



Center  
of Excellence  
in Finance

**VOICES FROM THE REGION**

---

# VALUE CREATION STORIES



Funded by the  
European Union

Implemented by the Center  
of Excellence in Finance



# Contents

Examining Value Creation through Stories ..... 4

Key Messages from the Value Creation Stories ..... 7

Voices from Albania ..... 8

Voices from Bosnia and Herzegovina ..... 12

Voices from Kosovo\* ..... 16

Voices from Montenegro ..... 20

Voices from North Macedonia ..... 26

Voices from Serbia ..... 32

Voices from Turkey ..... 36

FISR Project in Short ..... 40

\* This designation is without prejudice to positions on status and is in line with UNSC 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

# EXAMINING VALUE CREATION THROUGH STORIES

While delivering the “**Strengthening Line Ministries’ Capacities to Assess Fiscal Implications of Structural Reforms**” (FISR) project activities, we collected several value creation stories that we call Voices from the Region. These stories illustrate the value created for participants and their organizations under the FISR project. This effort goes in line also with our mandate of being a regional knowledge hub whose work relates to showcasing the reform efforts of our constituency.

Collected stories portray participants’ personal and collective experiences with attending various FISR learning initiatives and what counts as value for them, from both a personal and professional perspective.

For that, we use an adjusted Wenger-Trayner value creation conceptual framework that shows how a change in behavior traverses different cycles, giving an account of how learning initiatives have created value for participants, their organizations and stakeholders. The cycles of value created are explained in more detail in the next page.

We collect data at different cycles and cross-reference it with the value creation stories to show the causal link between our learning initiatives and the impact on beneficiary institutions. Such stories provide us with qualitative data that supplements quantitative data collected via post-event surveys that measure participants’ reaction to the learning experience (general assessment and impressions of the event, delivery, faculty and organization) and the effect of learning with respect to increased knowledge (usefulness of the event, achievement of learning objectives, and the likelihood of future application of the knowledge gained).

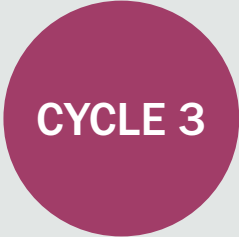
## VALUE CYCLES



Starts with describing the immediate values: sharing experience, meeting others, sharing similar challenges, etc.



Continues with outlining the newly created knowledge capital: inspiration, new insights, new methods & tools, new connections, etc.



Explains any application of the obtained new knowledge to solve a specific challenge: change practice, start a new collaboration, apply a new method, etc.



The learning experience may link to actual performance changes that are meaningful to participants and their organizations: e.g. improving personal or ministry performance in the area of budgeting, etc.



Finally, it may inform a redefinition of performance or reconsideration of strategies, goals and values: possible transformation in the way things are done.







## KEY MESSAGES FROM THE VALUE CREATION STORIES

There is evidence that FISR activities generate changes in practice, testifying to the project's relevance and its positive contribution to the implementation of structural reforms.

Regional and in-country FISR learning events have become a place for meeting and making new friendships and professional ties that last beyond events. This network of connections provides valuable potential for accessing knowledge and staying in contact in between the project activities to exchange advice, experience, and information.

FISR activities give an opportunity for participants to learn about what their peers are thinking, and how they are reacting to and resolving problems. As such, they importantly contribute to collaborating across countries.

All FISR activities entail highly professional and reliable logistical and event management support provided by the Center of Excellence in Finance (CEF) staff. This is an important precondition for any successful knowledge sharing and exchange initiative, and a crucial aspect of nurturing relationships and facilitating the learning process. This refers to a dynamic support team, logistical support, and good technology.

FISR activities provide practical guidance on the latest recommendations, challenges and changes in measuring the fiscal implications of structural reforms and preparation of country's economic reform programmes (ERPs).

FISR participants also get easy access to new and relevant documents (e.g., the Costing Guidance and

several country specific case studies outlining recent and sound public finance reforms carried out in the countries) and other sources of information. Practical materials shared during events help form or change participants' perspective and understanding of the discussed topics.

There is also evidence that FISR events have inspired regional experts to get involved in the delivery of dynamic and engaging learning events that bring forward the understanding of what is a structural reform and how to integrate it into the overall fiscal frameworks of Western Balkan countries and Turkey.

The participants interviewed speak very highly of the FISR project and its deliverables. Some describe practices implemented in their home countries, good solutions and quality improvements. Others focus on personal aspects and increased recognition from peers.

Participants adapt and apply the knowledge gained to specific situations in their practice. Examples and recommendations from their peers in other countries assist the reform processes, enable improvements in internal systems and legislation, and inform discussions on pressing issues. They are shared with colleagues at home via seminars along with related documentation, presentations and other materials.

FISR activities may be seen as a road map that allows participants to use the right and verified steps on the way to implementing structural reforms. New understanding cannot be easily translated into institutional changes or creation of new frameworks, but there are many encouraging signs that point in this direction.



# VOICES FROM ALBANIA



**DESANTILA MUJA**

Ministry of Finance and Economy

## IMPROVING WRITING SKILLS FOR BETTER POLICY MEASURES

*"Words are free. It is how you use them that may cost you."*  
– Kushand Wizdom.

We are constantly in contact with different people with whom we talk, share our thoughts, discuss and debate, and oftentimes we have to convince and negotiate over the message that we want to convey. Attending the online course "Policy Drafting and Negotiations in Line Ministries" between December 1–16, 2020, helped me transform my ideas into clear statements based on the target audience. The writing tactics provided in this course taught me how to translate policies and measures into simple, comprehensive and understandable messages.

The Covid-19 pandemic has caused many economic and financial problems that need to be addressed. I now feel more confident about how to give a short description of the problems to be solved and how to formulate the measures for that, while taking into account the target audience; how to be concrete and clear; how to explain the reasons why a measure is being taken, and finally how to avoid communicating things in too much detail.

However, it is not enough just to have clear and well-drafted measures. Forming a common institutional understanding and position of their content is equally important to present them to other institutions. This course helped me improve my negotiation skills and be as convincing as possible to convey the messages.

It was also good to learn from other participants – not only by sharing successful practices, but also hearing how others are overcoming the challenges of the current worldwide crisis.

I am grateful for the opportunity to participate in this online course organized by the CEF team. It helped me grow professionally.



**VALION CENALIA**  
Ministry of Finance and Economy

## LEARNING HOW TO DO THE COSTING OF STRUCTURAL REFORMS PROPERLY

The most significant and important FISR activity I participated in was the “Enabling Finance Officials as Trainers and Learning Facilitators” workshop, held in March 2019 in Bohinj Bistrica, Slovenia. This workshop was attended by approximately 30 participants from all countries of South East Europe. In addition to providing professional training, the workshop offered a very dynamic environment, taking experience from different people from different fields and sharing skills and knowledge.

The most important activity in this workshop was Designing and Implementing Structural Reforms – a link between the line ministries and the ministries of finance in the process of costing and budgeting of structural reforms. Spending a large part of my work on costing of structural reforms, I got new and profound knowledge of how to do the costing of structural reforms properly.

Structural reforms and their fiscal implications are an extremely complex subject. OECD’s assistance helps us significantly strengthen the methodological framework for the structural reform chapter of the ERPs. European Commission’s Guidance for ERP now offers much clearer guidance about the definition of structural reforms, areas they cover and the priority measures. With the OECD assistance my country was provided with methodological tools for assessing obstacles to growth, for articulating and prioritizing reform policy measures as well as for monitoring their implementation.

The main features of this “new” approach, articulated in the ERP Costing Guidance, were the following:

- Focus on costs of structural reform measures only. In contrast to the “old” system, based on a rather vague

concept of fiscal implications of structural reforms that de facto addresses both sides of public finances (their costs as well as revenues), the ERP Costing Guidance focuses clearly on the costing side of structural reform measures. The revenue side of public finances is therefore not addressed under this Guidance or, more precisely, it is addressed only sporadically.

- Focus on additional costs of structural reform measures only. In contrast to the “old” system, where it was not clear which costs of structural reform measures are expected to be calculated, the ERP Costing Guidance focuses exclusively on “additional costs” of structural reform measures, i.e. on the costs that are additional to the circumstances where this measure would not be introduced. The ERP Costing Guidance is therefore not aimed at calculating the total costs of structural reform measures but only at those costs that are additional to the status quo scenario and measured vis-à-vis the base year.

Participation in this workshop helped me understand the new approach for costing of structural reforms, and how these reforms will gain value after costing them according to this approach. This workshop helped me a lot to be really prepared for its implementation in my country. After the workshop, I prepared a presentation for my supervisors. I explained the new approach to the costing of structural reforms and the methodologies on how this should be accomplished. They agreed and supported the new idea of the approach, making it possible to start implementing it immediately after the workshop. This demonstrates my contribution to the workplace and the dissemination of information we receive at relevant trainings and workshops, which is very valuable.



**VANINA KALEMI JAKUPI**  
Ministry of Finance and Economy

## STRENGTHENED CAPACITIES FOR BETTER COSTING OF STRUCTURAL REFORMS

Albania has been benefiting from the CEF learning activities for many years. The FISR project has been very useful to the staff of the Albanian Ministry of Finance and Economy in improving the documentation of the ERP.

The training projects organized by the CEF for all Western Balkan countries have created a good approach to share experiences among countries and exchange peer review on the process undertaken for each year. Apart from direct assistance in drafting the ERP document, the activities of this project have helped improve general policymaking, costing and budgeting, and linking the strategic document with the Medium-Term Budget Program.

Furthermore, these activities have provided useful methods to identify policy priorities and challenges and to draft well-designed structural reforms. The annual learning activities on costing structural reforms and drafting the ERP document have built the professional skills of the line ministries’ staff who deal with policy planning and budgeting. The impact of the training courses delivered under the FISR project is notable not only in the improvement of the ERP document, but also in more efficient strategic documents prepared in Albania. All line ministries that have attended these events have improved their skills in budgeting and costing policy documents, which is helpful in revising the current documents and preparing new ones.

The learning events organized to assist countries in compiling the ERP document have also increased official awareness of the importance of this document. In addition, periodic learning events help all institutions in their ongoing staff training. The redesigned guidance has been highly useful for our country, since it represents a strengthened methodological approach to measuring the costs of structural reform measures under the ERPs. The FISR project has provided general support with capacity building, involving public officials from line ministries and other institutions, and increasing staff skills related to reform budgeting and costing. This is useful for the entire country, and specifically for the Ministry of Finance and Economy.

The project has enabled our institutions to understand and address the challenges to ensure sound and consistent assessment of the fiscal implications of structural reforms. It has contributed to well-designed planning documents of structural reforms; improved budgeting; reinforced practical skills of public officials; established collaboration with technical assistance providers; and enhanced knowledge sharing via training public officials to become trainers.

I would like to express our gratitude to the CEF for their ongoing support to increase and improve capacity building in the Albanian public administration, especially the Ministry of Finance and Economy. This collaboration supports me and my colleagues in moving forward with the reforms undertaken.





# VOICES FROM BOSNIA AND HERZEGOVINA



**AMINA MULABDIĆ**  
Directorate for Economic Planning

## CEF LEARNING EVENTS UNLOCK HIDDEN TALENTS

I attended several CEF learning initiatives as part of the FISIR project. One that especially influenced my skills and was very useful for me was “Enabling Finance Officials as Trainers and Learning Facilitators” workshop. The agenda was comprehensive and covered costing as well as support to development of soft skills such as negotiation, coordination and presentation skills. For me personally, the workshop was very important as it helped me realize that my strength actually lies in good presentation and negotiation skills.

At the workshop, when sharing feedback about our presentations one of the participants stated that I am pleasant to listen to and a natural speaker, which came as a surprise to me as I have not considered myself that way before. This recognition was really important to my perception of myself as a speaker, which is crucial for my work at the Directorate for Economic Planning and in the coordination process of the ERP in the country.

At my work we cooperate with different stakeholders from line ministries at entity and state levels to the European Commission, each having their own interests. Our job is to coordinate all of them and to find the middle ground that would partly satisfy everybody. To achieve this, one has to be a skilled diplomat, with the ability to present views well. And the development of the so-called soft skills helps with that. On the other hand, the focus of FISIR in-county events on the costing methodology is also crucial, as this is important for technical experts who are passionate about their work and can learn together, exchange knowledge, and improve this important aspect of the process.

One important outcome of the FISIR project is that the ERP process in the country is becoming more visible. The ERP is very important for Bosnia and Herzegovina, and is more and more perceived as a unifying element for everybody. The ERP is seen as a positive, progressive process and, in my view, a project that offers a platform for all stakeholders to meet and discuss common issues has good potential to become a success story.



**ZORAN ZELJKO**

Directorate for Economic Planning

## LEADERSHIP PLAYS AN IMPORTANT ROLE IN ERP CYCLE

At the beginning of March 2020, I participated in a workshop Regional Networking for Structural Reforms organized by the CEF in Bled, Slovenia. On the last day of the event, we attended a lecture at the IEDC-Bled School of Management, where professor Drikus Kriek talked about team building, leadership, and change management for the coordinators of the ERP.

The lecture did not directly touch upon the technical aspects of drafting the ERP, the articulation of public policies, or the costing of reforms. My first thought was that the intention of the lecture was to move away from the day-to-day management of the technical process and look at the broader picture of management in public administration.

During the lecture, I began to think that we, ERP coordinators, are too burdened with bureaucratic procedures and therefore often neglect that the process of drafting ERPs is largely a challenge of change management and leadership.

This knowledge was important to me because in Bosnia and Herzegovina, which is a fiscally and politically decentralized state, many challenges are not merely technical in nature but are much more complex and include the aspects of intergovernmental cooperation, shared competencies, etc.

In such case, a broader approach is needed. The goal should not only be enforcing new technical procedures but rather achieving strategic coordination and understanding the roles of coordinators.

Thanks to the lecture, we adapted our approach to the challenge of coordination. At the moment, together with the CEF, we are trying to improve the links between the fiscal framework and structural reforms in the specific Bosnian and Herzegovinian environment of fiscal federalism through a mentoring subproject.

My conclusion is that the academic lectures provided through this project by professor Kriek and professor Peters proved to be useful as a stimulus for broader thinking, and can also serve as a guide for more creative approaches in problem-solving or adapting projects to local specifics, where the CEF, in my humble opinion, succeeds very well.

**JELENA POPOVIĆ**

Ministry of Finance of Republic of Srpska

## CONTINUOUS LEARNING FOR BETTER COSTING OF STRUCTURAL REFORMS

This is a great opportunity to thank the CEF for being available to each of us through alternative ways of communication and for organizing online courses during this difficult situation caused by the Covid-19 pandemic. I attended the following online courses in 2020:

- Knowledge Sharing on Costing of Structural Reforms: Bosnia and Herzegovina, September 29 – November 20
- Coordination Schemes in Costing Structural Reforms: Bosnia and Herzegovina, September 30 – October 16.

I would like to emphasize the importance of practical work during the sessions. It is always more interesting and easier to acquire knowledge through practical work. The costing and budgeting of structural reforms is something that we are still working on and trying to improve. During these training events, we had a chance to learn about the Costing Guidance and how to practically implement it in the preparation of inputs for the ERP.

As the coordinator for the ERP in the Republic of Srpska, communication with line ministries and other institutions is very frequent during the drafting of the document. All team members from line ministries need to expand their knowledge of the ERP development process, which was one of the assignments during the workshop. Creating a diagram of this process was also a good way to identify the challenges and flaws of the process. It can be used to improve the overall efficiency and effectiveness of the process.

Additionally, I fully support the idea of establishing the Network of Regional Experts in Structural Reforms, which gives us the opportunity to meet colleagues from the region and learn about the ERP practices in other countries. This is a very useful way of communication and learning, especially during the Covid-19 pandemic.

At present, I am trying to apply all the acquired knowledge in preparing the ERP in the Republic of Srpska. It is crucial to work on yourself and to improve yourself through constant learning. The CEF is a perfect place for gaining new knowledge, practices and ideas that are applicable in my everyday duties.

# VOICES FROM KOSOVO



**VENHAR NUSHI**

The Office of Prime Minister

## **COSTING GUIDANCE: A USER-FRIENDLY FRAMEWORK FOR COSTING OF STRUCTURAL REFORM MEASURES**

One of the most meaningful FISR activities that I have participated in is the “Enabling Finance Officials as Trainers and Learning Facilitators” workshop, organized by the CEF in March 2019 in Slovenia. It brought together experts from line ministries to exchange ideas on how to increase cooperation between institutions in improving the design, costing and budgeting of structural reforms as an element of the ERP.

The second and third most meaningful activities, a continuation of the first event, were the “Knowledge Sharing on Costing of Structural Reforms: ERP for the period of 2020–2022” workshops, organized by the CEF in Pristina. These workshops provided guidance for officials working on the preparation of structural reform measures, including how to practically use the Methodological Guidance for Costing of Structural Reforms (Costing Guidance) to ensure adequate estimation of their implementation costs and their presentation in the ERP.

The first activity produced the Costing Guidance which improves the overall quality of the structural reform chapter of the ERP by offering a consistent and user-friendly framework for the costing of structural reforms. This guidance was quite helpful in the following two workshops in Pristina as well as in the costing of the Structural Reforms in Kosovo’s ERP 2020–2022.

The most important value is the success of the process and then comes the personal one. I feel that I am much more prepared when it comes to the costing of the reforms and I have contributed to my organization’s success in this regard.



**ZANA RADONIQI**

Ministry of Finance, Labor and Transfers

## THE COSTING GUIDANCE ALLOWS MORE PRECISE COSTING OF STRUCTURAL REFORM MEASURES

I attended three activities as part of the FISR project: “Integration of Structural Reforms into Budget”, “Knowledge Sharing on Costing of Structural Reforms: ERP for the Period 2020–2022” and “Costing of Structural Reforms in ERP: Methodology and Challenges”.

Through these activities, we had the opportunity to learn and discuss about issues and challenges faced by officials who are involved in the ERP. Experts delivered lectures and gave advice, and conducted exercises on concrete issues from line ministries.

The CEF provided also the “Methodological Guidance for Costing of Structural Reforms”. This document and the CEF’s local assistance have greatly influenced the work of officials responsible for designing and costing of structural reforms. This has contributed to a more precise estimation of measures and activities to be integrated into the state budget. From my point of view, when I read the “ERP 2020–2022” and “ERP 2021–2023”, I could have an indication of what budgetary requests may contain when it comes to requests related to structural reforms.

The methodology of costing measures and activities, as set out in the guidance, is very close to the one we use for budget impact assessment of new government initiatives, so that the usage of the guidance helps improve the costing skills of officials.

I would also like to mention that these learning initiatives had a good impact on communication between the Ministry of Finance and line ministries in the sense of collaboration regarding structural reforms. I had the opportunity to meet peers from line ministries who are directly involved in designing and implementing measures and activities. I obtained very useful information about various measures and activities, sources of funds, their operative and capital costs, difficulties in implementation, and so on.

Improving costing skills and communication between officials will lead to a better and more adequate integration of structural reforms into the state budget: the more precise the costs are, the better the planning process is.

I would like to conclude this reflection by saying that the learning initiatives of the FISR project, organized by the CEF, have improved several aspects of my work and have made a great contribution to the overall ERP process as well as my personal achievements.

**MILAIM ALIU**

Ministry of Finance, Labor and Transfers

## VALUABLE LEARNING LESSONS FOR BETTER COSTING AND BUDGETING OF STRUCTURAL REFORMS

Kosovo as a European Union potential candidate country is obliged to prepare the ERP. In this regard, the CEF has played a crucial role by organizing learning events for participants from the Ministry of Finance and line ministries, contributing to designing, costing and budgeting of structural reforms as part of the ERP.

It is important to mention that even during the Covid-19 pandemic, the CEF continued with learning events, organizing them virtually, and I am very grateful and thankful for that. In the last few years, I attended the following learning initiatives:

- Integration of Structural Reforms into Budget,
- Knowledge Sharing on Costing of Structural Reforms,
- Costing of Structural Reforms in ERP, and
- Regional Networking for Structural Reforms.

As a representative of the Budget Department, I would like to emphasize that the work done through these learning initiatives has greatly contributed to improving the costing methodology of structural reforms and their integration into budget documents. Every activity that is included in the ERP must remain within budgetary appropriations, leading to a higher level of implementation. Also, collaboration and communication between the Ministry of Finance and line ministries has improved.

The CEF learning initiatives increased my knowledge of structural reforms, with a focus on costing and budgeting, and I also learned about the experiences of other countries with the ERP preparation and implementation. To conclude, the CEF learning initiatives have greatly helped me and my colleagues in improving the policy-making process in Kosovo.



# VOICES FROM MONTENEGRO



**GORDANA STANIŠIĆ**  
Ministry of Economic Development

## ADDRESSING STRUCTURAL REFORMS THROUGH PEER LEARNING MATTERS

From 19 to 21 March 2019, I attended the CEF workshop “Enabling Finance Officials as Trainers and Learning Facilitators”, which was delivered as part of the FISIR project.

Attending this workshop inspired me to have an interactive approach and active role in all discussions. Exchanging experience with colleagues from different countries of the region and Turkey was very useful. It is always useful to hear others’ experiences and practices in the ERP drafting process, especially in the area of structural reforms regarding the implementation of the new costing methodology but also all other challenges related to structural reforms.

We engaged in lively debates about the ERP Guidance for Costing of Structural Reforms and their financing. As we were on the same “mission”, coffee and lunch breaks were productively used to talk about the subjects and lessons learned during the day. Working in groups on mutually important case studies was extremely useful but also fun and interesting. We also talked about effective communication, where we learned how to prepare strong presentations and improve our presentation skills.

The experts covered all topics related to costing and financing of structural reforms. I also found presentations on European economic governance, range of measures to strengthen governance and facilitate a return to sustainable economic growth, job creation, financial stability and sound public finances very useful.

Furthermore, lecturer Janez Šušteršič talked about the link between structural reforms and fiscal framework of the countries, explained to us the evolution of the term structural reform, and showed tools for better prioritization of reforms. This session was highly valuable and applicable for all the participants involved in the ERP drafting process. I would like to emphasize the importance of practical work during the sessions, which included very well-designed exercises and tasks.

Since I am a member of the working group for preparing the Montenegrin ERP for two years, I am now trying to apply all the lessons learned in the preparation process. As a secretary of the working group and as a person engaged with the preparation of Chapter 5 – Structural reforms, I have contributed to defining the measures, monitoring the process, designing adequate and methodologically correct costing, and defining the fiscal implications of structural reforms.

As part of the FISIR project, we had costing workshops in June and November in Montenegro, which attracted a lot of working group members. “The Methodological Guidance for Costing of Structural Reforms”, published by the CEF, has been very helpful. In the ERP drafting process, we are also using OECD manuals on monitoring, diagnostics and prioritization. In line with this, I would also like to emphasize the significance of the CEF Line Ministries Portal – an online learning space, which supports knowledge and experience exchange in public financial management among officials working at ministries of finance and line ministries in South East Europe.

The CEF workshops motivated me to continue with learning new things and professionally improve myself. I have gained new knowledge that is applicable in my daily job duties, and it has encouraged me to create and share new ideas as a way to better resolve tasks and challenges. For my own personal success, I have made many new friends from all countries in the region.

Every time I come back from a CEF event, I am boosted with positive energy and full of ideas. Bearing in mind that the preparation of the ERP is a teamwork, every positive outcome as well as the achievement of each of our common goals is a result of mutual commitment and work. I certainly hope that I have been able to contribute to our mutual success.



**GORDANA STANIŠIĆ**  
Ministry of Economic Development

## KNOWLEDGE SHARING HELPS ADVANCE ERP DRAFTING PROCESS

In the new circumstances caused by the Covid-19 pandemic, the CEF remained accessible to all of us and organized workshops on the CEF Online Learning Campus. This year I attended the following online courses:

- Knowledge Sharing on Costing of Structural Reforms, Montenegro, September 29 – November 20, 2020
- Coordination in the Preparation of the ERP and Costing of Structural Reforms, November 16–30, 2020

I also participated in the first meeting of the Network of Regional Experts in Structural Reforms.

This year, we first focused on the identification of potential obstacles in the ERP drafting with professors Mojmir Mrak and Milorad Katnić, who also addressed the novelty of the drafting guidance. The subject of other sessions was the costing of concrete structural reforms, 21 of them being a part of the first draft of ERP Chapter 5.

The workshop on Coordination in the “Preparation of the ERP and Costing of Structural Reforms” was highly interactive and useful. My colleague Branko Krvavac and I delivered a presentation about the ERP drafting dynamics, including a dynamic diagram. As also colleagues from Serbia took part in this workshop, it was a great opportunity for them to see and hear about the ERP practices in other countries.

Membership in the Network of Regional Experts in Structural Reforms gives an opportunity not only to meet colleagues from the region but also to exchange good practices in the ERP preparation process. The network

also provides support to tackle the potential challenges that are related to the implementation of structural reforms and are common throughout the region. This can be especially helpful in the Covid-19 times. Our first meeting was interactive and fun. The main topic was the new ERP drafting process and the challenges that we have been facing this year in the extraordinary circumstances.

Mojmir Mrak and Milorad Katnić as well as all the other CEF facilitators very well illustrated the concrete steps relevant in the ERP drafting process, and also talked about other aspects that can be applied in our everyday work. The experts covered all aspects related to the costing and financing of the structural reforms. Improving costing skills and communication between officials will lead to a better and more adequate integration of structural reforms into the state budget, which means that the more precise the costs are, the better the planning process is.

I also found all the presentations and comments related to the ERP coordination and dynamic diagram, which we presented at the “Coordination in the Preparation of the ERP and Costing of Structural Reforms” webinar, very useful. Lecturer Saša Jazbec talked about the link between structural reforms and coordination. This session was valuable and applicable for all webinar participants who are involved in the ERP drafting process. In addition, I would like to emphasize the importance of practical work during the sessions, which was comprised of very well-designed exercises and tasks. It was a real pleasure to be a part of this group.



**MARKO BJELICA**  
Ministry of Economic Development

## RAISING AWARENESS OF HOW TO ESTIMATE THE IMPACT OF STRUCTURAL REFORMS

I received an invitation to participate in the online course “Beyond Fiscal Implications of Structural Reforms” from our Director General who thought that it would be useful for me and our team to get acquainted with the topics that the course addressed.

The course focused on two impacts of structural reforms’ implications: on the economy (competitiveness, growth) and on employment. It also looked at how estimated qualitative and quantitative impacts of proposed structural reforms affect the criteria for their prioritization, and how the policy prioritization process depends on the roles and responsibilities of different institutions.

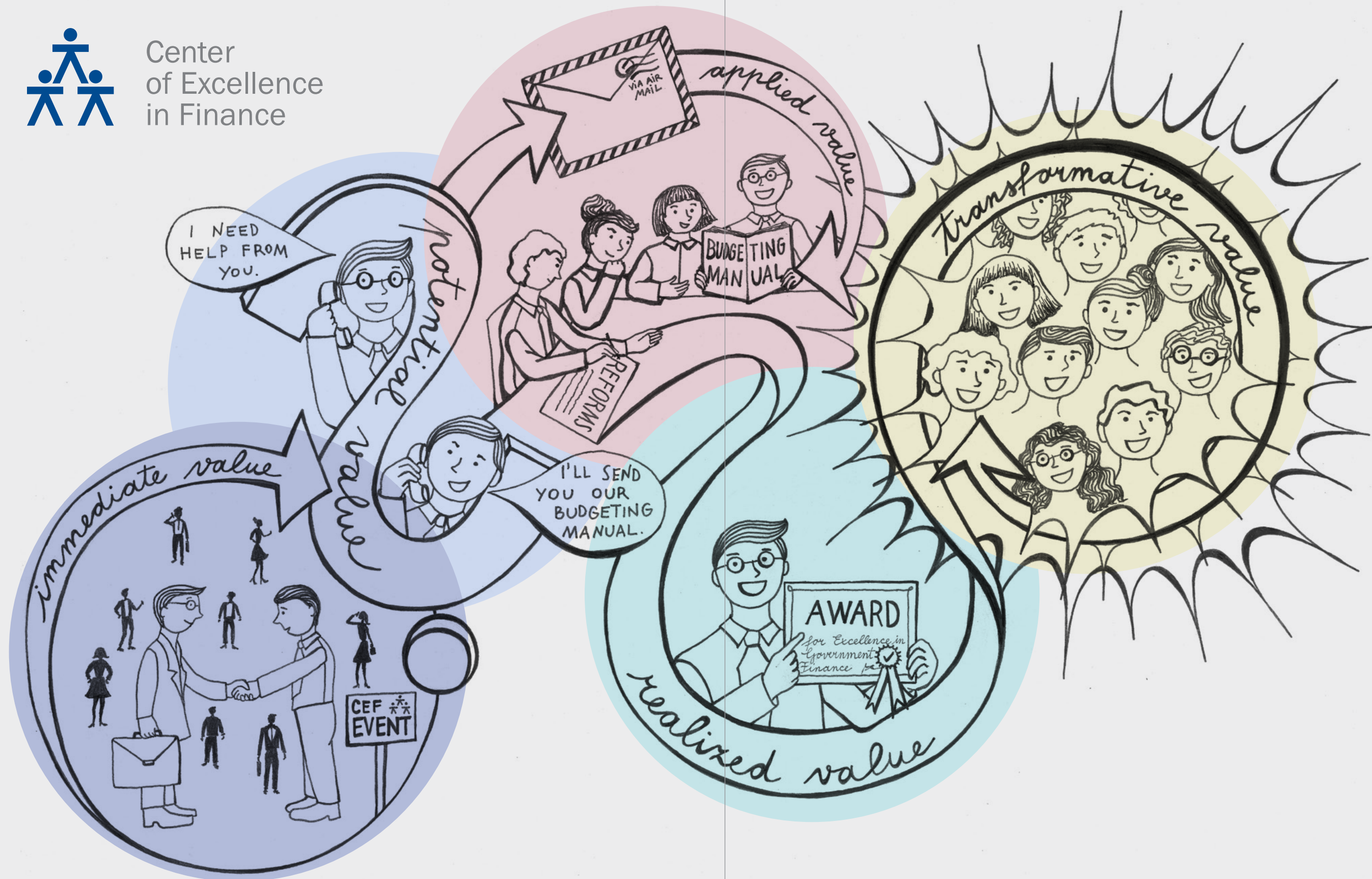
Having in mind that I joined the Ministry only one year ago and that my knowledge of these topics was somewhat limited, I was strongly motivated to take part in this course and gladly accepted the invitation.

During the course, I appreciated getting an overall picture of policy-making processes that precede measuring the impact of a certain structural reform. Being new to this area of work, it was very useful to get an overview of how things work in practice. The course also gave me ideas how to apply some of the discussed subject matters in my line of work. In general, I feel now that I have a better understanding of how to use quantitative and qualitative indicators, and how to make and propose measures for a concrete initiative.





Center  
of Excellence  
in Finance





# VOICES FROM NORTH MACEDONIA



**ALEKSANDRA VELKOVA**  
Ministry of Finance

## PEER LEARNING ABOUT COSTING OF STRUCTURAL REFORMS AND THEIR FINANCING BRINGS RESULTS

Being a member of the ERP Secretariat - responsible for coordinating the preparation of the ERP - the most useful FISR activities I attended are the workshops for Costing of Structural Reforms in ERP, held in May and October 2019.

The first event was held at the very early stages of preparation of the ERP and since I had just joined the team, with only general knowledge about the process, the timing was great.

Officials from all institutions involved in the ERP process were participating, which was a great opportunity to meet the people I will cooperate with further in the process.

The workshop consisted of high quality discussions and sharing of the best practices among participants. As a result, I recognized the importance of the ERP and I was able to broaden my knowledge of its role in the process of economic governance. I also learned a lot about the ERP development process and got to know better methodology for costing of structural reforms. In addition, I learned about the inconsistencies in the integration of structural reforms from the ERPs into the domestic fiscal framework, prospects for overcoming these inconsistencies, and received some practical examples for costing and financing of structural reforms in North Macedonia.

The second workshop was more focused on practical implementation of the Costing Guid-

ance and ensuring adequate estimation of the implementation costs and their presentation in the ERP. We also got assistance and advices by the engaged experts on prospects for overcoming the main costing challenges.

Through the period of preparation of the program, I was able to see the benefits of the FISR activities. In the process of selection and prioritization of structural reform measures, I could easily recognize which measure is mature enough to be included in the ERP. Furthermore, I was able to discuss with the institutions any issue that appeared in the process of preparation of the document, give advice and help them overcome the obstacles.

Regarding the costing of the structural reform measures, I am now able to make a decision which cost should or should not be included in the ERP, distinguish direct and indirect/secondary cost implications, clarify differences in concepts of additional costs and base year and categorize different types of expenditures. I also learned how to connect different costs with their sources of financing and how to present them in the ERP tables according to the Costing Guidance.

The networking part of the events was also important in terms of making contacts with the right people, which resulted in good communication on permanent basis with the institutions involved in ERP process.

**ANDRIJA ALEKSOSKI**

Ministry of Finance

## FIRST HIGH-LEVEL STRATEGIC DISCUSSION ON ERP POLICY CHALLENGES AND PRIORITIES IN NORTH MACEDONIA

Since 2015, all candidate countries and potential candidates submit annual ERP to the European Commission. A strong link between the macroeconomic and fiscal scenario with the structural reform agenda is essential to achieve the comprehensiveness, coherence, effectiveness and credibility of the programme. Ensuring competitiveness and inclusive growth is the overall objective of the structural reforms included in the ERP.

In the previous six editions, the quality of the ERP has been increasing gradually. At the beginning, the priority was to establish a functional and effective ERP working group. Firstly, we appointed a national ERP coordinator from the Ministry of Finance, who steers the process within the Government and ensures a widespread consensus. In addition, ERP coordinators were appointed in each relevant line ministry to steer the process internally. Together they form an ERP working group that ensures broad ownership of the exercise.

Last three years, the focus was on preparation of a high-quality ERP that would not only be completely in line with the ERP Guidance Note, but also a document with strategic relevance that could be read and used easily by the experts and the general public.

We have achieved to set up an experienced working group that drafts a solid document. But our ambitions do not stop here. We have a new goal: this powerful tool that we have created should be used not only to boost economic growth and competitiveness, but also strategically to support priority investments that can benefit from the Economic and Investment Plan for the Western Balkan countries, and to steer the IPA programming towards funding the implementation of the most relevant structural reform measures.

We realized that in order to step up this new level, we need to include ministers and other high-level officials more deeply in the process. I am thankful to the current minister of finance and the European Commission officials who accepted this idea and, with a lot of joint personal efforts, made it a reality.

The minister of finance elaborated this proposal to the Government, which accepted it. It was decided to organize two high-level meetings a year, first during the ERP assessment mission and second after the ministerial dialogue and adoption of joint conclusions.

During the last ERP assessment mission on 23 February 2021, the European Commission convened a high-level meeting to discuss with the ministers our key macroeconomic and structural challenges, and to outline a possible set of new policy guidance supporting a sustainable recovery from the COVID-19 crisis. Nine ministers, led by minister of finance Mr. Besimi, held a strategic discussion with the director for strategy at DG NEAR Ms. Myriam Ferran, the director for labor mobility at DG EMPL Mr. Jordi Curell Gotor, the representative from the DG ECFIN Mr. Andras Tari, and the EU ambassador Mr. David Geer. The meeting was a real success – a true dialogue about policy challenges and priorities that helped to prepare this year's Economic and Financial Dialogue for North Macedonia.

The greatest reward and satisfaction for me and my team – Ms. Cvetanova and Ms. Velkova – was when Ms. Ferran emphasized that the European Commission is grateful for our personal commitment and great success in the multi-year organization of ERP preparation in North Macedonia. Organizing this high-level meeting was the latest achievement after many others during the ERP preparation process.

I would also like to point out that the FISIR project helped us a lot in the preparation and realization of this meeting. We used many skills that we have gained with the FISIR trainings, like online facilitation and smooth communication and coordination with high-level participants.

I would like to thank the CEF team for their FISIR learning and knowledge sharing activities in the past two years that have improved our capacities for streamlining the ERP coordination process, better identification of structural challenges and easier, smoother drafting of reform measures, which has ultimately increased the quality of the Economic Reform Programme of North Macedonia.





**NIKOLINA TOMEVSKA**  
Ministry of Labor and Social Policy

### CEF EVENTS: WHERE THEORY MEETS PRACTICE

The Ministry of Labor and Social Policy (MLSP) is a significant user of EU IPA funds in my country and the projects that are being provided through them are mandatory in our annual auditing plans and reports. Every audit process has the same basic guidelines and principles, but auditing in the scope of EU funds is yet more challenging, mostly due to the specific requirements of European regulations and internal procedures. Therefore, I am very glad that I attended the CEF learning events “Optimized Internal Control of EU Funds in Line Ministries” in February 2019 and “Ways to Optimize Internal Control of EU Funds” in February 2020, where I had the chance to gain practical knowledge from experts and colleagues in the region.

These learning events left us with several impactful takeaways. We started with a task where we had to decide which of the given controls are the most suitable for the specific situation and which of the audit approaches is likely to be most effective. Afterwards, we had a discussion about the types of risks identified in every participating country as well as the design of the internal control systems. These activities were beneficial in terms of comparing whether the control measures can also go hands-on to solving problems in our internal control system.

Additionally, I would emphasize the review of the key risks and controls in grant contracts, as they are the most common type used in MLSP regarding the IPA funds. This review enabled a broader insight into the

process of detecting risks, so afterwards I was able to apply the acquired information in practice by doing an audit on the monitoring and implementation process of a grant contract on enhancing the access of the disadvantaged to the labor market. The key benefit was the ability to expand the matrix of risks and possible controls related to the grant, followed by comparison with the risks and controls established in the Unit for Monitoring and Evaluation of IPA in MLSP.

We examined various investigation cases about suspected frauds, issued by European Anti-Fraud Office (OLAF), and discussed “red flags” that may lead to an investigation process. We also reviewed different investigation methods to determine whether a certain activity is fraudulent or not, and the measures issued by OLAF in accordance with the EU and the beneficiary country’s authorities. The “red flags” enriched my knowledge in terms of consideration of wider aspects of actions which can be signals for serious infringement of applicable law and where specific procedures need to be followed. As a result, I compiled a very helpful questionnaire on this matter when I came back to work.

What I really appreciate about these workshops are the shared lessons from the experience of our neighbor Bulgaria. It is crucial to know what we can expect (as we are aiming to be a member state of the EU) and what we can improve on time in order to achieve that. I would point out some of the factors: the importance of harmonization of national law with EU law where applicable; the value

of strengthened administrative capacity; the efficiency and transparency of e-procedures and the quality and safety of the audit trail they provide; the significance of the simplification of rules for application and selection; the use of simplified cost options as an effective way of reducing administrative costs, and the avoidance of gold plating/overlapping controls.

The Bulgarian experience and the expectations for the next programming period reflected the essentials that may lead to both healthy and simplified internal control system. In my opinion, it will definitely be challenging to find the balance between sound financial management and simplification (we can all agree that the administrative burden is a big obstacle). In terms of simplification, I am firmly taking into consideration the method of simplified cost options in grant contracts, as well as the elimination of the controls with small significance. Overall, we constantly bring up the subject of results and sustainability instead of just using the money, especially referring to the 2007–2013 programming period when the rule of absorption “use it or lose it” was followed. Related to this, I am currently auditing the process of programming in IPA II (2014–2020 programming period), and I am not only aiming towards fulfilling the obligations of the stakeholders and the requirements of the laws and procedures, but also looking at whether the programmed projects will truly give a strong and productive impact to the society.

The most interesting part of the workshops was the working session where every group had to draw its

vision of the Internal Controls System in 7 years. This is also what I appreciate about the CEF events – they use interactive and fun methods (quizzes, drawings, presentations, simulations, mixed groups, etc.) but they also incorporate the needs and priorities of the participants. The CEF events are the place where theory meets practice and this is the best-fitted approach towards organizing workshops of this format. Ever since my first contact with the CEF (throughout the CIPFA certification program), I have been impressed by the professionalism demonstrated by the staff and the diversity of CEF events to give added value to the officials from the region in achieving their professional goals.

Moreover, I would like to point out the large network of participants that the CEF creates. I am very proud of my hardworking, creative and extremely professional colleagues from the region, especially those from my own country, with whom, I am pretty sure, I will have strong and fruitful cooperation. The Line Ministries Portal is certainly an effective tool to easily share information, ideas and opinions in the region.

Last but not least, I would like to thank the lecturers Aleksandar Hinov, Larisa Vukoja, Irena Kure and Milena Penevska for sharing their knowledge and expertise and also special thanks to Ivana Gašparac and Tina Žagar for the warm welcome and support throughout the workshops. I am extremely happy to have attended the CEF learning events in the charming Ljubljana and I am looking forward to further collaboration.





# VOICES FROM SERBIA



**JELENA JEVTIČ**  
Ministry of Finance

## IMPROVING COORDINATION PROCESS OF ERP DRAFTING

The most meaningful FISR activity that I have participated in is the help provided for preparing 2020–2022 ERP document. This document is being drafted each year as the most important strategic document in the economic dialogue with the European Commission and EU Member States. Its aim is to prepare Serbia, as a candidate country for the EU membership, to participate in the process of economic and fiscal surveillance of the EU Member States.

The program contains a medium-term macro-economic framework, as well as a fiscal framework that includes accompanying fiscal policy measures and a detailed overview of structural reforms, which are expected to increase competitiveness of domestic economy, create economic growth and development as well as new jobs. The FISR project is providing us support with the cost calculation of planned structural reforms. We, together with the CEF, organized two workshops in Belgrade that covered this topic.

Since the Working Group for drafting and implementing the ERP has a vast number of members, more than 90, it is always a challenge to interact with all of them. This project has provided additional platform for our cooperation, especially bearing in mind that the

cost calculation of planned structural reforms is a novelty in this process and represents a real challenge. We will use prepared tables for drafting one part of the ERP 2020–2022, namely Tables 10a – Costing of structural reform measure and 10b – Financing of structural reform measure.

The first part of the ERP document (chapters I–III), which relates to the macro-financial framework, is developed by the Ministry of Finance and the National Bank of Serbia and relies, for the most part, on the Fiscal Strategy. Work on the preparation of the content of the remaining chapters of this document is coordinated by the Ministry of Finance and the Public Policy Secretariat of Serbia. The division that I am heading is in charge of coordinating the process with all the relevant stakeholders, and this is where a great project like FISR can help in providing assistance with the topics that we lack experience in.

In my personal opinion, the process of drafting the ERP in Serbia is being enhanced each year and the coordination system is at a well-advanced level. We are very proud that every year Serbia is praised as a leader in the region when economic coordination is concerned. Projects like FISR are quite helpful in contributing to these successes.



**SLOBODANKA MARJANOVIĆ**

Ministry of Economy

## CEF ONLINE LEARNING PROVES TO BE A SUCCESS

The Covid-19 crisis caused many negative consequences, but also several good ones. We spent more time with our loved ones and, at the same time, we had an opportunity to improve our skills in modern communication techniques and tools.

We had to learn online through webinars instead of attending live seminars. As a result, we have all progressed in IT and seen the effectiveness of using modern IT solutions. The first and biggest advantage is the freedom to organize learning according to one's abilities, needs and dynamics. In my online learning experience, assignments were the most useful learning activity because they were practical and we received feedback from experts. I must say though that I missed group and team work and more conversation between the participants, which is still easier to organize at live seminars.

It was my first time to participate at webinars. At the beginning, I was really skeptical how it would turn out. However, I have to admit that both CEF webinars were great and very well organized. Everything was completely clear, including the sequence of activities, tasks and timing. The structure of webinars was in line with the defined goals and my personal needs in the area of programing and budgeting of the ERPs. I learned a lot from the experts and I will use their recommendations in my further work in the area of the ERP.

Dear CEF team, thank you for this good learning opportunity!

**TODO TERZIĆ**

Ministry of Agriculture, Forestry and Water Management

## CONTINUOUS LEARNING IS VITAL FOR IMPLEMENTATION OF STRUCTURAL REFORMS

My first experience with the CEF dates back to 2018, when I was a delegate of the Ministry of Agriculture, Forestry and Water Management as one of the members of the working group. Since then, I have participated in several CEF trainings in various formats. "Knowledge Sharing on Costing of Structural Reforms", "Fiscal Programming of Structural Reforms", and "Integration of Structural Reforms into the Budget" were all high quality trainings, designed and implemented in a professorial way. Working in a group motivated me to try harder, and it is a great honor and privilege to cooperate with competent colleagues from other institutions.

Due to the Covid-19 outbreak, the trainings were transformed into webinars. This was a great and valuable experience, confirming that the transfer of knowledge can be further improved. Consultation meetings helped us better connect and, through teamwork, propose really demanding reforms that should contribute to strengthening the economy and quality of life. Covid-19 has slowed down the implementation of the planned reforms, but we remain motivated to accomplish the set goals.

At the beginning, the biggest challenge for me was to get into the methodology and adapt to the work frameworks. Now, after several trainings and shared experiences, it is possible to monitor macro-fiscal projections in a quality way, and differentiate between what is a measure and what is a reform. Budgeting, planning, setting activities and clear indicators are meaningful lessons learned and contribute to the efficient performance of regular job activities. Planning must be accompanied by execution, and this requires cooperation of all institutions involved in the process. Cooperation at the regional level and constant learning are vital.

This is why I believe that we are all on the right track and why I am looking forward to new learning opportunities and meetings.



# VOICES FROM TURKEY



**NURAY KARAIBRAHIM**  
Statistical Institute

## CEF LEARNING OPPORTUNITIES ON FISCAL DATA ARE VERY USEFUL

I participated at the “How Good Data Improves the Quality of Fiscal Policies and Documents” workshop, organized in Ljubljana. At the workshop, we learned about why accounting data is not enough for policy decisions in terms of the expectations of both national and international users. In this scope, the roles, importance and systematic linkages of the government finance and excessive deficit procedure statistics, EU semester, fiscal transparency and fiscal rule were presented, including useful country experiences.

Discussing the above-mentioned topics was useful due to various reasons. First of all, knowing these relationships brings awareness about what we are part of in this field. It also provided insight into which institution or what documents should be coordinated for the effectiveness and accuracy of our work. Trainings and meetings that have methodological or limited framework on this issue usually do not provide such facilities. Having this in mind, comprehensive coverage of the workshop, sharing experiences and thinking together as a group gave me different perspectives on challenges occurring at my work.

Therefore, after I returned, I have contacted the people and units I cooperate with and informed them about this program and its main outcomes. Additionally, I reviewed the documents I have used in my work. Sharing experiences is especially significant because this type of training offers important additional capacity for candidate countries like us that have limited training opportunities on fiscal data. Candidate countries often have similar problems with these issues and can develop different approaches for resolving them. Case studies, examples from other institutions and their original processes that I learned about at the CEF can be alternatives to improve our systems. I would like to thank the CEF for the excellent organization of the workshop, new ideas and beautiful memories.

**FUNDA BOZKURT**

Presidency of the Republic of Turkey

## COLLABORATION OF KEY STAKEHOLDERS IN DRAFTING ERP IS CRUCIAL

I participated at the CEF online learning activity “Integration of Structural Reforms into Budgets: Turkey”, held on June 3–12, 2020.

Due to the Covid-19 restrictions this activity was organized online instead of a face-to-face meeting. It was a good opportunity to contribute to such a well-functioning online activity. We heard different opinions of the representatives of line ministries, including their struggles with Covid-19. Thanks to country case studies, I had a chance to assess the experience of Albania. It was like looking into a mirror: we have been facing the same challenges and the same solutions regarding improving the integration of structural reforms into the budget.

I noticed that the main challenge lies in coordination/collaboration. Thus, increasing the communication channels (additional technical networking activities) to meet colleagues online can be an effective tool for improving the integration of structural reforms into all public documents.

The CEF online training course highlighted the key challenges of our structural reform agenda on the ERP. It encouraged me to improve the process and share relevant information to the authorized officials in Turkey. Me and my colleagues are eager to improve the policy-making process in the best way. I would like to thank the CEF for providing us with an appropriate learning environment.

**HULYA TEKIN**

Ministry of Labor and Social Security

## DISCUSSING COORDINATION PRACTICES IN THE DEVELOPMENT OF THE ERPS

I participated in all sessions of the training program and was actively involved in the ERP coordination working group where representatives of our Ministry of Family, Labor and Social Services had the chance to discuss contributions and share views on the provided format, steps to be taken in the ERP process, challenges and difficulties, gaps and any other issues.

Later on, we continued to communicate with the work group members to draft our contributions for the next session, where we exchanged views on how to coordinate and draft measures for the ERP. Actually, it was a mini-sample implementation of the coordination of the ERP process.

In the next training session, all working groups presented their contributions, and shared their experiences and challenges in coordinating the drafting of measures for ERPs and similar policy documents. I presented the findings of our working group.

Group work gave us a chance to see how different institutions act in the coordination process, what kind of challenges they face, how to solve them and proceed further, and what are the common and different aspects in drafting and coordinating the ERP process.

On the other hand, the explanations, presentations and questions that the experts raised offered us a comprehensive perspective by comparing the situation in different institutions and countries, and analyzing the do's and don'ts.

In the next session, we had an opportunity to meet with experts from our Ministry, who are responsible for drafting the ERP measures, and experts from the Strategy

and Budget Presidency of Turkey. We again exchanged views and gave additional explanations and clarifications concerning the draft measures that we had submitted previously. Taking into consideration the possible challenges in designing the ERP measures and ensuring efficient and effective coordination between the numerous relevant departments in the Ministry and within the time limitations, this discussion prevented possible time loss and communication problems among all stakeholders, allowing us to take the initiative and act more swiftly.

During the working group sessions, we prepared a chart on the coordination process in our Ministry, including all stages of drafting and decision-making, possible challenges and recommendations/solutions. The coordination process involves representatives from various departments of our Ministry, including people who took part in the ERP process in previous years and also new experts. In this regard, group work was a good opportunity to refresh knowledge and provide information and tips to the newcomers.

Following the training sessions, we have continued working with the relevant departments of our Ministry, and have revised the measures on employment and social inclusion in the ERP, using the ideas and tips from the training sessions as well as the views and comments of the experts from the CEF and the Strategy and Budget Presidency of Turkey.

In the process of developing the ERP for Turkey, the Ministry of Family, Labor and Social Services is taking part in drafting measures for employment and social policy issues. We have set up good communication between the departments of the Ministry as well as with the Strategy and Budget Presidency.



The FISR project has been designed for EU candidates and potential candidates – the Western Balkans and Turkey. The target groups are public officials at top, middle and junior levels involved in the design, fiscal planning, implementation and coordination of structural reforms and ERP.



## DURATION

2019–2021\*

## OBJECTIVES



Strengthening the analytical and costing skills of public officials



Improving coordination inside and between governmental institutions



Enhancing regional cooperation between individuals as well as institutions



[www.cef-see.org/FISR](http://www.cef-see.org/FISR) | [www.lineministries.org](http://www.lineministries.org)

\* Part of the FISR project activities will also be delivered in 2022.



## LEARNING AREAS



**COSTING**  
Analysis and calculation of the costs of structural reforms



**BUDGETING**  
Impact of structural reforms on the national budget



**ENABLING ENVIRONMENT**  
Skills and knowledge of public officials to enhance inter-institutional coordination



**TRANSPARENCY**  
Transparency and accountability in policy design



**QUALITY OF DOCUMENTS**  
Design of planning documents for structural reforms and ERP

## LEARNING FORMATS

In-country trainings

Regional peer-to-peer trainings

Regional policy dialogues

Training-of-trainers

Line ministries portal

**Published and produced by:** Center of Excellence in Finance (CEF)  
**Production editor:** Tina Žagar  
**Text editor:** Kadri Põdra  
**Photo:** CEF Archive. The photos have been taken at CEF events.  
**Design:** Sonja Eržen  
**Print:** Tiskarna Medium, Ltd.

September 2021

Copyright © CEF, 2021. All rights reserved.





---

# ABOUT THE CEF

CEF is international organization with the mission to support capacity development of public officials and their institutions in South East Europe through learning and knowledge sharing. We combine topical expertise with in-depth knowledge of countries in the region in the thematic areas of public financial management, tax policy and administration, central banking, and cross-cutting areas of data and analysis for designing policies and leadership for managing reforms.

Another important focus of our activities is support to our member institutions in becoming knowledge hubs and learning organizations.

## TOGETHER WE CAN MAKE THINGS HAPPEN

