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Group 2 - Countries
Armenia
Belarus
Georgia
Kazakhstan
Kyrgyzstan
Moldova
Russia
Uzbekistan

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Conclusions on question 1

- Expenditure reviews, in a way, are undertaken in all countries, but as often as not they have operative character, without any special approach to such reviews in most countries.
- Russia and Kazakhstan developed a methodology for evaluation of public expenditure performance, and in principle it can be applied as a tool to substantiate consolidation scenarios, yet it has not been used to this end so far.
- Many countries undertake public expenditure reviews with the help of external experts (World Bank undertook public expenditures review in many countries of the group, examples – social protection system, education, healthcare), for the local specialists often lack skills for such review.
- In some cases, there are some doubts with regard to the impartiality / quality of such reviews when undertaken by own efforts (international experience – MoF's leading role, with possible invitation of experts, both internal and external).
- Where there is program-based budgeting, line ministries are obliged to review their expenditures in the course of development of their sectoral programs as part of their work on sectoral spending strategies. This is, however, a purely quantitative review, and what lacks is a qualitative evaluation. ³



Conclusions on question 2

Success factors

- Political will at the top level
- Explicit determination of political priorities and ensure public awareness of the government priorities
- Status / impact/ sufficient mandate of the Ministry of Finance, if weight / mandate of the MoF is not enough, the Prime-Minister or the Cabinet must assume the leading role
- Availability of legal framework (provisions in the budget law), which do not impede consolidation
- Proactive role of the Ministry of Finance in explaining every stakeholder what will happen if they do not act
- Quality of analysis and detailed development of each proposed consolidation measure
- Staff capacity to undertake and motivate such review

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Thank you!