

## **Prospects for the use of the “model budget” in the distribution of equalization grants in Russia**

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The paper analyzes the impact of the “model budget” on the problems of intergovernmental relations in the Russian Federation: a high proportion of expenditure obligations of regional and local budgets and a high degree of interregional inequality in fiscal capacity and socio-economic development. It was concluded that the planned broader use of the “model budget” will not solve the problem of unfunded mandates and will lead first to a significant reduction in incentives for regional authorities to develop the territorial revenue base, and then to economic slowdown in the country. As an alternative approach to improving intergovernmental relations, options are being considered for adjusting the parameters of the equalization transfers distribution formula, the procedure for determining their total volume and calculating the budget expenditure index. In solving the problem of unfunded mandates, an equally important role is given to the procedure for preparing a financial and economic rationale for draft laws.

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