RUSSIAN FEDERATION

MINISTRY OF FINANCE

EXECUTIVE ORDER # 145n

September 22, 2015

APPROVAL OF GUIDELINES ON PRESENTATION OF BUDGETS AND BUDGET EXECUTION REPORTS OF RUSSIAN REGIONS AND MUNICIPALITIES IN A FORMAT ACCESSIBLE TO CITIZENS

To improve transparency (openness) of regional and local budgets in the Russian Federation I hereby order:

To approve the attached Guidelines on Presentation of Budgets and Budget Execution Reports of Russian Regions and Municipalities in a Format Accessible to Citizens.

A.G. SILUANOV

Minister

Approved by

MOF Executive Order # 145n

on September 22, 2015

**GUIDELINES ON**

**PRESENTATION OF BUDGETS AND BUDGET EXECUTION REPORTS**

**OF RUSSIAN REGIONS AND MUNICIPALITIES**

**IN A FORMAT ACCESSIBLE TO CITIZENS**

These Guidelines are designed to implement the principle of budget system transparency (openness) in the Russian Federation by informing citizens (interested users) about regional and local budgets in an accessible format.

I. General

1. These Guidelines define the scope, structure as well as procedures for drafting and publication of information containing the key provisions of the draft budget (the regional/municipal budget law/decision, the regional/municipal budget execution law/decision for the reporting fiscal year) in a format understandable to a wide range of citizens (hereinafter, the Citizens Budget).

2. The Citizens Budget shall be prepared to inform citizens (interested users) about budget policy objectives and priorities, key budgeting and budget execution conditions, sources of budget revenues, justification of budget expenditure, expected and actual performance of budgetary appropriations, and citizens’ involvement in the discussion of budget decisions.

3. The Citizens Budget shall be used in the process of public consultations on the regional/local budget and annual report on its execution.

4. Recommended principles to be used as guidance to prepare and publish the Citizens Budgets:

4.1. Adequacy: Scope of information presented in the Citizens Budget shall be sufficient for citizens (interested users) to get an idea of the budget of a region/municipality (hereinafter, the Government Unit) without recourse to additional sources;

4.2. Intelligibility: If special terminology is used, the terms shall be explained (inter alia, based on case studies);

4.3. Credibility: The Citizens Budget shall only include information which relies on official data on the key performance indicators of socioeconomic development, budget policy objectives and priorities, sources of budget revenues, justification of budget expenditure as well as expected and actual performance of budgetary appropriations;

4.4. Relevance: Information presented in the Citizens Budget shall be updated as required by the laws of the Russian Federation and Russian regions (decisions of local authorities), as amended;

4.5. Accessibility: The Citizens Budget shall be published proceeding from the need to provide access to information to the largest possible number of citizens (interested users);

4.6. Timeliness: The Citizens Budget shall be published in the World Wide Web not later than the day on which the draft budget law/decision is submitted to the legislative (representative body) or the day on which the budget law/decision is promulgated, and not later than the day on which the draft budget execution law/decision is submitted to the legislative (representative body) or simultaneously with the promulgation of the budget execution law/decision.

II. Scope and Structure of the Citizens Budget

5. The Citizens Budget shall include:

A glossary explaining the key concepts used in the budget process such as “budget”, “budget revenues”, “budget expenditure”, “intergovernmental transfers”, and other relevant terms;

A description of the administrative/territorial division of the Government Unit;

Key performance indicators of socioeconomic development of the Government Unit based on projections of its socioeconomic development over time, including actual values in the reporting year as well as forecast for next year and planning period, inter alia, indicators characterizing population size, gross regional product, consumer price index, unemployment rate, average monthly wages, subsistence level, and projected volume of residential construction;

Key budget policy objectives and priorities of the Government Unit for next fiscal year and planning period (when the Government Unit prepares a 3-year budget), including those designed to support a balanced budget and increase the efficiency of budget expenditure;

Key budget characteristics (in absolute and relative terms), including data on revenues and expenditure, intergovernmental transfers expected from the federal/regional/local budget, and budget deficit/surplus;

Basic information on the intergovernmental relations of the Government Unit, including data on transfers expected from the federal/regional budget, directed to local budgets and expected from local budgets;

The Government Unit’s debt burden, including information on the debt structure by type of debt;

The Government Unit’s rankings on the openness of budget data and quality of regional/municipal finance management;

Information on the Citizens Budget project competitions which the Government Unit organized or participated in as well as participatory budgeting projects or budget literacy projects implemented by the Government Unit.

6. Information on the Government Unit’s budget revenues shall include:

Expected revenues of the Government Unit’s budget for next fiscal year and planning period, inter alia, in comparison with the preceding years; and

Amount and structure on tax and nontax revenues as well as intergovernmental transfers to the Government Unit’s budget over time (actual values in the reporting year, current year targets, and forecast for next year and planning period).

7. In view of the specific features of budget revenue classification in the budget system of the Russian Federation, the Government Unit’s financial authority shall aggregate the data and present them by main type of tax and nontax revenues for the data to be clear and understandable to citizens (interested users).

8. Information on the Government Unit’s budget revenues shall be supported by notes explaining the causes of changes in budget revenues and a brief description of activities implemented by the regional public/local authorities that affect budget revenues.

9. Budget revenue data shall be structured with due regard for the interests of target groups that use information presented in the Citizens Budget. A target group and its composition may be dependent on the criteria based on which citizens and/or entities that receive support (or other types of payments) from the budget are assigned to different target groups. These criteria may include qualitative characteristics and number of target group members, social significance of a target group, and amount of budget funds allocated in support of a target group. A target group may consist of citizens and/or entities targeted by a regional public program/municipal program.

9.1. Description of a target group shall include summary information characterizing the group as well as definitions based on regulatory legal acts, together with the details of the acts and/or references thereto and comments on them in a format accessible and understandable to citizens (interested users). Information on a target group may be presented as a background note, a table or infographics.

9.2. Target groups may be represented by large social groups consisting of those who receive budget support due to their social status (e.g., families with children, students, orphans, people with disabilities, those affected by emergencies, low income households, people in need of social assistance, and others); employees of public/municipal institutions (e.g., teachers, doctors, social workers); institutions and enterprises that receive budget support or public/municipal contracts financed from the budget (e.g., small and medium-sized businesses, sole proprietors, nonprofit organizations, entities fully or partially owned by the government/municipality, etc.).

9.3. Information for a target group may be presented along the following lines: quantitative data (target group size and share in total population of the Government Unit, and support from the Government Unit’s budget (benefits, cash payments, compensations, social assistance)); public and municipal services provided to the target group at the expense of the Government Unit’s budget; and activities under regional public programs/municipal programs directly addressed to the group.

10. Information on the Government Unit’s budget expenditure shall be presented by regional public program/municipal program, specifying non-program expenditures and focusing on socially significant projects implemented in the Government Unit, including those implemented on a PPP basis and participatory budgeting projects.

11. Information of budget expenditure by regional public program/municipal program <\*> shall be supplemented by data on the achieved and planned program targets (as compared to the amount of budget funds allocated to achieve such targets). Data on expenditure and targets shall be given as a time series (actual values in the reporting year, current year targets, and forecast for next year and planning period).

--------------------------------

<\*> If the Government Unit decides to prepare its budget in a program format.

12. Information on budget expenditure may be additionally presented by section and subsection of budget expenditure classification and type of expenditure.

13. Information on budget expenditure shall include data on the estimated level of tax and nontax benefits established by the law/decision of the respective Government Unit.

14. The Citizens Budget shall include information on socially significant projects, inter alia, on regional/intermunicipal capital facilities constructed within the framework of such projects or those that are critical for socioeconomic development of the Government Unit.

15. Socially significant project may be included in the Citizens Budget based on the following possible criteria:

A large amount of budget funds allocated for the project;

A region wide/intermunicipal nature of the project; and

A broad coverage of the target audience (several target groups to which the socially significant project is addressed).

16. The following data shall be included for each socially significant project:

Project summary/background: title, place, and timeline (commissioning deadline for capital facilities);

Volume of project financing: total financing by year and source of funds (federal budget, regional budget, local budget, off-budget funds), and earmarked expenditure items;

Interventions planned to achieve the formulated goals, including those planned under federal public programs, regional public programs and municipal programs that have a direct impact on the target groups;

Performance indicators for projects, regional public programs and municipal programs; and

Expected results that characterize performance of projects, regional public programs and municipal programs.

17. Information on implementation of participatory budgeting projects in the Government Unit shall include data on local initiative support projects addressing locally significant issues with a direct involvement of citizens.

18. Information included in the Citizens Budget which is prepared on the basis of the draft budget execution law/decision or effective budget execution law/decision shall have the same structure as information included in the Citizens Budget which is prepared on the basis of the draft budget law/decision or effective budget law/decision, and causes of differences between the actual and planned values shall be explained.

19. The Citizens Budget shall include contact details for citizens, including the location, contact telephones, email addresses and working hours of the Government Unit’s financial authority, visiting hours for citizens to be received by the executive officers of the financial authority, and description of additional options for citizens to participate in public consultations on the draft budget and budget execution report in the Government Unit, including the description of arrangements for interaction with the deputies of the Government Unit’s legislative/representative authority.

20. To provide additional information to citizens the Government Unit’s financial authority shall prepare the Citizens Budget using selected per unit/per capita indicators of budget revenues and expenditure, including comparisons with other regions/municipalities for the year preceding the year of the Citizens Budget.

III. Citizens Budget Preparation and Publication

21. The Citizens Budget shall be prepared and published by the Government Unit’s financial authority on an annual basis.

22. The Government Unit’s financial authority shall prepare and publish the Citizens Budget on the basis of the following documents:

The draft budget law/decision submitted by the highest executive authority of the region or local administration of the municipality to the legislative/representative authority;

The budget law/decision; and

The draft law/decision on budget execution in the reporting fiscal year submitted by the highest executive authority of the region or local administration of the municipality to the legislative/representative authority, or the law/decision on budget execution in the reporting fiscal year.

23. The Citizens Budget shall be prepared using regulatory legal acts/decisions issued to approve regional public programs/municipal programs as well as other regulatory legal acts, as determined by the Government Unit’s financial authority.

24. When preparing the Citizens Budget, the Government Unit’s financial authority shall be guided by these Guidelines and legal acts issued by the Government Unit’s authorized bodies regulating Citizens Budget preparation and publication.

25. As decided by the Government Unit’s financial authority, the Citizens Budget may be updated in compliance with amendments to the budget law/decision.

26. The Citizens Budget shall be prepared using modern data visualization technologies to ensure data transparency and accessibility.

27. The Government Unit’s financial authority shall hold public consultations in the process of Citizens Budget preparation to discuss its scope and presentation format, including the format of working group meetings, committees, surveys, and hot lines.

28. The Citizens Budget shall be published in the World Wide Web, inter alia, as booklets or as data posted to the official website of the Government Unit or its financial authority or another information resource, as decided by the Government Unit’s financial authority, as well as in Unified Portal of the Russian budget system.

29. The Citizens Budget prepared on the basis of the draft budget law/decision or the budget law/decision shall be published at the time when the highest executive authority of the region or local administration of the municipality submits the draft budget law/decision to the legislative/representative authority, or simultaneously with the promulgation of the budget law/decision.

30. The Citizens Budget prepared on the basis of the draft law/decision on budget execution or the law/decision on budget execution shall be published at the time when the highest executive authority of the region or local administration of the municipality submits the draft law/decision on budget execution to the legislative/representative authority, or simultaneously with the promulgation of the law/decision on budget execution.

31. Information published in the World Wide Web information resource shall be publicly accessible and shall not require registration of citizens (interested users) or their personal data, or signature of a license or any other agreement to allow citizens’ access to the budget.

32. The Government Unit’s financial authority that publishes the Citizens Budget as data posted to the World Wide Web information resources shall arrange for feedback from citizens (interested users) and give them a possibility to communicate on the topics, sections and headings of the respective information resource.