

Parliamentary Control and Accountability

Case of Kyrgyz Republic



Kyrgyz Republic

In the north it borders on Kazakhstan, in the west on Uzbekistan, in the southwest on Tajikistan, in the southeast and in the east on China.

Population is 5.8 mln people

Territory : 198 500 km², water surface %3,6

Capital Bishkek

Flag



GDP (2014) \$7,9 bln

Currency Kyrgyz som

Per capita \$1430

Official languages
Kyrgyz (state language),
Russian (official language)

Budget calendar in Kyrgyz Republic

- *Development and adoption of midterm budget forecast and ceilings for spending units – by May 15;*
- *Drafting the Republican Budget and its submission to the Parliament – by September 1;*
- *Approval of the draft budget by the Parliament – by December 1;*
- *Endorsement by the President – by December 31;*
- *Preparation of the annual report on budget execution – no later than May 15.*

Budget Process participants and the central government level

President of the KR

Parliament

Government

Court of Accounts

Civil Society

Authorities of the President of the KR

- ❑ Endorses and promulgates the Law on Republican Budget;
- ❑ Endorses and promulgates the Law on Approval of the Report on Republican Budget Execution.

Draft laws on central government budget, on taxes are subject to mandatory endorsement by the President without the right to veto them.

Government of the Kyrgyz Republic

- *Submits draft budget to the Parliament not later than September 1 and ensures its execution;*
- *Not later than May 15, submits annual report on budget execution;*
- Ensures implementation of fiscal, price, tariff, investment, foreign economic, tax and customs policies;
- Provides official conclusions on the source of financing for draft laws, which envision increase of expenditures, paid from the state budget or reduction of budget revenues.

Authorities of the Parliament

- Before April 15, adoption of the budget resolution, which defines the main priorities of the budget policy for three-year period;
- Adoption of the draft Law on the Republican Budget and entering amendments to the Law on the Republican Budget;
- Control over the republican budget execution via committees and commissions, as well as through instructions to the Court of Accounts;
- Approval of the Government's report on the republican budget execution and the report of the Court of Accounts on the republican budget execution.

The Parliament of the KR consists of:

- One chamber;
- 120 MPs elected on the basis of party lists for 5-year term,
- 14 committees

In accordance with the Constitutions of the Kyrgyz Republic, draft laws resulting in increase of the expenditures of the republican budget shall be adopted by the Parliament after the Government identifies the source of financing.

Any amendments to the Law on the Republican Budget, draft laws on introduction or cancellation of any taxes, exemption for their payment, modification of financial obligations of the state, and any other draft laws envisioning increase of expenditures to be financed from the state budget or reduction of the state budget revenues shall be adopted only **upon consent of the Government of the Kyrgyz Republic.**

Procedure of review and adoption of the Law on Budget by the Parliament

- Draft Law on budget undergoes 3 hearings;
- It is reviewed in all parliamentary groups and committees;
- It is discussed at the extended session of the Parliament and is adopted by the majority of the deputies present at the session, but not fewer than by 50 votes;
- It is adopted by the Parliament not later than 1 month before the beginning of the new fiscal year.

The following issues are discussed during the first hearing:

- The concept of the draft budget law;
- Social and economic outlook;
- Main characteristics of the republican budget;
- Main directions of the fiscal policy.

The following is adopted during the first hearing :

- Relative share of the revenues of the republican budget;
- Relative share of the expenditures of the republican budget;
- deficit (surplus) of the republican budget;
- Sources of budget deficit financing;
- Norms of revenues allocation among budgets of various levels;
- Ceilings of the state domestic and external debt;
- Statutory value of the reserve funds of the Government.

The following is adopted during the second hearing :

- Article-by-article adoption of the budget expenditures by their types, groups and subgroups
- As a result of the second hearing the conclusion of the Parliament is sent to the Budget and Finance Committee of the Parliament for preparation and submission of the third hearing.

Third Hearing

Adoption of the republican budget by the majority of the MPs present at the session, but at least by 50 votes

Court of Accounts

Audit and performance audit of budgets formation and execution, as well as of off-budget and special funds and of state and municipal property utilization

Note:

The Court of Accounts acts as advisor to the Parliament. It provides analysis and submits conclusion on budget issues. It reports to the President and the Parliament.

The Committee Budget and Finance:

- ❑ drafting of budget resolution, which reflects main direction of the fiscal policy for the next year;
- ❑ Submission to the Parliament of the draft laws on budget;
- ❑ Preparation of consolidated conclusion on the draft budget in view of conclusion of party groups, committees and the Court of Accounts;
- ❑ Review of information on on-going budget execution.

Note:

The Committee on Budget and Finance is headed by the opposition

Functions of the Department Supporting the Committee on Budget and Finance :

- Administrative support;
- Legal support;
- Analytical support;
- Information support;
- Documentary support.

Note:

The Department of the Committee on Budget and Finance consists of 9 persons who provide support to the Committee on Budget and Finance

Civil Society

(citizens, local communities, NGO, non-for-profit organizations and public associations)

- ❑ *Create groups of public services users;*
- ❑ *Address state bodies and mass media on the issues relating to the budget;*
- ❑ *Participate in public hearings on budget approval and on report on budget execution*
- ❑ *Have the right of access to the information and the right of legislative initiative (at least 10 thousand votes)*

Thank you for attention!