaijani and English; 3. Disclosure of more detailed information on expenditures across administrative authorities and programs, as well as on linkage of budget expenditures to main policy priorities in the government budget package;	March-April 2019	The Ministry of Finance	Banuchichek Mammadli

				<p>4. Improvement of mechanisms for discussions between representatives of public authorities related to a draft budget and with those of public on the basis of new innovations;</p> <p>5. Maintaining regular cooperation with companies (both resident and non-resident) involved in international rating surveys.</p>			
2.	1.10 Burden of government regulation	Rank 12, Score 4.6	<p>Response to the question “In your country, how burdensome is it for companies to comply with public administration’s requirements (e.g., permits, regulations, reporting)?” in the Executive Opinion Survey conducted by the World Economic Forum [1 = extremely burdensome; 7 = not burdensome at all].</p>	<p>The related authority takes relevant efforts across the following directions and the Task Force renders critical support to the authority in question:</p> <ol style="list-style-type: none"> 1. Optimization of the number and content of reports submitted to public authorities by entrepreneurs; 2. Simplification of the report delivery procedure; providing accessibility of private entities to the databases of institutions that request reports (delivery of APIs) in order to automate procedures; 3. Maintaining of regular cooperation with companies (both resident and non-resident) involved in international rating surveys. 	February-March 2019	The Ministry of Economy	Bayram Rzayev
3.	1.13 Future orientation of government	Rank 20, Score 4.7	<p>Average of the responses to the following four Executive Opinion Survey questions conducted by the World Economic Forum:</p> <ol style="list-style-type: none"> 1) “In your country, how fast is the legal framework of your country in adapting to digital business models (e.g. e-commerce, sharing economy, fintech, etc.)?” [1 = not fast at all; 7 = very fast]; 2) “In your country, to what extent does the government ensure a stable policy environment for doing business?”; 3) “In your country, to what extent does the government respond effectively to change (e.g. 	<p>The related authority takes relevant efforts across the following directions and the Task Force renders critical support to the authority in question:</p> <ol style="list-style-type: none"> 1. Strengthening institutional mechanisms used in discussion and adoption of legislative initiatives on application of ICTs; 2. Work to improve the expertise of economic policy related documents; 3. Regular cooperation with the companies involved in international ranking surveys (both resident and non-resident). 	April-May 2019	The Ministry of Economy	Bayram Rzayev

			<p>technological changes, societal and demographic trends, security and economic challenges)?”;</p> <p>4) “In your country, to what extent does the government have a long-term vision in place?”;</p> <p>For the last three questions, the answer ranges from 1 (not at all) to 7 (to a great extent).</p>				
4.	4.01 Inflation, annual % change	Rank 128, 12.8%	<p>Annual percentage change in the Consumer Price Index. Inflation is normalized in a U-shaped function to capture the detrimental effects of high inflation and deflation. Countries with inflation rates between 0.5% and 4% receive the highest possible score of 100. Outside this range, scores decrease linearly as the distance between the optimal value and the actual value increases.</p>	<p>The related authority takes relevant efforts across the following directions and the Task Force renders critical support to the authority in question:</p> <ol style="list-style-type: none"> 1. Considering the possibilities for transition to inflation targeting; 2. Launching cooperation with the expert or assessment team that develops reports and delivery of accurate data on the current country indicator upon coordination with the Secretariat of the Committee on Business Environment and International Ratings. 	<p>April-May 2019</p> <p>February-March 2019</p>	The Central Bank, The State Statistics Committee	Ziya Aliyev Nuru Suleymanov
5.	4.02 Debt dynamics (0-100)	Rank 111, Score 44	<p>This indicator is a category-based min-max normalization of the debt change. To transform the debt change value into a 0 to 100 score, each country is assigned to a specific category that determines the value boundaries. Categories are based on three criteria: general credit rating, government debt to GDP level for the year 2017, and country classification (1 if country is considered advanced, 0 otherwise according to IMF’s classification). The general credit rating for each country is computed as the average of Fitch, Standard and Poor’s (S&P) and Moody’s credit ratings.</p>	<p>Launching cooperation with the expert or assessment team that develops reports and delivery of accurate data on the current country indicator upon coordination with the Secretariat of the Committee on Business Environment and International Ratings.</p>	<p>February-March 2019</p>	The Ministry of Finance	Banuchichek Mammadli
6.	10.02 Imports of goods and	Rank 76, 40.8%		<p>The website of the WTO hosts data on imports of goods formulated on the basis of customs data and information on</p>	<p>February-March 2019</p>	The State Statistics Committee	Nuru Suleymanov

	services (% of GDP)			imports of commercial services from the balance of payments (excluding imports of public services) in the country profile of Azerbaijan. While according to the calculation methodology, the indicator should be determined in terms of the ratio of total value of imports of goods and services (including public services) to GDP. Communication of this gap to the organization that conducts calculations and suggesting the generation of the indicator from the 'World Development Indicators' database of the World Bank.			
<i>The index of economic freedom</i>							
7.	3.3 Monetary freedom	Rank 165, Score 65.6	The score for the monetary freedom component is based on two sub-factors: 1. The weighted average inflation rate for the most recent three years; 2. Price controls. Depending on the level of control over prices up to 20 scores is deducted from average inflation of recent 3 years to get overall monetary freedom index.	The related authority takes relevant efforts across the following directions and the Task Force renders critical support to the authority in question: 1. Development and accordingly delivery of proposals to liberalize a number of areas, where tariffs (prices) are regulated by the government according to the state's socio-economic policy; 2. Optimization of the list of goods (works, services), whose prices (tariffs) are regulated by the government and delivery of proposals by related authorities; 3. Launching cooperation with the expert or assessment team that develops reports and delivery of accurate data on the current country indicator upon coordination with the Secretariat of the Committee on Business Environment and International Ratings.	May-June 2019 February-March 2019	Tariff (Price) Council	Sadig Aliyev