Initiative Budgeting in Russia
New Challenges and Interim Results

Vladimir Vagin
Head of the Center for Initiative Budgeting of the Ministry of Finance of the Russian Federation
Outline

• IB definitions and main features
• WB – Russian Ministry of Finance project on strengthening initiative (participatory) budgeting in Russia in 2016-2018
• Selected activities for 2018-2020
• Budget context
• Institutional context
• Managerial context
Definition

Initiative Budgeting (IB) is:

• an umbrella brand for various Russian practices on involving citizens in the budget process, based on the same ideology of civic participation;

• sphere of state regulation of civic participation in identification, selection and supervision of sub-projects funded from budgets.
Key figures about IB in Russia

Initiative budgeting covers 50 Russian regions

• Total budget of the IB projects
  • 7 bln RUB (125 mln USD) in 2016
  • 2.4 bln RUB (43 mln USD) in 2015

• Regional budget subsidies to support IB programs
  • 5.1 bln RUB (91 mln USD) in 2016
  • 1.4 bln RUB (25 mln USD) in 2015

• The number of implemented projects has increased in 2015-2016 from 2,657 to 8,732 (3.3 times)
Map: project participating regions

- 2016 – 26 participating regions
- 2017 – 19 participating regions
IB as part of the political agenda at the regional and federal level
IB information campaign in Russian regions
Focus on supporting citizen initiatives and strengthening self-governance
WB-MoF RAS project on strengthening initiative (participatory) budgeting in Russia in 2016-2018

Objectives:

• Replication and scaling up of the best IB practices;
• Strengthening local capacity (regional / municipal officials and consultants) for implementing IB programs;
• Supporting regional programs.
Key results in 2016-2017

Launch of the new and improving of ongoing regional PB practices in 2016-2017: 45 regions (target 30)

Establishment of the PB institutional infrastructure:

• National IB (PB) project center
• over 30 regional IB (PB) project centers

Networking for exchange of experience and best practices among regions:

• Around 50 capacity building events for regions
• All-Russia PB Conference (Moscow, Nov. 2016)
• International PB conference under the aegis of BRICS (Ufa, Sept. 2017)
• Expertise and monitoring of regional PB programs
• Methodological materials for the development of IB in Russia.
Focus on the second stage (2018-2020)

- Analysis and dissemination of results of Russia IB
- Identifying and adopting in Russia the best international participatory budgeting practices
- Increasing visibility of Russia IB internationally
- Continuation of capacity building and knowledge sharing activities in Russia regions
Selected activities for 2018-2020

• International PB conference in Moscow (as part of Moscow Financial Forum) – Sept. 14, 2018
• BRICS conference on PB in Russia in 2020
• Technical visits to selected countries for learning the best international practices and customizing them to Russia context
• Impact evaluation of Russia IB programs
• Overview of Russia IB experience (as part of a publication on international experience in PB)
• Presentation of Russia IB program at the key international conferences
International context

• An international forum of BRICS countries “Citizen Engagement Approaches for Community Infrastructure Development” (Ufa, September 2017) passed a resolution to conduct annual events on this topic under the aegis of BRICS.

• **Initiate an address on behalf of BRICS countries to G20 partners** with the proposal to hold an event (workshop, roundtable or panel discussion) intended to include the issues of citizen engagement in community infrastructure development in the G20 agenda.
Russia has a federal administrative structure. The majority of IB projects address local issues within the competence of local authorities – on the first place territorial improvement, then local roads (sidewalks), water supply, cultural sites, memorial places, etc.

But the budgets of municipalities are scarce, and most of the funds for projects of initiative budgeting (up to 75%) come from the regional (sub-national) budgets.

In several Russia regions the amount of funds given out for the IB projects exceeds 1% of the regional budget.
Budget context (continued)

- Due to the fact that significant amount of funds are given out to regions from the federal budget, the issue of establishing a system of state regulation and measures of state support for practices of citizen participation is particularly important.
Institutional Context

• Today, Russia MoF discusses the issues of integration of budget transparency, budget literacy and initiative budgeting agendas.

• Initiative budgeting is repeatedly debated in the Upper House of the Russian Parliament.

• Development of proposals for legal regulation of IB in Budget Codex and another federal laws is in process.
Institutional context (continued)

• Initiative budgeting was included in the state program “Management of public finances of the Russian Federation”;
• IB is present in the key official documents published by the Russia Ministry of Finance;
• RAS Agreement on strengthening participatory (initiative) budgeting in Russia was signed with the World Bank;
• Development of IB is supported by the majority of the regional ministries of finance.
Managerial context

- For the last two years the main efforts of the IB organizers in Russia have been focused on creating and strengthening the institutional infrastructure of the IB, and the creation of the legal and regulatory base for the IB on federal and regional levels.
- Creating project centers for IB development in Russia regions (nearly 170 people were engaged in IB consultancy in 2016).
- Training of consultants, state and municipal authorities, and civic activists on fundamentals of IB.
- Development and publication of “popular information” and methodological materials about IB. Carrying out projects contests in the field of IB.
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