ERP Process, Challenges and Prospects

Case of Turkey

11.06.2020
CEF Online Training
«Integration of Structural Reforms into Budgets»
ERP Cycle

**Budget Preparation Period**
- MTP
- MTCP
- Annual Programme
- Investment Programme
- ERP

**Mission**
- ERP (January)
- Mission (February)
- Commission Assessment Report (April)
- Joint Conclusions of the Economic and Financial Dialogue (May)

**ERP Guidance Note**
- (June)

**Mission**
- (October)

✓ MTP
✓ MTCP
✓ Annual Programme
✓ Investment Programme
✓ ERP
1) Challenges in integration of SRs into fiscal programmes

✓ Insufficient ownership,

✓ Low awareness of ERP in LMs,

✓ Envisaging a very low chance for EU membership and being tired of long standing accession process,

✓ Insufficient communication and information about the preparation stages and their integration into financial programs,

✓ Inconsistency problems between policy papers and country targets due to conjunctural developments,

✓ Weak cooperation with stakeholders/institutions in determining and implementing the reform areas,

✓ Mobility/change in staff, partially inadequate staff capacity in LMs.
2) How to improve capacities for identification and good design of “traditional” SRs

✓ Regular online or face to face meetings to determine the structural problems with all responsible LMs,

✓ Trainings to improve the staff capacity in LMs,

✓ Prepare a set of best practices from the completed SR measures and explain the issue to the policy makers, decision makers and technical experts by means of examples,

✓ Impact analysis for measuring the efficiency of support programs,

✓ Strengthen cooperation and coordination between policy-making units in LMs,

✓ Increasing communication between the executive ministry and the private sector during the planning and implementation phases of SRs.
3) How to mitigate direct negative implications of COVID-19 crisis

✓ Revise existing reforms,
✓ Establish working groups to prepare new reforms,
✓ Create fiscal space by readopting the budget,
✓ Access to finance for SMEs,
✓ Postpone SMEs’ debts to banks,
✓ Income support to people who lost their jobs/workplaces,
✓ Reorganize the financial liabilities of business in fragile sectors, (tax reduction, tax exemption etc.)
✓ Focus on the “health-safe country” promotion in order to increase the tourist entry to the country,
✓ Make economic arrangements to stimulate domestic tourism,
✓ Intervention programs in order to eliminate the missing learning and support in the psychosocial field of children.
4) How to improve the alignment of the budget and ERP

 ✓ Strengthen the links between the policy documents and budget programs by preparing Program Based Budget,

 ✓ Start ERP process earlier,

 ✓ Write the targets more clearly,

 ✓ Increase the awareness and ownership by any means,

 ✓ Convince Turkish people «there is a hope to access to EU». 
Thanks for listening.