**BTOR: Budget Literacy Conference June 22 and PEMPAL Budget Community of Practice meeting in Moscow, Russia June 23, 2017**

1. On June 22-23, 2017 the Budget Transparency and Literacy Working Group, operating under the Budget Community of Practice (BCOP) of the Public Expenditure Management and Peer-Assisted Learning (PEMPAL) network travelled to Moscow, Russia, to participate in the joint conference organized by the World Bank and Russian Federation Ministry of Finance on Budget Literacy on June 22 and to conduct a BCOP working group meeting on June 23 to discuss tools for assessing budget transparency and to conduct discussions on future work in participatory budgeting practices.
2. Twelve participants from the Ministries of Finance from the following Europe and Central Asia countries attended the meeting: Armenia, Belarus, Bosnia and Herzegovina, Croatia, Kazakhstan, Kyrgyz Republic, Romania, Russian Federation, Tajikistan, Uzbekistan. The core Bank’s team organizing the event was led by Maya Gusarova, Public Sector Specialist and Coordinator of the BCOP Resource Team, and comprised Deanna Aubrey, Consultant and PEMPAL Strategic Advisor and Ksenia Galantsova of the PEMPAL Secretariat. The core organizing team was joined by Adrian Fozzard, Practice Manager of GGO15, who provided opening remarks to the Budget Literacy Conference; Ian Hawkesworth (Senior Public Sector Specialist,) who moderated a session; Harika Masud (Social Development Specialist), who gave a presentation on the key findings of the World Bank study on international practices to promote budget literacy; and Elena Nikulina, Senior Public Sector Specialist and TTL for PEMPAL who opened the BCOP working group session on June 23. Representative from Kyrgyz Republic Ministry of Finance Mr. Kanat Asangulov also acted as a discussant in one of the sessions of the Budget Literacy conference and representative of Croatia Institute of Public Finance presented approaches used in Croatia at the national and local level to engaging citizens in the budget process. The List of Participants from PEMPAL and all materials are available at <https://www.pempal.org/events/budget-literacy-and-transparency-working-group>
3. The Budget Literacy Conference held on June 22 presented the final project outcomes and deliverables from the joint Russia Budget Literacy project. The project was initiated in December 2014, by the World Bank in conjunction with the Russian Federation Ministry of Finance in cooperation with the Russian Federation Ministry of Education and Science. The objective of the joint project was to develop budget literacy training curriculum for senior secondary school students and to test this training course in three pilot regions. Teaching and learning materials, which included a learner’s textbook, learner’s workbook, teacher’s guide and parent’s guide, were also distributed to conference participants. Conference participants discussed issues with the experts who developed the course materials and those who were involved with the pilot testing in the regions, including teachers (tutors) and government officials from Perm Krai, the Republic of Bashkortostan, Altai Krai and Moscow city. The global expertise in incorporating budget literacy into the training curricula was also presented by Harika Masud, who provided an overview of the results of the World Bank study ‘International Practices to Promote Budget Literacy’, developed and published under the project (the publication is available at <https://openknowledge.worldbank.org/handle/10986/26956>). The conference enabled participants to discuss the way ahead for expanding budget literacy in the Russian Federation.
4. The results of the Russia Budget Literacy project are important not only for the social and economic development of Russia, but also globally, contributing to the evolving budget literacy agenda. Ministries of Finance participating in the PEMPAL working group on Budget Literacy and Transparency also learnt from the Russian experience in implementing budget literacy curriculum in schools which aims to assist students to become active citizens who understand and want to engage in government budget decision making. This links in with the work of the PEMPAL working group who are finalizing a knowledge product on breaking challenges to developing citizens budgets (which has led to an improvement in the availability of such documents in the region) and its proposed new work on developing a knowledge product on how to establish mechanisms that encourage citizens to engage in the budget process and government decision-making.
5. In its meeting on June 23, the PEMPAL BCOP Working Group examined the preliminary results of the International Budget Partnership’s 2017 Open Budget Survey on the availability of key budget documentation and Ronnie Downes (Deputy Head, Budgeting and Public Expenditures Division, OECD) also provided an overview of the new Toolkit on Budget Transparency, that provides a self-assessment tool for countries, that has been prepared by OECD on a collaborative basis with the broader global community of budget and fiscal transparency institutions – in particular the IMF, the World Bank Group, the International Budget Partnership (IBP), the International Federation of Accountants (IFAC), and the Public Expenditure and Financial Accountability (PEFA) Program – all of which form part of the Global Initiative of Fiscal Transparency (GIFT) Network. PEMPAL countries also provided their input to the draft document over the last year.
6. Other key lessons and conclusions from the conference and working group meeting include:
* While the global trend towards improvements in budget transparency is supported by a substantial body of research, the budget literacy agenda is much less developed. The Budget Literacy project initiated by the Russian Ministry of Finance has helped fill this gap and thereby draws attention to this important development agenda regionally and globally.
* Through its recently completed study the World Bank has added to this agenda by presenting key findings and lessons learnt from 35 case studies from 34 countries and has subsequently defined Budget Literacy as the ability to read, decipher, and understand public budgets and enhance meaningful citizen participation in the budget process.
* Budget literacy provides a bridge that can assist citizens to understand, use and want to use budget data that governments have made transparent and accessible. It prepares citizens for responsible participation in the budget process, and their awareness of their role, as well as the role of civil society, in the budget process.
* Europe and Central Asian countries have improved accessibility of budget documents in recent years as demonstrated by dramatic improvements in their Open Budget Index scores. The Russian Federation has led the way, making remarkable progress in fiscal transparency over the last five years, rising from 47 out of 89 countries in 2006 to 11 out of 106 in 2015 on the Open Budget Index, ranking among the countries providing ‘substantial budget information’ to the public, ahead of countries such as Germany and Italy.
* The knowledge product on breaking challenges to constructing citizens’ budgets developed by the PEMPAL BCOP Budget Literacy and Transparency working group has specially targeted the availability of citizens’ budgets which has led to a significant improvement in the availability of such documents in the region, as evidenced by the preliminary 2017 IBP results in the Open Budget Survey. The challenge now will be how to use that work, and the learnings from the Russian Federation’s budget literacy project, to develop a new knowledge product that will assist the 15 participating ECA countries to establish and/or strengthen mechanisms for citizen participation in the budget process. Such reforms will take much longer than making key budget documentation available and accessible, as it requires working on two levels: government and public/civil society to not only introduce mechanisms for citizens to participate, but also initiatives to increase the demand for budget information (especially in countries where the civil society sector is not as vibrant or active).
1. The results of the post event evaluation survey revealed that the events met expectation of 77.78 percent of respondents and exceeded expectations of 22.22 percent of respondents. The respondents gave on average 4.8 points out of 5 to the question if their participation in the Budget Literacy conference met their objectives and 4.9 points out of 5 to the question if the Working Group meeting on June 23 met its objectives. The participants especially appreciated that the conference provided a platform for open discussion around budget literacy, lessons learnt from the project and next steps in enhancing budget literacy.