Implementation of National Projects as the Main Instrument for Increasing the Economic Growth of Russia

Oksana Vaganova  
Department of Economic Innovation and Finance  
Belgorod State National Research University  
Belgorod, Russia  
vaganova@bsu.edu.ru

Igor Polevoy  
Vice-Rector for the Economy and Finance  
Belgorod State National Research University  
Belgorod, Russia  
polevoy@bsu.edu.ru

Liliya Konshina  
Department of Economic Innovation and Finance  
Belgorod State National Research University  
Belgorod, Russia  
konshina_l@bsu.edu.ru

Bogdan Palashenkov  
Department of Economic Innovation and Finance  
Belgorod State National Research University  
Belgorod, Russia  
1499513@bsu.edu.ru

Sizyongo Munenge  
Department of Economic Innovation and Finance  
Belgorod State National Research University  
Belgorod, Russia  
sizungo@bsu.edu.ru

Abstract—The article deals with theoretical aspects of the implementation of the project-based approach in public administration. It considers prerequisites and features of the implementation of national projects developed following the Decree of the President of the Russian Federation dated May 7, 2018, No. 204 “On National Goals and Strategic Objectives of the Russian Federation through to 2024”. The life cycle of the project, the main documents for its implementation, depending on its level are presented. The distinctive differences between the execution of federal state programs carried out within the national projects of relevant ministries, and federal programs on the principle of project management are revealed. The goals of national implementation of projects are identified, a detailed list of them (including a comprehensive plan for the modernization and expansion of the main infrastructure) is provided, and the budget for their implementation in the period of 2019-2024 is analyzed. Moreover, the article gives an analysis of the main results of the implementation of national projects and identifies problems that had an impact on the implementation of these projects in 2019 and measures (including the author’s ones) aimed at eliminating them. The scientific novelty of the article lies in the implementation of a comprehensive analysis of the project approach in public administration through the system of national projects.

Keywords—state project management, national project, state program, target indicators, execution of expenditures on national projects, interactive map of national projects.

I. INTRODUCTION

The current economic conditions in the Russian Federation predetermine the need for the introduction of innovative methods of public administration and development of territories. Among such instruments of state and municipal management is the project-based approach, which has found its implementation in the form of high-priority national projects that are of strategic importance for the country's economy, since they are aimed at ensuring the growth of resource use efficiency, stimulating innovation, and modernizing all levels of state development.

The purpose of the study is to consider the implementation of national projects as a key factor in achieving economic growth of the national economy in the context of budget constraints.

Within the framework of this scientific work, we used such methods as the analysis of published special and subject studies, legislative and regulatory documents, as well as the statistical method and the method of data synthesis.

The key sources of research were official documents reflecting the most notable directions of the social and economic development of the Russian Federation: Main directions of activities of the Government of the Russian Federation through to 2024; Methodological guidelines for the development of national projects (programs); Instruction of the Government of the Russian Federation of February 13, 2019, No. 207-r “On Approval of the Spatial Development Strategy of the Russian Federation through to 2025”; Decree of the President of the Russian Federation dated May 7, 2018 No. 204 “On National Goals and Strategic Objectives of the Russian Federation through to 2024”; Passports of national projects.

II. RESULTS AND DISCUSSION

The project-based approach in public administration is a complex mechanism for the implementation of state goals and objectives under conditions of limited resources [16].
According to the Decree of the Government of the Russian Federation “On the Organization of Project Activities”, the main objectives of the implementation of project management are: “compliance of the objectives of the implemented projects with the goals and directions of strategic development; transparency, validity and timeliness of decisions made at all management levels; reasonable and efficient use of resources, including investment provision of conditions to achieve the approved goals of projects in a timely manner, with the required quality and existing resource constraints; effective coordination of subjects” [5].

It shall be noted that at present, there is no generally accepted and well-established concept of a “national project”. Nevertheless, the Book of the participant in the implementation of national projects gives the following definition: “A national project is a project to be developed following the Decree of the President of the Russian Federation dated May 7, 2018, No. 204 “On National Goals and Strategic Objectives of the Russian Federation through to 2024” [12].

The national project contains a system of interrelated goal-orienting instructions and the corresponding by-laws and regulations, united by a single concept and ultimate goal. In a sense, a national project represents the testing of a new economic and budgetary strategy for the development of the country for the long term [14].

The life cycle of a national project and the main documents for its implementation are presented in Figure 1 [4].

Fig. 1. Project life cycle, main documents

Of course, “national projects do not replace the system of state programs, since there are tremendous differences between these concepts. First, the implementation of the federal state program is carried out within the framework of activities of the relevant federal ministry or several ministries; and national priorities are based on the principle of project management and are implemented with the help of a specially created structure of the federal level using the method of end-to-end planning. Secondly, there are differences in legal regulation: a federal state goal-oriented program has a strictly defined form, which was previously established by a special Federal Law. For national projects, there is no such regulation at the legislative level” [10].

The full-scale implementation of project management in the authorities has started in 2016. The rationale for the implementation was confirmed by the President of the Russian Federation, who decided to ensure the achievement of the national development goals of the Russian Federation through the implementation of national projects. The foregoing is enshrined in the Decree of the President of the Russian Federation dated May 7, 2018, No. 204 “On National Goals and Strategic Objectives of the Russian Federation through to 2024” [2].

Thus, following this Decree, “the main goals include the achievement of the following indicators:

a) Ensuring sustainable natural growth of the population of the Russian Federation;

b) Increasing life expectancy to 78 years;

c) Ensuring sustainable growth in real incomes of citizens, as well as an increase in the level of pension provision above the inflation rate;

d) Halving the poverty level in the Russian Federation;

e) Improving the living conditions of at least 5 million families annually;

f) Acceleration of the technological development of the Russian Federation, increase in the number of organizations carrying out technological innovations up to 50 percent of their total number;

g) Ensuring accelerated implementation of digital technologies in the economy and social sphere;

h) Entry of the Russian Federation into the list of the five largest economies in the world, ensuring economic growth rates higher than the world rates while maintaining macroeconomic stability, including inflation at a level not exceeding 4 percent;

i) Creation of a highly productive export-oriented sector, which develops based on modern technologies and is provided with highly qualified personnel, etc., in the basic sectors of the economy, primarily in the manufacturing industry and the agri-food industry”.

According to the May Decree, during the year, the Government of the Russian Federation prepared and started to implement 12 national projects in the following key areas: demography, health care, education, housing and urban environment, ecology, safe and high-quality roads, labor productivity and employment support, science, digital economy, culture, small and medium-sized businesses and support for individual entrepreneurial initiatives, international cooperation and export. Additionally, a comprehensive plan for the modernization and expansion of the main infrastructure was prepared, which is also regarded as one of the national projects.

Speaking about the budget of national projects in the period 2019 to 2024, the total amount for 13 national projects (including a comprehensive plan for the modernization and expansion of the main infrastructure) amounted to 25.7 trillion rubles (Fig.2).

Based on the data presented in Figure 2, it can be said that the largest national project in terms of financing is the plan of modernization of the main infrastructure, the total cost of which is 6.35 trillion rubles (excluding the budget of the energy part of the plan). As for the financing of the project, it can be noted that about 3 trillion rubles are to be provided from the federal budget, 58.7 billion rubles are to be provided by
regions, and the remaining 3.3 trillion rubles are planned to be attracted from extrabudgetary funds.

The budget of the Safe and High-Quality Roads national project is 4.78 trillion rubles, Ecology amounts to 4.04 trillion rubles, Demography, which aims to increase the expected healthy life expectancy to 67 years and increase the birth rate, is estimated at 3.11 trillion rubles. In turn, the Digital Economy national project, which is particularly relevant at present, will cost 1.6 trillion rubles excluding alternative sources of funding.

The national projects aimed at labor productivity and employment support (52.1 billion rubles), culture (113.5 billion rubles) and small and medium-sized businesses support (481.5 billion rubles) bear a smaller budgetary burden.

In general, based on the data in Figure 3, it can be noted that for the implementation of all national projects, funds will be attracted from the following sources and in the following amounts [12]: 13.16 trillion rubles from the federal budget; 7.52 trillion rubles from other sources that are outside the framework of the available state budgets; 0.15 trillion rubles from off-budget state funds; 4.9 trillion rubles from the budgets of the regions of the Russian Federation.

Each national project is based on the principle of goal-setting, and each national project includes up to 11 federal projects. The deadlines for all national projects expire on December 31, 2024.

Today, domestic research in the field of national projects is based on two types of assessments of their implementation, i.e. critical and formally positive. The former is associated with the heterogeneity of national projects, unsuccessful experience in the implementation of national projects of past years, while the latter is based on confirmation of the effectiveness of national projects.

The first year of implementation of national projects posed serious tasks for federal and local authorities; some of the projects were not fully implemented, and others were overfulfilled. For example, the actual performance indicators of the Preservation of Unique Water Bodies federal project exceeded the planned ones, i.e. the area of the restored water bodies amounted to more than 3.3 thousand hectares (against the planned 2.7 thousand hectares), and the length of the cleaned coastal strip was more than 24 thousand kilometers (instead of the planned 1.5 thousand kilometers).

We will selectively consider the results of the implementation of national projects in their key areas.

As part of the Healthcare national project, by the end of 2019, the necessary equipment was installed in a unique oncology center, a surgical building and a polyclinic in Kursk, which allowed healthcare professionals to reduce the time to make a diagnosis to a minimum. At present, even large Moscow centers have no such capacity as this medical institution. Nevertheless, speaking about the overall results of the implementation of the Healthcare national project, it should be said that in 2019, all regions of the Russian Federation showed a negative trend associated with the lag in primary health care.

The Healthcare national project has much in common with the Demography national project. The regions are actively involved in the implementation of this national project. Moreover, according to the Decree of the President of the Russian Federation, which entered into force on January 1, 2020, the Maternity Capital was increased by 150 thousand rubles with the birth of the second child, and the total amount of payments to families with two children was increased to 616 thousand rubles. In general, it is planned that the Maternity Capital program will last until at least December 31, 2026.

Besides, within the framework of the President's Demographic Package, a program was implemented to pay monthly Maternity Capital benefits for low-income families starting from January 18, 2020, and this payment amounted to 11 thousand rubles on average. Moreover, earlier, the payments were provided until the child reaches one and a half years, while from January 2020, this period has been increased until the child reaches the age of three. For young families, single-parent families and multiple children families, this is significant support, since, according to statistics, most of these families invest in improving their living conditions.

Some regions of the Russian Federation face an urgent need to relocate people from dilapidated housing. Thus, in 2019, almost 25 thousand people were been resettled successfully; however, in general, the program has not been fully implemented, since there is an urgent need to select a land plot and the necessary infrastructure, as well as construction companies in advance. Taking into account the gradual implementation of the national project, it is planned to relocate about 530 thousand people by 2024. An important part in this process is assigned to the reduction of rates on mortgage loans; according to the federal project, the Central Bank of the Russian Federation plans to reduce the rate on it to below 8% by 2024. Among the key results of 2019 for the Housing and Urban Environment national project, it is necessary to emphasize the reduction of the risk level of
money invested in housing through the use of the so-called escrow accounts, which have become a full-fledged new standard for working in the market thanks to the national project.

At the end of 2019, as part of the implementation of the Ecology national project, many regions did not manage to establish work with the federal operator, as a result of which the overall cash execution of the national project amounted to 39.8%. However, funding has already begun for the construction of four waste treatment plants, with a particular focus on volunteering. In 2019, more than 900 thousand Russians took part in actions to clean up the banks of rivers and lakes from garbage and clean up the territories of national parks. By 2024, due to the implementation of the national project, 191 large waste burial sites among those that are now assigned to large cities will be eliminated.

As for the Digital Economy national project, it should be said that in 2019, the State Duma of the Russian Federation failed to adopt a large package of documents on the digital economy, which in many ways served as a factor constraining the implementation of the national project [15]. At the end of 2019, cash execution was only 27.3%. Nevertheless, several experts note that after the adoption of this package of documents, the underachievement can be compensated for in just a few quarters.

The most underperforming programs are those related to road construction and increase of labor productivity of Russians, since last year, almost no funds were allocated for these programs. Specifically, the Increase of Labor Productivity and Employment Support project was not funded at all in the first quarter of 2019, despite the fact that according to the plan, it was intended to allocate about 7 billion for this project.

In accordance with the plan for the implementation of the Safe and High-Quality Roads project, the percent of roads in Russia that meet the standards of urban complexes should be doubled, and the percent of regional roads should increase by almost 8% by 2024. Additionally, it is necessary to eliminate 50% of the places of problematic, most damaged roads, as well as reduce by 10% the number of federal and regional routes operating in congestion mode. However, the ambitious plans for the road project are far from reality. According to the Accounts Chamber, the project was financed at the level of 0.1% in 2019. However, their positive aspects can also be noted, i.e. the road safety program is one of the most successful, the reduction in deaths from road traffic accidents in 2019 comprised 8.8% concerning the same indicator in 2018.

In general, according to the Ministry of Finance of the Russian Federation, which has analysed the results of the implementation of national projects in 2019, 1.6 trillion rubles were spent out of 1.75 trillion rubles budgeted for the implementation of national projects. Moreover, the most effective project management was achieved in the following regions: Belgorod, Leningrad, Ulyanovsk regions, the Republic of Tatarstan, Khanty-Mansi Autonomous Okrug and many other regions [13].

The main result of the implementation of national projects designed for the performance of the President's May Decree should have been in real changes for the better in the life of Russians, but Vladimir Putin himself on December 25, 2019, at the final meeting of the Council for Strategic Development and National Projects, noted that the goals set within the framework of national projects in 2019 were not fully achieved. In turn, Former Prime Minister of the Russian Federation Dmitry Medvedev, who was the direct curator of the implementation of federal programs until January 15, 2020, also officially recognized the disruption of national projects.

In our opinion, the key problems in the implementation of national projects were:

1. External (sanctions and trade wars; country's dependence on external restrictions);

2. Internal:
   - systemic (inability of the public administration system to work in the reconfiguration mode; insufficient quality of interaction between the federal center and the regions; lack of coordination of maps of national projects with regions);
   - problems with the use of funds allocated for national projects (lack of flexibility in financing; irregular spending (most of the budget execution is shifted to the end of the year); the insufficient level of conveyance of funding for national projects to the regions);
   - poor awareness of the population.

It should be noted that the presence of violations during the implementation also had a significant impact on national projects. At the end of 2019, inspections revealed violations, including those qualified as crimes, which fall under the Criminal Code. But mostly it was about suspicion of fraud, bribery, abuse of office, the conclusion of contracts with dubious executive agents. The majority of violations recorded by the inspection bodies involved the contract system. In some cases, customers split orders in order not to hold tenders, delay payment of work, and do not impose fines on unscrupulous suppliers. Such cases are noted in all regions of the country.

On January 16, 2020, the head of the Federal Tax Service Mikhail Mishustin was approved as the new Prime Minister. Among his first instructions were the clarification of national programs, taking into account the tasks set by the President in the message, adjusting the plan to implement the national goals of the Ministry of Economic Development of the Russian Federation, which will cost the Russian budget about 450 billion rubles, and this is only in 2020. Over the next three years, the amount will reach about 4 trillion rubles.

To overcome the problems identified by the results of the first year (2019) of the implementation of national projects, it is advisable to carry out the following activities:

- Conclusion of agreements with regions on subsidies from the federal budget for the entire period of implementation of national projects, which will allow regional authorities to think and plan for the future;
- Coordination of maps of the national projects with the regions by the departments in charge of national projects;
- Timely conveyance of financial resources to the performers as soon as possible, so that the results of national projects are completed on schedule;
• Improvement of the system of control over funds in order to spend them only for their immediate purpose and to obtain the maximum social and economic effect for the country as a whole and each region in particular;
• Early identification and prevention of risks of possible misuse of funds through closer interaction with structures such as the General Prosecutor's Office, the Federal Security Service, the Ministry of Internal Affairs, Rosfinmonitoring (Federal Financial Monitoring Service), etc.
• Allocation of separate funds for information support of national projects.

III. CONCLUSION

The analysis of modern domestic studies in the field of implementation of national projects has shown, that the greatest influence is focused on the mechanisms of financing, comparative analysis of the activity in the allocation of funds, comparison of the planned volumes of budgets, the risks of misallocation of money. However, one cannot but take into account that for each project, in addition to the economic and political effect related to the amount of funding or transparency of spending, specific measurable results and the willingness of society to notice and recognize the effects have a significant impact on the effectiveness of the implementation of a particular national project. Due to this, currently, the openness of national projects, the availability of the results of their implementation for the population of the country are of great importance. For this purpose, the characteristic of national projects by target indicators is included in the Federal Plan of Statistical Work.

As part of activities to raise awareness of the population about the implementation of national projects, in our opinion, it is necessary to consider the experience of Nizhny Novgorod Oblast and integrate its practice in all regions of the Russian Federation.

Thus, according to the instruction of Russian President Vladimir Putin on the openness of the results of the implementation of national projects at the end of 2019, the Governor of Nizhny Novgorod Oblast Gleb Nikitin presented an interactive map of national projects (Karta52.pf). It shows in real time the objects, where the work is in progress, i.e. it gives the name of the object, its description, current status, amount of funding and technical and economic indicators. In total, more than 7.5 thousand objects are already placed on the map, information on them is regularly updated and supplemented.

Thus, by adopting the experience of Nizhny Novgorod Oblast by other regions of the Russian Federation in informing the population about the progress of the implementation of national projects, it will be possible to achieve a greater understanding on the part of the population of certain measures carried out by the state in various fields of activity. In the future, in our opinion, it will be reasonable to improve the interactive map and create a specialized unified platform that will allow citizens to get access to the information about national projects in all regions by opening the application on a mobile device. Here, Vladimir Putin's remark is on target: "People do not care what laws and regulations we have adopted, or what organizations we have established once again. They want to see the result." References