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GAVAR STATE UNIVERSITY

Programme Budgeting course

Lecturer: Hrachya Zakoyan

BASIC INFORMATION



TITLE OF THE COURSE	PROGRAMME BUDGETING
TEACHERS	Hrachya Zakoyan
YEAR OF THE COURSE	First Year
SEMESTER OF THE COURSE	Second
LANGUAGE	Armenian
NUMBER OF ECTS CREDITS	3

LEARNING OUTCOMES



At the end of the course the student will know:

Knowledge

- Main methods of budgeting, peculiarities of programme budgeting and process of applying it in the budgetary system of the RA

LEARNING OUTCOMES



At the end of the course the student will be able to:

Competence

- To study development programs based on which budgets are elaborating and evaluate their compliance with the program budgeting standards, as well as make recommendations for improving these programs and bringing them closer to program budgeting requirements.

LEARNING OUTCOMES



At the end of the course the student will possess:

Skill

- Approaches used during the budget's planning in the budget system of RA and the general content of Medium - Term Public Expenditure Framework, based on which state budget is being elaborated.

SYLLABUS OF THE COURSE



Week	Topics	Hour
1	The Concept of "Budgetary Process" and its stages	2
2	The Concept of Programme Budgeting	2
3	Programme Structure Analysis	4
4	Programme Budgeting Experience in Armenia	4
5	International Experience in Programme Budgeting	2
6	Policy and Budget Programme	2
7	Budget Performance Analysis	4
8	Fiscal Policy of the Medium - term Public Expenditure Framework of RA	2
9	Strategy of Expenditures Policy of the Medium - term Public Expenditure Framework of RA	2
10	Social - Economic Development Programs in Communities	2
11	Program budgeting prospects in RA	2
Total		28

WEEK 1



The Concept of "Budgetary Process" and its stages

- The concept of budgeting process and its stages,
- Role of budget planning in the budgeting process,
- Interactions between the different stages of budgeting process.

WEEK 2



The Concept of Programme Budgeting

- Concept of Programme or Result-based Budgeting,
- Targeted funding,
- Principles of PB,
- The Toolkit of PB,
- Input budgeting table as a format for PB.

WEEK 3 and WEEK 4



Programme Structure Analysis

- Programme Objective,
- Body responsible for the programme,
- The programme structure and sub-programmes.

- The Structure of Programme Passport,
- Key Performance Indicators of Programmes.

WEEK 5 and WEEK 6



Programme Budgeting Experience in Armenia

- Initial Piloting, 2003 - 2005,
- Development of a methodology, piloting and elaboration of the methodology, 2005-2008,
- Specification of methodology and its adjustment to the Armenian system, synchronization of budget systems and introduction of independent programme classification.

- Current phase: mandatory application of programme budgeting (along with the currently operating systems),
- Upcoming phase: full-fledged replacement of the current (input based) budgeting with programme budgeting.

WEEK 7



International Experience of Programme Budgeting

- Overview of International Experience in Programme Budgeting,
- Experience of using PB in the USA, New Zealand and Australia,
- Experience of using PB in post-Soviet countries.

WEEK 8



Policy and Budget Programme

- Pre-election Programmes as a Source of Programme Budgeting,
- Policy Cycle and Budget Programme Components,
- Program of the RA Government,
- Main Priorities of Government Activities.

WEEK 9 and WEEK 10



Budget Performance Analysis

- Types of Programme Budgeting Analysis.
- Analysis of Policy-Budget Links,
- Programme Structure Analysis.

- Comprehensiveness and Transparency Analysis,
- Budget Execution Analysis,
- Benefits and Costs Analysis.

WEEK 11



Fiscal Policy of the Medium - term Public Expenditure Framework of RA

- Policy of prediction of state budget revenue,
- Fiscal Policy set in MTEF,
- Principles and indicators of fiscal policy.

WEEK 12



Strategy of Expenditures Policy of the Medium - term Public Expenditure Framework of RA

- Expenditures priorities of state budget ,
- Factors influencing in expenditure levels,
- Programmes implemented by external financing.

WEEK 13



Social - Economic Development Programs in Communities

- Programmes of Communities development as a basis for local budget development,
- Preconditions for adopting of Programme - Result-based budgeting in Armenian communities,
- Results expected to achieve by applying Programme budgeting in Armenian communities.

WEEK 14



Program budgeting prospects in RA

- Steps towards adoption of Programme budgeting,
- Programmes developed in accordance with programme budgeting format as a precondition for adoption of programme budgeting.

TEACHING METHODOLOGY



- Judicious blend of lectures,
- Individual assignment,
- Interactive case discussions,
- Individual or group presentations.

LABOUR MARKET RELEVANCE



- Replacement of the current (input based) budgeting with programme budgeting,
- Shortage of PB specialist in national level,
- Serious Lack of PB specialist in local level.

ASSESSMENT AND GRADING



- **Max 10 points for attendance,**
- **Max 50 points for current activity in class, and**
- **Max 40 points for final exam (40% of which or minimum 16 points required to pass).**

REFERENCES



- Programme Budgeting – Testing the Approach in Scotland, Published by the Scottish Government, 2012,
- Donald Moynihan and Ivor Beazley, “Toward Next-Generation Performance Budgeting Lessons from the Experiences of Seven Reforming Countries”, Directions in Development Public Sector Governance – World Bank Group
- Law on Budget System of Armenia.

REFERENCES



- “Programme Budgeting Reforms in Armenia: analytic toolkit”, Yerevan 2015;
- “Program Budgeting and Accounting Manual” (PBAM), produced by the Finance Department Office of Finance and Administration Services Oregon Department of Education, 2017;
- 2019 – 2021 Medium-term Public Expenditures Framework;
- Armenia Development Strategy for 2014-2025;

REFERENCES



- Local Government Budgeting In Armenia, Manual, 2005;
- Marc Robinson and Duncan Last, “A Basic Model of Performance-Based Budgeting”, International Monetary Fund, 2009;
- Robinson. M. “Performance Budgeting: Linking Funding and Results”, United Kingdom, 2007;
- Schick, A., “Performance Budgeting and Accrual Budgeting: Decision Rules or Analytic Tools”, Oecd Journal on Budgeting, 7(2), 2007,

COURSE ASSIGNMENT 1



- Case study,
- Group work,
- Homework.

THANK FOR ATTENTION



LAKE SEVAN