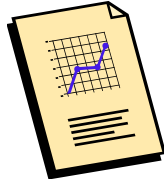


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# Budget Literacy Practices in PEMPAL Member Countries

*thematic survey results*  
*BCOP Budget Literacy Working Group*



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## Objectives and Scope of Survey (1)

- This presentation summarizes the key information provided from the pre-workshop survey. The full survey report is also included in your event materials.
- 14 BCOP Budget Literacy Working Group member countries completed the survey (out of a possible 15) – wonderful response rate – thank you!
- The survey aimed to ascertain the progress in budget literacy in BCOP member countries participating in the Budget Literacy Working Group. It also aimed to share experiences and progress in budget transparency and accessibility.



## Objectives and Scope of Survey (2)

- **Part 1** captured what countries are doing in terms of formal and informal training in government budgets, budget related information campaigns, and promotional activities.
- **Part 2** captured how accessible budget documents are to citizens (drawing on questions from the International Budget Partnership's OBS Tracker [www.obstracker.org](http://www.obstracker.org) and survey for Open Budget Index).



## PART I: EDUCATION AND PROMOTION OF BUDGET LITERACY





## Budget Literacy in National Curricula

- **11 out of 14 countries have national curricula and frameworks which encourage instruction in budget literacy as part of subjects/learning areas** (eg civics, economics, social studies) (Albania, Belarus, BiH, Croatia, Kazakhstan, Kyrgyz Republic, Moldova, Russian Federation, Tajikistan, Ukraine, Uzbekistan).
  - All of these countries have curricula at tertiary levels.
  - 5 of these countries have curricula at both tertiary and secondary levels (Croatia, Kazakhstan, Moldova, Russian Federation, Uzbekistan).
  - Only 1 country has curriculum at all three levels ie tertiary, secondary and primary (Uzbekistan).
  - 5 countries also indicated they had 'other' frameworks (Belarus, Croatia, Kyrgyz Republic, Tajikistan, Ukraine).
- **3 out of 14 countries do not have such national curricula and frameworks** (Armenia, Romania, and Turkey).



## MoF Involvement in Initiatives

- **9 countries provided details of various initiatives but not many MoFs have involvement with development of education curricula**
  - **Albania** - public finance and budget management subjects are included in university education, but no involvement of Government/MoF.
  - **Belarus** – MoF personnel attracted as lecturers in universities, colleges, and professional development (post-university education).
  - **Croatia** – MoF has no involvement in secondary and tertiary subjects related to budget. MoF involved in E-Consultation portal which provides citizens overview of all consultations, and enables participation in consultation process.
  - **Kazakhstan** – MoF has involvement in creating new economic specialities, approval of curricula and research topics. It also responds to citizen questions on MoF website, specialist magazines, and other social media.
  - **Russian Federation** - Joint project of World Bank and Russia MoF to improve budget literacy in Russia.



## MoF Involvement in Initiatives (cont.)

- **Kyrgyz Republic** - MoF has Training Centre which aims to improve capacity of civil servants and employees of various organizations in area of PFM. MoF provides manuals to high schools. MoF develops annual Citizens Budget. Training is also provided on financial/budget literacy in the Management Academy under the President of the Kyrgyz Republic.
- **Tajikistan** - Tajik State National University has subjects on state budget. The Finance and Economics Institute of Tajikistan has focus on training in the area of fiscal policy, budgeting etc for higher education and government.
- **Ukraine** - Economy issues including financial literacy are part of curricula of some special schools. Such curricula the responsibility of Ministry of Education and Science.
- **Uzbekistan** - MoF initiated electronic training-simulation on financial literacy. Manual prepared on budget literacy.
- Refer Q4 of survey report for full responses.



## Other Formal or Informal Training

- **10 countries indicated there are also other informal or formal training on how to analyze or understand a government's budget:**
  - **Armenia** – Training center operates under the MoF.
  - **BiH** – Several NGOs have provided education series for different government levels (mostly local levels) related to citizens' involvement, understanding budget process, how to get involved.
  - **Croatia** – On MoF webpage, there is a citizens guide to budget.
  - **Kazakhstan** – Reports, infographics, slides exist on budget in context of joint order of the MoF and Ministry of National Economy. Online video-conferencing, webinars teach basics of the budget (procedures and results).
  - **Kyrgyz Republic** – MoF hold information and training seminars for various trade groups (NGOs, media, municipal officials). MoF also hold regular hearings on the budget (MoF holds regular public hearings on the budget in regions. Municipalities independently hold budget hearings on local budgets).
  - **Moldova** – Different Civil Society Organizations and public institutions organize a lot of events for different interest groups (eg trade unions CSOs, university students), on fiscal policy, PFM reforms.



## Other Formal or Informal Training (cont.)

- **10 countries indicated there were also other informal and formal training on how to analyze or understand a government's budget (continued):**
  - **Romania** – From 2007, European System of Accounts implemented which involved different courses including every head of economic departments must have certificate in ESA.
  - **Russian Federation** – citizens budget produced to increase budget literacy. Annual publication of analytical material to the federal law on the budget in a format accessible to citizens. The development of a unified portal of the budgetary system, and within it a module for the 'budget for the citizens' and budget calculator.
  - **Tajikistan** – no additional information provided.
  - **Uzbekistan** – periodic meetings are held with citizens (citizen assemblies) on advocacy, parliamentary meetings; ministries and departments familiarize staff with approved budget plan.
- The target groups for this training are Government (6 countries); NGOs, Auditors, Parliamentarians, Parliament Research or support offices (5 countries each); Media (4 countries).
- **4 countries indicated there were no other informal or formal training (Albania, Belarus, Turkey, Ukraine).**



## Budget Literacy of Different Groups

| Country         | Government                   | Media                       | Non-Government Organizations | Parliamentarians            | Parliament research or support offices | Auditors                     |
|-----------------|------------------------------|-----------------------------|------------------------------|-----------------------------|--|------------------------------|
| Albania         | High                         | Medium                      | Medium                       | Medium                      | High                                   | High                         |
| Armenia         | Medium                       | Low                         | Low                          | Medium                      | Medium                                 | Medium                       |
| Belarus         | High                         | Medium                      | Low                          | Medium                      | Medium                                 | High                         |
| BiH             | High                         | Low                         | Medium                       | Medium                      | Medium                                 | High                         |
| Croatia         | High                         | Medium                      | High                         | High                        | High                                   | High                         |
| Kazakhstan      | High                         | Medium                      | Medium                       | High                        | High                                   | High                         |
| Kyrgyz Republic | Medium                       | Low                         | Medium                       | Low                         | Medium                                 | High                         |
| Moldova         | Medium                       | Medium                      | Medium                       | Medium                      | Medium                                 | Medium                       |
| Romania         | High                         | Medium                      | Medium                       | Medium                      | don't know                             | High                         |
| Russia          | High                         | Medium                      | Medium                       | Medium                      | Medium                                 | Medium                       |
| Tajikistan      | High                         | Medium                      | Medium                       | High                        | Medium                                 | High                         |
| Turkey          | High                         | High                        | High                         | Medium                      | High                                   | High                         |
| Ukraine         | High                         | don't know                  | Medium                       | High                        | High                                   | High                         |
| Uzbekistan      | High                         | High                        | Medium                       | High                        | Medium                                 | High                         |
| 14              | H-11<br>M - 3<br>L-0<br>DK-0 | H-2<br>M - 8<br>L-3<br>DK-1 | H-2<br>M -10<br>L-2<br>DK-0  | H-5<br>M - 8<br>L-1<br>DK-0 | H-5<br>M - 8<br>L-0<br>DK-1            | H-11<br>M - 3<br>L-0<br>DK-0 |


## Who develops formal training materials?

- **Most countries indicated that MoF develops formal training materials on budget literacy (11 out of 14 countries).**
  - Only MoFs in Albania, Belarus and Ukraine do not develop such materials. No such materials are produced in Albania by any organization (but there are plans to introduce policies to improve budget literacy in the future).
- **Other stakeholders are also involved:**
  - 6 countries - **Ministry of Education** (Belarus, Kazakhstan, Moldova, Russian Federation, Ukraine, Uzbekistan) and/or PFM training institutes (Belarus, Croatia, Kazakhstan, Kyrgyz Republic, Moldova, Tajikistan)
  - 6 countries – **PFM training institutes** (Belarus, Croatia at local level, Kazakhstan, Kyrgyz Republic, Moldova, Tajikistan)
  - 4 countries - **educational sector** (Belarus, Kazakhstan, Romania, Tajikistan)
  - 5 countries - **independent consultants** (Armenia, BiH, Kyrgyz Republic, Moldova, Russian Federation)
  - 1 country - **Civil Service Agency** (Kazakhstan)

## Are there information campaigns and promotion of the government budgets in your country?

| Country         |     |    | Print and audio media | Interactive media | Special events | Other  |
|-----------------|-----|----|-----------------------|-------------------|----------------|--|
|                 | Yes | No |                       |                   |                |  |
| Albania         |     | No |                       |                   |                |  |
| Armenia         | Yes |    | x                     | x                 |                |  |
| Belarus         |     | No |                       |                   |                |  |
| BiH             | Yes |    | x                     |                   |                |  |
| Croatia         | Yes |    |                       | x                 |                | Local units organize workshops/discussions, citizen websites to lodge proposals. |
| Kazakhstan      | Yes |    |                       |                   | x              | Financiers Day, Tax-worker Day, Accountant Day                                   |
| Kyrgyz Republic | Yes |    | x                     | x                 | x              |  |
| Moldova         | Yes |    |                       |                   | x              |  |
| Romania         |     | No |                       |                   |                |  |
| Russia          | Yes |    | x                     | x                 | x              |  |
| Tajikistan      | Yes |    | x                     |                   |                |  |
| Turkey          |     | No |                       |                   |                |  |
| Ukraine         |     | No |                       |                   |                |  |
| Uzbekistan      | Yes |    | x                     |                   |                |  |
| 14              | 9   | 5  | 6                     | 4                 | 4              | 2  |

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## Who develops materials and manages promotional/information campaigns?

| Country         |   |
|-----------------|---|
| Armenia         | MoF manages these campaigns, publishes interactive budget   |
|                 | Budget campaigns are inherent to local level, and for that reason, initiative, drafting of materials and overall campaigns are run by <b>local self-governments units</b> .                                 |
| BiH             |   |
| Croatia         | Initiatives and campaigns are most frequently implemented by <b>nongovernmental sector organizations</b> .  |
|                 |   |
| Kazakhstan      | MoF in cooperation with the <b>Association of Financiers, Association of Taxpayers</b> and the National Chamber of entrepreneurs, professional accountancy bodies   |
| Kyrgyz Republic | Information on budget literacy disseminates by different methods. <b>MoF with support of international development partners</b> plays a leading role in the preparation and dissemination of the materials. |
| Moldova         | MoF is in charge for preparation of training materials and organizational issues. Frequently, it is assisted by international partners and CSOs   |
| Russia          | Lectures of the <b>Minister of Finance</b> , conducted in schools and universities (MoF prepares materials )  |
| Uzbekistan      | Materials are prepared by <b>MoF specialists</b>  |

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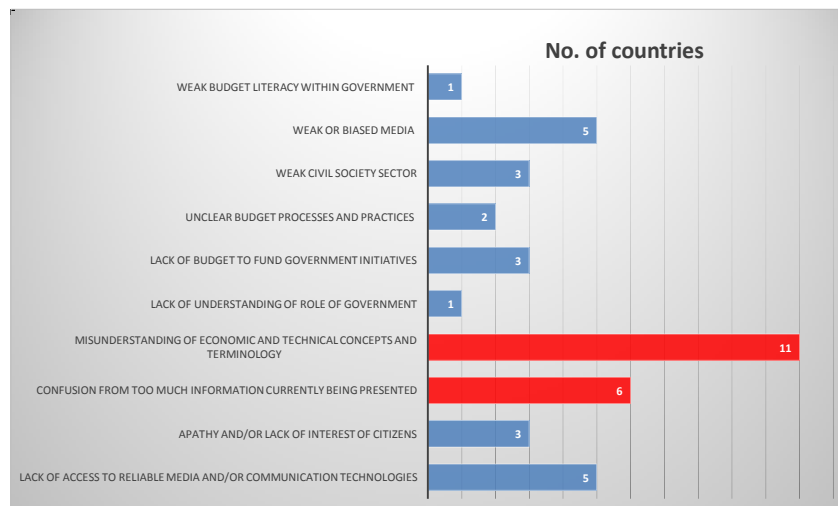
## Level of Involvement and Capacity of Journalists

- **13 out of 14 countries indicated that journalists report on their Government's budget** (only Romania indicated no).
- **7 of those countries indicated reporting was well presented and accurate.**
- However, **5 countries indicated the following problems:**
  - **Albania** – No deep or comprehensive analysis undertaken
  - **Belarus** – Although MoF prepare press release, media prepares own review and analysis that does not always properly reflect budget. In these cases, MoF Press Secretary consults with media and sometimes materials are adjusted
  - **BiH** – more targeted training of journalists is needed
  - **Russian Federation** – there is inaccuracies in budgetary data
  - **Ukraine** – Journalists tend to focus on criticism of budget and are not always objective
  - Other countries also indicated some concern with inaccuracies or lack of objectivity in reporting (**Kyrgyz Republic, Moldova, Tajikistan**).
- From results, **further targeting of educational/promotional initiatives for media and journalists is needed** for some countries.

## Do Civil Society Organizations or Non-Government Organizations scrutinize and assess the Budget?

- **11 out of 14 countries reported that CSOs or NGOs assessed or scrutinized the government's budget although some reported problems:**
  - **Kyrgyz Republic** - fragmented and narrowly focused in asking questions, low level of feedback between state bodies and CSOs
  - **Moldova** – proposals from CSOs are not justified and assessed from economic, fiscal and social viewpoints; CSOs have lack of impartiality because they have narrow focus within specific interests, and not deep understanding of all aspects of public budget
  - **Tajikistan** – CSOs have limited participation in budget hearings
  - **Ukraine** – When preparing draft of state budget, only talks are held with trade union and employer representatives
  - **Uzbekistan** – CSOs are involved at preliminary discussion stage of budget at special meetings, but not all are economists so they have perception regarding complexity of budget information
  - **Russian Federation** - reported there is involvement but the processes are currently only in development stage.
- **2 countries reported no role for CSOs/NGOs (Armenia and Belarus) and Romania reported it did not know.**
- From results, **further targeting of educational initiatives for CSO/NGOs is needed** for some countries.

## What are the Key Challenges to improving Budget Literacy?






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## Your thoughts on how to Improve Budget Literacy:

| Country         |   |
|-----------------|---|
| Albania         | Introducing, in the near future, a <b>Citizens Budget Document</b> , as well as <b>actively involving CSOs in the budget process</b> and discussion.  |
| Armenia         | Develop and implement <b>training programs</b>  |
| Belarus         | The most optimal is the preparation (by MoF) of a <b>simplified review of the public sector</b> and placing it in the public domain ( <b>Internet</b> ). Those who are interested in these issues will be familiar with it.   |
| BiH             | With joint <b>cooperation of governmental and nongovernmental sector</b> on those activities.   |
| Croatia         | To improve economy which enables improved living conditions for citizens. Due to the lack of financial sources, people are mostly struggling to create basic living conditions (housing...nourishment...clothing...), and only after that one can expect an upgrade, even though it is all connected.   |
| Kazakhstan      | <b>Information should be clear and accessible</b> to every citizen of all ages  |
| Kyrgyz Republic | We would like to <b>study and introduce advanced techniques</b> for budget literacy improvement.<br>1. <b>Simplicity</b> - presenting accessible information for wide public (simple and sizable info, understandable way); 2. <b>Credibility</b> - ensure that information presented to society is correct. 3. <b>Regularity</b> - there should be an proper calendar according to which information is presented; 4. <b>Accessibility</b> - people should get information without hard efforts. |
| Moldova         | 1. <b>Create a base definition for all budgetary lines</b> which could be easily understood by each stakeholder; 2. Create and develop cost standards which could be used in budget framework; 3. Awareness for all authorizing officers of the importance of results-based budgeting   |
| Romania         | The project for improving budget literacy in Russia has already started. It would be better to <b>study the experience</b> on this issue in the following countries: <b>South Africa, New Zealand, USA, Canada, France, Estonia.</b>  |
| Russia          | MoF may <b>hold training sessions</b> for both media and CSO which can also include students, interested citizens.  |
| Turkey          | To improve budget literacy among the population we need to <b>develop easily understood form of information</b> about the budget both at the stage of its development, and at the stage of execution. It would be useful to <b>develop a system of socially significant indicators</b> and constantly update it and improve it taking into account the views of the public.   |
| Ukraine         |   |

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## PART 2: ACCESSIBILITY OF KEY BUDGET DOCUMENTATION TO CITIZENS

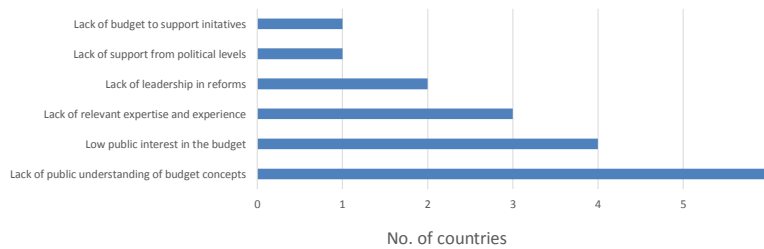


The illustration shows a cartoon man in a dark suit and white shirt, holding a hammer in his right hand. He is standing on a large, thick book with the word 'BUDGET' written in yellow on its cover. The man appears to be in the process of building or reinforcing the book, symbolizing the importance of making budget documentation accessible and solid for citizens.

## Budget Documentation: Availability

| Country                                | Executive's                          |                 |                 |                |                 |                  |                  |               |
|--|--------------------------------------|-----------------|-----------------|----------------|-----------------|------------------|------------------|---------------|
|  | Pre-Budget Statement                 | Budget Proposal | Citizens Budget | Enacted Budget | In-Year Reports | Mid-Year Reports | Year-End Reports | Audit Reports |
| Albania                                | Green                                | Green           | Red             | Green          | Green           | Green            | Green            | Green         |
| Armenia                                | Green                                | Green           | Red             | Green          | Green           | Red              | Green            | Green         |
| Belarus                                | Green                                | Green           | Red             | Green          | Red             | Green            | Green            | Green         |
| BiH                                    | Red                                  | Green           | Red             | Green          | Green           | Green            | Green            | Green         |
| Croatia                                | Red                                  | Green           | Green           | Green          | Green           | Green            | Green            | Green         |
| Kazakhstan                             | Green                                | Red             | Green           | Green          | Green           | Green            | Green            | Green         |
| Kyrgyz Republic                        | Green                                | Green           | Green           | Green          | Green           | Green            | Green            | Green         |
| Moldova                                | Green                                | Green           | Red             | Green          | Green           | Green            | Green            | Green         |
| Romania                                | Red                                  | Green           | Red             | Green          | Green           | Red              | Green            | Green         |
| Russia                                 | Green                                | Green           | Green           | Green          | Green           | Green            | Green            | Green         |
| Tajikistan                             | Green                                | Green           | Green           | Green          | Red             | Red              | Green            | Green         |
| Turkey                                 | Green                                | Green           | Red             | Green          | Green           | Green            | Green            | Green         |
| Ukraine                                | Red                                  | Green           | Red             | Green          | Green           | Green            | Green            | Green         |
| Uzbekistan                             | Green                                | Green           | Red             | Green          | Green           | Red              | Green            | Green         |
| Public Availability (no. of countries) | 6                                    | 8               | 5               | 14             | 9               | 7                | 12               | 6             |
| Legend:                                |                                      |                 |                 |                |                 |                  |                  |               |
| Red circle                             | Not produced                         |                 |                 |                |                 |                  |                  |               |
| Green circle                           | Available to public                  |                 |                 |                |                 |                  |                  |               |
| Dark Green circle                      | Produced but not available to public |                 |                 |                |                 |                  |                  |               |


## Challenges Preventing Accessibility of Budget Documentation



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## Does an E-version of the Citizen Budget exist (ie Budget Portal)?



- Yes for 4 countries for budget of national and sub-national budgets (Armenia, Croatia, Kazakhstan, Russian Federation)
- Yes for 3 countries but only for national budget (Kyrgyz Republic, Tajikistan, Turkey)
- No for 7 countries (Albania, Belarus, BiH, Moldova, Romania, Ukraine, Uzbekistan)

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## Are Citizens engaged in Government Budget Formulation?

| Country         | Yes | No | Explanation   |
|-----------------|-----|----|---|
| Albania         | Yes |    | Usually, the budget proposal/fiscal package is discussed between the Government/Parliament and the stakeholders (NGOs). However, there is a lot to be improved in terms of redundancy/periodicity of such a process, to make it constant and sustainable. |
| Armenia         | Yes |    |   |
| Belarus         | Yes |    | Deputies are representatives of citizens, respectively, we can assume that citizens participate in the discussion of the draft law on budget.   |
| BiH             | Yes |    |   |
| Croatia         | Yes |    | They are more interested for local levels' budgets because they find them closer. The reason for that is that such budgets are related to their surroundings, i.e. their local self-government unit in which they live in.                                |
| Kazakhstan      | Yes |    | Citizens via the members of Parliament and Maslikhat initiate budget proposals both for the national and local budget   |
| Kyrgyz Republic | Yes |    | Citizens participate in the discussion during the annual public hearings on the draft budget.   |
| Moldova         | Yes |    |   |
| Romania         |     | No | The citizens engaged in government budget formulation only through their representatives from the parliament.   |
| Russia          |     | No | But we are committed to this in the future  |
| Tajikistan      |     | No |   |
| Turkey          | Yes |    | CSOs can participate in the discussions at the Plan and Budget Committee in the Parliament.   |
| Ukraine         | Yes |    | According to Ukrainian law, we have consultations between the Government and representatives of trade unions and associations of employers' organizations at the sectoral level and of territorial level  |
| Uzbekistan      |     | No | Non-government organizations participate in public hearings.  |
| 14              | 10  | 4  | 9   |



## Useful Resources for Budget Transparency

- Examples of Citizen Budgets, and IMF and OECD guidelines related to content and transparency of budget documentation can be found here (from 2014 PEMPAL Moscow meeting on fiscal transparency and accountability): <http://www.pempal.org/event/eventitem/read/111/288>
- Annex 'Summary Table on Transparency in Key Budget Reports' at page 44 of International Budget Partnership's 'Guide to Transparency in Government Budget Reports' provides overview of 8 key budget reports and what they should include
  - [http://internationalbudget.org/wp-content/uploads/Government\\_Transparency\\_Guide1.pdf](http://internationalbudget.org/wp-content/uploads/Government_Transparency_Guide1.pdf) (English)
  - Annex was translated for PEMPAL Moscow meeting within meeting's concept note: <http://www.pempal.org/event/eventitem/read/111/287>
- Other IBP resources include guidelines for how civil society can use budget reports for research and advocacy; also resources for media
  - <http://internationalbudget.org/wp-content/uploads/Guide-to-Transparency-in-Government-Budget-Reports-How-Civil-Society-Can-Use-Budget-Reports-for-Research-and-Advocacy-English.pdf>
  - <http://internationalbudget.org/getting-started/budget-stakeholders/media/>



## Key Findings and Conclusions

- The majority of countries (11/14) surveyed have reported existence of curriculum or frameworks in budget literacy, however **not many MoFs have involvement with development of education curricula in budget literacy.**
- **Many countries (9/14) organize information campaigns and promotion of government budgets in their country** with MoF, and other stakeholders, mostly involved in development of training materials on budget literacy as well as materials for information campaigns.
- **The majority of countries (11/14) rated the budget literacy of their Government and Auditors as high**, with other groups rated mostly medium (except Parliamentarians and their research/support offices who were each rated high in 5 countries).
- **Further targeting of educational and promotional initiatives for media/journalists and NGOs/CSOs is needed for some countries.**
- The majority of countries (10/14) report **citizens are engaged in budget formulation.**
- **The top challenges in improving budget literacy come from misunderstanding of economic and technical concepts and confusion from too much information** being presented.
- Among budget documents available to the public, **Citizens Budget remains the key challenge**: only 5 countries reported its availability and only 4 countries have e-portals on citizens budget at national and sub-national levels.
- Countries report that **lack of public understanding of budget concepts is the major challenge in preventing accessibility** of budget documentation.

Thank you for your attention and for  
your active participation in the survey

