

# Integration of structural reforms into budgets: overview of challenges

Amina Mulabdić  
ERP Technical Coordinator, DEP BiH

Nihad Nakaš  
local expert, CEF



Funded by the European Union.

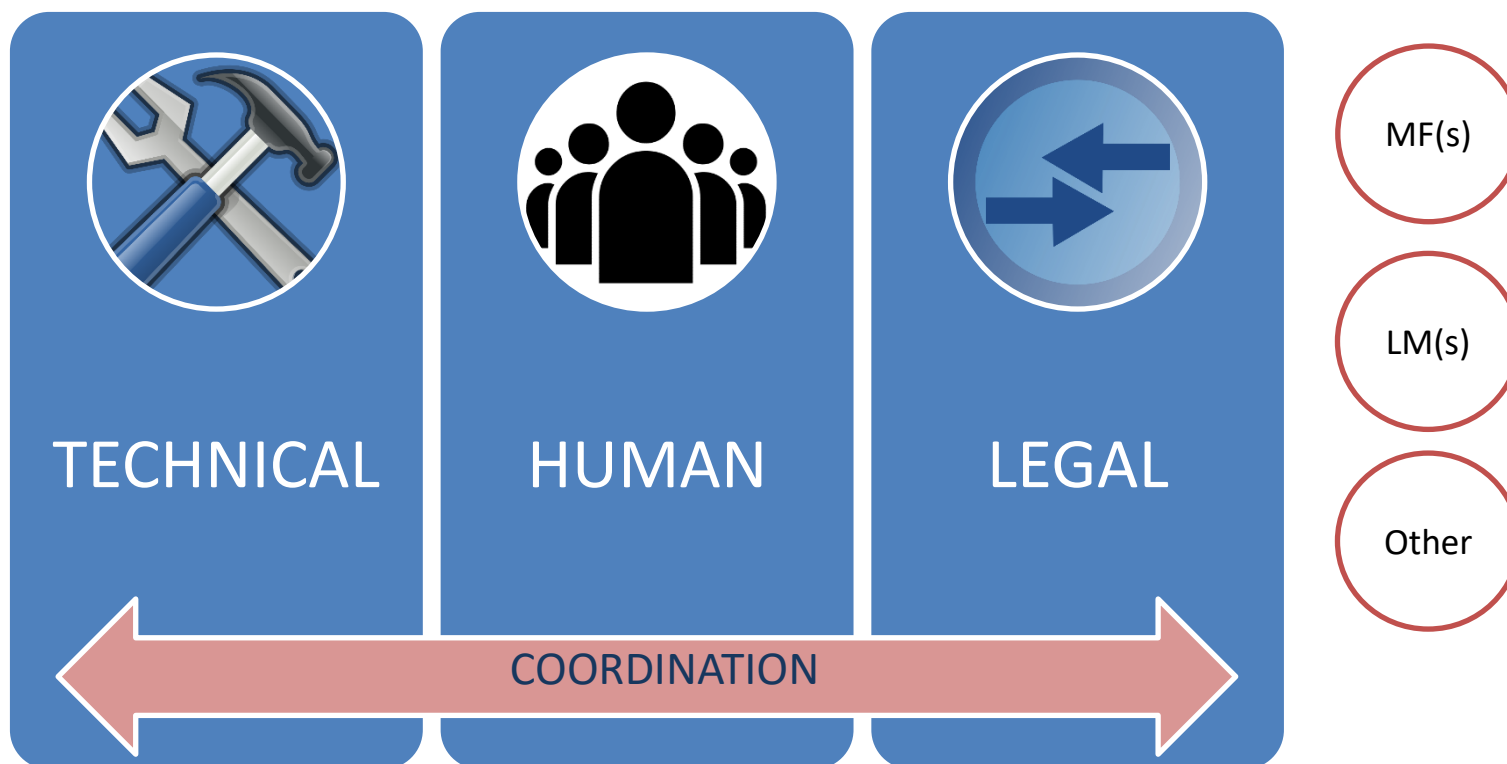
Fiscal Implications of Structural Reforms

## CONTENTS

- 1) Obstacles to integration of structural reforms into budget(s)
- 2) Capacity development in response to COVID-19 crisis
- 3) Capacity development for the medium-term reform perspectives
- 4) Challenges in aligning planning and budgeting cycles



## OBSTACLES TO INTEGRATION OF STRUCTURAL REFORMS INTO BUDGET(S)



## CAPACITY DEVELOPMENT PROPOSALS (SHORT-TERM PERSPECTIVE)



### Technical capacities

- Diagnostics and analysis
- Costing techniques



### Human resources

- Financial analysis
- Risk management capacities



### Ownership and accountability

- Value for money (3E) considerations in PFM
- Involvement of line management in financial management

## CAPACITY DEVELOPMENT PROPOSALS (MEDIUM-TERM PERSPECTIVE)



### Technical capacities

- Evaluation
- Improved statistics



### Human resources

- Strategic planning capacities
- Fiscal impact analysis



### Ownership and accountability

- Ownership and decision making
- Active gate-keeping

## SEQUENCING OF PLANNING AND BUDGETING

### IN THE COURSE OF PREPARATION

- Alignment of ERP calendar and budget calendar
- Linking of structural reforms with priority spending proposals in the medium-term budget framework (timely consideration of reform implications)

### IN THE COURSE OF IMPLEMENTATION

- Visibility of policies (and measures) in support of structural reforms in the program budget
- Implementation monitoring (financial and non-financial)



## CONCLUSIONS

- **Recovery and future reform should go hand-in-hand**
- **Important to institutionalize capacity development needed for development of structural reforms, integrated with PAR and PFM reforms**
- **Strengthening the medium-term perspective in planning and budgeting is imperative**





Center  
of Excellence  
in Finance

**Thank you for your attention**



Funded by the European Union.

Fiscal Implications of Structural Reforms