



## BCOP Budget Literacy Work Group

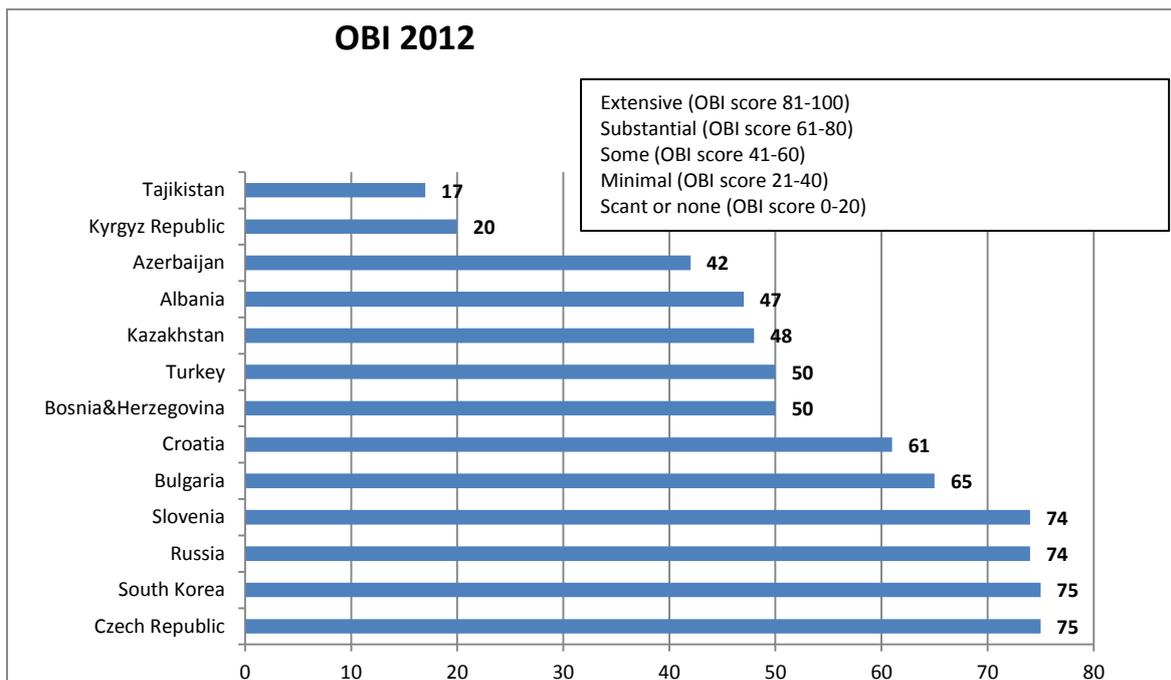
### Concept Paper

This concept paper has been prepared to implement the BCOP Executive Committee's decision made during PEMPAL cross-COP Plenary in Moscow on 25 May 2014, as well as to develop the BCOP FY 2015 Action Plan that stipulates building a work group for budget transparency and budget literacy. The idea of this work group was supported by participants from Armenia, Kyrgyz Republic and Belarus.

#### Context

In accordance with recently reviewed OECD principles of best practices in budget administration, transparency and accessibility of budget information is a key factor of efficient budget administration, because budget reports provide most important information at every stage of public policy formulation and implementation<sup>1</sup>.

Lately, enhancing budget openness has been a priority for most PEMPAL countries. Findings of the Open Budget Index (OBI) survey in 2012 also demonstrate that in many cases the governments do not ensure their citizens and civil society organizations with sufficient opportunities to participate in the budget processes, and this is the first time this aspect was surveyed<sup>2</sup>.



In spite of the fact that some countries in the region made considerable progress towards improvement of fiscal transparency, average results in the region dropped in 2012 compared to 2010, and only Russia, Croatia and Bulgaria managed to fit within “substantial” group of countries, i.e. providing substantial amount of information (scored 61-80), while most countries in the region are qualified as “some” information group

<sup>1</sup> Budget documents and data must be open, transparent and accessible (Principle 5, Best Practice Principles for Budget Administration, 2014)

<sup>2</sup> Concept Paper for the PEMPAL Plenary “Fiscal Transparency and Accountability”, May 2014, Annex A.



(scored 41-60) and “minimal” (scored 21-40)<sup>3</sup>. At the same time, discussions at the PEMPAL plenary showed that most participant countries are concerned with the situation and want to undertake efforts to improve budget transparency.

A number of efforts undertaken by the Russian Federation Ministry of Finance to prepare citizens’ budget led it to conclude that it was not enough to raise budget transparency in order to ensure efficient budget administration. For this purpose, it is necessary to improve citizens’ budget literacy as well. In 2014, the Ministry of Finance initiated a joint effort together with the World Bank to implement a Concept Program of measures aimed to improve budget literacy among the pupils of secondary schools along with launching a road map to implement the draft Concept. Among some main measures, the road map provides for learning from international experience with raising budget literacy among students, development of training programs, their testing, running sociological surveys, as well as some monitoring and performance assessment measures. Teachers’ training programs on issues of budget literacy will be implemented within federal and regional Teacher Training Centers to be built within this project.

A number of representatives from PEMPAL countries showed interest in the development of budget literacy and effective approaches within this thematic Work Group.

### Objectives

Main objectives of this Work Group are: to learn from international experience with raising budget literacy among citizens and budget openness and accessibility in order to generalize it and develop recommendations for PEMPAL countries and “new knowledge products” enabling dissemination of such practice across the ECA region.

The objectives of this Work Group can be expanded, and its members can be offered opportunity to develop and discuss with their colleagues situation in their own countries by filling in a quick online survey and later on doing an overview based on the offered analytical model.

### Agenda

In FY 2015, the agenda of the Work Group will include a number of presentations via videoconferences at the World Bank and a workshop. The following events are suggested:

1.	Online survey among PEMPAL countries on raising budget literacy among the citizens	April 2015
2.	A Work Group meeting back-to-back with the 11 <sup>th</sup> CESEE SBO meeting in Poland	May 2015
3.	Selected country showcases (a study visit)	Autumn 2015
4.	Budget literacy events in ECA region: some preliminary findings (a videoconference)	Autumn 2015
5.	Closing workshop	February 2016

### Participants

The Work Group will function in small groups under the PEMPAL program. It is suggested to limit participation in this group to the countries represented on the BCOP Executive Committee. However, the

<sup>3</sup>International Budget Partnership, 2012 Open Budget Survey, <http://internationalbudget.org>



ExCom members could invite additional colleagues from their countries to attend videoconferences. Given some technical restrictions of videoconferences, it is proposed to include only those countries where the World Bank has a Country Office, i.e. Albania, Russia, Armenia, Kyrgyz Republic, Croatia, Turkey, Belarus, Bosnia and Herzegovina.

Workshop: two participants from each country will be invited to attend the workshop, who must have previously attended at least two Work Group events.

### **Leadership Team**

Anna Belenchuk leads the Work Group (she is the Head of the Analysis and Budget Openness Division), she is also Deputy Chair of BCOP.

The agenda of the Work Group was developed by the BCOP Executive Committee in consultation with the World Bank Resource Team, including Maya Gusarova – specialist in public administration, ([mgusarova@worldbank.org](mailto:mgusarova@worldbank.org)) and Deanna Aubrey, public finance advisor ([deanna\\_aubrey@hotmail.com](mailto:deanna_aubrey@hotmail.com)). Other relevant experts and presenters from the World Bank will be invited to participate in the proposed training events.

Administrative support to the Work Group will be offered by Ziva Lautar from PEMPAL Secretariat ([BCOP@pempal.org](mailto:BCOP@pempal.org)).