

Kudrin Sees Overhaul of Spending

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The Cabinet has received a formal proposal to channel all federal spending through 40 state programs starting in 2012, Finance Minister Alexei Kudrin said Monday.

The proposal is the next step in an attempt to raise spending efficiency by introducing state programs that will group budget outlays by purpose rather than by government agency.

The Finance and Economic Development ministries compiled a list of such programs after considerable debate, Kudrin said in a meeting with Prime Minister Vladimir Putin.

The 40 programs, in turn, are divided into five categories: new quality of life; innovation-based development and modernization of the economy; national security and defense; balanced regional development; and effective government, Kudrin said.

Under the plan, one ministry will have ultimate control over one or more programs, although other ministries may have to administer some of the spending.

In the case of the health care program — worth 382 billion rubles (\$12.4 billion) in 2011 — the Health and Social Development Ministry will oversee medical spending by bodies including

the Emergency Situations and Defense ministries and state corporation Rosatom, Kudrin said.

State programs will run for six years to 15 years and will have to reach specific goals when they end, he said. New quality-of-life programs will account for the biggest share of federal spending, or 46 percent.

Kudrin, who also holds the rank of deputy prime minister, proposed that ministries finish drafting their programs by April 15 so there is enough time to discuss them before the Oct. 1 approval deadline.

"We may often make quick decisions, but we don't always choose the most effective path," he said in comments posted on the Cabinet's web site.

Putin said the ministries must be able to respond quickly to current issues, even while implementing long-term programs.

"We have so many issues. Sometimes we consider them for so long that they lose their relevance," he said. "That's why serious attention must be paid to prompt decision making."

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