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The Role of Project Financing in Program Budgeting (on the Example of Regional Budgets of the Far Eastern Federal District)

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ABSTRACT

In the current political conditions, the key attention in the country is paid to the construction of such state budgets in which the influence of external factors on the economy will be minimized. The most important tasks are to ensure the development of the subjects of the Russian Federation, improve the quality of life in Russia, increase the attractiveness of the state both for its citizens and at the international level, and create favorable conditions for the life and work of the population in our country. One of the central mechanisms for solving these tasks is the budget system. It includes federal, regional and local budgets, which are formed according to the principle of solving key socially significant issues in their execution. The benchmark for effectiveness was taken in the Russian Federation in 2004 during the budget reform, the purpose of which was to switch to the use of the program budget. To achieve maximum results, various budgeting tools are used, the main of which today are programs and projects at all levels of government. The **purpose** of the study is to identify the features of project financing in the construction of program-based budgets at the regional level. Comparison and grouping **methods**, as well as tabular and graphical methods of data presentation, were used. As an example, the regional budgets of the subjects of the Russian Federation that are part of the Far Eastern Federal District are used: Kamchatsky, Khabarovsky, Primorsky and Zabaykalsky. At the end of the work, conclusions were drawn about the important role and high importance of the project part of program budgeting in solving the main socially and economically significant tasks of the state. Proposals have also been formulated to improve and optimize the formation of regional budgets using tools such as projects to increase the effectiveness of their implementation.

Keywords: project activities; project financing; regional projects; Far Eastern Federal District; program budgeting; program-target budget; regional budget; result-oriented budgeting

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INTRODUCTION

A mandatory condition for the functioning of any state is the formation and use of monetary funds — the budgets of the budgetary system. The degree of efficiency of these processes depends on the socio-economic development of the state, the potential for creating its innovative and technological capabilities, its position on the international stage, and its attractiveness for Russian and foreign investors and tourists. Budgets allow for the redistribution of funds between regions, industries, and social groups, thereby ensuring the balanced development of the subjects of the Russian Federation, various sectors of the economy, and social policies.

The relevance of the topic chosen for this article is due to the identification of patterns in project activities within the territories of the regions included in the Far Eastern Federal District and the development of unified proposals for their optimization to improve the efficiency of regional expenditures as a whole and, consequently, the quality and standard of living of the population residing in the considered territories of the Russian Federation.

A significant portion of the socially beneficial and important activities of government bodies is implemented through project-oriented programs and projects [1]. One of the areas where these tools are applied is budgeting. The budget is one of the key tools for addressing the most important state issues, such as stimulating the development of innovative-technological and socio-economic potential in Russia, improving the quality and attractiveness of life in the country, increasing birth rates, and developing scientific potential. The novelty of the research presented in this article lies in the formation of approaches to improving the mechanisms for constructing and implementing the project part of regional budget expenditures, the application of which will enhance the efficiency of regional budget expenditures as a whole and contribute to

achieving the national goals of the Russian Federation.

In preparing of the paper, the works of researchers, regulatory legal acts of government bodies of the examined regions, and official information published in open sources of administrative resources of the subjects of the Russian Federation were studied.

The purpose of the study is to identify and examine the features of project activities in the construction of budgets based on the programmatic principle at the regional level. The level of subjects of the Russian Federation is of interest due to the current research problem of correlating projects and programs at the federal and regional levels [2]. The following tasks have been set: to determine the volumes of project expenditures within the overall expenditures of the regions, to study the roles of project expenditures, to establish the degrees of influence of the implementation of regional projects on achieving socially significant state objectives, and to develop proposals for optimizing the construction and implementation of the project part of regional budget expenditures.

The budgets of the Far Eastern Federal District have been selected as the subjects of the Russian Federation under consideration. The choice of this district is due to the high significance of the regions in the Far East. The President of the Russian Federation, V.V. Putin, in his address to the Federal Assembly on 12 December 2013, identified the development of the Far East as one of the main national priorities of the state in the 21st century. A year earlier, by the Decree of the President of the Russian Federation from 21.05.2012 No. 636 “On the Structure of Federal Executive Bodies”, the Ministry of the Russian Federation for the Development of the Far East was established, which was renamed in 2019 to the Ministry of the Russian Federation for the Development of the Far East and Arctic.¹

¹ Decree of the President of the Russian Federation from 21.05.2012 No. 636 “On the Structure of Federal Executive Bodies”.

Since 2014, territories of advanced socio-economic development have been created in the subjects of the Far Eastern Federal District — zones with various privileges such as preferential tax conditions; simplified administrative procedures; attracting investments to enhance the attractiveness of these territorial zones for tourism and business, create additional jobs, and improve the quality of life for the population. Currently, 18 territories of advanced socio-economic development have been established in the Far East, including three territories in the Khabarovsk Territory (“Khabarovsk”, “Nikolaevsk”, “Komsomol’sk”), four territories in the Primorsky Territory [“Primor’e” (until 2023 “Nadezhdinskaya”), “Bolshoy Kamen”, “Neftekhimichesky”, “Mikhailovsky”], and one territory in the Kamchatka Territory (“Kamchatka”).

In 2020, by Order No. 2464 of the Government of the Russian Federation from 21 September 2020, the National Program for the Socio-Economic Development of the Far East for the period up to 2024 and with a prospect until 2035 was approved.² This program establishes goals, measures, and resources for the development of the social and economic sectors in the subjects of the Far Eastern Federal District. In terms of goal-setting, the program largely relies on the provisions established by the Decree of the President of the Russian Federation from 26.06.2020 No. 427 “On Measures for the Socio-Economic Development of the Far East”.³

MAIN PART

In accordance with the Budget Code of the Russian Federation, a program-targeted (program) structure of the budgets of the

budgetary system has been formed in Russia to date. The program-target method of budget formation is one of the ways of results-oriented budgeting [3, 4]. When constructing a budget based on the programmatic principle, the main tools are state programs. Programs, in turn, consist of structural elements that can be project-based or process-based.

The global experience of implementing program budgeting began in the 1950s, when the first laws introducing the concept of effective budgeting were enacted in the USA [5]. In Russia, the restructuring of the budget process from expenditure management to results management began in 2004 [6].

A distinctive feature of the program-targeted budget is the presence of a structure of program budgets, a program classification of the budget, ensuring the effective implementation of programs, the revision of program expenditures, and the establishment of strategic priorities [7]. The program-targeted method of public administration is entrusted with the main hopes for improving the socio-economic situation in the regions and the country as a whole [8].

Considering the targeted nature of program implementation, which involves the necessity of solving the main socio-economic tasks of society, alongside programs, projects are also considered the main tools for budget formation and execution. Projects are gaining increasing importance and relevance. This is explained by the fact that various resources and methodological tools are cooperated for their implementation, allowing them to be used most effectively. These documents establish specific deadlines, responsible executors, target indicators, and checkpoints that allow for the assessment of task completion at a given moment in time, as well as the funding volumes required to achieve the set objectives. One of the key advantages of using projects is the ability to shorten the timeframes for achieving the set results [9].

Project financing is a complexly structured mechanism involving the engagement of

² Order of the Government of the Russian Federation from 24 September 2020 No. 2464 “On the approval of the National Program for the Socio-Economic Development of the Far East for the period up to 2024 and for the long term until 2035”.

³ Decree of the President of the Russian Federation from 26.06.2020 No. 427 “On measures for the socio-economic development of the Far East”.

a large number of participants in project implementation and the use of various financial instruments [10, 11].

Project activities are separate types of structural elements of state programs. At present, in general terms, national, federal, regional, and departmental projects are distinguished. In turn, the mentioned projects (with the exception of departmental ones) can either be included in higher-level projects or not included in them and carried out separately.

The modern stage of implementing national projects began in 2018 following the issuance of the Decree of the President of the Russian Federation from 07.05.2018 No. 204 "On National Goals and Strategic Objectives for the Development of the Russian Federation for the Period up to 2024".⁴ Subsequently, the Decree of the President of the Russian Federation from 21.08.2020 No. 474 "On National Development Goals of the Russian Federation for the Period up to 2030" was adopted.⁵ In accordance with Decree No. 204, a decision was made to develop 12 national projects in priority areas of state development, including education, healthcare, digitalization, ecology, transport systems, and others.

The reasons for the implementation of such new tools for achieving state objectives, such as national projects, include the duration and "vagueness" over time of state programs. Moreover, a number of programs consist of activities aimed at the current operations of federal government bodies and are designed to ensure their stable annual performance of the functions and powers assigned to them in accordance with the legislation of the Russian Federation. At the same time, such activities do not always yield a visible socio-economic

impact. As a rule, the result of implementing such activities is the maintenance of public order, the elimination of emergency situations, and the prevention of fires and accidents in areas of citizens' livelihoods, as well as the provision of publicly accessible medical, educational, and social services. Thus, state programs of this kind support the stability of socially significant sectors, but do not adequately contribute to achieving national development goals.

National projects are aimed at improving the well-being of Russian families and citizens, enhancing the urban environment and social sphere, creating new opportunities for business, and ensuring that every person has a well-paid job that takes into account their interests and skills. Within each project, problems, goals, and activities are identified [12]. The main task of the projects is the sequential achievement of the goals set within their framework, as a result of which the most pressing and tangible problems of the population of the Russian Federation will be solved.

As of today, 15 national projects are being implemented. The deadline for their completion is 2024. The establishment of deadlines is primarily due to their project nature. At the same time, the President of the Russian Federation, in his address to the Federal Assembly on 29 February 2024, outlined tasks for the development of new national projects for their implementation starting in 2025.

In connection with the increasing role of project activities at both the federal and regional levels, separate project management bodies are being established. In federal executive bodies, in accordance with the Resolution of the Government of the Russian Federation from 31.10.2018 No. 1288,⁶ departmental project offices are established as separate structural units, with the aim of

⁴ Decree of the President of the Russian Federation from 07.05.2018 No. 204 "On national goals and strategic objectives for the development of the Russian Federation for the period up to 2024".

⁵ Decree of the President of the Russian Federation from 21.07.2020 No. 474 "On the National Development Goals of the Russian Federation for the Period up to 2030".

⁶ Resolution of the Government of the Russian Federation from 31.10.2018 No. 1288 "On the Organization of Project Activities in the Government of the Russian Federation".

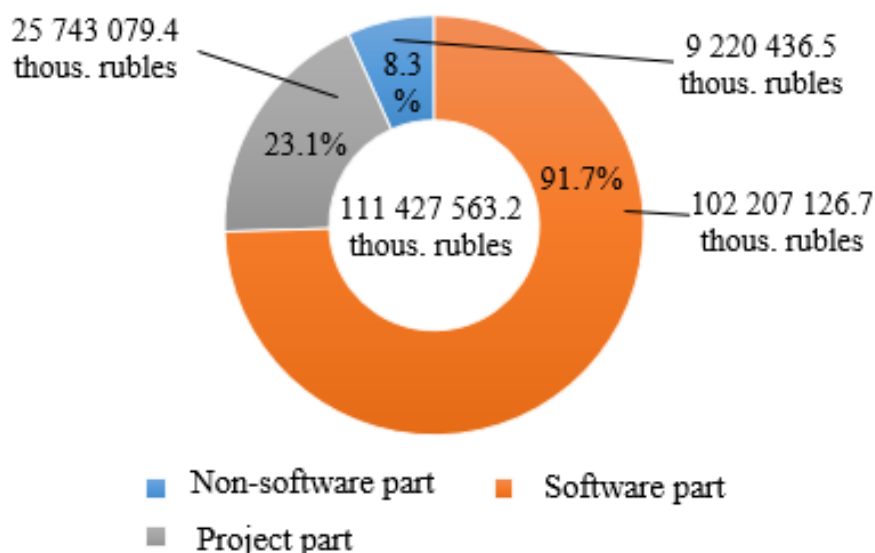


Fig. 1. The Composition of Budget Expenditures of the Zabaykalsky Territory

Source: Compiled by the authors.

preparing and executing national, federal, and departmental projects in which the respective agency participates.

At the regional level, project committees are formed, each of which has a curator in the person of the Chairman of the regional Government. In addition to the functions of implementing projects in the territory of the subject of the Russian Federation, project committees are also entrusted with the authority to manage state programs.

In order to address nationwide socially significant tasks at the regional level, just as at the federal level, project structural elements of state programs of the subjects of the Russian Federation are developed, approved, and implemented. Within the framework of this paper, the project components of the regions included in the Far Eastern Federal District for the period from 2021 to 2025 are examined, where 2024–2025 are considered based on the forecast values established by the regional budgets for 2023 and the planned period of 2024–2025.

The Far Eastern Federal District includes 11 subjects of the Russian Federation with its center in the city of Vladivostok. The district includes two republics, four territories, one autonomous district, three regions, and the only

autonomous oblast in the country. The project part of the budgets of the regions that are part of the Far Eastern Federal District includes:

- federal projects [budgets of the Republic of Buryatia, Primorsky region, Magadan (structural elements are titled “individual activities within the framework of the implementation of a federal (national) project”), Sakhalin Oblast and the Jewish Autonomous Oblast, Chukotka Autonomous District];
- regional projects [budgets of the Sakha Republic (Yakutia), Zabaykalsky, Kamchatka, and Khabarovsk territories, Amur and Magadan regions, and the Jewish Autonomous District];
- regional projects that are part of federal or national projects [budgets of the Sakha Republic (Yakutia), Primorsky region, and Sakhalin];
- regional projects that are not part of federal or national projects [budgets of the Sakha Republic (Yakutia) and Primorsky region];
- departmental projects [budgets of the Sakha Republic (Yakutia) and Primorsky region].

Project financing is part of the programmatic section of budgets. Within the

Table 1

**Information on the Amount of Financing for the Implementation of Project Activities
in the Zabaykalsky Territory**

Year	Number of implemented projects, units	Amount of financing for project implementation, thousand rubles	Average volume of implementation of one project, thousand rubles
2021	39	13 336 445.6	341 960.1
2022	44	13 977 823.2	317 677.8
2023	46	25 743 079.4	559 632.2
2024	38	23 019 698.5	605 781.5
2025	14	14 889 405.3	1 063 529.0

Source: Compiled by the authors.

framework of this article, the budgets and, in particular, their project components of the regions of the Far Eastern Federal District — Zabaykalsky, Kamchatka, Primorsky region, and Khabarovsk — are examined. Since projects are structural elements of state programs, funding for their implementation is classified as program expenditures.

The composition of the budget expenditures of the **Zabaykalsky territory** in 2023⁷ is presented in *Fig. 1*.

The structure of the state programs of the Zabaykalsky territory provides for the implementation of regional projects.⁸ In 2021–2023 and the planned period of 2024–2025, these projects are included in subprograms. For example, within the framework of the state program “Development of the Transport System of the Zabaykalsky territory” (code 13), the subprogram “Development of the Transport Complex in the Territory of the Zabaykalsky territory” (code 13 1) is being implemented,

which includes regional projects “Clean Air” (code 13 1 G4) and “Development of Regional Airports and Routes” (code 13 1 V7). Taking into account the transition to a new system for managing state programs at the federal level in 2022 and at the regional level in 2024, starting from 2024, regional projects will be integral parts of the new structural elements of state programs (subprograms will become invalid).

The average funding per federal project is presented in *Table 1*.

Project financing in program financing accounted for 16.4% in 2021, 15.4% in 2022, 25.2% in 2023, 26.2% in 2024, and 17.1% in 2025.

In 2021, budget allocations for projects were provided within the framework of 16 state programs. The largest project expenditures are allocated within the framework of the state program “Development of the Transport System of the Trans-Baikal Territory” (41.3% of the total project financing for the year), while the smallest are in “Reproduction and Use of Natural Resources” (0.04% of the total project financing for the year).

In 2022, budget allocations for projects were provided within the framework of 15 state programs. The largest project

⁷ Law of the Zabaykalsky Territory from 22.12.2022 No. 2134 “On the budget of the Zabaykalsky Territory for the year 2023 and the planned period of 2024 and 2025”.

⁸ Official website of the Ministry of Finance of the Zabaykalsky Territory. URL: <https://minfin.75.ru/byudzhet/> (accessed on 15.12.2023).

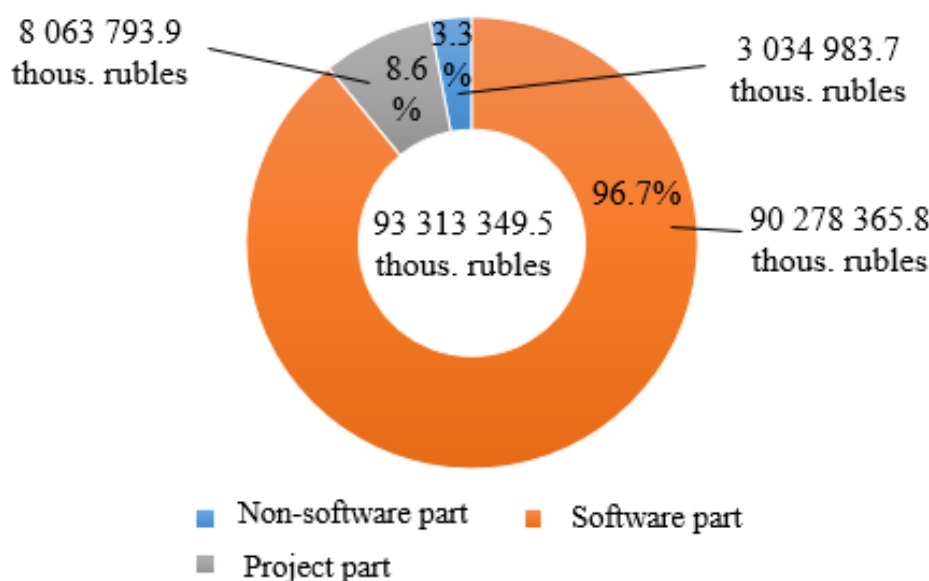


Fig. 2. The Composition of Budget Expenditures in the Kamchatka Territory

Source: Compiled by the authors.

expenditures are allocated within the framework of the state program “Development of Healthcare in the Zabaykalsky territory” (28.1% of the total project financing for the year), while the smallest are for “Ensuring Urban Planning Activities in the Territory of the Zabaykalsky territory” (0.03% of the total project financing for the year).

In 2023, projects were implemented within the framework of 18 state programs. The largest expenditures on projects were carried out within the framework of the state program “Development of Education in the Zabaykalsky territory for 2014–2025” (25.7% of the total project financing for the year), while the smallest were for “Reproduction and Use of Natural Resources” (0.05% of the total project financing for the year).

In 2024 (the planning period), budget allocations for project activities are provided within the framework of 14 state programs. The largest project expenditures are allocated within the framework of the state program “Development of the Road Economy of the Zabaykalsky territory” (32.3% of the total project financing for the year), while the smallest are in “Promoting Employment”

(0.13% of the total project financing for the year).

In 2025 (the planned period), budget allocations for projects are provided within the framework of 8 state programs. The largest project expenditures are allocated within the framework of the state program “Development of the Road Economy of the Trans-Baikal Territory” (69.6% of the total project financing for the year), while the smallest are for “Development of Culture in the Trans-Baikal Territory” (0.005% of the total project financing for the year).

No project expenses are provided for in 2021 under 13 state programs, in 2022 and 2023 under 14 state programs, in 2024 under 17 state programs, and in 2025 under 22 state programs.

The composition of the budget expenditures of the **Kamchatka Territory** in 2023⁹ is presented in Fig. 2.

The budget of the Kamchatka Territory provides for the implementation of regional

⁹ Law of the Kamchatka Territory from 29.11.2022 No. 155 “On the Regional Budget for 2023 and for the Planning Period of 2024 and 2025”.

Table 2

**Information on the Amount of Financing for the Implementation of Project Activities
in the Kamchatka Territory**

Year	Number of implemented projects, units	Amount of financing for project implementation, thousand rubles	Average volume of implementation of one project, thousand rubles
2021	49	6 334 893.2	129 283.5
2022	46	7 456 527.3	162 098.4
2023	54	8 063 793.9	149 329.5
2024	43	8 345 884.2	194 090.3
2025	22	5 598 604.7	254 482.0

Source: Compiled by the authors.

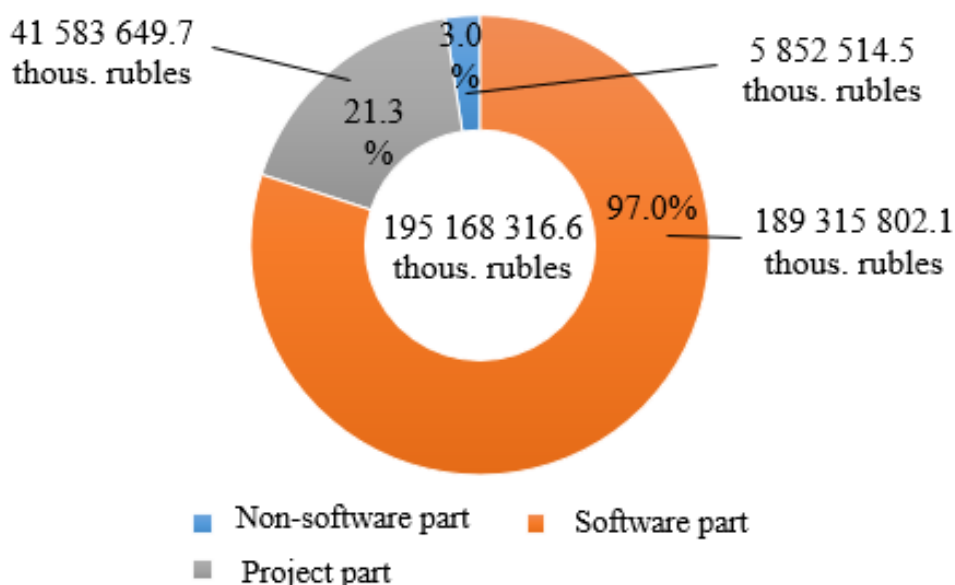


Fig. 3. The Composition of Budget Expenditures in the Primorsky Territory

Source: Compiled by the authors.

projects.¹⁰ The share of project expenditures in the program part of the budget expenditures is 8.4% in 2021, 9.5% in 2022, 8.9% in 2023, 11.2% in 2024, and 7.9% in 2025. From 2021 to 2025, the share of project expenditures is uneven, and there is no trend towards their increase or decrease.

The average funding per regional project is presented in *Table 2*.

The largest number of projects is being implemented in the Kamchatka Territory in 2023. At the same time, taking into account the comparable level of funding for project activities, the average financial support indicators for a single project in the current reporting year are lower than in 2022, 2024, and 2025, where the number of projects is smaller.

In 2021, projects were implemented within the framework of 15 state programs, with the largest amount of funding allocated to the

¹⁰ Official website the Government of the Kamchatka Territory. URL: <https://kamgov.ru/minfin/> (accessed on 15.12.2023).

Table 3

**Information on the Amount of Financing for the Implementation of Project Activities
in the Primorsky Territory**

Year	Number of implemented projects, units	Amount of financing for project implementation, thousand rubles	Average volume of implementation of one project, thousand rubles
2021	48	18 358 626.0	382 471.4
2022	44	23 182 731.1	526 880.3
2023	57	41 583 649.7	729 537.7
2024	47	38 026 695.3	809 078.6
2025	31	35 442 905.0	1 143 319.5

Source: Compiled by the authors.

Table 4

**Information on the Amount of Financing for the Implementation of Various Types of Projects
in the Primorsky Territory**

Type of projects	Financing, thousand rubles				
	2021	2022	2023	2024	2025
Federal projects	18 358 626.0	23 182 731.1	0.0	0.0	0.0
Regional projects included in national projects	0.0	0.0	23 531 287.1	19 478 816.1	14 603 258.0
Regional projects that are not part of national projects	0.0	0.0	17 964 586.3	18 547 415.2	20 839 647.0
Departmental projects	0.0	0.0	87 776.3	464.0	0.0
Total	18 358 626.0	23 182 731.1	41 583 649.7	38 026 695.3	35 442 905.0

Source: Compiled by the authors.

“Social Support for Citizens in the Kamchatka Territory” program (1 628 504.6 thous. rubles, or 25.7%).

In 2022, projects were implemented within the framework of 17 state programs, with the largest amount of funding allocated to

the program “Social Support for Citizens in the Kamchatka Territory” (1 746 737.0 thous. rubles, or 23.4%).

In 2023, projects were implemented within the framework of 17 state programs, with the largest amount of funding allocated to the

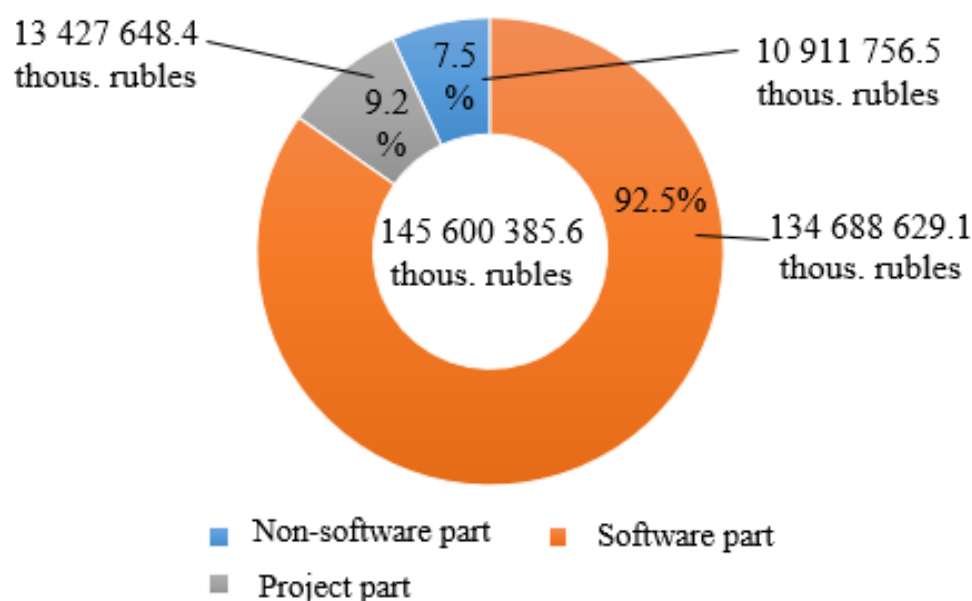


Fig. 4. The Composition of Budget Expenditures in the Khabarovsk Territory

Source: Compiled by the authors.

“Development of Healthcare in the Kamchatka Territory” program (2 128 636.5 thous. rubles, or 26.4%).

In 2024 (the planned period), projects are provided for within the framework of 16 state programs, with the largest amount of funding allocated to the “Development of Healthcare in the Kamchatka Territory” program (2 617 298.0 thous. rubles, or 31.4%).

In 2025 (the planned period), projects are provided within the framework of 12 state programs, with the largest amount of funding allocated to the program “Development of the Transport System in the Kamchatka Territory” (3 688 541.1 thous. rubles, or 65.9%).

The smallest amount of project expenditures is annually carried out within the framework of the state program “Safe Kamchatka”: in 2021–200.0 thous. rubles, or 0.003%, in 2022–400.0 thous. rubles, or 0.005%, in 2023, 2024, and 2025–387.6 thous. rubles each (0.005% in 2023–2024 and 0.007% in 2025).

The composition of the **Primorsky Territory** budget expenditures in 2023¹¹ is presented in Fig. 3.

¹¹ Primorsky Territory Law from 20 December 2022 No. 253 “On the Territory Budget for 2023 and the Planning Period of 2024 and 2025”.

In the Primorsky Territory, within the framework of project activities, federal projects, regional projects that are part of national projects, regional projects that are not part of national projects, and departmental projects are being implemented.¹²

The average funding per project is presented in Table 3.

Information on the funding volumes depending on the types of projects is provided in Table 4.

In 2021 and 2022, the regional budgets provided for the implementation of only federal projects: 48 and 44 units, respectively. In 2023, the implementation of 57 projects was carried out, including 52 regional and 5 departmental projects. For the planned period of 2024 and 2025, the implementation of 46 and 31 regional projects, respectively, as well as 1 departmental project in 2024, is provided.

In 2021, budget allocations for projects are provided within the framework of 16 state programs. The largest project expenditures

¹² Official website of Government of the Primorsky Territory. URL: <https://primorsky.ru/authorities/executive-agencies/departments/finance/> (accessed on 15.12.2023).

Table 5

**Information on the Amount of Financing for the Implementation of Project Activities
in the Khabarovsk Territory**

Year	Number of implemented projects, unit	Amount of financing for project implementation, thousand rubles	Average volume of implementation of one project, thousand rubles
2021	33	12 170 743.8	368 810.4
2022	36	16 031 465.6	445 318.5
2023	38	13 427 648.4	353 359.2
2024	32	13 365 039.3	417 657.5
2025	16	5 196 118.0	324 757.4

Source: Compiled by the authors.

are allocated within the framework of the state program “Social Support of the Population of Primorsky Territory” (5 684 292.7 thous. rubles, or 31.0% of the total project financing for the year), while the smallest are for “Promotion of Employment of the Population of Primorsky Territory” (10 000.0 thous. rubles, or 0.05% of the total project financing for the year).

In 2022, budget allocations for projects are provided within the framework of 16 state programs. The largest project expenditures are allocated within the framework of the state program “Social Support of the Population of Primorsky Territory” (6,367,668.8 thousand rubles, or 27.5% of the total project financing for the year), while the smallest are within the framework of the program “Patriotic Education of Citizens, Implementation of State National Policy, and Development of Civil Society Institutions in Primorsky Territory” (16,100.0 thous. rubles, or 0.07% of the total project financing for the year).

In 2023, projects were implemented within the framework of 19 state programs. The largest expenditures on projects were carried out within the framework of the state program “Development of the Transport

Complex of Primorsky Territory” (14 719 025.8 thous. rubles, or 35.4% of the total project financing for the year), while the smallest were for “Development of Forestry in Primorsky Territory” (26,173.8 thous. rubles, or 0.06% of the total project financing for the year).

In 2024 (the planned period), budget allocations for project activities are provided within the framework of 17 state programs. The largest project expenditures are allocated within the framework of the state program “Development of the Transport Complex of Primorsky Territory” (14 716 536.2 thous. rubles, or 38.7% of the total project financing for the year), while the smallest are for “Development of Tourism in Primorsky Territory” (496.8 thous. rubles, or 0.001% of the total project financing for the year).

In 2025 (the planned period), budget allocations for projects are provided within the framework of 12 state programs. The largest project expenses, as in 2023–2024, are allocated within the framework of the state program “Development of the Transport Complex of Primorsky Territory” (20,264,466.4 thous. rubles, or 57.2% of the total project financing for the year), while

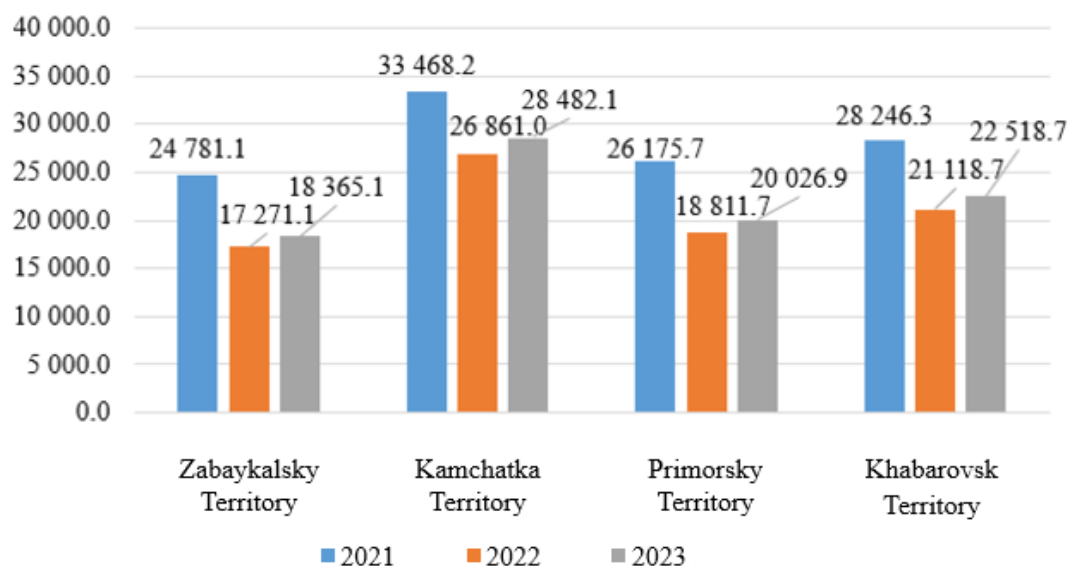


Fig. 5. The Average Pension Amount in Nominal Terms, Rubles*

Source: compiled by the authors.

Note: * The average pension amount in nominal terms, assigned to retirees registered in the system of the Pension and Social Insurance Fund of the Russian Federation (including both working and non-working), as of September 1 annually.

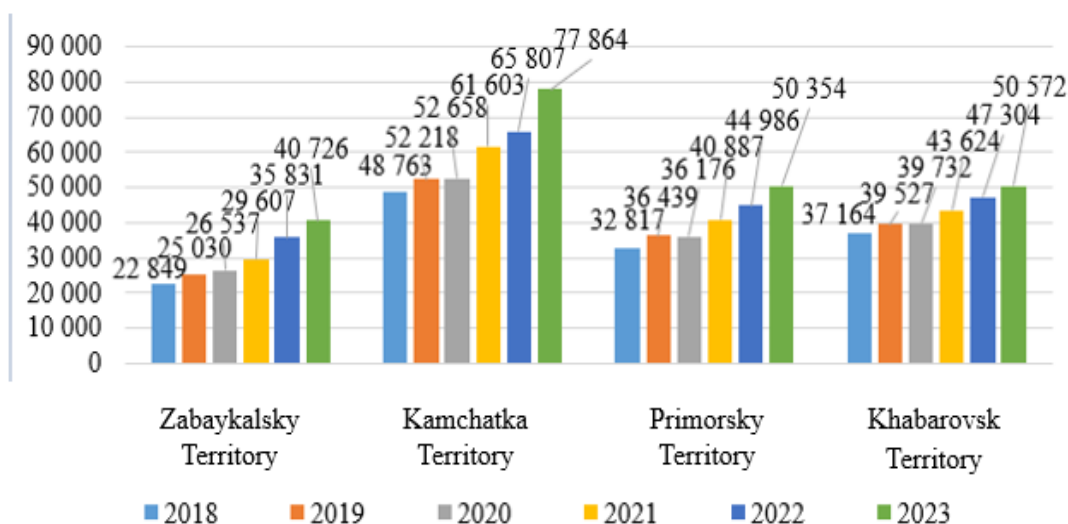


Fig. 6. Average Per Capita Income of the Population, Rubles Per Month

Source: Compiled by the authors.

Note: * For Q3 annually.

the smallest are for “Safe Territory” (48,523.8 thous. rubles, or 0.14% of the total project financing for the year).

The composition of the **Khabarovsk Territory** budget expenditures for 2023¹³ is presented in Fig. 4.

The share of project financing in the total volume of program expenditures of the Khabarovsk Territory budget is 10.7% in 2021, 13.4% in 2022, 10.0% in 2023, 10.8% in 2024, and 4.5% in 2025. The implementation of regional projects is planned.¹⁴

¹³ The Law of the Khabarovsk Territory from 21 November 2022 No. 334 “On the Regional Budget for 2023 and the Planning Period of 2024 and 2025”.

¹⁴ Official website of the Ministry of Finance of the Khabarovsk Territory. URL: <https://minfin.khabkrai.ru/> (accessed on 15.12.2023).

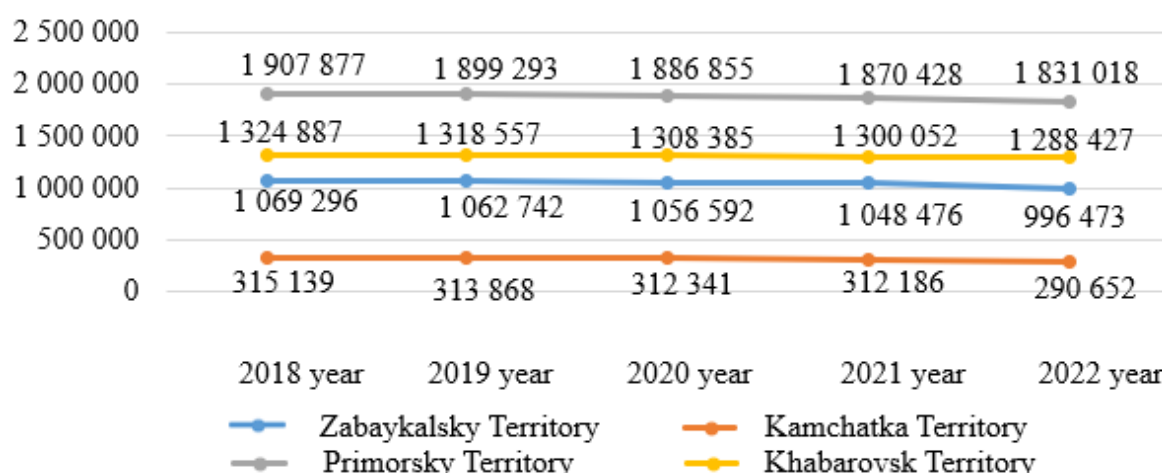


Fig. 7. The Number of Permanent Residents Per Year on Average, in People

Source: Compiled by the authors.

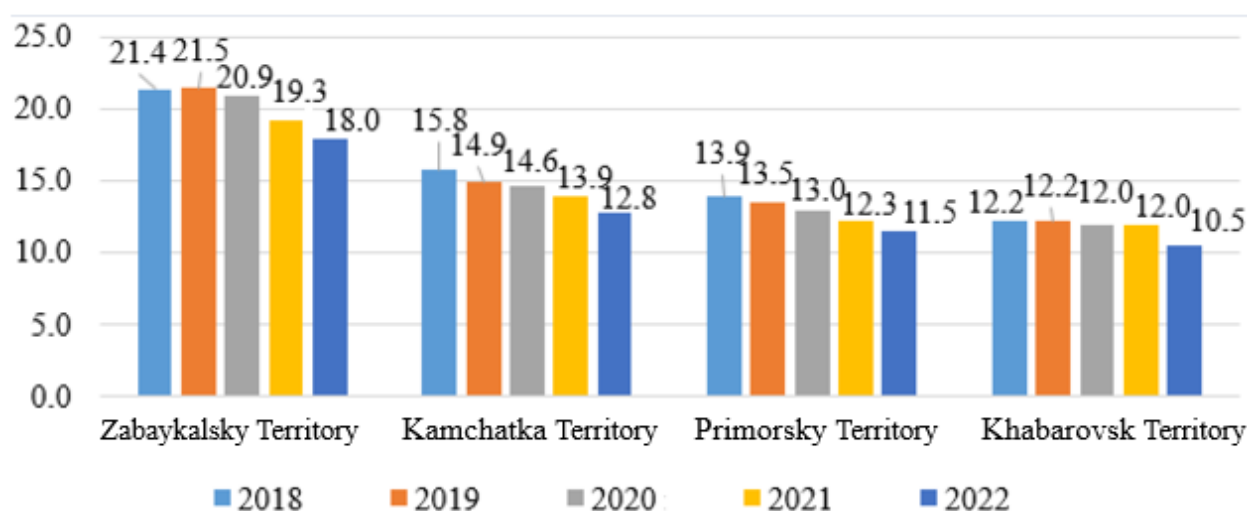


Fig. 8. Poverty Rate as a Percentage of the Total Population

Source: составлено авторами / Compiled by the authors.

The average funding per regional project is presented in *Table 5*. The project component is planned within the framework of 15 programs in 2021, 17 programs in 2022, 16 programs in 2023, 15 programs in 2024, and 11 programs in 2025.

The largest project financing is annually allocated within the framework of the state programs “Development of the Transport System of the Khabarovsk Territory”, “Development of Education in the Khabarovsk Territory”, and “Development of Social Protection of the Population in the Khabarovsk Territory”.

The smallest amount of project expenses is allocated within the framework of the following programs:

- in 2021 — “Development of international, interregional, and exhibition-congress activities in the Khabarovsk Territory” (56 417.2 thous. rubles, or 0.5%), “Development of agriculture and regulation of agricultural products, raw materials, and food markets in the Khabarovsk Territory” (40 699.2 thous. rubles, or 0.3%), and “Strategic planning and increasing labor productivity in the Khabarovsk Territory” (25 632.5 thous. rubles, or 0.2%);

- in 2022 — “Development of the Information Society in the Khabarovsk Territory” (47 593.5 thous. rubles, or 0.3%), “International Cooperation and Export Support in the Khabarovsk Territory” (27 613.1 thous. rubles, or 0.2%), and “Strategic Planning and Labor Productivity Improvement in the Khabarovsk Territory” (23 098.3 thous. rubles, or 0.1%);

- in 2023 — “International Cooperation and Export Support in the Khabarovsk Territory” (33 757.0 thous. rubles, or 0.3%), “Strategic Planning and Labor Productivity Improvement in the Khabarovsk Territory” (24 351.2 thous. rubles, or 0.2%), and “Forest Management Development in the Khabarovsk Territory” (10 143.8 thous. rubles, or 0.1%);

- in 2024 — “International Cooperation and Export Support in the Khabarovsk Territory” (30 891.5 thous. rubles, or 0.2%), “Strategic Planning and Labor Productivity Improvement in the Khabarovsk Territory” (30 760.8 thous. rubles, or 0.2%), and “Development of Physical Culture and Sports in the Khabarovsk Territory” (13 737.3 thous. rubles, or 0.1%);

- in 2025 — “Strategic Planning and Labor Productivity Improvement in the Khabarovsk Territory” (35 255.0 thous. rubles, or 0.7%), “International Cooperation and Export Support in the Khabarovsk Territory” (2 381.8 thous. rubles, or 0.05%), and “Healthcare Development in the Khabarovsk Territory” (158.8 thous. rubles, or 0.003%).

Projects are tools for achieving national goals and socially significant results,¹⁵ among which are the increase in population and the improvement of citizens' living standards.¹⁶ In this regard, the effectiveness of project activities implementation, considering its social orientation, can be assessed through changes in key demographic and socio-

economic indicators. Thus, the dynamics of pension payments in the subjects of the Russian Federation considered in this article, according to Rosstat data,¹⁷ are presented in *Fig. 5*.

The average pension amount over the past three years has changed unevenly. In 2022, compared to 2021, there was a reduction in the pension amount in all the considered regions, while in 2023, compared to 2022, the pension amount increased. At the same time, its amount is lower than the 2021 level.

Changes in per capita income according to Rosstat data are shown in *Fig. 6*.

The indicators of per capita monetary income of the population during the project implementation period — since 2018 — have been increasing annually. A decrease compared to the previous year was recorded only in Primorsky Territory in 2020 (the decrease amounted to 263 rubles, or 0.7%).

The dynamics of the population according to Rosstat data is presented in *Fig. 7*.

Every year, the population in the regions of the Far Eastern Federal District decreases. This indicator also has a tendency to decline across the entire territory of the Far Eastern Federal District. In the Russian Federation as a whole, the population remains stable, changing annually over the past 5 years within the range of -0.4% to +0.6%.

The poverty level indicators according to Rosstat data are presented in *Fig. 8*.

In the subjects of the Russian Federation under consideration, the poverty level decreases annually.

CONCLUSION

In all the analyses regional budgets of the Far Eastern Federal District within the framework of this article, a reduction in project expenditures in 2025 is observed. This trend is related to the timelines for

¹⁵ Resolution of the Government of the Russian Federation from 31.10.2018 No. 1288 “On the Organization of Project Activities in the Government of the Russian Federation”.

¹⁶ Decree of the President of the Russian Federation from 21.07.2020 No. 474 “On the National Development Goals of the Russian Federation for the Period up to 2030”.

¹⁷ Official website of Rosstat. URL: <https://rosstat.gov.ru/folder/12781> (accessed on 23.12.2023). Data for the “working pensioners” group as of September 1st annually has been used.

the implementation of national and federal projects, a significant portion of which is expected to be completed in 2024.

The influence of changes in project financing parameters on the trend of achieving key socially significant indicators, which is similar across all the examined regions, has also been determined.

Based on the results of the research presented in this article, a scientific problem of insufficiently effective planning and execution of project expenditures has been identified. This is manifested in the absence of a stable positive trend in a number of key indicators of the level and quality of life, which serve as indicators for determining the effectiveness of project implementation.

At the same time, the role of project activities in budget construction lies in the fact that the implementation of projects allows for the prompt identification of which structural elements of state programs have failed to achieve target values when negative trends are detected, and to make changes to the main parameters of the implementation of this structural element in order to take timely measures to correct and improve the situation [13]. International experience shows that regional projects and programs expand the circle of potential recipients of state support, and the application of program-targeted methods contributes to increasing the efficiency and effectiveness of public administration [14, 15].

When identifying the failure to achieve indicators and the non-implementation of project and program activities, it is important to determine the reasons. In the case of underfunding projects, it is necessary to examine the structure of expenditures allocated for their implementation, including the consideration of inter-budgetary transfers and the issues of their uneven distribution among the subjects of the Russian Federation. Based on the obtained data, it is possible to adjust the volumes of transfers both between the federal and regional levels and among the

regions of the Russian Federation, increasing funding for regions with insufficiently high performance levels or negative trends.

Considering that the sources of financial support for projects can include not only federal and regional budgets and state off-budget funds but also off-budget sources, it is advisable to develop the attraction of private financing for the implementation of state projects and to improve the mechanisms of state support for the implementation of private projects in order to enhance the significance of project activities in addressing key socio-economic tasks of the state.

The formation of the project part of the budget when it is constructed on a programmatic basis allows for a clearer definition of tasks, methods, timelines, and resources for achieving the set goals, and establishes personal responsibility for their timely execution. The implementation of projects increases the transparency of monitoring the resolution of key socially significant issues, ensures the traceability of budgetary funds, enhances the efficiency of interaction between levels of government, and allows for the improvement of the goal-setting system of state programs [16]. This, in turn, allows for the timely identification of deviations from the stated parameters, making changes to the projects, and making managerial decisions regarding the individuals and agencies responsible for the execution of these projects. Projects contribute to the detailed disclosure of tasks set within the framework of state programs, allowing for the resolution of global issues identified in the programs through the lens of individual structural elements, which have clear deadlines and quantitatively measurable results. The application of projects in the budget allows for the structuring of state programs and optimizes time and effort in the construction and implementation of budgets [17].

Substantively, state programs and projects are interconnected. Both tools are aimed at achieving the national goals of

the Russian Federation. At the same time, to increase the efficiency of task resolution, it is necessary to minimise the dilution of projects between state programs, ensure clear integration of projects and programs both with each other and with state goals, avoid duplication of goals and objectives within various state programs and projects, and determine the optimal ratio of projects to programs to build the most efficient financial system. It is also advisable to consider the popularization of

participatory budgeting, tax mechanisms, and inter-budgetary transfers, and their integration with the projects being implemented [18–20].

The practical implementation of the developed recommendations will result in the formation of a sustainable economy at both regional and federal levels, and the unconditional achievement of national objectives to improve the quality and standard of living of the population through the use of such state policy tools as projects.

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