

Enhancing Budget Literacy in Russia: Approaches, Latest Developments and First Lessons Learnt

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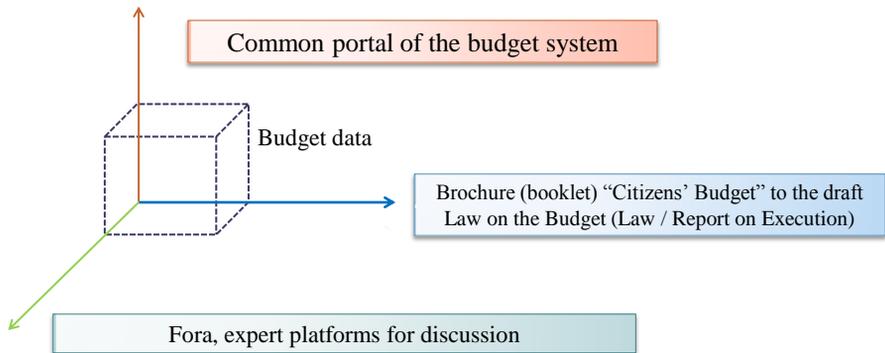
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Building a multidimensional system for presenting budgetary data in a form that could be easily understood by citizens



The approach would allow for the following:

- To adapt the contents and the form of presenting the information depending on what target group the user belongs to
- To involve a broad range of channels for dissemination and promotion of information on the budget for citizens, including also on the Internet, and in print media
- To enhance involvement of citizens in the budget process
- To implement new tools for receiving feedback on budget related issues

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Information contained on the Common Portal of the Budget System

Section "Budget System"

- Budget set up
- Principles of the budget system and budget classification
- Stages and participants of the budget process and their authorities
- Responsibility for violations of the budget legislation

Section "Budget"

- Revenues and expenditures (taking into consideration budget execution)
- Budget balance (sources of internal and external financing of budget deficits)
- State support
- State investments
- State programs
- Public debt
- Evaluation of the quality of financial management
- Documents in accordance with which preparation of the budget is carried out (main areas of the budget and fiscal policy)

Section "Regions"

- Modern federal structure of Russia;
- Passports of regions;
- Sub-section "More details about the region".

Section "Public Sector"

- Types of public sector entities, their number and forms of ownership
- Budget balance (financial and non-financial assets, liabilities and financial results)
- Statutory regulation and specifics of provision of public and municipal services;
- Organization network of state government bodies (of executive and judicial branches)

Section "Russia in the world"

- Russia in international ratings (open budget index, the level of e-government development, business environment rating, the degree of economic freedom, innovative countries)
- Indicators of Russia in the world (consumer price inflation, export of goods, general reserves, etc.)

Section "Data and services"

- Data constructor
- Regulatory framework
- Calculator
- Open data
- Surveys
- Glossary
- Forum
- Questions and answers

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Implementation of the module "Citizens' Budget" on the Common Portal of the Budget System

Function	Module – <i>an information block on a certain individual topic</i>
<p>Educational (forming basic knowledge about the budget system)</p>	<ul style="list-style-type: none"> • On the budget design and the budget process • Module of interactive services (in the part of the budget calendar) • An electronic library of international budgetary practices
<p>Informational (reference data on socioeconomic development, international comparisons, current data on the budget system)</p>	<ul style="list-style-type: none"> • Analytical block of information • Data on parameters of budgets of different levels of the budget system • Parameters of the budget sustainability
<p>Explanatory (nuances and subtleties of the budget design)</p>	<ul style="list-style-type: none"> • The glossary of terms (with references to the budget legislation) • The list of social transfers and services (with references to the relevant regulatory and legal acts)
<p>Ensuring feedback (establishes a kind of communication between the Government and citizens on issues related to public finance)</p>	<ul style="list-style-type: none"> • Module of interactive services (in the part of the budget calculator, budget simulator, citizens budget) • The forum and surveys • My profile

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Areas of improvement of the Common Portal of the Budget System

- ✓ Budgetary data has to be presented in the context of the target groups
- ✓ A user has to have a right to choose the type of presentation of data in absolute or relative values
- ✓ It is necessary to meet the demand of users for data constructors to a maximal possible extent
- ✓ Providing for convenient search for information
- ✓ Information on the Common Portal should be “specialized”, in other words it should be clearly linked to the budget process, including also with respect to indicators that are used for budgeting
- ✓ Development of interactive services that are designed to provide for popularity of the Common portal
- ✓ Provision for sufficient feedback, including utilization of survey results

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Purpose of the “Citizens Budget”

The main goal is to provide citizens with the most recent information on the budget and the report on its execution in objective, credible and easy to understand format.

For the state

- Informing citizens on the decisions that are made
- Ensuring transparency and openness of the budget process
- Building trust among the population
- Involvement of citizens in the decision making process

For public entities, government authorities, experts that use data on the budget

- Access to the information on the budget
- Providing for more accurate comparison of budget data
- Expansion of the market and improvement of the quality of expert and consulting services

For a citizen

- Raising awareness about budget priorities and about its key components
- Ensuring awareness about social services provided by the state
- Implementation of the function of public control over budget expenditures
- Use of information for training purposes
- A possibility to influence managerial decisions

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Main areas of work of the Ministry of Finance of Russia with respect to the project “Citizens Budget” in 2014 - 2015		
1.	Implementation of the modular approach to the format of the “Citizens Budget”, including also with subsequent development of recommendations for the regional and local levels	
2.	Working together with the Finance Scientific Research Institute of the Ministry of Finance of Russia and with other expert and civil society organizations on identification of target groups, on setting requirements to information that is specific for them	
3.	Improvement of visibility and expansion of functionality of information resources on the “Citizens Budget” (an interactive dictionary, a budget calculator, “budget simulator”, budget calendar etc.)	
4.	Involvement of citizens in the process of making managerial decisions, further work aimed at improvement of feedback from citizens	
5.	Conducting together with the Finance Scientific Research Institute and with the Center for Applied Economics the rating of constituents of the Russian Federation with respect to publication of citizens budgets, and also drawing up a Report on the best practices in the sphere of the federal, regional and local budgets for citizens	
6.	Elaboration of approaches to assessment of direct and final publicly relevant results of notable projects and events in the budget policy	

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“Citizens Budget” for the Federal Law on the Federal Budget for Year 2015 and for the Planning Period of years 2016 and 2017		
<p>A link on the web site of the Ministry of Finance of the Russian Federation: http://www.minfin.ru/ru/performance/reforms/budget/</p>		

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Analysis of experience in the field of preparing and publishing the “Citizens Budget” in constituents of the Russian Federation

Methodological recommendations (Order of August 22, 2013, No. 86н/357/468) on presenting budgets of constituents of the Russian Federation and local budgets and reports on their execution in the format that is understandable for citizens and do not contain **strict regulation of the format of the “Citizens Budget” at the regional and local levels.**

Information on preparation of “Citizens Budgets” in constituents of the Russian Federation in 2014

Preparation Method	Count
Citizens budgets based on reports for 2013	6
Citizens budgets based on the current laws on budgets	20
Citizens budgets attached to reports for 2013 and current laws on budgets	22
Citizens budgets attached to reports for 2013, to current laws on budgets and to draft budgets	7
Other options of citizens budgets	8

- ✓ As a whole, 77 constituents of the Russian Federation presented to the Ministry of Finance of Russia information on the progress in preparation of “Citizens Budgets”.
- In a number of constituents of the Russian Federation there is a long-term experience of presenting information on the budget in the format that is understandable for citizens, including also in the Krasnodar Territory – since 2005, in Krasnoyarsk Territory – since 2008, in Altai Territory – since 2010.
- “Budgets for citizens” are presented both in the form of presentations and leaflets, and in the form of information resources (portals), or their individual sections.
- ✓ Preparation and publication of “Citizens Budgets” is done at the level of municipal formations.

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Examples of the best approaches to visualization of “Citizens Budgets” developed in constituents of the Russian Federation

Astrakhan oblast

Krasnoyarsk Territory

Omsk oblast

Krasnodar Territory

Kostroma oblast

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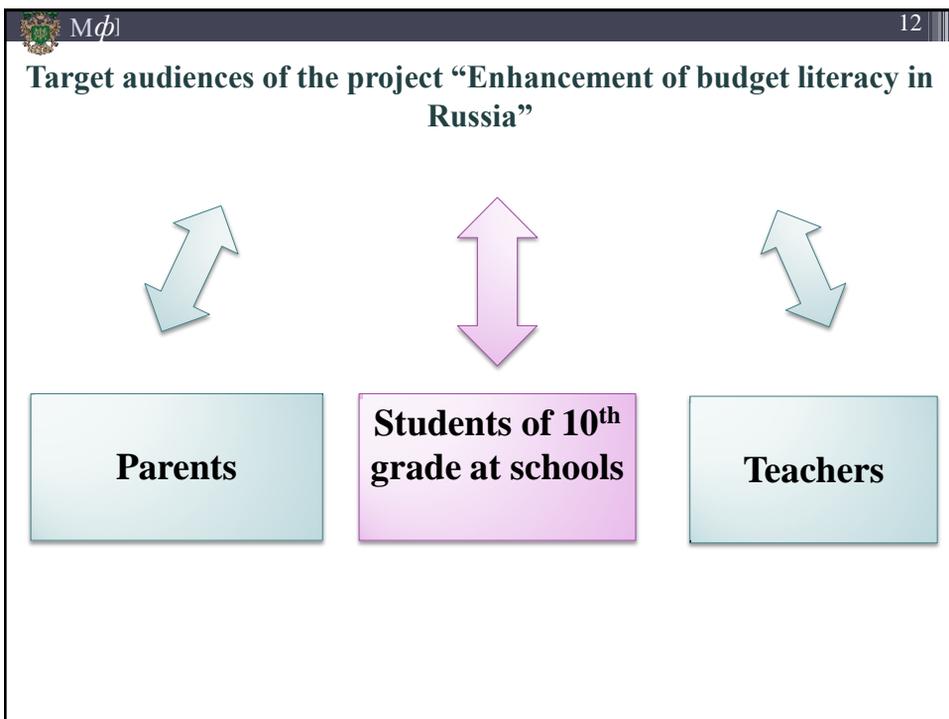
The goal and objectives of the project “Enhancement of budget literacy in Russia”

Goal: Development of the concept, approaches and methodological support for educational programs related to budget literacy of students aimed at creation of basic conditions for civic engagement and involvement of the population in governing the state.

Objectives:

- ✓ Development and testing in pilot regions of approaches that provide for communication of complex materials in a simple, interesting and convincing form that could be understood by young people in the conditions of the general low fiscal literacy of the country’s population and low level of civic engagement in managing the budget process
- ✓ Development of a modular program (that gives an opportunity to learn the material at various levels of complexity), training and teaching materials in the field of budget literacy, which include both knowledge about technical aspects of the budget, and on tools and methods of implementing the function of public control over public expenditures, and real ways to influence managerial decisions
- ✓ Elaboration of the efficient methodology for training teachers on the subject of budget literacy, taking into consideration the relatively low level of competence in the sphere of financial literacy and low level of civic engagement in managing the budget process

- Information campaign and popularization of knowledge at all levels – federal, regional and local to motivate both students and adults (parents and teachers) to learn how to read and understand public budgets, to be involved in the decision-making process, to take active part in public hearings on issues related to the budget process, etc.



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Lessons learnt from international experience in the field of enhancement of budget literacy: development of the educational program on enhancement of budget literacy in Russia

Round table on April 2 – 3, 2015, in the World Bank Office, Moscow

Participants of the event:

- World Bank and the Ministry of Finance of the Russian Federation
- Ministry of Education and Science of the Russian Federation
- International experts from the following countries: South Africa, Brazil, Canada, USA, the Netherlands
- Russian experts
- Constituents of the Russian Federation (Krasnodar Territory, Republic of Sakha (Yakutia), Altai Territory, Perm Territory, Pskov Oblast, Sverdlovsk Oblast, Bashkortostan).



Main topics that were discussed at the round table :

- Education of the Russian youth in the field of public finance and budget
- International experience in the sphere of enhancement of budget literacy
- Planning of experimental testing of educational programs on enhancement of budget literacy in regions of Russia
- Expected results of trainings according to educational programs in the field of budget literacy in Russia

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“Budget literacy” in the system of school education in Russia

Conversations – Business games – Lessons – Case studies – Round tables – Discussions – Success stories – Presentations by schoolchildren – Problem essays – Competitions – Distance learning

<p style="text-align: center;">1st condition: To get schoolchildren interested</p> <p>Knowledge about the public budget and skills allowing to influence managerial decisions in the budget process are necessary for improving both lives of all citizens and for the society and for the place where they reside.</p> <p>The state ensures transparency, openness of the budget process, and that implies involvement of citizens in the process of making decisions.</p> <p>It is necessary to know how to use information correctly, and for that it is necessary to get necessary knowledge and skills.</p>	<p style="text-align: center;">2nd condition: To develop skills of pro-active approach to life and civic position</p> <p>Conversations, discussions, round tables, business games, small case studies devoted to the most clear sections, such as education, health services, physical education, sports and culture.</p> <p>Learning about experience of the Local Initiatives Support Program (LISP)</p>
<p style="text-align: center;">3rd condition: To combine theoretical knowledge and practical skills</p> <p>Use of the modular principle of training taking into consideration inclusion in curricula of “Social Studies” and “Economics”.</p> <p>The training module “Economics” with the focus on technical aspects of the budget.</p> <p>The training module “Civic Studies” with the focus on budget literacy as means for promoting active civil position and involvement in budget initiatives, would be united into a common curriculum “Budget literacy”.</p>	<p style="text-align: center;">4th condition: To give schoolchildren an opportunity to choose the level of complexity for studying the subject “Budget literacy”</p> <p>The course that is being developed has to include several tiers of training, taking into consideration basic knowledge of students.</p> <p>Use of electronic methods of teaching, including distance learning.</p>

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Criteria for choosing pilot regions		
4 groups of criteria	Regions that meet criteria of diversity in terms of geographic, economic and demographic aspects: different levels of socioeconomic development, diversity of ethnic and economic practices, different demographic indicators	
	Availability of experience and of the institutional infrastructure of projects on enhancement of fiscal literacy of young people in constituents of the Russian Federation, smoothly running mechanisms for implementation of projects on fiscal literacy in educational institutions	
	Susceptibility to reforms, availability of educational institutions that are ready for innovative activities, implementation of new school subjects and work programs, that have experience in managing innovation processes	
	High level of development, performance and orderliness of state power bodies of constituents of the Russian Federation in the sphere of implementation of new programs for education development	

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The road map of the project “Enhancement of budget literacy in Russia”		
April 2015	September 2015	December 2015
A round table on educational programs on budget literacy: international approaches and recommendations for Russia	A study visit to a foreign country of representatives of the federal government and stakeholders from pilot regions	Development of training modules (Economics, Civil Studies) for pilot testing (including qualification requirements, the structure and contents of educational modules)
Analysis of international experience and recommendations on its application in Russia, discussion of approaches to implementation of the project in Russia, etc.	Studying the best foreign practices for the purpose of adapting them for Russia	Elaboration of qualification requirements, the structure of educational modules, writing handbooks for schoolchildren, methodological manuals for teachers, preparation of tests for schoolchildren, etc.
February 2016	May 2016	January 2017
Replication of training materials (at least 100 sets for each module in each region)	Training school teachers in pilot regions	Testing of pilot modules in pilot regions
Creation of layouts of handbooks for schoolchildren and methodological manuals for teachers, including works on artistic presentation and creation of a series of illustrations, layout and proofreading, design and printing	Development of the program and delivery of a cycle of workshops for teachers, preparation of the system for consulting teachers before and after the cycle of workshops takes place, launching the call center operations.	Delivery of the Program “Budget Literacy” in pilot educational institutions, testing of knowledge of schoolchildren, evaluation of program’s performance
March 2017	April 2017	May 2017
Organization and delivery of a workshop	A full set of training materials (manuals for teachers and students, including textbooks, manuals for teachers and a set of tests)	National conference on Budget Literacy

Thank you for attention!