

Roma responsible budgeting (RRB) – from theory to practice–

What is the economic rationale for Roma inclusion?

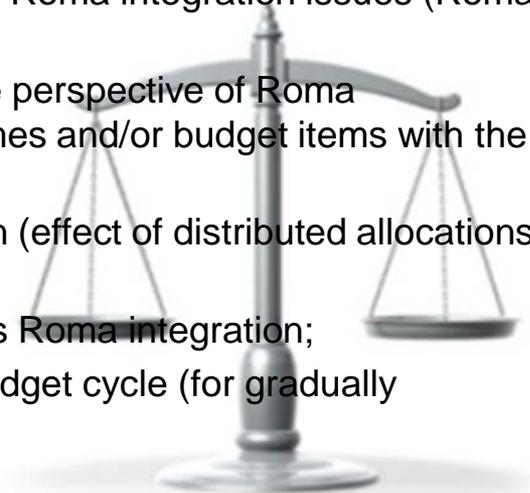
WB Human development sector 2010 study (for Bulgaria, Czech Republic, Romania, and Serbia):

- *Roma inclusion is smart economics, **increasing GDPs by more than 3% and government budgets by more than 4%***
- *Equal labour market opportunities would generate more economic productivity and provide fiscal benefits in terms of lower government payments for social assistance such as guaranteed minimum income programs, and increased revenue from income taxes. For the four countries, report estimated the **economic benefits to be at least Euro 2 billion annually and the fiscal benefits to be at least Euro 700 million annually.***
- ***EU structural funds** are an important financing source for programs and projects that foster Roma inclusion. Particularly relevant are the European Social Fund (ESF) and the European Regional Development Fund (ERDF) which together fall under the EU Structural Funds umbrella, and make available billions of Euros to member states that can be used for Roma inclusion.*

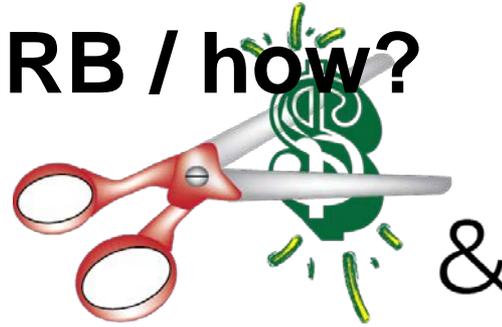
What are the characteristics of RBB?

Why we „need“ RRB?

- RBB aims to improve the efficiency and effectiveness of public expenditure by linking the funding of public sector organizations/policy areas to the results they deliver, making systematic use of performance information (connection to Roma Integration).
- Budgeting should not be seen as an isolated initiative (5 main steps to follow):
 1. Analyse budgets by their sensitivity and responsiveness to Roma integration issues (Roma responsibility);
 2. Analyse general policy and institutional objectives from the perspective of Roma responsibility, and analyse connection of budget programmes and/or budget items with the goals of Roma integration.
 3. Analyse the current impact of budgets on Roma integration (effect of distributed allocations for Roma integration);
 4. Monitor and control resource allocation and how it impacts Roma integration;
 5. Provide assessment and recommendations for the next budget cycle (for gradually improving the process of Roma responsible budgeting).



Benefits from RRB / how?



- **Effectiveness**

- “doing the right thing”
- indicator to assess the degree to which objectives are achieved

→ Could the objective be better achieved in a different way?

- RBB: Now there is no sufficient information on the expenditure on Roma and the impact of actual expenditure.

- **Efficiency**

- “doing things right”
- indicator to assess the output in terms of the resources used

→ Could the same output be provided with less resources?

- RBB reveal gaps between the planned and implemented measures. The results give relevant information how and where the connection between the plans of policy programmes and the budgets can be improved also provide data on the cost-effectiveness of measures that are already linked to the budget.

RRB



value

Main idea of the concept: contributes to a greater budget transparency linked to budget-related political decisions



- funds are more precisely tailored to the real needs of the Roma community and in-groups (for example elderly, children, disabled, female population),
- serves to identify discriminatory implications of funding decisions and enables fair restructuring of resource allocation decisions,
- an option to put Roma integration related goals into practice.

What preconditions should exist before starting with RRB?

- **An understanding of Roma integration** – how Roma issues can be integrated in different policies and being able to address the issues with specific (new or existing) measures/projects.
- **Political commitment** – the executive and legislative powers need to acknowledge the need for immediate and ongoing actions for RI and communicate this throughout the administration and the Parliament.
- **Financial commitment** – RI cannot advance only by setting up national policy and/or strategy. Financial commitments are further necessary to back up this national priority.
- **Establishing disaggregated data systems** – it is of utmost significance to supply disaggregated data at all levels which are required to ensure effective and efficient allocation, spending and monitoring of funds.

Why do we need an overview of Budget process?

- ? Policy implementation has nothing to do with policy cycle
- ? Budget entities identify how they will use resources over years
- ? It is focused on annual budget process
- ? Budget gives less information on aggregate level
- ? More difficult non financial reporting

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Why overview of budget cycle can improve quality RRB?

1. Linking the budget to multi/yearly national policy development

- The aim for governments is to use the budget to implement policy!
- Policy covers multiple years (also important for RI)

2. Disciplined multi-year strategic planning in the budget process.

- Strong sectoral planning element (RI mainstreaming)
- Budget entities identify how they will use resources over years (+ RI focus)
- Identify expenditure priorities, clearly defined objectives and measurable indicators

3. Improved quality of budget preparation

- Smoother annual budget process
- Budget negotiations more focused on policy (possible inclusion of RI)
- Budget draft gives more information and is therefore more relevant (policy brief is possible)
- Annual budget allocations more policy-oriented and located within multi-year spending strategy

4. Strengthened accountability for results in budget management

- Easier monitoring of achievement policy goals
- Easier introducing of non-financial reporting
- Audit can be performed on both financial and performance goals

Steps in RRB

- 5 step approach, the questions need to be answered to assess to what extent the actual budget and budgeting process can meet the Government's readiness to promote Roma integration.
- Following the assessment, the proposals relating to the drafting, implementation, and review of the budget can be made in order to make it more responsible towards Roma integration.
- RRB has different stages in a long-term process where *budget briefs are final objective*, but we can start from corresponding budget analysis (and reflection on it).

RRB

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graph TD; RRB((RRB)) --- Q1((1. To what extent is a given expenditure relevant for Roma responsible budgeting?)); RRB --- Q2((2. How does the objective of "Roma integration" impact expenditures?)); RRB --- Q3((3. How does the current distribution affect Roma integration?)); RRB --- Q4((4. Are Roma integration outputs (status quo) of budget implementation in line with Roma integration strategy objectives (in current year)?)); RRB --- Q5((5. What actions should be taken in response to the impact analysis to foster Roma integration in the next budget cycle?));
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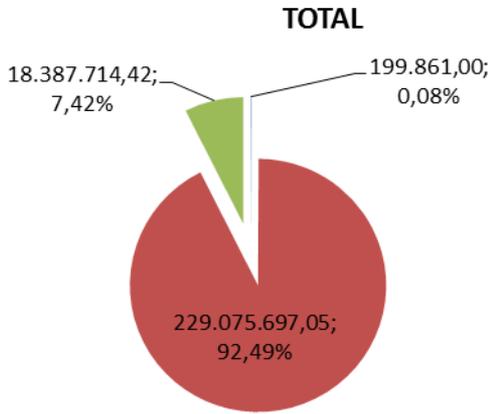
2. How does the objective of "Roma integration" impact expenditures?

3. How does the current distribution affect Roma integration?

4. Are Roma integration outputs (status quo) of budget implementation in line with Roma integration strategy objectives (in current year)?

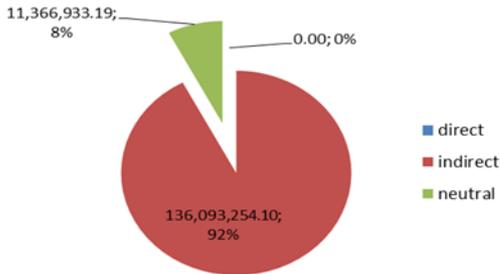
5. What actions should be taken in response to the impact analysis to foster Roma integration in the next budget cycle?

Example Q1: MNG

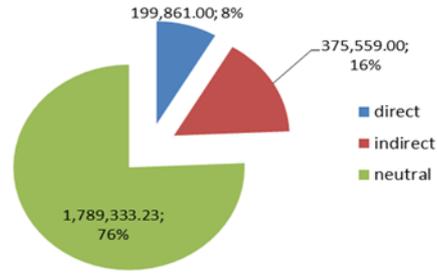


- direct
- indirect
- neutral

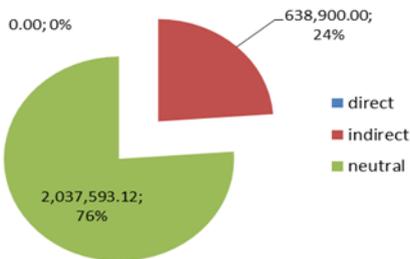
40701 Ministry of Education



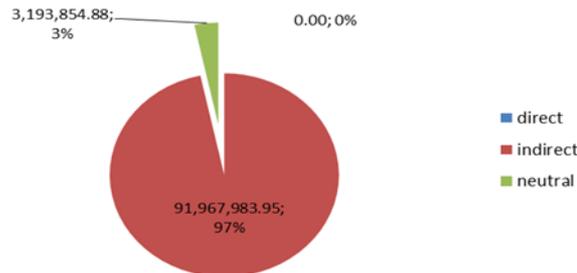
41401 Ministry of Human and Minority Rights



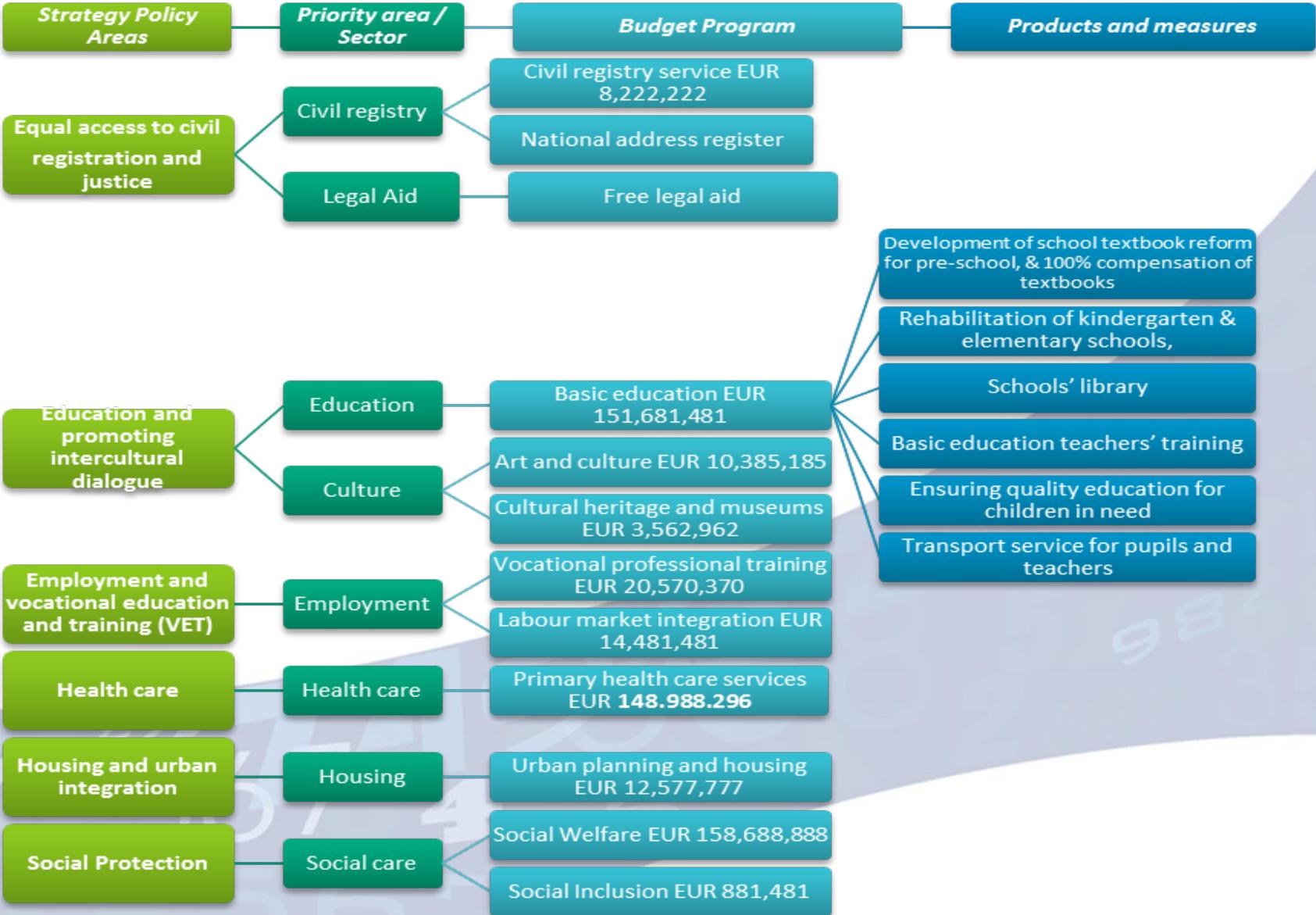
41301 Ministry of Health



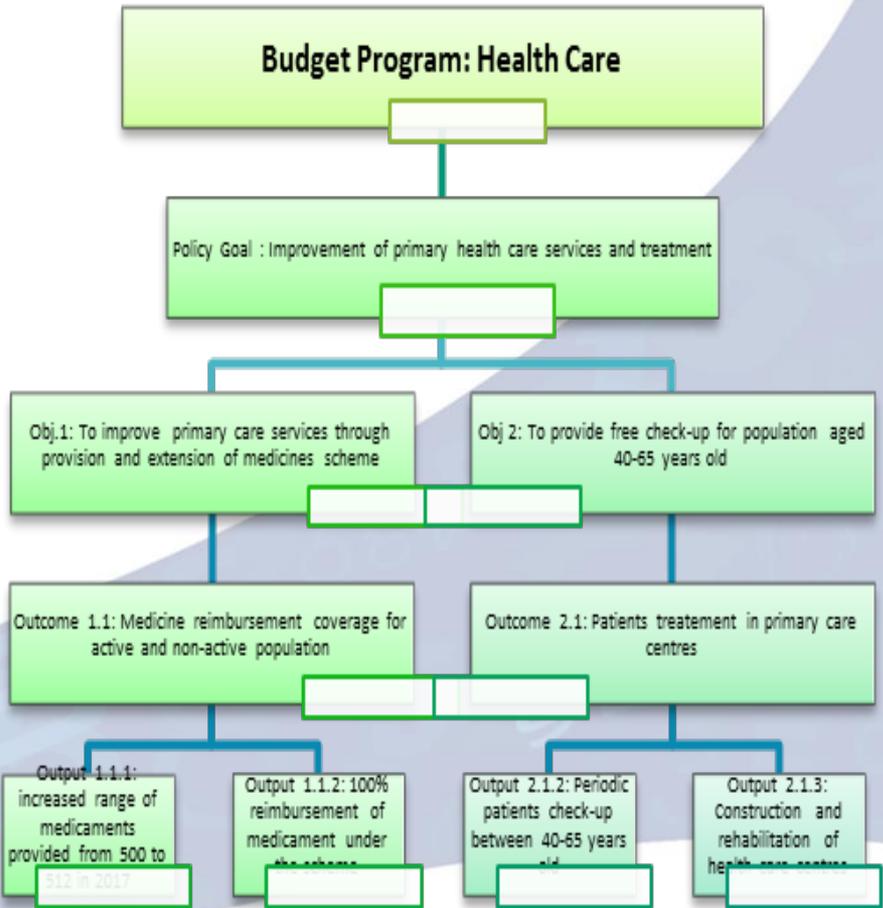
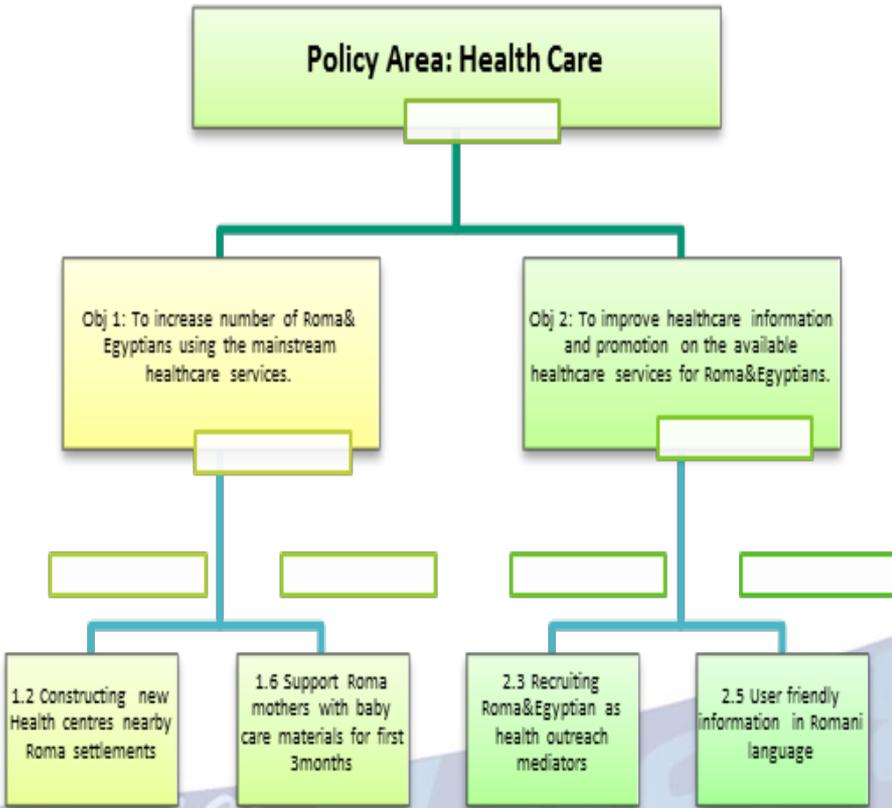
41601 Ministry of Labor and Social Welfare



Example Q2 -1 : ALB



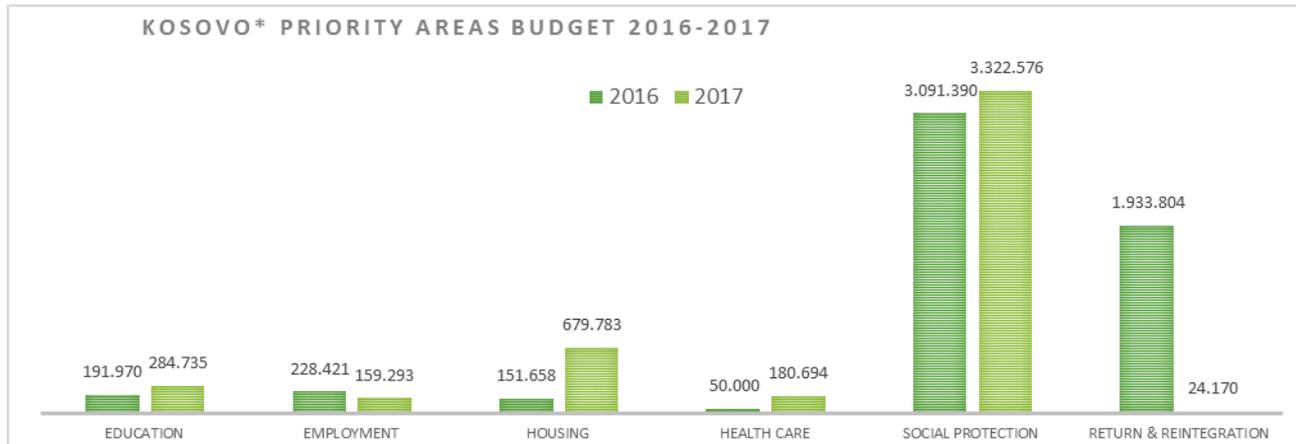
Example Q2 -2 : ALB



Example Q3: simple methodology

Steps	Proposed actions	Sources of information
1	Analysis of the socio-economic and environmental conditions in the lives of Roma.	reports
2	Comparing this information and data collected against national priorities set and international norms and standards on Roma, minorities and human rights.	Int. conventions, set of norms and standards on RI
3	Responding with Roma-responsible policies and strategic actions/measures , thus identifying options and making right decisions.	
4	Assessing of the adequacy of budget allocations in the sectors/priority areas (and how does the budget allocations impact/contribute to implementation of the national RI plan)	Annual budget plans Budget circular
5	Converting the findings of the assessment into medium term expenditure framework and annual budgetary measures and actions .	Costing and budgeting on national policies
6	Understanding the budget cycle , procedures and phases. Identification of entry points for the integration of RRB and prioritization	MTEF, review, LM, citizens budget
7	Developing a concrete set of recommendations for normative, legal and procedural amendments for	As above + donors, NGO, parliament...

Example Q4: KOS*



Priority areas	Planned budget	Spent budget	% of Ministry's Budget	% of relevant Budget Programme/s	Relevant BPs
EDUCATION	366.800	284.735	0,60%	15,54%	Pre-university Education
EMPLOYMENT	135.123	159.293	0,05%	22,72%	Labour issues
HOUSING	681.635	679.783	1,38%	42,29%	Spatial Planning and Housing
HEALTH CARE	197.594	180.694	0,32%	1,67%	Primary care service Support programme services
SOCIAL PROTECTION	3.488.746	3.322.576	8,54%	10,43%	Social assistance scheme Social service Payments for Communes with social issues

Example Q5: FYRM

Institution	Role and Expectations (Short-term 1-2yrs)	Role and Expectations (long-term 3-5yrs)
<p>Ministry of Finance.</p> <p>The role of the Ministry of Finance is fundamental. Ministry of Finance is in position to:</p>	<p>Improve PFA, introduce new programme classification & full concept of PBB and MTBF</p> <p>Improve inter-ministerial coordinating</p> <p>Increase accountability of public expenditures by demanding strong requirement for RRB and reporting.</p> <p>Consult the budget. consultation routine</p>	<p>Improve and amend MTBF, Budget Preparation Instructions, etc.,</p> <p>Increase transparency of public funds by reporting on public expenditure and performance indicators.</p> <p>Improve monitoring and reporting (streamline among strategic planning and budget reporting)</p>
<p>The Ministry of Health and Social Protection, responsible for the implementation of RI Action Plan</p>	<p>Lead and coordinate work with LM, and municipalities, to ensure national action plans are fully budgeted.</p> <p>Ensure coherence and coordinated response to RI issues .</p>	<p>The Ministry must advocate and to formally request MoF to introduce key performance indicators (KPI) into budgeting RI.</p>
<p>Line Ministries</p>	<p>Initiate budget segregation within “Budget Programmes”, (in the context of Medium-Term Budget Programme), earmarking Roma relevant expenditures</p>	<p>System for data collection and data segregation to help with defining performance indicators.</p>
<p>All institutions</p>	<p>Improve the process of budget preparation, by demanding mandatory consultation with civil society, citizens, and Roma rights advocates.</p>	<p>Raise awareness and demand for effective budgeting for Roma population by line ministries, driven by beneficiaries, right holders, Roma organizations, civil society, etc.</p> <p>Advocate and lobby with Parliamentary Committees</p>

Training, capacity building

Advocacy

**Awareness
raising**

Monitoring spending, service delivery

**assessing
outcomes**

**Consulting
or advisory
group of
the MoF**

General Legislative and Procedural Proposal for RRB

TOP DOWN:

Resolution of the Gov. on
establishing the inter-
ministerial working group
on RI mainstreaming
PFA amendments

BOTTOM UP:

Explanatory Budget
Documents in relation to RRB
Review existing programme
classification
Regular outcomes report on
mainstreaming Roma
integration into the budget

TOP DOWN

GOVERNMENT - Political commitment

High level strategy and creation and adoption of the Action plans with clear link to the financial resources.

Institutional setting:

1. Establishing intergovernmental group,
2. Appointment of the new deputy minister,
3. Resolution of the Government to determine additional competences to the National Roma Contact Point.

Competences:

4. Proposing the legislative changes in Governmental Rules of procedures ,
5. Changes of the mid-term fiscal strategy,
6. Changes of Budget Instructions, negotiations,
7. Review of the Pre budget statement and Final budget report.

TRAINING AND CAPACITY BUILDING

3. Drafting of an basic law for the Roma population integration and development

2. Legislative changes of regional development legislation which introduce measures relevant for Roma population integration.

1. Legislative changes of different basic laws related to Roma population integration.

LINE MINISTRIES (for prioritized RI policy areas) – legislation changes

BOTTOM UP

RAISING AWARENESS

Think thank organisation:
National Roma Contact Points
and interest parties

NRCPs could organize and lead the advisory group of interest parties. The group could facilitate the participation process and organize public debates.

Consulting group: Ministry of finance,
line ministires, national contact points,
experts

The Ministry of Finance could establish Consulting or advisory group. The group could regularly analyze and provide proposals on how to better include Roma integration measures into the budget following the evidence based approach.

Working groups: line ministries,
National contact point, experts...

Working groups to perform analyzes of measures connected to Roma population from different programmes and their connection to the budget + media + parliament involvement

Definitions

performance orientation

follow-up

policy area

program

target-setting

outcome

roma responsible

sub-program

budgeting

impact

effectiveness

program classification

objectives

efficiency

output

indicators

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