CONTENTS

4 CENTER OF EXCELLENCE IN FINANCE
4 Governance
4 Short Program
5 Policy Conferences and Research
5 Permanent Certification Programs
5 Regional IMF Technical Advisors
6 PEM PAL
6 Fully Financed Projects
6 CEF Institutional Capacity Development and Knowledge Sharing

7 QUARTERLY REPORT
7 Short Program
8 Permanent Certification Programs
10 Regional IMF Technical Advisors
12 PEM PAL
13 Fully Financed Projects

14 FINANCIAL REPORT
14 Resources
14 Expenses
The Center of Excellence in Finance (CEF) is a leading regional institution promoting capacity development in public financial management and central banking in South East Europe (SEE). We develop tailor-made training for staff working in the public sector, including central banks. We provide also technical assistance and promote research and policy dialogue on issues of public financial management and central banking.

CEF member countries include Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Macedonia, Moldova, Montenegro, Romania, Serbia, Slovenia and Turkey. Through our role as secretariat for the World Bank’s PEM PAL program, we are also present in a number of other countries of Eastern Europe and Central Asia.

More information is available at online at www.cef-see.org.

Governance

Through its governance structure, the CEF ensures that the interests of all stakeholders are represented.

The highest governance body is the Supervisory Board, through which member countries oversee CEF operations and influence our program. It meets annually to set guidelines for CEF activities, adopt a work plan for the year ahead, and approve the Annual Report and financial statements for the previous year. Members are ministers of finance and governors of central banks or their nominated representatives.

The Management Board represents the founder, the Government of the Republic of Slovenia. It provides supervision of the CEF’s financial and other activities and reports its activities to the Supervisory Board.

The Advisory Board represents the CEF’s donor partners. It advises the Supervisory Board and CEF Management on the guidelines for its training program and prepares periodic assessments of CEF operations, which it presents to the Supervisory Board. The Advisory Board meets annually.

The Director organizes and manages CEF operations in accordance with decisions adopted by the Management and Supervisory Boards and works to ensure efficient and effective management of the CEF.

Member countries’ ministries of finance and central banks nominate CEF Coordinators, who serve as lead contacts to ensure that the CEF maintains a strong understanding and responsive approach to the region’s training needs.

Short Program

The CEF provides tailor-made training to address immediate training needs and priorities in the region and share experiences in solving specific problems. Training is highly focused to offer guidance for current and future tasks in reforming public financial management, in central banking, and in adopting international standards. The CEF’s offerings cover many key areas:

Public Financial Management
- Tax Policy and Administration
- Budgeting
- Treasury
- Accounting
- Auditing
General Public Financial Management

Central Banking

People and Process Management

In addition, the CEF organizes study tours to help delegations learn from good practices in other countries.

Policy Conferences and Research

The CEF promotes effective policy dialogue by bringing together policy-makers, practitioners, academics, and other experts for discussions that balance theory and practice. Many policy events involve research efforts of longer duration and generate knowledge that is published on the CEF website, in journals, or in book format.

Since 2006, the CEF has, in cooperation with partner institutions, addressed a number of policy topics: taxation, pension systems, tertiary education, turbulence in global financial markets, and European health systems. In 2009 and 2010 the CEF’s focus was on medium-term policy design and implementation, and in 2011 the CEF, in partnership with the World Bank and the IMF, organized a conference on international trends in public sector accounting.

Permanent Certification Programs

The Public Accountants Certification Training (PACT) and Training of Internal Auditors in the Public Sector (TIAPS) programs emphasize the importance of establishing and maintaining international standards in public sector accounting and auditing and of raising the status of both professions. They aim to enhance recipient countries’ ability to implement a modern approach to accounting, to ensure an effective internal audit function in the public sector, and to improve the quality of public financial management.

Both programs are offered as two-level, post-graduate professional certifications. TIAPS program consists of three international modules and one national module at the certificate level and three international modules at the diploma level. PACT program consists of three modules at the certificate level and four at the diploma level out of which six have an international focus and are developed by the CIPFA while the seventh is a national module developed by local authors.

<table>
<thead>
<tr>
<th>Level</th>
<th>PACT</th>
<th>TIAPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – CIPFA Certificate Stage</td>
<td>Accountant in the Public Sector</td>
<td>State Internal Auditor</td>
</tr>
<tr>
<td>2 – CIPFA Diploma Stage</td>
<td>Verified Accountant in the Public Sector</td>
<td>Verified State Internal Auditor</td>
</tr>
</tbody>
</table>

These programs operate as distance learning and focus on international standards and best European practice in accounting and auditing, emphasizing practical application of standards to the special circumstances of the public sector. Although materials are designed for self-study, participants can upgrade their knowledge at regular meetings with tutors on more demanding topics. Students can also consult with tutors and other students through an internet forum.

After each of the modules, participants sit for a written exam or complete a workplace assignment. Students in the Slovenia’s TIAPS program are also required to complete a written final assignment after passing exams for the first level of qualification.

Both qualifications (certificate and diploma levels) are internationally recognized and are awarded by the United Kingdom Chartered Institute of Public Finance and Accountancy (UK CIPFA). Each participating country may also award a local certification.

Regional IMF Technical Advisors

The International Monetary Fund’s long-term regional advisor positions are part of a Japanese Government-funded program for strengthening fiscal management for SEE. The program has significantly
boosted the resources available in the region for technical assistance and has contributed to a more programmatic approach to delivery. It focuses on achieving medium-term capacity building reform objectives in Public Finance Management and Tax Administration.

The partnership between the IMF and the CEF combines technical assistance and training and has proven to be a resource effective and efficient approach. Advisors benefit from using the CEF’s network of experts and training professionals, facilities, and conference and meeting venues. In turn, findings from advisors’ missions help identify needs for additional training at the CEF. The advisors collaborate closely with the CEF in formulating training programs and contribute as lecturers and coordinators to CEF courses.

**PEM PAL - Public Expenditure Management Peer-Assisted Learning Network**

PEM PAL—the Public Expenditure Management Peer-Assisted Learning Network—is a multilateral effort to develop capacity and share reform experiences among countries in Europe and Central Asia. Professionals from these countries can benchmark their systems against each other and pursue opportunities for peer learning. The network is supported financially and in-kind by a number of development organizations, including the World Bank, State Secretariat for Economic Affairs (SECO), the Ministry of Finance of the Russian Federation, OECD Sigma (Organization for Economic Co-operation and Development Support for Improvement in Governance and Management), and others. The CEF serves as its Secretariat.

The network operates in three Communities of Practice (CoPs): Budget, Internal Audit, and Treasury. Each prepares an action plan within a budget, allocated by the Steering Committee for the respective fiscal year. In addition, a plenary meeting brings together all three PEM PAL CoPs to discuss common public financial management challenges.

**Fully Financed Projects**

The CEF participates in fully financed projects initiated by the European Commission (EC) or other sources. The development or some elements of these projects may be co-financed through the CEF program. In pursuit of this goal, the CEF searches for strategic partners for the best project implementation.

**CEF Institutional Capacity Development and Knowledge Sharing**

As a development training institution (DTI), the CEF pays a particular attention to capacity development of its own staff and involves in knowledge sharing with similar institutions.
Short program

Workshops and Seminars

The CEF organized six workshops with 93 participants, from the next CEF member countries: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Macedonia, Moldova, Montenegro, Romania, Serbia, Slovenia, and Turkey, as well as from other countries: Czech Republic, Latvia, and Poland.

More detailed reports are available under these links:

IPA Funds in EU Financial Framework 2014-2020
February 4 to February 6, 2013

Central Banking in the EU Convergence Context
February 11 to February 15, 2013

Modern Approaches to Tax Compliance
February 19 to February 21, 2013

Performance Auditing
February 25 to March 1, 2013

Reporting and Follow Up: External Audit
February 25 to March 1, 2013

Market Value-Based Taxation of Real Property: Lessons from international Experience
March 25 to March 29, 2013

Participation

Participants were financed by their sponsoring institutions, either by an employer or a donor. Member countries’ participation is estimated at EUR 93,100 and the participation of other countries at EUR 10,400 (at EUR 200 per participant per day, plus EUR 500 per travel). Participation in distance learning is estimated at nil costs; the same applies for participation from Slovenia (except when courses take place outside of Ljubljana).

<table>
<thead>
<tr>
<th>Country/Entity</th>
<th>Participants</th>
<th>Days</th>
<th>Estimated Costs in EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>11</td>
<td>44.5</td>
<td>14,400</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>4</td>
<td>16.5</td>
<td>5,300</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>1</td>
<td>4.5</td>
<td>1,400</td>
</tr>
<tr>
<td>Croatia</td>
<td>7</td>
<td>24.5</td>
<td>8,400</td>
</tr>
<tr>
<td>Kosovo</td>
<td>25</td>
<td>91.5</td>
<td>30,800</td>
</tr>
<tr>
<td>Macedonia</td>
<td>6</td>
<td>22.5</td>
<td>7,500</td>
</tr>
<tr>
<td>Moldova</td>
<td>0</td>
<td>0.0</td>
<td>0</td>
</tr>
<tr>
<td>Montenegro</td>
<td>9</td>
<td>37.5</td>
<td>12,000</td>
</tr>
<tr>
<td>Romania</td>
<td>0</td>
<td>0.0</td>
<td>0</td>
</tr>
<tr>
<td>Serbia</td>
<td>5</td>
<td>19.5</td>
<td>6,400</td>
</tr>
</tbody>
</table>
Donors
Donor partners sponsor lecturers (travel expenses and lecturers’ fees) and materials for the courses. These were estimated at EUR 33,000. For this report, a half-day lecturer session is estimated at EUR 500 and travel expenses at EUR 1,500 per lecturer.

<table>
<thead>
<tr>
<th>Donor</th>
<th>No. of Sessions</th>
<th>Amount in EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Finance of the Netherlands</td>
<td>6.0</td>
<td>6,000</td>
</tr>
<tr>
<td>De Nederlandsche Bank</td>
<td>1.5</td>
<td>2,250</td>
</tr>
<tr>
<td>International Monetary Fund</td>
<td>2.0</td>
<td>1,000</td>
</tr>
<tr>
<td>Tax and Customs Administration, The Netherlands</td>
<td>2.0</td>
<td>2,500</td>
</tr>
<tr>
<td>European Court of Auditors, Luxembourg</td>
<td>5.5</td>
<td>5,750</td>
</tr>
<tr>
<td>Lincoln Institute</td>
<td>9.0</td>
<td>15,000</td>
</tr>
<tr>
<td>PricewaterhouseCoopers</td>
<td>1.0</td>
<td>500</td>
</tr>
<tr>
<td><strong>Total - Sponsored Lecturers</strong></td>
<td><strong>27.0</strong></td>
<td><strong>33,000</strong></td>
</tr>
</tbody>
</table>

Permanent Certification Programs
Training of Internal Auditors in the Public Sector (TIAPS)

TIAPS in Slovenia
Further to expressed needs for training and certification of public internal auditors by the Slovenian public internal audit practitioners, CEF has assessed the requirements, risks and benefits, and initiated enrollment of 2013-14 generation of TIAPS students. CEF will publish Call for applications for new academic year 2013/2014 in May 2013. Deadline for registration will be set for early September 2013.

Considering the fact that TIAPS was at recess during academic 2012-13, no training activities were implemented. Through the reporting period, students from previous generations were defending their final assignments for the Slovenian certification scheme.
**TIAPS in the Region**

**TIAPS Macedonia, level 1 cohort 1 and 2**

Progress in the certification training of public internal auditors in Macedonia finds its proof in the area of translation of CIPFA training material to Macedonian language. Translation of the training material by tutors, as was the case in Macedonia, has two fold benefits for the quality training process:

- Translation includes accurate, professionally recognized terminology in the learning materials, and
- Tutors get acquainted with the materials at the earliest stage possible, which, overall, contributes to high level ownership of the training material by local tutors

Joint efforts of CEF and CIPFA resulted in successful completion of training of trainers (ToT) for one international module (Public Sector Accounting and Financial Reporting). CIPFA tutors have transferred to five local tutors the substance-related knowledge and skills. The training of trainer focused at the material content, examination and marking. Local trainers’ skills were assessed as relevant and responsive for students’ needs.

National module training and examination was completed for both training cohorts (32 of 33 exam attendees in cohort one, and 30 out of 32 attendees of cohort 2 have passed the exam). The tutors were assessed by students as relevant and capable for training delivery. Students who did not have taxation expertise in the area of work have evaluated highly tutor’s knowledge sharing capacities.

Training on the Internal Audit Fundamentals (IAF), was finalized for cohort 1 in March 2013, at the Faculty of Economy in Skopje. The training was implemented by local tutors, who were backed by the Slovenian training expert-observer. The trainer-observer has visited Skopje in February to provide Slovenian lessons learned for trainers and students, and to perform on-site assessment of the training process. Report on the observance mission is pointed at the considerable public accounting and internal audit expertise and training capacities of the tutors, at the CJFA-consistent and smooth training process, and at the sufficient knowledge and skills absorption abilities of the students. Slovenian tutors will continue to support the Macedonian tutors also during the training on the forthcoming TIAPS modules.

**TIAPS Montenegro level 1 cohort 1**

CEF and Montenegrin Ministry of Finance have continued with implementation of the training program for public sector internal auditors by completion of the Governance and Control international module. The tutors and students were supported by the Slovenian tutor-observer who visited Podgorica in February 2013. The additional adjustment measures were proposed by the tutor observer, which have already been put in force by implementing partners. The tutor observer has also provided additional backing to students in the area of exam-assignment writing. The students have submitted their assignment as requirement for successful passing of the Governance and Control module assessment.

In order to finalize necessary fine tuning of the training material terminology, CEF has engaged local tutors, who will revise and adjust the material. The material terminology will be acknowledged by the Montenegrin Ministry of Finance, and so ready for further training localization phases and next iterations of the training in Montenegro.

Due care of alignment of the training process in line with CIPFA standards and requirements, has prompted the CIPFA and CEF to organize a comprehensive ToT on exams marking. The event will be organized in Podgorica in late May 2013.

As part of the localization working group efforts, the following outcomes took place during the reporting period:

- Data analysis on the training program needs based on the survey made amongst Montenegrin civil servants who responded to online questionnaire created by WG members
- A draft overview of the current institutional and training capacities, and legal framework in Montenegro was developed by the WG members. The overview will be commented by an expert who was the training localization leader in Slovenia, so that the WG members finalize the report.

WG will continue with completion of its mission. The next step is providing recommendations and guidelines to training localization, expected to take place in the forthcoming reporting period.
Public Accountants Certification Training (PACT)

PACT Macedonia level 1 cohort 1

CEF successfully concluded project activities at the certification training for Macedonian public accountants (PACT Level 1 Cohort 1). 24 out of 35 active participants have met the certification requirements by attendance of the lectures, tutorials and passing four exams. Delivery of Certificates is expected to take place in spring 2013.

CEF has carried out data analysis of the completed training and some of those will be hereby presented. Participants enrolled in the training come from 11 different institutions; most of them from Macedonia-wide municipalities. The group of students pursuing the training was assessed as relevant, diligent and highly motivated to attain certification skills and diploma. Feedback from participants was overwhelmingly positive. When asked at the final evaluation if they would choose to attend the training again, all responded yes. Participants highlighted the training’s usefulness: one noted “I consider this program to be of exceptional use for me. It improves my knowledge and my skills in the area of accountancy and finance. In the course of the training I have learned things, for which I can freely say I didn't know well before,” while another said, “the program is excellent. I am truly happy that I was given such an opportunity.” Work of the organizers was also appreciated. One participant noted: “greetings and congratulations to the organizers for the successful implementation of the project!”

Localization of the program, that is a reflection of institutional and professional capacities of the beneficiary state, i.e. Macedonia, to independently and sustainably implement the program, will be further developed, by CEF and CIPFA advice, in the forthcoming iteration of the PACT in Macedonia, funded by the World Bank and Central European Initiative, through 2012-2014.

Regional IMF Technical Advisors

Dirk Jan Kraan, Public Financial Management Advisor

Since May 2010, the regional advisor’s position has been funded as part of a Japanese Government sponsored program for strengthening fiscal management for SEE.

Country Activities

Albania

The main purpose of the February visit to Tirana was to learn about the progress with the implementation of the recommendations of the report “Albania. Improving and integrating cash and debt management” that resulted from the HQ-led mission of October 2012, and to consult with the General Directorate of Budget about the suggestions made in the advisor’s letter of December 2012 regarding the improvement of baseline estimates and spending review.

From the discussion with the Director-General of the General Directorate of Treasury it appeared that good progress has been made with the implementation of the recommendations, namely on (1) government banking arrangements, (2) cash flow planning and (3) active cash management, (4) integration of cash and debt management, and (5) institutional arrangements. The regional advisor asked to be informed in the coming months about progress on the consultations with the Central Bank of Albania concerning the final daily sweep from commercial transit bank accounts, the formal service level agreement and the channeling of government transactions in foreign currency through the Central Bank and the Treasury Single Account, as well as on the establishment of a cash management committee.

The DG of the Budget Directorate envisages starting a pilot study with a few ministries on the improvement of baseline estimates in the spring of 2013. For this purpose, a seminar with financial directors of selected ministries will be organized in June/July. The advisor will be invited to offer guidance to this effort.
In addition, the advisor made a presentation entitled “Budgeting for Results” at the meeting of the PEM
PAL Budget Community of Practice, held in Tirana in February.

**Bosnia and Herzegovina**

The regional advisor visited Banja Luka in January together with a short-term expert in the area of general
government accounts from the Slovene Ministry of Finance, Mr. Stane Vencelj. The main aim of the
mission was to deliver a course on financial reporting according to GFSM 2001 for officials of the Ministry
of Finance of the Republika Srpska.

The advisor made use of the occasion to meet with the Minister of Finance and senior officials of the
Ministry of the Republika Srpska. The purpose of these meetings was to make the acquaintance, to be
informed about the progress of current reforms and to inventory the needs for technical assistance in the
coming year. In the meeting with the Minister it was concluded that technical assistance could be useful in
the areas of implementation of program budgeting (in particular output definitions, results indicators),
financial reporting (continuation of the course in future years), macroeconomic modeling and top-down
budgeting.

The regional advisor took part in the two-week HQ-led mission to the Federation of Bosnia and
Herzegovina (FBiH) in February. The aim of the mission was to provide advice on the draft Law on
Budgets for the Federation. The draft Law seeks to strengthen the provisions in areas considered critical
by the authorities, including: (a) strengthening the budget process and fiscal policy coordination at all
levels in the FBiH; (b) improving the implementation of the fiscal reporting framework within the FBiH;
(c) moving the program budgeting initiative forward; (d) strengthening expenditure controls at cantonal
and local level; (e) controlling borrowing at cantonal and local level; and (f) improving the information
flows from extra budgetary funds. The report of the FAD mission “Developing the new Law on Budgets for
the Federation” focuses on the provisions of the draft Law concerning intergovernmental fiscal relations,
the reporting framework, expenditure controls, and monitoring of extra budgetary funds and state-owned
enterprises. The report contains numerous concrete suggestions on how to adjust the draft Law. Many
recommendations are dependent on the establishment of an intergovernmental consultation and
coordination process (with cantons and municipalities).

**Slovenia**

At the meeting held in March with Mr. Mitja Mavko, State Secretary and, at the time, Head of International
Finance Department of the Slovene Ministry of Finance, Mr. Mavko indicated that the most important
reform that is currently on the agenda of the Slovene Government is the revision of the Budget Code.
Modernizations are required in particular in the areas of medium-term budgeting, baseline estimates,
fiscal responsibility provisions, especially those concerning fiscal risks and program budgeting. Mr. Mavko
noted that the technical assistance provided by the FAD would be useful.

**Norman Gillanders, Tax Administration Reform Advisor**

This position was created in January 2011 and it is funded by the Japanese Government as part of a
program for strengthening fiscal management in SEE.

**Country Activities**

**Moldova**

From 22 January to 5 February, the advisor took part in an IMF headquarters-led mission to Moldova to
continue supporting the development of new compliance approaches. Working with the management of
the Moldovan State Tax Inspectorate, the mission reviewed progress on implementing the new
compliance strategies. It also suggested improvements to the design of the compliance function at
cantons level and some strengthening of taxpayer services to support the compliance strategies. The
mission also coordinated its efforts with other donors and consulted business representative groups.

**Croatia**

The advisor visited Croatia on 12 February to talk to management of the Croatian Tax Administration
(CTA) about a programme of collaboration on the implementation of IMF-recommended reforms. This led
to further visits from 11-15 March (working jointly with the World Bank) and from 20-22 March working on compliance management. This work is continuing.

**Other Activities**

From 19-21 February, the advisor and Ms. Lisette Van der Hel from the Netherland Tax and Customs agency delivered a training seminar in the CEF on *Modern Approaches to Tax Compliance*. The seminar was attended by 14 representatives from five countries and was highly rated by the participants. Representatives from the private sector attended to give a “customer view” of dealing with tax administrations in the region. On 22 February, Mr. Gillanders and Ms. Van der Hel attended at the headquarters of the Slovenian Tax Authority and gave an abbreviated version of the *Modern Approaches* seminar to a large group of senior managers. This event was arranged by the CEF in cooperation with the Slovenian Tax Authority.

**Public Expenditure Management Peer-Assisted Learning (PEM PAL) network**

For a second time, the World Bank and its donor partners have selected the CEF to serve as secretariat for PEM PAL, a well-regarded network of practitioners in public financial management across Eastern Europe and Central Asia. The new contract, through 2015, extends a collaboration that dates from 2008.

In the last quarter CEF supported organization of the Internal Audit Community of Practice (IA CoP) meeting and Budget Community of Practice (B CoP) meeting both in Tirana, Albania; and organization of the T CoP study visit in Estonia.

**IA CoP: Working Group on Risk Assessment**

Internal Audit Community of practice held a working group on Risk Assessment in Tirana, Albania, on January 28-30, 2013. The workshop was very interactive, the resource team from OECD Sigma prepared case study for participants in order to insure better understanding of RA and how to: apply the International Professional Practices Framework and International Standards of Internal Auditing on Risk Assessment; develop a solid understanding of the process used to conduct a risk assessment of an IA activity; explore the recommended risk assessment approaches and identify the approach that best fit their respective organization.

**T CoP: Study Visit on Public Sector Accounting and Reporting**

Treasury Community of practice held a Study visit in Tallinn, Estonia on February 6-8, 2013 on Public Sector Accounting and Reporting topic. Three day study visit was attended by 13 participants from Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Russia and Ukraine. The study visit was organized in cooperation with Ministry of Finance of the Republic of Estonia.

**B CoP: Selected Aspects of Program Budgeting and Performance Management**

The Budget Community of Practice meeting on “Selected aspects of program budgeting and performance management”, which took place in Tirana, Albania, on February 25-28, 2013, brought together 81 people, including 62 practitioners from 21 PEM PAL countries, as well as experts from the World Bank, OECD SIGMA, Eurasian Economic Commission, Eurasian Development Bank, Austrian Federal Chancellery, Mapsec (Public Sector Management), and International Monetary Fund. Three main sessions/blocs addressed during the Plenary meeting were: Design of programs and performance measures; Budget documentation; Performance monitoring and evaluation.
Fully Financed Projects

Building Capacities for Policy Design and Implementation (BCPDI)

Under its Building Capacities for Policy Design and Implementation (BCPDI) program, the CEF implemented a project on Fiscal Impact Assessments of Structural Reforms (FIASR), in close cooperation with the Ministry of Finance in Montenegro and with support of the World Bank's SAFE Trust Fund. In February CEF published Fiscal Impact Assessments of Structural Reforms: Case Studies on South East Europe. Covering nine countries, this new book presents in-depth needs assessment on a key issue that has not been sufficiently addressed: how the costs of these reforms are integrated within countries’ budget processes.

The FIASR project is part of a long-term CEF BCPDI program. The capacity development needs that the case studies identify will be addressed through a series of CEF learning events entitled Strategic Planning and Budgeting starting in spring 2013.

The FIASR and SPB projects are part of the BCPDI program. For more details on BCPDI, please visit www.cef-see.org/bcpdi.

EU Strategy for the Danube Region (EUSDR)

Along with the City of Vienna, the CEF is coordinating a priority area of the EU Strategy for the Danube Region which deals with institutional capacity and cooperation. The EUSDR marked first year of implementation. Full details on the first year of Priority Area 10 are included in the progress report submitted to the European Commission.

In the first quarter the CEF actively participated in the second Danube Financial Dialogue bringing together small- and medium-sized enterprises (SMEs) and financial institutions as well as management authorities of EU funds, donor organizations, business information centers, and other SME advisory services at the National Bank of Serbia.

The CEF also attended EUSDR Priority Area Coordinators and National Contact Points annual meeting in Brussels where they discussed policy and implementation. Participants focused on horizontal issues, such as financing challenges and the involvement of civil society in executing the strategy. These are also core issues that the CEF and the City of Vienna are tackling as the coordinators in charge of institutional capacity and cooperation.

In addition the CEF organized the second meeting of the working group on institutional capacity at the CEF on focusing on capacity development and needs assessment approaches. CEF invited capacity development experts from the UNDP Bratislava Regional Center to Ljubljana to share their knowledge and experience with around 20 representatives of public administrations, specialized training institutions and other stakeholder organizations from the Danube region that comprise the EUSDR working group on institutional capacity.

For more details about EUSDR, please visit: www.cef-see.org/eusdr.

Written Communications Workshops

Two trainings in written communications were held at CEF in the first quarter. The courses were delivered by CEF visiting expert Paul McClure whose one-year assignment is partially co-funded by the Bank of Slovenia. The courses focused on strategies for making English writing and editing more direct, cohesive, and engaging. It was intended for people with a solid grounding in English but whose work requires that they strengthen their skills in written communication. Participants’ feedback was overwhelmingly positive.
Resources

The CEF received a donation from the Slovenian Government in the amount of EUR 205,000 and by granting free-of-charge premises for CEF activities, which is estimated at EUR 14 per sq.m + VAT per month in total EUR 52,134 in 3 months.

<table>
<thead>
<tr>
<th>Revenues from Projects</th>
<th>in EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project PEM PAL</td>
<td>73,678</td>
</tr>
<tr>
<td>Donation Bank of Slovenia</td>
<td>15,000</td>
</tr>
<tr>
<td>TIAPS MAC</td>
<td>66,773</td>
</tr>
<tr>
<td>FIASR</td>
<td>27,274</td>
</tr>
<tr>
<td>Other</td>
<td>640</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>183,365</strong></td>
</tr>
</tbody>
</table>

Expenses

Total expenses for CEF activities in January-March 2013:

<table>
<thead>
<tr>
<th>Expenses</th>
<th>in EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials and energy</td>
<td>7,257</td>
</tr>
<tr>
<td>Running expenses and other services</td>
<td>37,694</td>
</tr>
<tr>
<td>Labor</td>
<td>173,705</td>
</tr>
<tr>
<td>Authors, tutors and interpreters</td>
<td>94,715</td>
</tr>
<tr>
<td>Costs of events</td>
<td>147,482</td>
</tr>
<tr>
<td>Amortization</td>
<td>10,897</td>
</tr>
<tr>
<td>Other costs</td>
<td>774</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>472,524</strong></td>
</tr>
</tbody>
</table>

NOTE: This financial report includes operational cumulative data for the period January – March 2013, as available on April 26, 2013.