

# IMPLEMENTING GOVERNMENT PROGRAMS AND PROGRAM BUDGETING IN THE RUSSIAN FEDERATION

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# Russian Federation

area  
17, 098, 242 km<sup>2</sup>

population  
143 million



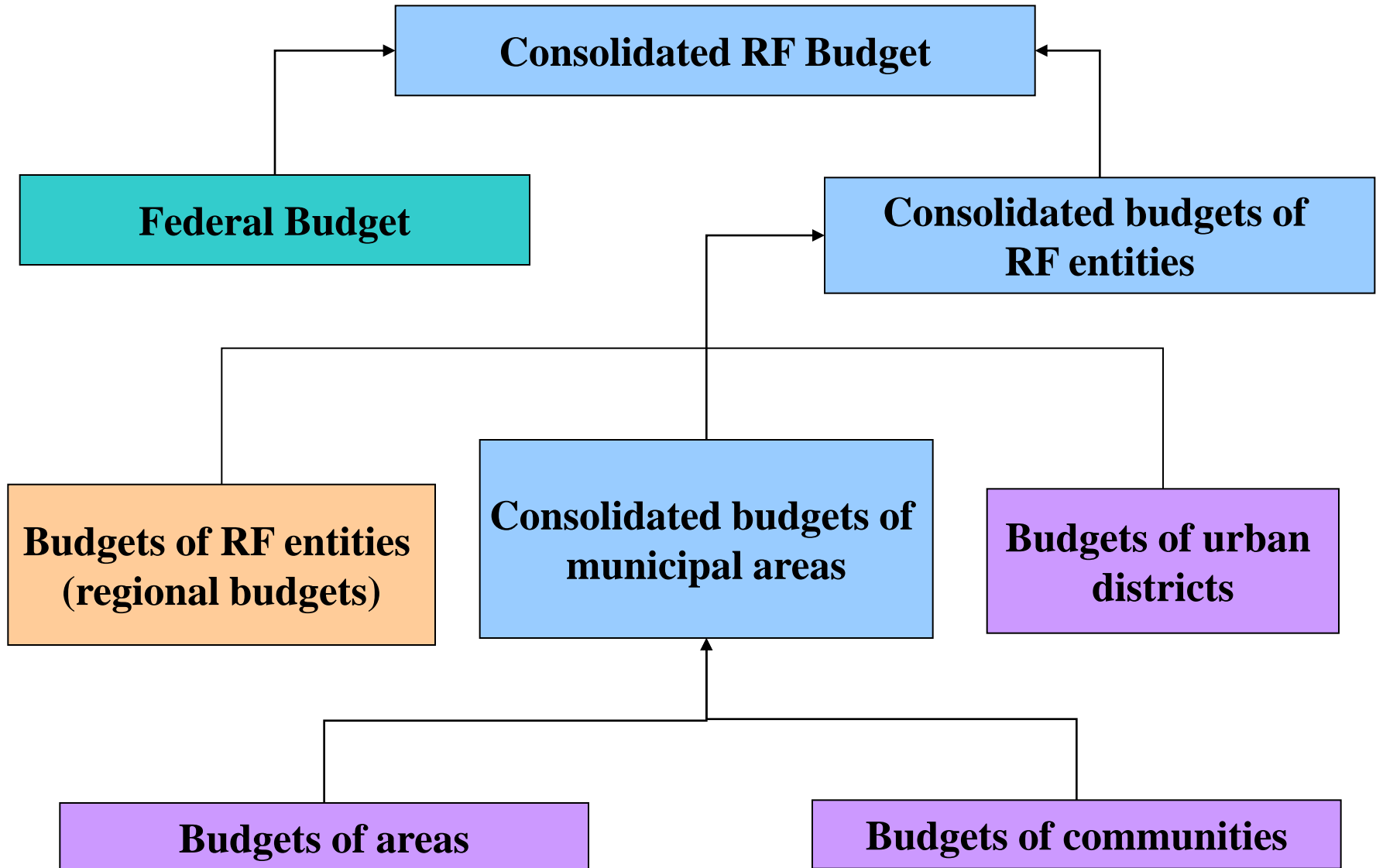
2012

Gross Domestic Product (GDP) – 58, 683 billion Rubles / € 1, 408 billion

	revenues			expenditures			deficit		
	billion Rubles	Billion €	% of GDP	billion Rubles	Billion €	% of GDP	billion Rubles	Billion €	% of GDP
Consolidated RF budget	18 189.7	436.5	31.0	19 097.7	458.3	32.5	-908.0	-21.8	-1.5
Including, federal budget	11 779.9	282.7	20.1	12 656.4	303.7	21.6	-876.5	-21.0	-1.5



# Consolidated RF Budget





# Implementing Program Approach

1. Possibility to adopt federal programs (since 1995) or similar programs at regional and municipal level:
  - Solution of social, economic, defense, scientific, technical, environmental and other important issues, **most of which are inter-institutional**

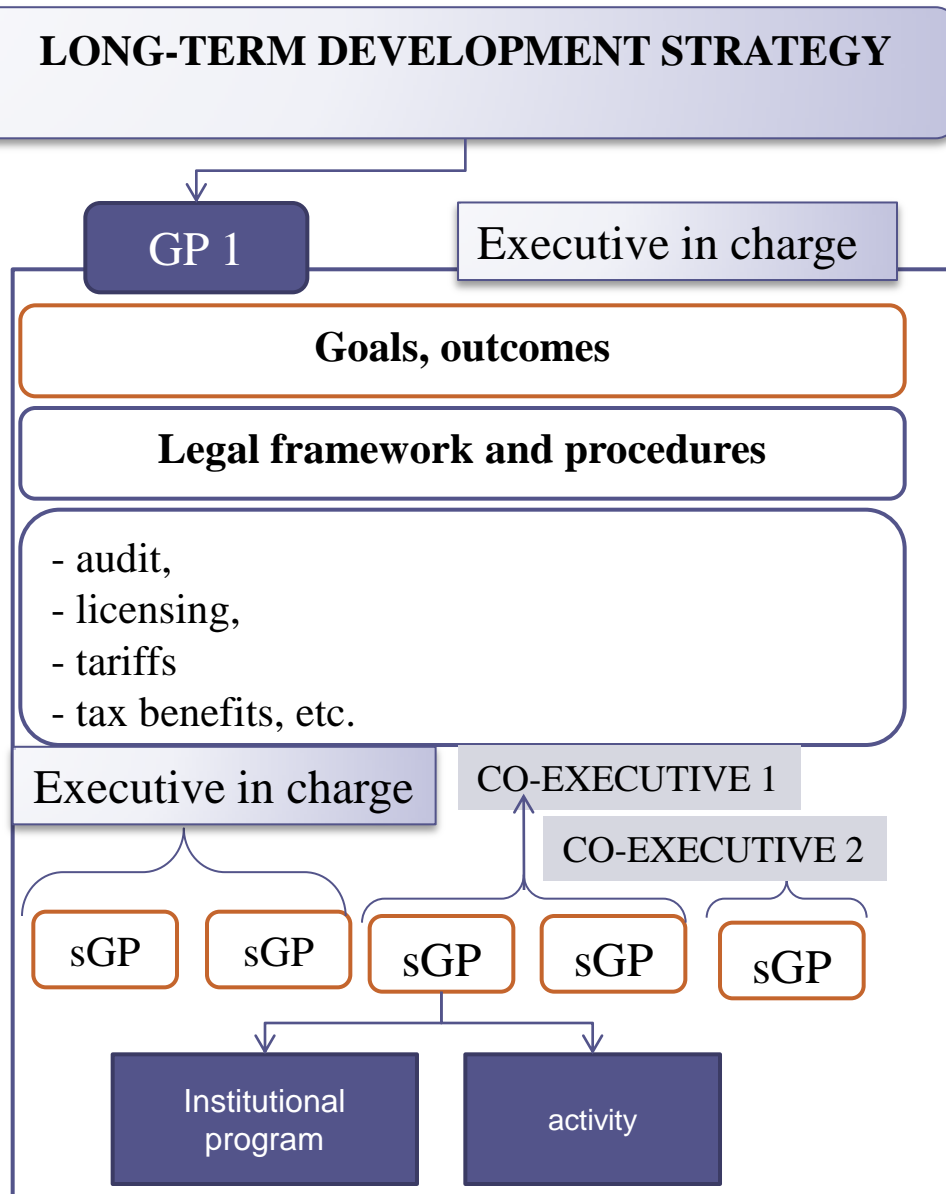
Social and economic development programs.

Sector development strategies.

2. Budget reform concept in 2004-2006 :
  - goals, objectives and indicators **for all activities** of executive agencies;
  - institutional programs.
3. Russian Federation Government Program aimed to improve effectiveness of budget expenditures in 2010-2012
  - Implementation of government programs and shifting towards program framework of the federal budget;
  - legal framework for program budgeting;
  - New approach to management of service delivery government institutions (**estimate of expenditures replaced by government tasks – institutional performance indicators**).



# Concept of RF Government Programs



1. follow from the long-term development strategy and are instrumental to achievement of its goals;
2. have long-term nature;
3. embrace all policy instruments (regulation, budget expenditures) to achieve the goal;
4. consist of subprograms (sGP);
5. are implemented by an executive in charge and involve co-executors responsible for their sub-programs, institutional programs and activities;
6. government programs of the Russian Federation and its entities, as well as municipal programs are interrelated (subsidies).



## Legal framework, procedures and methodology for development of RF programs

Development, implementation and evaluation of performance of government programs (RF Government Act no. 588 of 2 August 2010);

Methodological recommendations on development and implementation of government programs (RF Ministry of Economy and Development Order no. 670 of 22 December 2010);

List of RF government programs (RF Government Decree no. 1950-p of 11 November 2010);

Analytical distribution of federal budget expenditures by government programs (first applied in 2010 while drafting Federal Law on the Federal Budget for 2011-2013).

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*Draft Federal Law on Amendments to the Budget Code of the Russian Federation ('program' budget and budget classification)*

*Drafting RF government programs*

*Drafting Federal Budget Law for 2013-2015 by programs*



## Analytical distribution of expenditures by government programs (billion Rub.)

	Law no. 371-Φ3 of 30.11.2011		
	2012	2013	2014
1	2	3	4
<b>Government subprograms, total:</b> <i>(% of total federal budget expenditures)</i> <i>(41 programs)</i>	<b>12 184.7</b> <i>(96.3%)</i>	<b>12 942.2</b> <i>(96.7%)</i>	<b>13 313.5</b> <i>(96.8%)</i>
<i>Including by directions:</i>			
New quality of life <i>(13 programs)</i>	6 077.7 <i>(48.0%)</i>	6 249.5 <i>(45.5%)</i>	6 180.7 <i>(42.2%)</i>
Innovational development and modernization of economy <i>(17 programs)</i>	2 007.5 <i>(15.9%)</i>	1 976.1 <i>(14.4%)</i>	1 997.7 <i>(13.7%)</i>
National security <i>(2 programs)</i>	2 174.1 <i>(17.2%)</i>	2 593.9 <i>(18.9%)</i>	2 899.6 <i>(19.9%)</i>
Balanced regional development <i>(4 programs)</i>	757.0 <i>(6.0%)</i>	618.0 <i>(4.5%)</i>	517.1 <i>(3.5%)</i>
Effective state <i>(5 programs)</i>	1 168.2 <i>(9.2%)</i>	1 504.6 <i>(11.0%)</i>	1 718.4 <i>(11.8%)</i>
<i>Total, including expenditures unrelated to programs</i>	<b>12 656.40</b>	<b>13 730.60</b>	<b>14 582.90</b>



<b>executive in charge</b>	<b>number of programs</b>
<b>RF Ministry of Health and Social Development</b>	<b>5</b>
<b>RF Ministry of Industry and Trade</b>	<b>5</b>
<b>RF Ministry of Regional Development</b>	<b>4</b>
<b>RF Ministry of Economic Development</b>	<b>3</b>
<b>RF Ministry of Education and Science</b>	<b>2</b>
<b>RF Ministry of Natural Resources and Environment</b>	<b>2</b>
<b>RF Ministry of Finance</b>	<b>3</b>
17 executive agencies	17





# Examples of Government Programs

## New quality of life

- Development of healthcare
- Development of education
- Social assistance to citizens

## Balanced regional development

- Regional policy and federative relations
- **Social and economic development of the Far East and the Baykal region**

## Innovational development and modernization of economy

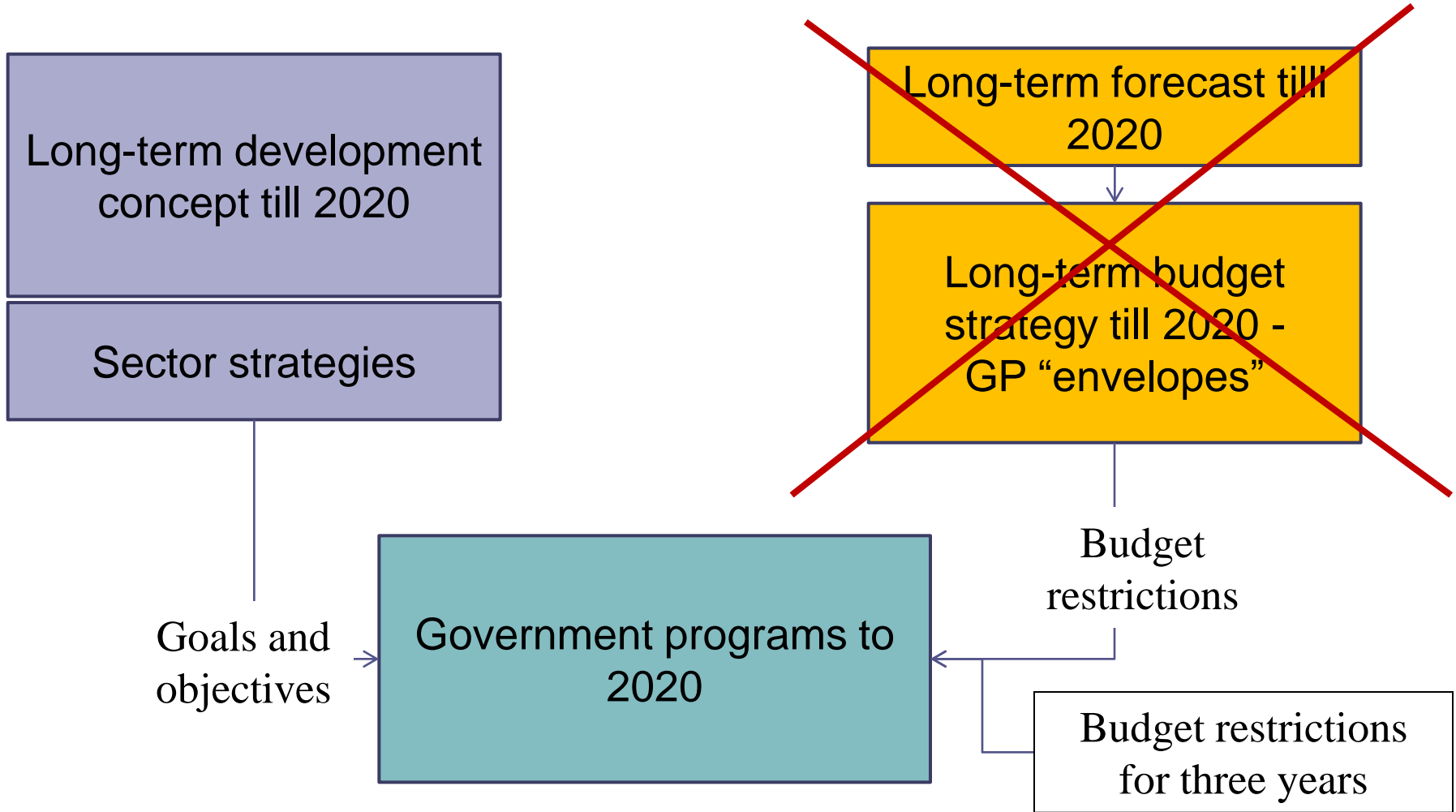
- Development of science and technologies
- Development of industry and its competitiveness
- Development of transport

## Effective state

- Management of federal assets
- Management of government finances and government debt



# Implementation Issues



There are no restrictions to program budgeting