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ASSESSMENT OF EFFICIENT REALIZATION OF GOVERNMENT PROGRAMS (NEED FOR CHANGES IN RUSSIA) [1]

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The assessment issues of efficient realization of government programs and projects tend to be topical in modern economic environment due to the fact that performance assessment of budget expenses is the main indicator of the government strategic planning. The international experience of building, development and performance assessment of government programs draws special attention.

The international experience of performance assessment of government programs goes back to the middle fifties of the 20th century. It is necessary to review several research works and ideas focused on assessment of efficient realization of government programs in the foreign practice and pay attention to the countries where this practice has become the most effective.

Thus, in Australia, the process of building, development and realization of the government program is revealed in the following documents: the portfolio budget statement (PBS) – a submission for state funding and the expected results; and the annual report – a description of the government program realization by the end of the year. The budget request includes the information about the direction and certain Agencies of policy implementation and program initiatives of the Government and is submitted to the Parliament during the budgetary process. It should be stressed that PBS serves as a tool for information and analytical purposes rather than represents an expenditure document. The process of program budgeting is clearly focused on best results. The system of indicators is annually specified.

Assessment of government programs implementation in France is characterized by three main criteria: social and economic effect, quality of services, efficiency (or effectiveness). The Advanced procurement plan (APP) reflects assignments, key objectives, indicators for assessing the program implementation, expected results and expense norms. Such combination of financial data and indicators of the government program implementation makes it possible to measure the efficiency of the state program implementation. APP is focused on comparing the funding flows with the results obtained. It develops and expands the audit functions towards the assessment of government programs implementation and management structure activity in terms of their performance. Moreover, it indicates the change from expenditure to result concept.

Unlike other countries, Canada has a broader interpretation of program expenses. The Canadian government program is a type of budget spending that has a common goal. In the country's budget, these facilities act as objects of parliamentary voting. They are as follows: grants and transfers to individuals, businesses, other bodies of functional and departmental structure, as well as capital expenditure of

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departments. The budget functions in the form of a three-level structure: parliament - departments - services (25 categories: industry, environment, agriculture and food supply, statistics, etc.). In 2006, the Federal Law on Accountability legalized the activity of the parliamentary budgetary administration with the systematic function to assess government programs. In Canada, the assessment is focused on the "value-for-money" problem. It is carried out in two main directions: the program relevance and its implementation. The agency that implements the government program develops the methodology for its performance estimation. As a result, there is no integrated practice for assessing the government programs efficiency in Canada.

In the USA, the program-targeted approach is represented by a mechanism that was developed and implemented in the middle of the 20th century and is called "Program-Target Budget". US government programs managers are independent to allocate the activity funds and bare absolute responsibility for the efficiency of their use and best results. Despite the fact that monitoring of any government program is based on the assessment system of efficient performance budgeting, the United States has a more comprehensive system of rating estimation – PART (Program Assessment Rating Tool). The PART technology finds out answers to the questionnaire, which consists of 25 basic questions of the following sections: purpose and structure of the program, strategic planning, program management and program results. The questionnaire may be supplemented up to 100 questions due to the category of the government program. The estimation of answers to the questions of the first three sections can take one of the two values: 0 or 1. The answer "yes" corresponds to the value ω * 1 = ω, the answer "no" – to the value ω * 0 = 0, where ω is the ratio of the question. The answer to the fourth section involves a scoring in the range from 0 to 1 (from "no" to "yes"). If the score value is less than 0.5, it corresponds to the answer "to a smaller extent", if more – "to a greater extent". The final score is the product of the respondent's scoring and the ratio of the question ω [Lapin et al., 2013].

Let us denote the formula of the final score of the government program:

$R = 0{,}2\ (\sum_{i=1}^{k} r_i\omega_i\ ) + 0{,}1\ (\sum_{i=1}^{l} r_i\omega_i\ ) + 0{,}2\ (\sum_{i=1}^{m} r_i\omega_i\ ) + 0{,}5\ (\sum_{i=1}^{n} r_i\omega_i\ )$, where

k, l, m, n are the number of questions in a corresponding section,

r_i is a scoring of the answer to the question,

ω_i is a ratio of the question in a corresponding section.

The quantitative value of the final score is transferred into a qualitative assessment according to the rule: if 85 <R <100, the government program gets a qualitative assessment "effective"; if 70 <R <84, it gets the assessment "moderately effective"; if 50 <R <69, the assessment is "comparable"; if 0 <R <49, the assessment is "inefficient"; with R = 0 "the results are not clear". The assessment "the results are not clear" shows that the methodology of the rating does not reveal the results of the government program and its score is obscure. In 2010, the US system for the efficiency assessment of government programs changed with the adoption of the "Government Performance and Results Act" (GPRA modernization act of 2010 - GPRAMA), which changed the planning and reporting system.

The analysis of approaches to assessing the efficiency of government programs implementation used in foreign practice makes it possible to draw the following conclusions:

1. In the above-mentioned countries (Australia, France, Canada, USA) there is no integrated practice or methodology for assessing the efficiency of government programs implementation.

2. The conceptual model of the government program represents a common approach to all government programs for the countries considered.

3. There are two ways of program assessment: program monitoring and program assessment itself.

Contemporary economic conditions prompt the issues of assessing the efficiency of implementation of government programs (GP) and projects to be relevant, since the assessment of the efficient budget expenditures becomes the most important tool of the country's budgetary policy, whereas the problems of interpreting the real results of the program-target method implementation have long been discussed by experts.

The strategic method of public finances management implies the system of monitoring and assessing the effectiveness of government programs implementation. In Russia, there is no integrated practice to assess the efficiency of public expenditure, which could be a compromise to respect the interests of all participants of the budgetary process: controlling and auditing authorities, public agencies (mainly executive) and targeted direct budget recipients. Moreover, there is no integrated practice for direct

executors of government programs to report the results to different levels of management (federal and regional), that would at least simplify the process of assessing the efficiency of their performance.

It is worth noting that international territorial economic partnerships and unions apply these approaches, for example, the system of assessing the efficiency of public expenditure “PART”.

Therefore, the problem of methodology for assessing the efficiency of government programs implementation is likely to become strategically important for the Russian contemporary economy and program-targeted budgeting.

It is obvious that the implementation of the government program implies several key activities, which should *always* be assessed by performance indicators, both quantitative and qualitative, and satisfy a number of properties identified by the program. The article represents a creatively different idea of efficiency assessment of government programs implementation as a part of economic and mathematical modeling.

The index of the performance indicator in the accounting period is based on a percentage rate and calculated by the formula:

$I_j = ((I_{fj} - I_{bj}) / (I_{pj} - I_{bj})) \times 100,$ (1)

where

I_{fj} is the actual value of the performance indicator in the accounting period;

I_{bj} is the fiducial value of the performance indicator - the actual value of the performance indicator at the beginning of the accounting period (or the value of the performance indicator in case the program was not implemented in the accounting period);

I_{pj} is the target value of the performance indicator in the accounting period.

The performance index is the basis for calculating the performance ratio of the performance indicator (%):

$\mathbf{i}_j = I_j \times k_j$, where k_j is the ratio factor assigned to the performance indicator.

The integral criterion of the efficiency of the program implementation is based on a percentage rate and calculated by the formula:

$I_{cp} = \Sigma^n_j = 1\mathbf{i}_j,$ (2)

where

$\mathbf{i}_j$ is the performance ratio of the **j**-performance indicator;

n is the number of performance indicators of the government program.

The integral criterion of the efficiency of GP implementation is an indicator that determines the qualitative characteristics of the program implementation based on the ratio of the integral criterion of the efficiency of the government program implementation and the level of financial support of the government program. It is calculated by the formula:

$R = I_{cp}/V_{фин},$ (3)

where

I_{cp} is the integral criterion of the efficiency of GP implementation;

$V_{фин}$ is the level of GP financial support.

The level of the program financial support in the accounting period $V_{фин}$ is based on a percentage rate and calculated by the formula:

$V_{фин} = (V_f / V_p) \times 100\%,$ (4)

where

V_f is the actual expenditure assigned to the program implementation in the accounting period, all sources of financing considered;

V_p is the planned amount of the program funding from all sources of financing.

The integral criterion of the efficiency of the government program implementation is a qualitative indicator that can take one of the following values: “effective”, “insufficiently effective” and “inefficient”. The numerical value of indicator R is converted in the following way: if R <0.5, the government program gets a qualitative characteristic “inefficient”; if R if from 0.5 (inclusive) to 0.8, the ratio is “insufficiently effective”; if R is more than 0.8 (inclusive), it stands for “effective”.

It means that the main annual indicator characterizing the financial effectiveness of the implementation of the state program is the value of the integral evaluation of efficiency.

The above-mentioned methodology for calculating the integral criterion of the efficiency of the government programs implementation is easily generated in standard software applications like MS Excel.

Automatic calculation of the efficiency indicator of the government programs implementation provides the program executor with a convenient form for inputting the initial and actual indicators of performance indicators to assess the efficiency of the program. Moreover, the use of supporting documents makes it possible to provide the external control over the program activities, which simplifies the work of experts.

References

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