



REPORT

**Best practices in the development of initiative
budgeting in the regions and municipalities of the
Russian Federation**

Moscow
2019



This report has been prepared by the Center for Initiative Budgeting at the Financial Research Institute of the Russian Ministry of Finance (Head V. Vagin) with the support of the Department of Budget Methodology and Public Sector Financial Reporting

Authors: Belenchuk A., Vagin V., Shapovalova N., Gavrilova N. Galkina N., Antsyferova I.,

Contents

1. THE MAIN OUTCOMES AND DEVELOPMENT OF INITIATIVE BUDGETING.....	4
2. AN OVERVIEW OF INITIATIVE BUDGETING IN THE RUSSIAN REGIONS	9
3. BEST INITIATIVE BUDGETING PRACTICES IN THE RUSSIAN REGIONS IN 2018.....	19
3.1 IB financing from regional budget funds	19
3.2 The number of IB project beneficiaries	21
3.3 Integrted approach to IB development.....	23
3.4 Organization of IB consultancy support	24
3.5 Integration of IB with territorial public self-governance.....	27
3.6 Launching an IB regional program	30
3.7 IB edcuational practice.....	34
3.8 Developing IB competences	36
3.9 Inter-regional sharing of IB experience.	38
3.10 IB implementation in a municipality	40

1. THE MAIN OUTCOMES AND DEVELOPMENT OF INITIATIVE BUDGETING

In recent years, initiative budgeting (IB) has been one of the most developing activities of ‘The Budget for Citizens’ project of the Russian Ministry of Finance (MoF).

In 2018, the Program for Developing Initiative Budgeting in the Russian Federation, approved by the Government Commission on Open Government, was launched. Its activities became part of the MoF State Program on Public Finance Management and Financial Market Regulation.

As part of the Program, over 20 IB promotion and educational events were held during the year, including webinars with representatives of regional financial authorities to improve the effectiveness of current IB projects and involve new regions in IB development.

Fig. 1. Participants of the IB promotion and educational events



In 2018, MoF developed draft laws on amendments to the Federal Law No.131-FZ of October 6, 2003 on General Principles of the Organization of Local Self-Governance in the Russian Federation and to the Russian Budget Code in connection with the definition of IB and held discussions in the Federation Council and the State Duma with the participation of the Russian regional financial authorities. In 2019, the bills were submitted to the government.

Also in 2018, a series of events to support local initiatives and community involvement in local problem-solving were held with the Federation Council Committee on budget and financial markets and the State Duma Committee on federation structure and self-governance.

Fig. 2. Discussing the IB legal foundations



This work was greatly appreciated by the international experts at the conference ‘Citizen Participation as a Development Resource: Russian and International IB Practices’ at the Moscow Financial Forum, September 7, 2018.

Fig. 3. At the conference ‘Citizens’ Participation as a Development Resource: Russian and International IB Practices’



The conference disseminated and discussed the best practices of community involvement in local and regional socio-economic development; promoting participation in international organizations, and creating an international network of projects with community participation. Over 20 international experts attended the conference.

In the reporting year, Russia, for the first time, took part in the most prestigious competition ‘Best Practice in Citizen Participation’ held by the International Observatory on Participatory Democracy (IOPD). The project of the Sakha Republic (Yakutia) reached the top 20 and then the top 5 of the best participatory practices among 65 participating countries in 2018.

Fig. 4. Representatives of the Sakha Republic (Yakutia) at the award ceremony of International Observatory on Participatory Democracy competition



The discussion of the peculiarities of Russian IB development continued with international experts from Spain, Portugal, Brazil, the USA, Italy, Iceland, South Korea, and China at the International Public Participation Forum ‘Empowering Citizens, Reshaping Cities: Public Participation and Urban Development’ held with the support of the Russian MoF and the World Bank in St. Petersburg, 18–19 April, 2019. A distinctive feature of Russian practice includes federal support and the coordination of experts, government bodies, local authorities, citizens and businesses to promote and introduce IB.

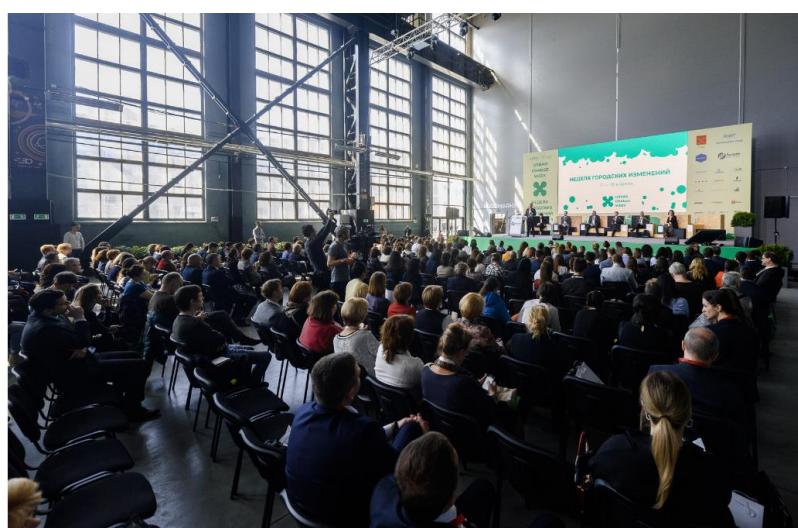


Fig. 5. International Public Participation Forum on IB issues, St. Petersburg

IB was also included in the key strategic planning document the *Principal Directions of Activities of the Russian Government to 2024* as an action “to introduce

and promote participatory mechanisms enabling Russian citizens to take part in the socio-economic development of their respective territories, using participatory (initiative) budgeting”.

The IB development indicator is the number of Russian regions that approved regional IB implementation as part of their regulatory legal acts. The target for 2024 is 62 regions. By the end of 2018, 33 Russian regions already included IB in their state programs.

The analysis of the reporting period reveals the following regional state programs with the inclusion of IB:

- regional (public) finance management;
- local self-governance development;
- regional policies: public management, regional development, civil society development, and international relations;
- sectoral state programs and regional projects such as ‘Developing a Comfortable Urban Environment’ and ‘The Sustainable Development of Rural Areas’;
- and regional economic development.

One of the tasks is to improve budget efficiency and the main components of IB development in the medium term are included in the Concept of improving budget spending efficiency in 2019–2024, approved by Government order No. 117-p of January 31, 2019. In order to ensure the accountability of the budget expenditures, the Concept includes the following measures:

- to develop a system of public discussions on the draft regulatory acts that affect the citizens’ interests, to present the most socially significant draft regulatory acts in a format understandable to the general public;

- to make the information on the performance of public authorities, including public finance management, published on official information resources, clear and understandable for the general public;

- to develop a system of public hearings on draft budgets and reports of their implementation, and to improve the mechanisms to consider and address citizen proposals;

- to define the legal foundations of IB and to give Russian regional public authorities and local governments the responsibility to establish IB implementation specifics;

- to include IB as a possible mechanism to implement different actions, including those to develop the urban environment;

- to develop guidelines for regional public authorities, local governments and citizens on IB project preparation and implementation;

- to summarize and disseminate the best regional and municipal IB practices;
- to provide and secure free access to IB educational and information materials for the citizens, prospective participants and initiators of IB projects;
- to raise public awareness of budgeting issues and participation instruments in public finance management and civic oversight.

The first year of the Concept includes the development of methodological instruments necessary for IB, including guidelines to create and organize regional IB development centers, and recommendations on the preparation and implementation of IB development programs in the Russian regions.

These actions will make it possible to improve the openness of the budget process and will contribute to the further involvement of civil society.

This report is based on the analysis of the data, provided by the regional executive authorities on the implementation of their IB programs and practices.

2. AN OVERVIEW OF INITIATIVE BUDGETING IN THE RUSSIAN REGIONS

This year, 82 executive authorities of Russian regions sent their responses to a MoF survey about the development of citizen participation in IB practices in 2018. After evaluating the data, 68 responses from the regions were selected as relevant, containing descriptions of practices within the given budget cycle and in accordance with the proposed form.

The Jewish Autonomous, Ivanovo, Magadan Oblasts, Kamchatka Krai, Republic of Khakassia, Crimea, Chechen Republic and Karachay-Cherkessia Republic reported no IB practices in 2018. Kemerovo, Moscow, Volgograd, Pskov Oblasts, Chukotka Autonomous Okrug, Mordovia and Kabardino-Balkaria Republics reported plans and preliminary actions to launch regional IB programs.

In this report, IB is understood as a set of actions to involve citizens in budgeting decisions, determined by a particular order and enshrined in the regulatory and methodological documentation of a region or municipality. To be considered IB practices the following criteria must be met:

- 1) direct citizen involvement in initiating projects;
- 2) citizen participation in the discussion and prioritization of the proposed projects;
- 3) competitive project selection;
- 4) the opportunity to participate in the delivery of the selected projects;
- 5) open public procedures and public control of project delivery.

Data collection in 2018 was updated to separate municipal from regional IB practices as there was increased dissemination at the municipal level. The scale and financing of such projects are significantly different from regional ones. The financial sources are local budget funds and extra-budgetary co-financing, while regional IB practices use regional budget financial support as well as other sources, including transfers from the federal budget.

According to the Scientific Financial Research Institute (NIFI) of the MoF, the total number of variations in citizen participation in budgeting decisions in the Russian regions was 193 in 2018, which is almost twice that of 2017 (112 different practices) and over 6 times higher than in 2015 (31 practices).

The increased number of practices resulted from the change in the survey methodology that made it possible to have municipal practices in a separate category. In 2018, 91 municipal practices were implemented in 24 Russian regions.

The best new practices included the IB project in Krasnoyarsk, a pilot project in Belgorod district in Belgorod Oblast, a project of Lenin district in Moscow Oblast, ‘Our Village’ in the Republic of Bashkortostan, a Local Initiative Support Project (LISP) of Sarapul in Udmurt Republic, the IB practices of Borovsk and Ferzikovo districts in Kaluga Oblast, ‘I Plan the Budget’ from Magnitogorsk and an original practice of Oktyabrsky district in Rostov Oblast.

In 2018, pilot regional IB programs were launched in 9 Russian regions: Amur Oblast (LISP), the Republic of Adygea (LISP), Altai Republic (The Citizens' Initiative), Bryansk (IB), Voronezh Oblast (LISP), Zabaykalsky Krai ('Zabaykalie. The territory of the future'), Novgorod Oblast (LISP), Orel Oblast ('People's Budget'), Tomsk Oblast (IB).

Two more Russian regions adopted regional laws: 'On IB development in Moscow Oblast' and 'On Implementation of IB Projects in Kemerovo Oblast'.

Other IB programs have shown considerable growth and better implementation quality in recent years. Particularly noteworthy are the regions where they not only keep improving the existing programs but also develop new IB practices. The Republic of Bashkortostan launched two new programs in 2018 – income-generating projects and the municipal project 'Our Village'. Sakhalin, for the first time, implemented the 'Youth Budget' program for school students and held initial events of a large three-year program 'Territorial Development'. In Novgorod Oblast, they realized the first cycle of LISP and 'The People's Budget'. In Ulyanovsk and Orenburg Oblasts, and the Yamalo-Nenets and Khanty-Mansi Autonomous Okrugs, work was carried out to encourage municipalities to launch and develop their own IB projects.

A particular recent innovation is IB in schools. Following the inclusion of financial and budget literacy lessons, some regions organized projects and extracurricular activities with the participation of school students. The students' involvement in IB projects can ensure their attentive attitude towards the projects created by their classmates, responsibility for school life, a further awareness of project development and budget literacy. The school IB projects are being actively implemented in Sakhalin Oblast, Komi Republic, St. Petersburg, Yamalo-Nenets Autonomous Okrug, Altai Krai, and Moscow Oblast (Balashikha).

Fig. 6. A school IB project in Sakhalin Oblast



In 2018, as in 2017, the survey data includes regional grant programs supporting local citizen initiatives in rural areas (16 practices) in the Russian Ministry of Agriculture Federal Target Program (FTP) 'The Sustainable Development of Rural Territories', and in the comfortable urban environment regional programs (18 practices) in the Russian Ministry of Construction priority federal project 'Forming a Comfortable Urban Environment'.

These practices are characterized by specific projects limited by three project types of FTP (children and sport playgrounds, memorial places, and support for cultural traditions) and two of the federal project (improvement of courtyards and

public spaces). The second distinguishing feature of these practices is that most funding for the projects comes from the federal budget.

The monitoring data shows that in 2018 there was a considerable expansion of IB in the regional programs for creating a comfortable urban environment. Since 2017, in ‘Making Joint Decisions’ in Yaroslavl Oblast, the IB initiatives selected by citizens have been financed from federal funds. In Khabarovsk Krai, for several years, federal project subsidies have been successfully integrated into LISPs. These programs select and implement a wide range of projects and use IB mechanisms. Since 2018, ‘The People’s Initiative’ project in Tambov Oblast has also been funded through the federal subsidies. In total, 36 regional practices reported using federal funds.

The second significant portion of practices represent regional and municipal programs supporting territorial public self-government (TPSG) – 9 practices, and socially oriented NGOs – 5 practices. These provide an opportunity to solve a wide range of problems, which is typical for IB practices, however, most TPSG projects have noticeable cost restrictions and, as a rule, are aimed at more limited target audiences.

Regional IB programs also have successful practices working with TPSG and NGOs, and new pilot opportunities. Examples of TSPG and NGO integration in IB programs can be seen in Vologda, Kirov, Ulyanovsk, Ryazan, Bryansk Oblasts and others. As a rule, IB programs make it possible to participate and initiate projects for groups of citizens and their associations such as TPSG and NGOs.

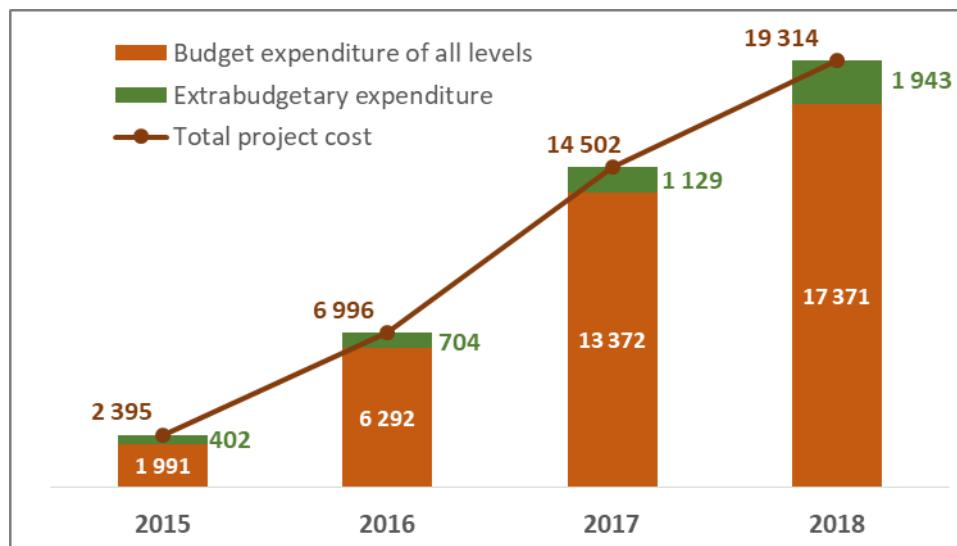
Along with the IB practices in Kirov, Vladimir Oblasts and the Republic of Tatarstan, self-taxation keeps developing. The practices in these regions include a mechanism providing inter-budgetary transfers from regional budgets to local ones with a prerequisite of attracting self-taxation funds. In Kirov Oblast, the proportion is 40/60, in Vladimir Oblast – 50/50, in Tatarstan – 20/80.

A separate practice is that based on ‘deputy mandates’, for example, the ‘100 schools’ project in the Republic of Dagestan, and practices with a single thematic focus, such as housing and communal services, road construction, gas pipelines, landscaping, street lighting.

The data for 2018 show a noticeable increase in the number of regions with a range of practices and solutions at different levels – three or more practices have been developed in 24 Russian regions. Among the regions implementing more than one practice in 2018 are Kirov, Leningrad, Samara, Novgorod, Kostroma, Orenburg, Ulyanovsk, Tyumen, Kurgan, Astrakhan, Rostov, Omsk, Sverdlovsk, Kursk, Kaluga, Voronezh, Belgorod Oblasts, and Republics of Bashkortostan, Altai, Tatarstan, Krasnodar Krai, Yamalo-Nenets and Khanty-Mansi Autonomous Okrugs.

The funds allocated for the projects in all practices reported in 2018 is 19.3 bln rubles, which exceeds the previous year’s figure by almost 5 bln rubles.

Diagram 1. Dynamics of the IB projects financial support, 2015–2018, mln rubles



The funds allocated from regional and local budgets in Russia to implement the projects in 2018 increased by more than 2.5 bln rubles to 10.5 bln rubles. According to the survey data from 68 Russian regions, 13.9 bln rubles were preplanned for IB projects in 2019. Considering the new regions and IB programs that are to be implemented in 2019, the preliminary forecast gives an increase in the IB financial indicators for 2019.

The contribution of municipal budgets increased by 1 bln rubles and was 3 bln rubles. Extra-budgetary co-financing also increased, including initiative payments by citizens, legal entities, and other forms of co-financing, in 2018 it was 1.9 bln rubles. Among all extra-budgetary sources in the project financing, funds from legal entities demonstrated the highest growth: from 2.4% in 2017 to 3.7% in 2018.

The indicator of ‘extra-budgetary funds for 1 ruble from the regional or local budget’ also increased from 0.15 to 0.19 ruble.

Table 1. The dynamics of financial indicators of IB practices in the Russian regions 2015-2018, mln rubles

Parameter	2015	2016	2017	2018
Total budget, including:	2 395.0	6 995.6	14 501.7	19 314.3
Regional budget funds	1 375.8	5 132.6	7 678.9	10 499.3
Total co-financing from other sources, including:	1 019.2	1 863.0	6 822.8	8 815.0
Federal budget *	н/д	22.3	3 782.7	3 907.3
Municipal budgets	614.9	1 137.0	1 910.8	2 964.6
Co-financing from people	205.5	478.1	776.6	1 123.1
Co-financing from businesses and legal entities	182.1	218.9	344.5	714.6
Other sources	16.7	6.7	8.2	105.4

Parameter	2015	2016	2017	2018
Total amount of extra-budgetary funds (population, business, and other)	402.2	703.7	1 129.3	1 943.1

* including the funds from the Russian Ministry of Construction priority project ‘Creating a Comfortable Urban Environment’ and the federal target program ‘Sustainable Development of Rural Territories in 2014–2017 and until 2020’ of the Russian Ministry of Agriculture.

An indicator for the share of the IB project funding in total regional budgets was introduced for the first time in 2017 and was calculated considering all regional practices, excluding those on a municipal level. The data of 2018 demonstrates wide variability. The highest figures are in the Republic of Bashkortostan – 0.7%, Yaroslavl Oblast – 0.6%, Zabaikalsky krai – 0.5%, and Irkutsk Oblast – 0.4%. The total number of implemented IB projects increased by almost 3,000 and was 18,725 (in 2016 – 9,260; in 2017 – 15,942).

The general typology of the projects in the 2018 survey was enlarged. The following categories were added: ‘projects for the improvement of courtyards’, ‘cultural and library projects, the repair of cultural centers’, ‘educational projects’, ‘projects for vulnerable social groups and disabled people’. This update made it possible to obtain more accurate statistics by category.

Table 2. The typology of Regional IB projects in 2016–2018 (%)

№	Types of IB projects	2016	2017	2018
1	Water supply, wastewater disposal systems	11.0	9.7	8.5
2	Roads and road infrastructure (sidewalks, pedestrian crossings and public transport stops)	14.5	13.0	15.1
3	Street lighting	8.7	7.2	8.4
4	Primary fire-fighting appliances and measures	2.8	2.7	2.7
5	Centers for consumer and personal services	0.2	0.2	0.1
6	Cultural heritage (monuments, museums)	2.1	2.2	2.2
7	Educational projects	--	--	5.6
8	Cultural and library projects, reparations of cultural centers*	11.7	10.1	7.7
9	Fitness and mass sport facilities	4.6	4.6	5.3
10	Complex improvement of courtyards **	--	--	8.4
11	Children playgrounds	8.8	8.1	7.8
12	Public recreation places and territorial improvement facilities	18.1	17.9	9.4
13	Cemeteries/burial places	3.7	3.8	4.8
14	Solid municipal/domestic waste and garbage collection	5.3	3.0	3.1
15	Event projects (festive occasions and festivals)	4.5	3.8	3.0
16	Housing and public utilities (repair of facades and roofs), heat supply, wastewater disposal systems, and gas pipelines	--	1.3	1.9

17	Large infrastructure projects (bridges, dams, improvement of reservoirs)	--	0.3	0.2
18	Acquisition of equipment, machinery, and vehicles	--	4.1	1.6
19	Projects for vulnerable social groups and disabled people	--	--	3.0
20	Others	4.0	8.0	1.2
Total:		100.0	100.0	100.0

* earlier, educational institutions were also included in this category

** earlier they were included in the category 'Public recreation places and territorial improvement facilities'

In 2018, the most common projects were related to roads – 15.1%. The second most popular projects were public recreation places and territorial improvement facilities – 9.4%, but considerably less as compared to 2017 (18%). The significant reduction is associated, among other things, with the changes in the project typology introduced in the 2018 survey, which made it possible to more accurately take into account the variety of IB projects.

In addition to roads and territorial improvement, the most pressing issues for citizens include: problems with water supply – 8.5%, street lighting – 8.4% and courtyard improvement – 8.4%, children playgrounds – 7.8%, cultural and library projects and cultural centers' reparations – 7.7%, and educational projects – 5.6%. The new category 'Projects for vulnerable social groups and disabled people' included 557 projects, which amounted to 3% of total.

In 2018, the average project cost was 1 mln rubles, which higher than the 0.9 mln rubles in 2017. The average amount of budget funds allocated for one project increased to 0.6 mln rubles (in 2017 it was 0.5 mln rubles), while the average amount of extra-budgetary support for one IB project increased as well; 0.1 mln rubles compared to 0.07 mln rubles in 2017.

The share of beneficiaries of all projects implemented in 68 regions approached 23.3% of the total population of these regions.

An important IB component is the involvement of a wide range of citizens in initiating, discussing, and selecting projects with various forms of voting and competitive selection. As a rule, this was ensured by diverse in-person and on-line mechanisms provided for at different stages of IB. Statistics on participation in such procedures are not systematic. In some practices, the counting of the procedure participants at different stages is regulated by legal acts to confirm the involvement of locals.

The most common mechanism for collecting ideas from the citizens is meetings where they initiate, discuss, and select projects. Meetings are held in 52 Russian regions. Often such meetings are preceded by questionnaires where people mark priority topics and projects. After a preliminary analysis, these are rated and presented for discussion.

Table 3. The procedures used in the Russian regions to collect project ideas and the total number of participants in these procedures.

	Procedure to propose the ideas by the citizens	Number of regions using the procedure	Total number of participants
1	Meetings and discussions in-person	52	2,434,343
2	Questionnaires	33	966,186
3	Submitting project ideas on-line	19	20,682
4	A box for collecting the ideas	12	105,580
5	Public reception center	10	2,205
6	Other mechanisms	24	420,221

It is not possible to count the exact number of individuals involved as some regions implement several practices simultaneously and their participants partly overlap. In addition, there are intersections of the participants of different procedures, e.g. those answering questionnaires then come to meetings. Lists of individual participants in different procedures are not kept so only the total number is available.

The rating of the project selection procedures looks a bit different. The most popular are commissions of local authorities, who evaluate projects according to formal criteria. They are used in 46 regions. In-person meetings and gathering are in the second place. They are to solve complex tasks: first citizens meet to discuss the ideas and then to select the best ones. Such a procedure is used in 41 regions.

Both mechanisms are often applied in parallel within the practices using LISP methodology, where citizens select the best projects at the local level, and commissions then rank them at the regional level using pre-announced formalized criteria.

Table 4. The procedures used in the Russian regions to select winning projects and the total number of participants in these procedures.

	Procedure to select winning projects	Number of regions using the procedure	Total number of participants
1	Commissions of the local authority representatives	46	0
2	In-person voting at meetings and gatherings	41	1,260,482
4	Internet voting	15	726,171
5	Citizen commissions	8	20,769
6	Referendums	3	1,128,567
7	Other mechanisms	20	1,545,240

Internet voting is in third place, and is used in 15 regions; various formats are used, including anonymous voting on the municipal websites, surveys on social media and regional portals, and, finally, the most secure options with verification through an authentication system.

According to the statistics collected as part of the monitoring in 2018, the citizens proposed over 88,000 ideas, of which more than 23,000 passed technical analysis and were registered to participate in the IB competitive procedures; over 18,000 eventually became winning projects.

Table 5. Statistics of proposals: from idea to implementation

1	Number of the citizen project ideas	88,874
2	Number of proposals approved that underwent technical analysis and were registered to participate in competitive procedures	23,420
3	Number of winning projects	18,725

The digitalization of the participation processes is important for IB development. At the beginning of 2019, blockchain voting platforms were launched in Volgograd and Nizhny Novgorod. Digital technologies make it possible to ensure the reliability of the procedures for IB project selection.

With regard to the need to widely disseminate information to secure the quality of participation procedures, some Russian regions include awareness campaigns as part of the state programs. In particular, the importance of promotional work is fixed in the state programs of Stavropol and Altai Krais, and Yaroslavl and Ulyanovsk Oblasts. Positive results have been achieved in developing a brand and identity design for regional IB practices, which are becoming more recognizable. Along with the official name included in regulatory legal acts, they obtain nicknames used in the mass media, such as ‘Your Budget’ (St.Petersburg), ‘Making Joint Decisions!’ (Yaroslavl Oblast), ‘Altai, you propose!’ (Altai krai), ‘Yenisei riverbank’ (Krasnoyarsk krai), ‘Your Kuzbass – Your Initiative’ (Kemerovo Oblast), ‘Cooperation’ (Samara Oblast), ‘Zabaykalie – The Territory of the Future’ (Zabaykalsky Krai).

Fig. 7. The Logos of IB regional practices



More Russian regions have started using internet platforms to manage the whole practice or some of its stages. Separate sections of the websites of local executive authorities and independent websites are commonly used to disseminate information on participation conditions, selection criteria and procedures, winning projects and their implementation.

More complex tasks are solved by information management systems used to optimize the application process and proposal verification by the municipal authorities, in particular, in the Republic of Bashkortostan, Republic of Sakha (Yakutia), in Tver, Tula, Kirov, Orenburg Oblasts, Altai, Stavropol, and Krasnoyarsk Krais. Tula and Sakhalin Oblasts used internet voting.

One of the latest trends is the emergence of new project offices to support the practices at the regional level.

Among the regions with the strongest project centers are the Republic of Bashkortostan, Stavropol, Altai, and Krasnoyarsk Krais, Kirov, Yaroslavl, Novosibirsk and Nizhny Novgorod Oblasts. If the practice is supported by consultants, they work within the state assignment or, as in Kirov Oblast, the consultants have a state contract for consultancy and information services.

In order to disseminate the best practices in certain elements of IB implementation, this report presents 10 examples of the practices showing the best results in 2018 according the following criteria:

The share of funds allocated for IB in the regional budget;

The number of beneficiaries;
An integrated approach to IB development;
IB consultancy support;
The integration of IB with territorial public self-government;
The start of the IB program in the region;
IB educational practices;
The development of IB competencies;
Inter-regional sharing of IB experience;
The organization of IB in a particular municipality.

3. BEST IB PRACTICES IN THE RUSSIAN REGIONS IN 2018

3.1 Financing from regional budget funds

Based on the MoF's survey responses, the Republic of Bashkortostan shows the highest figures for IB project financing from the regional budget.

In total, five practices were implemented in the Republic: four regional and one municipal. The total funds from different sources allocated to support the projects of all five practices (including municipal) were 1.6 bln rubles. The total funds for the municipal practice implementation were 10.5 mln rubles. The budget of the Republic of Bashkortostan in 2018 was 180 bln rubles and the share of funds allocated for the IB projects was 0.7% of the budget.

Table 6. A comparative analysis of the funding sources for IB projects, in the Republic of Bashkortostan in 2018 (mln rubles)

№	IB practices implemented in the Republic of Bashkortostan	Practice title	Total amount of funds allocated from different sources	Allocations from the Republican budget
1	Municipal IB project	'Our village'	10.5	--
2	Social facilities and infrastructure projects, based on local initiatives	LISP	605.8	398.3
3	Implementation of the voters' orders addressed to the members of the Federation Council of the RF Federal Assembly, deputies of the RF State Duma, and of the State Assembly - Kurultay of the Republic, in the course of their parliamentary activities	'Practical Actions'	207.4	173.5
4	Projects to improve courtyard territories, based on local initiatives	'Ufa Courtyards'	417.2	356.5
5	Income-generating projects (IGP), based on civic initiatives to create an agricultural consumer cooperative	IGP	352.4	299.8
	Total		1,593.3	1,228.1

'Our village' was implemented for the first time in 2018 in six municipal districts (Alsheyevsky, Bakalinsky, Burayevsky, Ilishevsky, Kaltasinsky, and Miyakinsky) at the expense of municipalities, citizens and local businesses; republican funds were not involved in the practice.

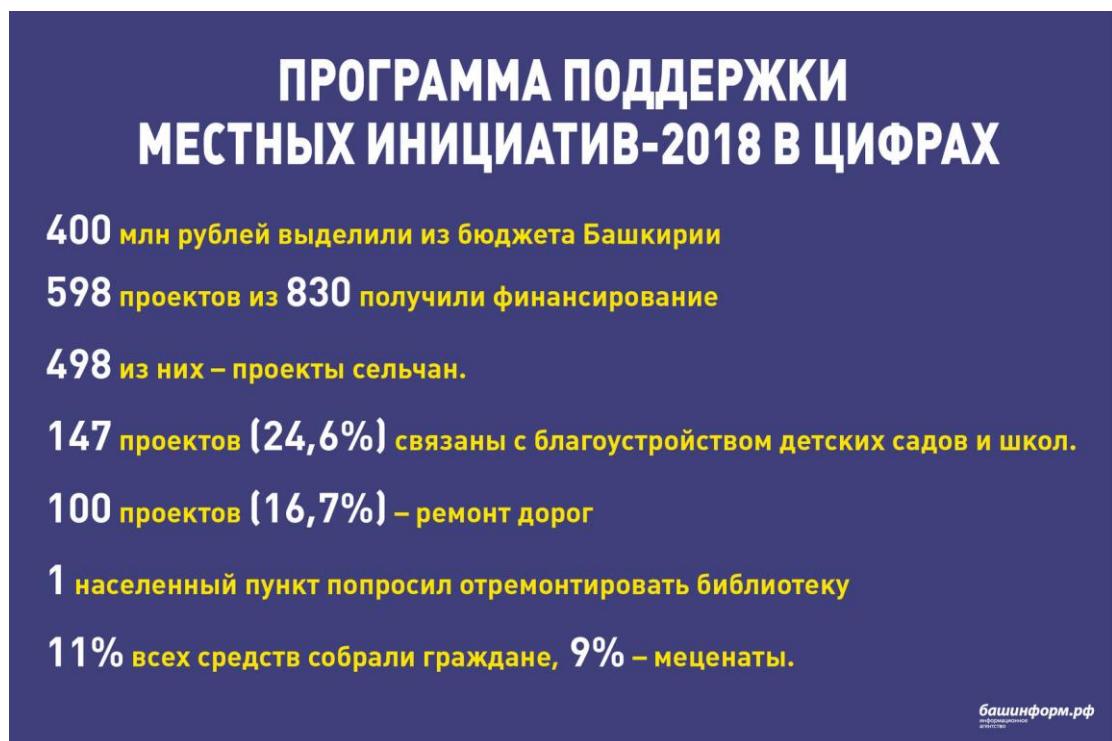
The regional budget provides funding for more than 75% of the project costs of all four implemented practices: the share of regional funds in the total cost of the

projects was 77.6%. For three practices ('Practical Actions', 'Ufa Courtyards', and Income-generating projects), budget allocations made up 85% of total project costs, compared with the previous year, a 3.8 percentage point increase – from 73.8% to 77.6%.

In the long-standing practice of LISP, the share of budget funds in the total project costs was 65.8%. Over the past few years, this figure has not changed. Funds from municipal budgets were used in all these practices, with the exception of 'Income-generating projects', on average 11–14% of the total cost of IB projects.

Extrabudgetary co-financing was present in all four practices, meanwhile, 'Practical Actions' and 'Ufa Courtyards' received funds from citizens only, and LISP and IGP – from citizens and legal entities. The largest share of extrabudgetary funds was received for LISP implementation – 20.7% of the total cost of the projects (the shares of citizens and legal entities are approximately the same). IGP has the second highest level of co-financing, with 14.9% of the total project cost (the contribution of legal entities is two percentage points ahead of individual contributions, and this trend is expected to increase).

Fig 8. The LISP indicators in the Republic of Bashkortostan in 2018



LISP has been implemented in the Republic of Bashkortostan since 2014, 'Practical Actions' (the implementation of voters' orders addressed to members of the Council of the Federation, the State Duma and the State Assembly-Kurultai of the Republic of Bashkortostan) was launched in 2015. In 2017, the 'Ufa Courtyards' program was launched to improve residential courtyards, and in 2018, a pilot practice was launched facilitating the initiation of income-generating projects based on agricultural consumer cooperatives.

Table 7. Allocations from the budget of the Republic of Bashkortostan for IB projects in 2016–2019 (mln rubles)

Indicators	2016	2017	2018	2019 (plan)
Allocations from the Republican budget of the to finance the IB projects, mln rubles	300.7	674.5	1,228.1	2,512.3
The share of the Republican budget, %	n.a.	0.4	0.7	1.2

The amount of funds allocated from the republican budget for IB practices has doubled every year. In 2016, the regional subsidies were 300 mln rubles (the funds for only one of the two projects being implemented at that time), by 2018 it had grown to 1,228 mln rubles. The plans for 2019 also provide for a doubling of the subsidy for the IB projects – up to 2,512mln rubles, which is projected to be about 1.2% of the Republican budget.

3.2 The number of IB project beneficiaries

Based on the MoF's survey responses, the highest share of the IB project beneficiaries in 2018 was recorded in Nizhny Novgorod Oblast – 69% of the population.

The number of IB beneficiaries is one of the regional IB development indicators. Each practice has its own specific calculation, distinguishing between direct and indirect beneficiaries. In addition to the number of beneficiaries, “in whose immediate interests the project is being implemented” (or “residents interested in the project”, or “the number of people who will directly benefit from the project”), the qualitative characteristics and the composition of the beneficiaries are also important. Examples are “residents of an apartment building”, “visitors to an institution”, “all residents of a small settlement”. Such a combination of quantitative data and descriptive characteristics (“how many” and “who they are”) seems the best way to define IB project beneficiaries.

For a comparative analysis of the number of IB project beneficiaries in Russian regional practices, the Center for Initiative Budgeting (NIFI, MoF) used two indicators: the proportion of beneficiaries in the total regional population and the share of the population of the administrative unit in the total regional population.

Table 8. Leading regions by the number of IB project beneficiaries, considering the population

	Regions	Share of beneficiaries	Regional population, % of total	Share of beneficiaries considering the regional population, %
1	Nizhny Novgorod Oblast	69.02	2.19	1.51
2	Stavropol Krai	67.48	1.90	1.28

Source: Center for Initiative Budgeting (NIFI, MoF)

The best indicator for the number of beneficiaries in 2018 was recorded in Nizhny Novgorod Oblast. Since 2013, LISP has been implemented there by the Ministry of Internal Regional and Municipal Policy. The total budget of all IB projects implemented in the region was 608 mln rubles, of which, 50% came from the regional budget, 31.7% from municipal budgets, 6% from citizen co-financing, and 12.2% from legal entities.

During the reporting period, applications were submitted from 295 municipalities, 468 applications became winners, almost half of them (207) were connected with roads, sidewalks, pedestrian crossings, and public transport stops.

The methodology to assess IB project beneficiaries in Nizhny Novgorod Oblast considers direct and indirect beneficiaries. According to the data provided by local authorities, there were 788,038 direct IB project beneficiaries and 1,444,742 indirect making a total of 2,232,780 people.

Table 9. Nizhny Novgorod regional LISP: Criteria for competitive selection, section 2. Social efficiency of the program implementation

2.	Social efficiency of the program (project) implementation, incl.:	0.20	
2.1	The proportion of the residing population that benefit from the program (project) implementation (direct and indirect beneficiaries)	75% and more of all residents of a settlement/locality from 50% to 74.99% from 25% to 49.99% Less than 24.99%	100 points 80 points 60 points 40 points
2.2	The cost of the program (project) per direct beneficiary	500 rubles and less from 501 to 1000 rubles from 1001 to 3000 rubles from 3001 to 5000 rubles from 5001 to 10000 rubles More than 10001 rubles	100 points 90 points 70 points 50 points 30 points 0 points

Direct beneficiaries are rated higher, that is, they have a greater weighting factor (0.1) than indirect ones (0.05) when calculating competitive points. The section of the methodology for competitive selection of IB projects “The social efficiency of program implementation”, evaluating the beneficiaries, is the second most important, with a coefficient of 0.2, after the “Level of co-financing of the program (project) from the municipality” section, with a coefficient of 0.35.

3.3 Integrated approach to IB development

Based on the analysis of the MoF's survey responses, Sakhalin Oblast demonstrates the largest number of practices and management mechanisms at the regional level, covering a wide range of issues of local importance and showing improved regional IB development indicators.

Sakhalin Oblast implements three IB practices simultaneously. They have different target audiences, are different types of projects and use different types of technologies to involve citizens in proposing, discussing and selecting the initiatives.

LISP implements projects initiated by local activists, worth up to 3 mln rubles. Projects are discussed and proposed at the local level, then the regional authorities rank the project applications based on predetermined criteria. The processing of applications and consultancy support is organized on the initiative budgeting portal (<https://pib.sakhminfin.ru/territories-development>), which is integrated with the subsystem of public procurements giving an opportunity to track procurements for projects. In 2018, 46 IB projects were LISP winners, including sports facilities, recreational areas, street lighting, children playgrounds, water supply systems and other local initiatives with a total value of 138.3 mln rubles.

The target audience of the ‘Youth Budget’ is regional high school students. Projects worth up to 3 mln rubles are proposed by the senior students of 125 schools, each of which annually has an allocation in the regional budget to implement public infrastructure development projects. Students formulate ideas, select the best ones by voting, and help implement the projects. The project selection procedure is as follows: after applications are completed, each school forms a youth council, including at least 7 senior students. Considering the total list of projects, youth council members vote for one project from each school. In 2018, there were 125 winning projects. As part of the preparations for the next cycle of practice, representatives of local governments, teachers and high school students took part in special training seminars. The events were held in different cities of the region and involved about 400 people.

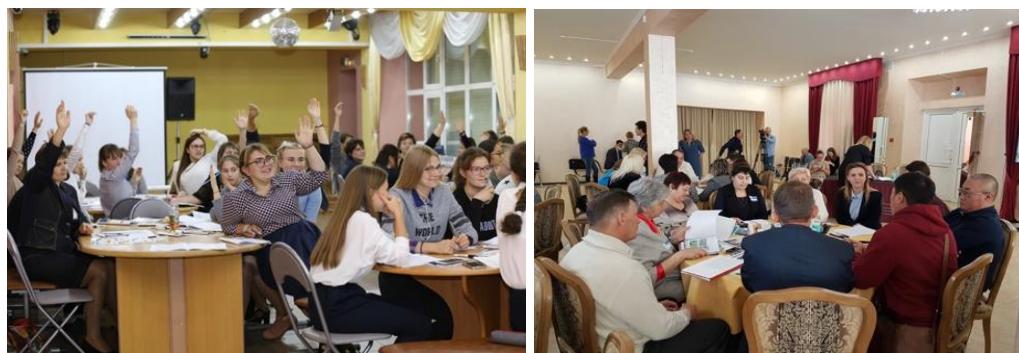


Fig 9. Discussions of the delegates

The third IB practice in the Sakhalin Region is ‘Territory Development’, it includes large resource-intensive projects, worth up to 100 mln rubles, for the construction or reconstruction of social infrastructure in urban districts. The meetings at the local level elect by direct vote three delegates who represent their locality and the selected project proposal. Meetings are held in all settlements of the urban district with a population of over 100 people. A general meeting is held, participants register and the meeting is videoed.

Then the meetings of delegates are held, resulting in a municipal rating of project proposals and the two with the largest number of votes are included in the list for the final vote. Winning projects are selected by a general regional vote, which takes place in person and in electronic format with verification of votes through the Unified Identification and Authentication System (UIAS). The settlements without internet access use in-person voting with the documented lists. Eleven projects were winners as part of the ‘Territory Development’ practice in 2018.

3.4 Organization of IB consultancy support

Kirov Oblast stands out for the systematic approach to supporting LISP for different groups participating in IB, using modern training methods and innovative approaches to the organization of the regional project center.

Kirov Oblast was one of the first of the Russian regions to implement IB practices. In 2010, the region launched LISP, which in 2011 was scaled up to the entire region, and later other IB practices were launched. The total funds allocated from various sources in 2018 to finance LISP were 325.5 mln rubles, 342 projects were implemented.

A distinctive organizational feature of the regional project center is the open competition for the consultants selected by state contract for information and consulting services. In 2018, LISP consultancy support was provided by the IB Consultancy Office, which includes a team of experts who carry out methodological, analytical, educational, and monitoring work as part of the entire IB program and separate IB project implementation.

Together with the Ministry of Social Development, the consultants conduct trainings on the evaluation system of competitive municipal applications; on the

work of the LISP application management system; on the basic principles and practical issues of LISP implementation for newly elected heads of municipalities and other interested specialists; on concluding agreements, identifying contractors and reporting; on informing citizens of LISP implementation; on monitoring the quality of municipal project implementation, and other issues. Some trainings are conducted using video conferencing; seminars for representatives of municipalities and local people are held before the community meetings to select topical issues of local importance.

Handouts include LISP operational guidelines developed in Kirov Oblast, recommendations for working with the application management information system, recommendations for completing reporting forms in the information system, memos for holding meetings, for criteria of competitive selection, and memos for the content and procedure for creating competitive applications.

Fig. 10. Seven mistakes of involvement



Kirov Oblast uses the LISP application management information system, which allows municipalities to submit applications and download the necessary documents, generate reporting documents (reports on community meetings and concluded agreements), evaluate competitive applications automatically, fill out agreements and appendices in a simplified form, and upload photos of completed projects.

The openings of new facilities and the LISP implementation process are covered by regional TV channels such as STS – 9 Channel, TNT – 43 region, GTRK Vyatka, and First Municipal. Interviews and reports are broadcast on the Echo of Moscow-Kirov radio station. Stories, covering LISP implementation are published in local print media. Representatives of initiative groups and municipal administrations create thematic communities on social networks.

‘The People’s Budget’ is another IB practice implemented in Kirov Oblast. The practice extends to urban settlements and is organized by the regional Ministry of Finance. Citizens over 18 who are not deputies and employees of local governments can take part in The People’s Budget. To participate in the project one has to apply, then a budget commission is selected from those applications. The collection of project proposals takes place at the first meetings of the budget commission. The number of project proposals and the number of participants are recorded in the minutes of the budget commission meeting. Members of the budget commission can join the working group on proposal implementation and participate in the preparation of budgets, as well as monitor the implementation of the winning projects.

A guide to The People's Budget implementation has been developed for project participants. It describes in detail the steps and activities of the municipal administration, the moderator and members of the budget commission. Model regulations on the project have also been prepared for urban settlements.

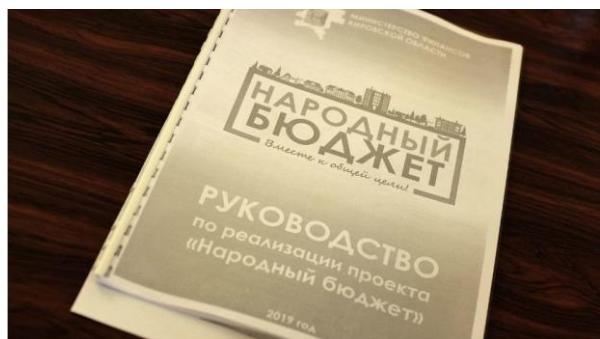


Fig. 11. Guide to the People's Budget project implementation

IB support includes conferences for representatives of municipalities to explain the project implementation process. Their participants are the heads of winning municipalities, project curators from municipal administrations, and practice moderators.

Presentations are organized by the local administration together with the regional Ministry of Finance. The presentations tell the community how the project is being implemented and how to join the budget commission. In addition to meetings with project discussions, the budget commission members attend specially organized lectures on the basics of the budget process and municipal procurement procedures.

In 2018, within The People’s Budget program, there were 14 projects implemented, their total cost was 12.4 mln rubles.

3.5 The integration of IB with territorial public self-governance

**The People's Budget –
TPSG project in
Cherepovets, Vologda
Oblast**



The city of Cherepovets stands out for its integration of IB with territorial public self-governance which has increased citizen involvement in IB implementation.

The IB practice in Cherepovets was one of the first to be developed in Russia; 'The People's Budget' started in 2013. Based the methodology of the European University in St. Petersburg (EUSP), the city introduced an IB mechanism with a budget commission formed through the random selection of residents who were willing to participate in the project. Its task is to allocate budgetary funds for the initiatives proposed by commission members. The practice worked in this way until 2016.

In March 2014, Cherepovets launched an experiment to integrate IB with TPSG. Both practices had a common principle: citizens themselves decide the allocations of part of the city budget. The new development was designed to motivate citizens to create TPSG structures and to solve social problems and issues of local importance.

In 2016, the choice was made in favor of The People's Budget – TPSG model, which helped enhance TPSG and include a wider audience. In 2016, the Cherepovets TPSG structures united about 100,000 citizens over 16 years old. The city authorities set a goal to increase the number TPSG structures to 27 and considered the possibility of implementing proposals of microdistricts at the expense of the city budget to achieve this goal.

The People's Budget – TPSG project is one of the few examples where TPSG is a mechanism that determines IB design and implementation. Each TPSG, with a registered charter, can annually propose three initiatives within a certain territory. The procedure of proposing, discussing and prioritizing the initiative is different in different TPSG; it can include meetings, surveys, boxes for collecting ideas in shopping centers, and internet voting in TPSG social networks. Then the TPSG Council approves three initiatives and sends them to the working group for examination.

Fig. 12. People's Budget – TPSG implementation scheme in Cherepovets



In 2014-2015, the working group made the final decision in evaluating projects according to predefined criteria. Since 2016, project selection has been made through popular vote. The selected proposals are included in the municipal programs and receive funding from the city budget.

The vote takes place on ‘united voting day’ at polling stations and requires participation in person. In 2016, 5,428 people participated in the selection of projects, in 2017 – 12,104 people. And in 2018, over 30,000 citizens voted for the initiatives proposed by 25 TPSG bodies. The vote count is made by a commission consisting of the representatives of each participating TPSG council. If the polling station covers several territories, the voter receives a ballot of the TPSG area where he or she resides.

Fig.13. Vote count for TPSG initiatives in the framework of People's Budget



Over the years, the concept of the working group has transformed. In The People's Budget, the working group included representatives of the city administration, industry units, the local Duma, the largest enterprises of the city, and the initiators of selected projects. Now there are no representatives of businesses in the working groups within The People's Budget – TPSG, and representatives of TPSG bodies express the interests of citizens.

The cost of TPSG projects varies from 1.5 to 2.5 mln rubles, which depends on the number of citizens living in a TPSG territory. As TPSG includes residents over the age of 16, people can participate in the project proposals and selection starting from this age.

From 2017, the following budget funds were to be allocated to TPSG territories with the number of residents over the age of 16 (at the time of establishment): from 1,000 to 8,000 residents – 1.5 mln rubles; from 8,000 to 12,000 – 2.0 mln rubles; over 12,000 – 2.5 mln rubles.

Table 10. Indicators of ‘The People’s Budget’ and ‘The People’s Budget – TPSG’ projects, 2014–2020

	‘The People’s Budget’		‘The People’s Budget – TPSG’		Number of participating TPSG
Year	Mln rubles	Number of initiatives	Mln rubles	Number of initiatives	
2014	12,3	2	-	-	-
2015	11,5	6	2.6	3	3
2016	4,5	4	5.4	3	4
2017	-	-	19.9	15	12
2018	-	-	35.7	27	21
2019*	-	-	46.5	39	33
2020*	-	-	59.9	-	-

*- 2019 and 2020 – planned values are indicated

From 2014 to 2019, 33 TPSG were created in Cherepovets, uniting more than 241,500 city residents, and 66.7 mln rubles were spent on the improvement of TPSG territories under The People's Budget-TPSG projects from 2014 to 2018.

In 2019, 46.5 mln rubles were allocated from the city budget for the project, which is 0.5% of the total municipal budget for 2019. With these funds, it is planned to implement 39 projects in 33 TPSG territories of Cherepovets.

3.6 Launching an IB regional program

Local Initiative Support Project in Novgorod Oblast



In 2018, Novgorod Oblast launched a priority project to support local initiatives as part of the state program in the region.

There were already five practices of citizen participation in the decision-making on public infrastructure development issues in 2018. The total funds spent on such projects in the region were 290.7 mln rubles. The main share of these funds was allocated to 'Creating a comfortable urban environment'. Another priority regional project – LISP – was implemented in the region.

Fig. 14. A community meeting of Roshchino rural settlement



The activities of the regional priority project were included in the regional state program ‘Public Support for the Development of Local Self-Government and socially oriented NGOs in Novgorod Oblast for 2018–2020’. The total funds for the regional project activities were 8.2 mln rubles, 9.4% of which were co-financing from citizens and legal entities. Eight applications went through competitive selection in 2018.

The selected project proposals included the improvement of the spring territory in the village of Ostrov in the Volot municipal district, the improvement of the territory around a multifunctional sports ground, the development of the family recreation park ‘Lukomorie’ in the village of Moika in the Batetsky municipal district.

A significant increase in regional budget funds, up to 22.4 mln rubles, is planned for regional IB projects in 2019.

Fig. 15. ‘Lukomorie’ project received the highest score of 845.3 points in the competitive selection



«Благоустройство территории вокруг многофункциональной спортивной площадки, обустройство парка семейного отдыха «Лукоморье», д.Мойка, ул.Молодежная Батецкий муниципальный район, Мойкинское сельское поселение

стоимость проекта – **918171 руб.**




Направление оценки	Критерий	%	Баллы	Максимальный балл	Оценка критерия
Уровень софинансирования со стороны бюджета поселения	168172	24,02	70,1	0,10	7,01
Уровень софинансирования со стороны граждан	50000	7,14	14,2	0,10	1,43
Уровень софинансирования со стороны организаций и других нефинансовых источников	0	0	0	0,10	0
Вклад населения в реализацию проекта в индивидуальной форме	106800	15,23	100	0,05	5,0
Вклад организаций и других нефинансовых источников в реализацию проекта в индивидуальной форме	0	0	0	0,05	0
Доля благоополучателей от общей численности населения населенного пункта	1733/345	502,32	100	0,05	5,0
Доступность финансовых ресурсов, наличие инклюзивной информации и эффективной эксплуатации объекта общественной инфраструктуры	В рамках поселения предусмотрено строительство пешеходных дорожек и установка лавочек общественной инфраструктуры в количестве 65 тыс. руб	100	0,05	5,0	
Доля участия населения в мониторинге и адаптации проблемы	272	78,84	100	0,10	10,0
Доля участия населения в итоговых собраниях по итогам приоритетного проекта	61	17,68	100	0,20	20,0
Использование СМИ и других средств информирования населения о процессе отбора приоритетной проблемы и подготовки заявки	Информационный стенды – 30 публикаций в СМИ – 30 Интернет – 40	100	0,10	10,0	
Количество созданных и (или) сохранившихся рабочих мест	2	другие задания	40	0,05	2,0
Перспективы дальнейшего развития проекта, многосторонность его реализации	обустройство площадки ГТО, катка, дополнительных рекреационных зон и установка новых архитектурных форм, установка солнечных термоэлектрических	100	0,05	5,0	
Итоговая оценка проекта					70,44

In 2018, some project selection procedures were also launched in ‘The People’s Budget’. Educational and consultancy support is an important part of regional IB development. As part of the regional public institution ‘Center for Municipal Legal Information’, a project center was created to provide educational seminars, training, and advise IB organizers in districts of the region.

3.7 Media campaign for IB implementation

‘Your Budget’ project in St. Petersburg



The media support for ‘Your Budget’ in St. Petersburg included active use of various information channels, promotion and advertising materials, and social networks.

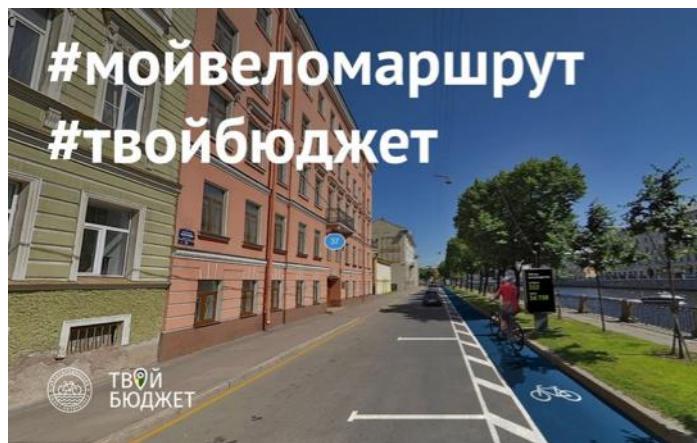
St. Petersburg was the first federal city to implement IB. ‘Your Budget’ was launched as a pilot in 2016 in the Vasileostrovsky and Central administrative districts. In 2017, more districts joined, including the Admiralteysky, Moskovsky, and Petrogradsky districts. In 2018, the applications were accepted from the residents of the entire city; Vasileostrovsky, Central, Nevsky, Primorsky, Frunzensky, and Pushkinsky districts had the highest activity of citizens.

‘Your Budget’ enables citizens to propose ideas for the development of the urban environment, to become a member of budget commission through a random selection of the citizens who apply to participate, to discuss and improve the initiative at commission meetings, and after its examination, to present the initiative to the commission for voting. This format of the public participation is used in each of the districts.

The practice uses an attractive visual design, creating the image of St. Petersburg as a contemporary European city with open and democratic governing bodies. To promote the practice, outdoor advertising and social networks with hashtag #твойбюджет (your budget) are actively used.

Fig. 16. Promotion and advertising materials





An important component is an educational module where participants have the opportunity to attend lectures and budget commission meetings which are open to the public; videos are also posted in the official groups of ‘Your Budget’ practice in VKontakte and Facebook, and on the YouTube channel. This helps significantly increase the audience, many more citizens get an opportunity to know why and how the decisions are made, to gain a basic knowledge of budgetary processes, financing, urban development, and public procurement.

Each district of the city has its own thematic group for ‘Your Budget’ in VKontakte. The visual style and approaches to group moderation are the same, which helps maintain the project identity, while making it possible to discuss specific local issues. To discuss all-city issues, there is ‘Your Budget’ group (vk.com/tvbspb) with more than 2,700 participants.

Fig. 17. ‘Your Budget’ project in social media


Голосование в проекте "Твой бюджет" - Санкт-Петербург
Твой бюджет - Санкт-Петербург
1030 просмотров - год назад


2018 05 14 Давид Бокучава, "Как д...
Твой бюджет - Санкт-Петербург
2 050 просмотров - год назад

ТБ
ТВОЙ
БЮДЖЕТ

«Твой бюджет» Василеостровский район
Подписаться

«Твой бюджет» Центральный район
Подписаться

«Твой бюджет» Московский район
Подписаться

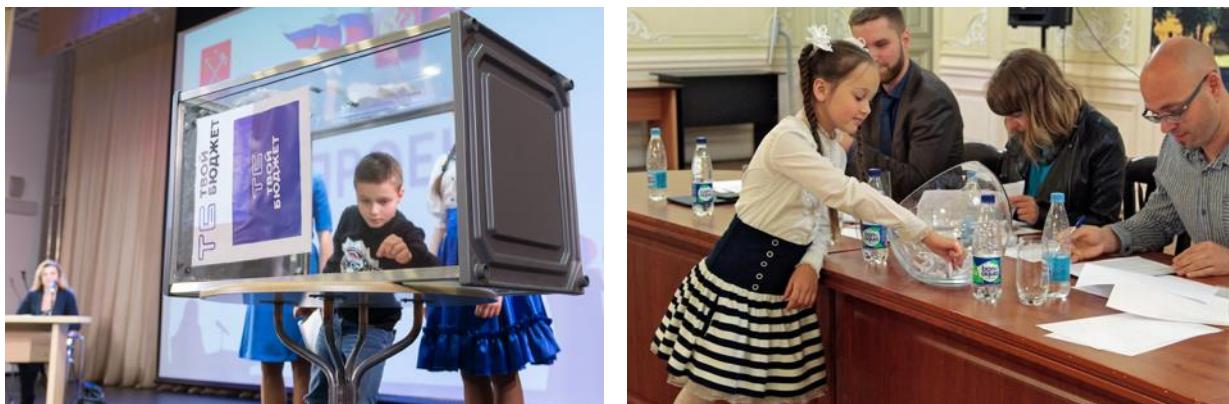
«Твой бюджет» Невский район
Подписаться

«Твой бюджет» Петроградский район
Подписаться

The random selection of the core and reserve members of the budget commission is open and public; it takes place in each district. They use transparent containers and often invite children to draw out the names, which increases the confidence of sceptics in the procedure. Media representatives are also invited to the selection procedure.

Fig. 18.

A random selection of the budget commission members



The city media cover the commission discussions, the project selection and implementation. St. Petersburg has built a systematic information campaign for ‘Your Budget’.

3.7 IB educational practice

‘Yenisei River Bank’ competition in Krasnoyarsk Region



The promotion and awareness campaign for LISP in Krasnoyarsk Krai includes on-line courses on IB technologies at the local level.

Since 2017, a local initiative support program – ‘Yenisei River Bank’ competition – has been implemented in Krasnoyarsk Krai. The participants are municipal entities with experience in self-taxation projects, located along the Yenisei river (11 municipal entities in 2018). Urban and rural settlements take part in the competition; in 2018, the total number was 99. The functions of the project consulting center in the region are performed by the regional Ministry of Finance,

Public and Municipal Administration Institute with five specialists involved in its work.

A comprehensive awareness and training campaign aimed at various target audiences was conducted in the region; in 2018, customary methods (consultancy and methodological support to municipal employees and consultant participation in community meetings) were supplemented by on-line work with municipal entities. In this regard, the project center's strategic objective was to develop a culture of communication. The training program for this has two areas: LISP technologies and communication technologies in IB development.

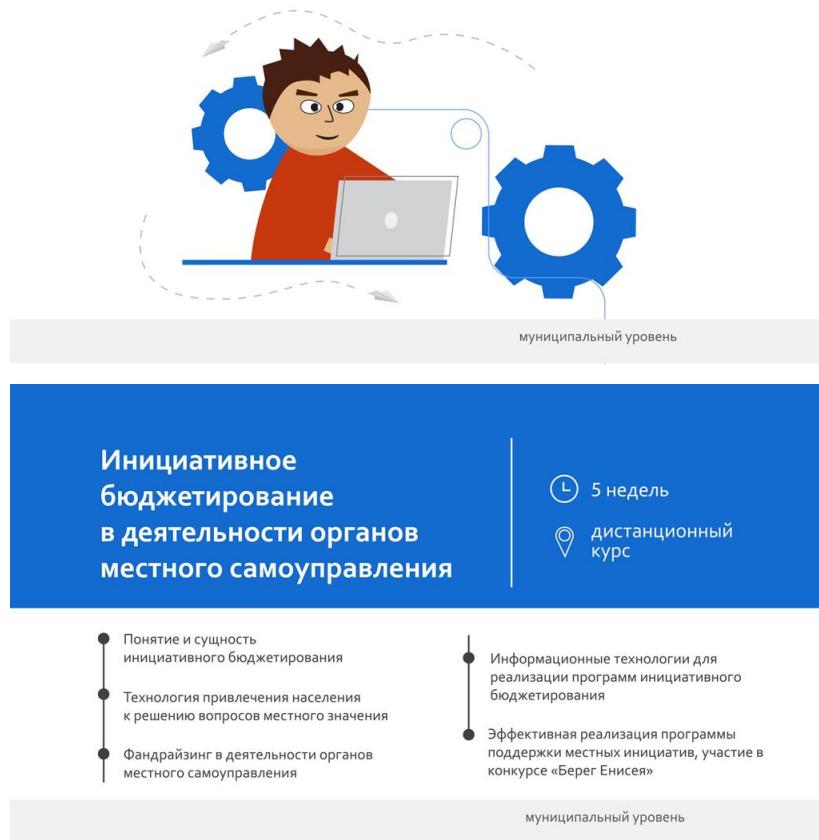
Distance learning is organized by regional Public and Municipal Administration Institute. An additional vocational training course 'IB in local self-government activities' consists of the following six blocks:

1. the IB concept;
2. technologies to involve local communities in solving local issues;
3. the fund-raising activities of local authorities;
4. information technologies to implement IB programs;
5. LISP implementation (participation in 'Yenisei River Bank' competition);
6. approaches to and conditions for introducing IB practices.

The course lasts 5 weeks (36 hours).

Fig. 18 Webinar program

ВЕБИНАРЫ



The purpose of the course is to increase the level of professionalism of local authorities in their interaction with local communities, in mastering IB technologies, in developing practical skills in using the project approach in working with local people and in forming budget policy at the local level. The target audience of the course:

1. heads and deputy heads of municipalities,
2. deputies and members of the representative bodies,
3. municipal employees,
4. employees of municipal institutions.

It is a practical course and it allows participants to increase their competences in IB implementation, and to acquire new skills in community working, including:

1. understanding the principals of working with communities with regard to local budget policy;
2. having an awareness of the mechanisms and technologies to involve local communities in solving issues of local importance;
3. choosing the most appropriate tools for studying public opinion on pressing issues of territorial development;
4. planning project development stages to involve local people in the budgetary process;
5. administering the local initiative support program.

Municipal employees, regardless to their participation in the course, can take part in webinars on the related to IB topics such as:

1. competition preparation and procedures;
2. the branding of the municipal projects: the visual component of the brand;
3. fund-raising as an effective way to attract resources (main topics: What is fundraising? Are resources always just money? Who can be a donor? What is crowdfunding for? Is there fundraising in municipalities or not?);
4. Information transparency of local self-governance bodies.

3.8 Developing IB competences

**IB management school in
the Republic of
Bashkortostan**

**УПРАВЛЕНЧЕСКАЯ
ШКОЛА
ИНИЦИАТИВНОГО
БЮДЖЕТИРОВАНИЯ**

The Republic of Bashkortostan stands out for its development of an interactive training tool to increase the effectiveness of municipal participation in IB procedures, and to involve people in IB implementation.

The IB management school (IBMS) in Bashkortostan is a special research and consulting program for municipal executive authorities and members of initiative groups, created to increase IB efficiency. The school has an interactive format involving a wide range of participants – representatives of local governments, TPSG, condominium associations, NGOs, business communities, different social groups, local activists, and deputies.

Five employees of the Center for Civil Initiative Studies of the Republican Academy of Sciences (CCIS) are involved as organizers, moderators and experts of the management school. A project team, consisting of at least two consultants with a specialization in project management, psychology and conflict resolution, sociology or ethnodemography, participates in IBMS sessions in each municipality. They apply various training methods: foresight and consultation sessions, brainstorming, focus groups, and group work on project development.

The work includes the analysis of competition application preparations, typical errors, the development of recommendations, and technology for preparing high-quality applications. The focus-group results make it possible to reveal the specifics of municipal residents' participation in IB projects and to give recommendations on working effectively with communities, in particular the technologies for organizing preliminary events, final meetings, awareness campaign, and fundraising. IBMS participants discuss the principles of organizing effectively to involve business community representatives in IB projects, the specifics of interaction, and the development of involvement instruments.

Table11. IB Management School curriculum program

Nº	Module	Contents
1.	Project management	Basic information and an analysis of LISP project management, the analysis of errors in preparing competition documentation
1.1	Sessions on ‘the identification of the features, weaknesses and strengths of the LISP project management system in a municipality’ (duration – 2 hours)	
1.2	Analytical interactive session ‘Working with the community and documentation for LISP (duration – 1 hour)	
1.3	Expert-consultation session ‘An analysis of errors in the preparation of competitive applications’ (duration – 2 hours)	
2.	The development of initiative groups	Work with initiative groups and communities, conducting training events, sociological micro-surveys

№	Module	Contents
2.1	A focus group interview with representatives of initiative groups and local activists (duration – 1 hour)	
2.2	Training events for initiative groups (duration – 1 hour 30 minutes)	
3.	Project finance	An analysis of the system with representatives of the business community: presenting the outcomes of the analysis and recommendations to increase participation in IB projects
3.1	Meetings with the representatives of the business community (duration – 1 hour)	
3.2	Brainstorming ‘Instruments for attracting investment in public infrastructure development projects based on local initiatives’ (duration – 1 hour)	
3.3	Final session summarizing the analysis, presenting and discussing the developed recommendations (duration – 2 hours)	

IBMS sessions resulted in a management model for municipal IB projects developed jointly by the IB project participants of a particular municipality.

In 2018, IBMS was held in three regions of the Republic, the total number of participants was more than 100 people. The participants were representatives of the municipal administrations, rural settlements of the municipalities, representatives of initiative groups, project sponsors 2016-2018, business representatives, and the Center for the Study of Civil Initiatives of the Academy of Sciences of the Republic of Bashkortostan.

3.9 Interregional sharing of IB experience

LISP in Stavropol Krai



ПРОГРАММА ПОДДЕРЖКИ
**МЕСТНЫХ
ИНИЦИАТИВ**
СТАВРОПОЛЬСКОГО КРАЯ



Stavropol Krai has many years of experience in organizing All-Russian and international thematic seminars and meetings on topical issues of IB development and the exchange of IB best practices.

Since 2016, part the MoF’s activities on IB development include interregional seminars aimed at exchanging experiences, disseminating best practices and discussing various aspects of IB implementation. These events provide organizational and expert support to educational and training activities in the regions. In 2016, the Stavropol Ministry of Finance initiated an All-Russia seminar on regional IB information campaigns, held in Pyatigorsk. The seminar presented

for a Russian audience an important part of IB implementation – planning information campaigns to engage citizens in proposing, discussing, and selecting IB projects. It launched a discussion on campaign tools and methods at the local, regional and federal levels. In 2017, an information campaign to expand LISP to the entire region was developed and launched in Stavropol Krai. It was mentioned in the Russian MoF's Report on the best practices in IB development in 2017.

A year later, the regional Ministry of Finance organized an All-Russia seminar on business participation in IB projects. The seminar covered and analyzed the issues of business participation in IB projects and the development of recommendations to increase the attractiveness of such projects for business representatives.

Fig. 19. A seminar on information support for IB (participatory budgeting) projects (Kislovodsk, 2018)



In 2018, the annual seminar on IB development in Stavropol Krai gained international status. Prof. Domingos Rodrigues, councilor to the mayor of Funchal city (Portugal), was invited to participate. The seminar presented in detail the regional IB developments and media tools applied over the previous two years. The seminar updated once again the topic of IB project information support, but in an international context.

Every year, the forum in Stavropol Krai attracts an increasing number of IB financiers and practitioners from all over Russia. Over four years, the audience of the seminar has tripled: 43 people participated in the first seminar, in 2019 there were more than 100. The number of participating regions almost doubled – from 20 to 38. In total, about 300 representatives of government bodies, municipalities, consultants, and experts participated in events held in Stavropol Krai. Over the past four years all aspects of involving the audience in IB project implementation have been covered.

Fig. 20. IV international seminar on citizens' involvement in IB projects (Zheleznovodsk, 2019)



The organization of annual interregional and international seminars for exchange of IB experiences has discussed topical IB issues and exchanged best practices. ‘Support for municipal territorial development projects based on local initiatives in Stavropol Krai’ featured under the subprogram ‘Increasing the balance and sustainability of the regional budget system’ of the state program of the Stavropol Krai ‘Financial Management’.

3.10 IB implementation in a municipality

Grant competition for social projects in Oktyabrsky district of Rostov Oblast



Oktyabrsky District of Rostov Oblast stands out for its approach to solving issues of local importance through a grant competition which was open to the participation of TPSG bodies, condominium and homeowner associations, management companies and housing and communal service organizations.

Starting from 2012, in order to enhance and develop the potential of local communities, including TPSG, as well as to involve residents in solving local issues, Oktyabrsky Municipal District in Rostov Oblast has organized an annual grant competition for social projects based on the local initiatives. The competition organizer and grant-maker is the Municipal Fund for Local Development and Entrepreneurship Support, a non-profit organization.

The fund was established by the Oktyabrsky Municipal Administration in 2000 to create a system for repayable financing of investment and entrepreneurial projects in Oktyabrsky District. The sources of financing were from state support for

the coal industry; during 2010-2012, these funds formed the initial capital of 100 mln rubles. In 2009, the fund received a contribution from regional and federal budgets; in 2011, it was included in the register of microfinance organizations (octobfond.ru). At present the main source of financing is interest from microloans provided to entrepreneurs in the region. These funds, in the form of grants, are used to support the citizen initiatives.

Grants are the money provided in the form of subsidies to local communities to support social projects on a competitive basis with a mandatory report on their implementation. The total amount of funds provided to the competition winners should not exceed the amount of estimated expenditures allocated for these purposes in the current financial year.

Fig. 21 Discussing a project



The competition participants and grantees may be TPSG bodies, condominium and homeowner associations, their partner organizations, including management companies, and housing and communal services organizations. There are around 80 TPSG bodies in Oktyabrsky District, with a total population of 28,201 people.

An obligatory part of the grant application are the minutes of the general meeting of residents supporting the submitted project. The winners are determined by an expert council who evaluate projects on the basis of common criteria. The council membership is approved by the Oktyabrsky District Administration. Projects can be initiated in several ways: at the community meetings and discussions, through public reception centers or special application collection boxes, or by submitting an application directly to the fund.

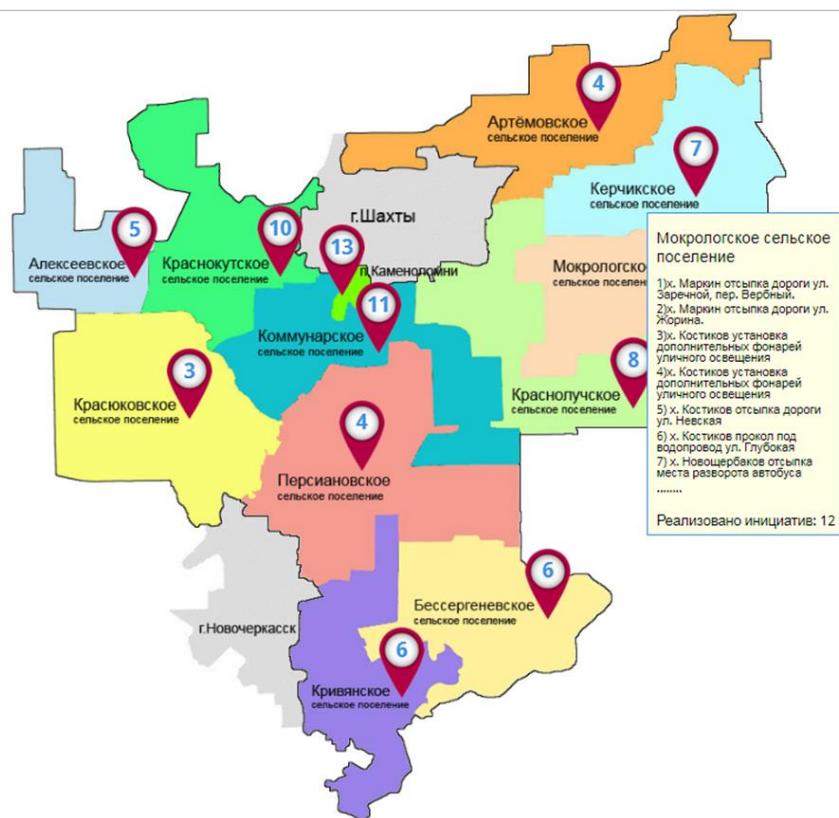
Table 12. Grant competition indicators in Oktyabrsky District, 2012–2018, mln rubles

Indicators	2012	2013	2014	2015	2016	2017	2018
Implemented projects	48	33	91	73	98	101	102
Total cost of projects	4.1	10.4	8.8	13.4	9.6	10.2	12.2
Co-financing from citizens and individual entrepreneurs	4.1	9.6	5.5	10.9	7.2	7.0	9.1
Grants from the fund		0.8	3.2	2.5	2.4	3.2	3.2

The high level of project co-financing is explained by the fact that the participants' own contribution to the project is worth a significant number of points: from 30% to 50% – 10 points, from 51% and above – 15 points. A prerequisite for grant funding is the co-financing of at least 30% of the project cost from local residents and entrepreneurs. Projects may also be supported by the administration of the settlements. The grant size is limited to 300,000 rubles. Performance indicators are growing annually. In 2012, about 4 mln rubles were spent on the implementation of local initiatives; in 2017 the total cost of projects exceeded 12.5 mln rubles.

Over the past seven years, 546 projects have been implemented. These projects made it possible to improve the territory of almost every settlement in the region, improvements included paved roads, new playgrounds, parks, football fields, additional street lighting, and chapels. The initiatives include both customary IB projects of municipal powers, and non-standard ones, such as repairing the roof of apartment buildings, restoring historical places, building chapels, replacing entrance signs, and equipping a Cossack point. The projects' costs vary from relatively modest projects for fencing playgrounds and repairing wells to financially intensive projects to repair the bridge, purchase a water tower, and install gas pipelines.

Fig. 22. A map of initiatives in Oktyabrsky District, 2018



In 2018, the grant competition contributed to realizing 102 initiatives in 5 municipal entities of the district, with a total cost of more than 12.0 mln rubles. The number of project beneficiaries was 7,053 people; 674 people took part in the collection of project ideas, 1,037 people participated in discussions on and the prioritizing of projects.