



**NEWS**

**Meeting of the Interdepartmental Working Group**

June 7

A regular meeting of the Interdepartmental Working Group on the Implementation of Performance Program Budgeting Method for Planning and Execution of Local Budgets took place on June 7, 2012, at the Ministry of Finance of Ukraine. MFSI-II provided support.

Heads of organizational departments of the Ministry of Finance and branch ministries along with MFSI-II experts took part in the meeting.

The participants discussed conceptual areas of changes to be made in Typical Lists of Budget Programs and Deliverables as approved by joint orders of the Ministry of Finance and relevant branch ministries. [more](#)

**The Health Care System Reforming in Pilot Regions Conference**

31 May

Representatives of the Institute took part in the Health Care System Reforming in Pilot Regions conference held on May 31, 2012 and chaired by First Deputy Head of the Presidential Administration I. Akimova, Deputy Health Minister O. Tolstanov, heads of departments of the Health Ministry, Ministry of Finance, and Principal Health Care Departments of Vinnytsya, Dnipropetrovsk, Donetsk Oblast State Administrations and Kyiv Municipal State Administration also participated in the conference.

The participants discussed the progress of the health care reform and, particularly, the reallocation of functions between primary and secondary health care providers. [more](#)

**“East and West Public Administration: 20 Years of Development” Conference**

23-26 May

The Institute took part in the ‘20th Annual East and West Public Administration: 20 Years of Development’ conference held in Ohrid, the Republic of Macedonia, on May 23-26, 2012. The event was arranged by the Network of Institutes and Schools of Public Administration in Central and Eastern Europe (NISPACEE) in cooperation with St. Clement of Ohrid University of Sofia. IBSEER joined NISPACEE activities aimed at public administration improvement, particularly in the public finance area, in 2007.

This year the NISPACEE conference focused on consideration of the past and analysis of the future development of administrative and fiscal policy in Central and Eastern Europe and Central Asia. [more](#)

**Task Force Meeting**

25 May

The Institute for Budgetary and Socio-Economic Research took part in a meeting of the Regional Development and Interbudgetary Relations Reform task force of the Committee on Economic Reforms under the President of Ukraine, which was held at the Ministry of Finance on 25 May 2012.

The meeting focused on State debt management, improving local borrowing procedures, implementing a system of risk management related to local debt and the provision of local guarantees. [more](#)

**IBSEER Takes Part in the Library Innovations Fair**

21 May

On 21 May 2012, the Institute for Budgetary and Socio-Economic Research (IBSEER) took part in the Modern Library: Developing Local Communities Fair, which was held at the Ukrainian House national business and cultural cooperation center.

The event was co-sponsored by the Bibliomist Program, Ministry of Culture of Ukraine, National Parliamentary Library of Ukraine, Ukrainian Library Association, HURT Resource Center, Ukrainian Parliamentary Support Program II (PSP II) established and supported by the U.S. Agency for International Development (USAID), as well as by the Department of Media, Education, and Culture at the United States Embassy to Ukraine. [more](#)



**Meeting of the National Advisory Board on Efficient Public Finance Management**

27 April

A scheduled meeting of the National Advisory Board on efficient public finance management was held on 27 April 2012, under the Municipal Finance Strengthening Initiative (MFSI-II) Roll-out Project, which is implemented by IBSEER with support from USAID.

The meeting was intended to coordinate the activities designed for implementation of progressive budgeting techniques, in particular, with regard to the introduction of treasury servicing of local budgets in the context of Performance Program Budgeting. [more](#)



**MFSI-II Project Participates in Kyiv Municipal Legislation Conference**

04 April

The MFSI-II Project was invited by the Principal Directorate of Energy, Energy Efficiency, and Energy Conservation of the Kyiv City State Administration (KCSA) to take part in a conference to discuss a draft resolution of the Kyiv City Council “On Stimulating the Efficient Use of Energy Resources in Budgetary Institutions and Communal Service Enterprises of the City of Kyiv.” [more](#)

**ANALYSIS**

**Analysis of Budget Execution**

**Consolidated and State budget revenue execution** in January-March 2012 was in line with the target level. The State budget received nearly a quarter of the funds planned for the year (21.1%), which, in general, is normal for execution of the annual plan. Therefore, the State budget received nearly a quarter of the planned annual amount (23.2%). Overall, this is normal for the execution of the annual plan and is almost the same as the actual revenue intake in Q1 2011.

At the same time, the rate of growth for tax revenue has slowed significantly except for the tax on profit, which continues to grow in line with that of last year.

It should be noted that the revenue from taxes on foreign trade and external transactions grew at a higher rate than the rate of growth in the volume of foreign trade transactions. This disparity could be explained by an administrative action to combat smuggling.

**The level of execution of consolidated budget expenditures** continues to trend upward compared to the same figure of previous and is the highest in the last three years at 21.8%.

The rate of growth of consolidated budget expenditures amounted to 17.2% and they were at approximately the last year’s level. A positive factor is that the share of social expenditures decreased in all budgets compared to last year and amounted to 66.4% for the consolidated budget.

**Expenditures of the State budget without intergovernmental transfers** totaled UAH 52.1bn, which is UAH 5.5bn or 11.8% more year-on-year. At 20.2%, the level of annual plan execution is 0.5ppt more than in 2011.

The best funding was provided for the transport sector (27.3% of the annual plan, which is 9.3ppt more than last year), intergovernmental transfers (23.8%), education and social protection and social security (23.6% each). As usual, nearly no funding was given in the first quarter for the housing and communal services sector, with the actual spending for this purpose totaling UAH 6.9mn or 1.3% of the annual plan this year. [more](#)

**CALENDAR OF EVENTS**

**Conducting a Series of Regional PPB Conferences for Participants of the Experiment**

As part of the Prosperous Society, Competitive Economy, Effective Government reform, Performance Program Budgeting is being introduced at the local government level. The Institute for Budgetary and Socio-Economic Research is working with the Ministry of Finance of Ukraine to implement an experiment that implements this program, and a series of regional conferences for participants is to be held over August through October 2012.

These events are intended to ensure that all local budgets follow a unified approach to methodology. Also, the conferences will create an opportunity to present the achievements gained thus far in implementing the experiment and to discuss proposals for improving the methodological framework. [more](#)

**PUBLICATIONS**

**Monthly Monitoring of Main Indicators of the Budget System of Ukraine as of May 1, 2012**

**Budget Monitoring: Analysis of Budget Execution in January-March 2012**