



# Good Practices in Economic Reform Programme (ERP) Coordination Processes

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ANALYSIS WITH CASE STUDIES





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# Introduction

The coordination process of the Economic Reform Programme (ERP) has posed significant challenges in the Western Balkans and Türkiye, due to the complexity of the subject. The process includes different layers, including the identification of key challenges, prioritization of structural reforms, outlining their impact, and aligning with the budgetary process. Additionally, many actors are involved in this process.

The aim of this analysis is to provide an insight into the ERP coordination process from the perspective of establishing the structures, their operationalization, roles, responsibilities, and accountability at different levels, as well as the efficiency and effectiveness of communication flows. Furthermore, the discussion delves into the positioning of the ERP document in national strategic planning and the alignment of the ERP calendar with the budget process – areas where coordination plays a specific role.

The analysis is based on the **case studies of Montenegro, Kosovo\* and North Macedonia**, referred to as “parties” further on. These case studies aim at exposing good practices and challenges in ERP coordination, providing a valuable learning source for all other parties involved in the ERP process.

The applied methodology includes a desk analysis of relevant materials and interviews with the ERP coordinators in Montenegro, Kosovo\* and North Macedonia. Their inputs add significant value to the analysis, reflecting their expertise and experience on the subject.

The key findings of the case studies show that the ERP coordination process is quite demanding, and its success is driven by consistent and stable ERP structures. The active involvement of high-level government officials proves to be valuable in coordinating the elaboration of the ERP. Notably, the ERP preparation has been closely aligned with the budget process, recognizing the budgetary dynamics as a primary factor in all three parties. Moving the start of the ERP cycle earlier, i.e., February or March, before setting the budgetary framework in April each year, would enable better ERP planning and ensure timely finances for new structural reforms.

Furthermore, the ERP coordination process should be advanced through digitalization to foster more effective and efficient communication within the ERP working group (WG). This would not only enhance communication but also contribute to the preservation of institutional memory, a crucial aspect in all three parties, given the high turnover of line ministry (LM) officials involved in ERP elaboration. Additionally, communication with stakeholders needs to be articulated within a time framework that ensures genuine contributions to the ERP.

\* 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.

# ERP positioning in national strategic planning

The ERPs were launched in 2015,<sup>1</sup> prepared annually with a three-year timeframe. The ERP serves as a basis for economic dialogue in the accession process EU candidates to the European Union (EU). Representatives from EU Member States, the Western Balkans, Türkiye, the European Commission (EC), and the European Central Bank, along with representatives from the central banks of the Western Balkans and Türkiye meet every year for their annual economic policy dialogue.

This dialogue aims to pave the way for the future participation of the Western Balkans and Türkiye in the European Semester.<sup>2</sup> The Joint Conclusions of the Economic and Financial Dialogue for 2023 are geared towards supporting a sustainable medium-term economic recovery and helping the enlargement partners in gradually meeting the economic criteria for EU accession.<sup>3</sup> The Conclusions contain specific recommendations for further strengthening of the ERP of each beneficiary.<sup>4</sup>

Closely aligned with the obligation to fulfill the Copenhagen criteria, which define an economy’s primary strategic orientation towards a market economy and strengthening capacities for its effective functioning, the ERP evolves into a strategic document. The ERP provides a macro-fiscal outlook with mid-term projections focused on maintaining stability and fostering a growth-enhancing environment. Specifically, the structural reforms chapter within the ERP should reflect the key documents developed in bilateral relations with the EC, as well as national and regional strategies and goals.

The EC Guidance Note for the ERP for 2024–2026 indicates the need for alignment between the ERP and the adopted strategies, whether national development strategies, sectoral strategies, or the strategies of organizations that the beneficiary is either a member of or aspires to join. A two-way relationship should be set between the ERP and national strategies. The description of reform measures should include references to the strategies from which they arise. On the other hand, relevant national strategic documents should also incorporate references to the ERP.

The two-way relationship is quite visible with regard to the link of the ERP and the budgetary (fiscal) strategy. The budget and the Medium-Term Expenditure Framework (MTEF) depend on the fiscal impact of structural reforms and the measures employed for their implementation. When prioritizing structural reforms in the ERP, it is important to take into account both the financial

1 Before the ERP, candidates for EU membership were submitting Pre-accession Economic Programmes.  
 2 Joint Conclusions of the Economic and Financial Dialogue between the EU and the Western Balkans and Türkiye, Council of the EU, 9478/23.  
 3 Ibid.  
 4 Beneficiaries are candidates and potential candidates for EU accession to which the FISR2 project (“Structural Reforms Better Integrated Within Fiscal Frameworks”) is related.



# Aligning ERP drafting with the budget calendar: timeline, specifics and outputs

The ERP timeline is as follows, and the improved ERP coordination calendar, detailed in the annexed table, aligns it with the budget calendar, allowing more time for prioritization and stakeholder engagement:

- The cycle starts in spring (usually May) with the adoption of the Joint Conclusions of the Economic and Financial Dialogue between the EU and Western Balkans and Türkiye.<sup>7</sup>
- In June, the EC issues Policy Guidance for preparing the upcoming ERP, enabling beneficiaries to start work on the programs. The content of the ERPs follows the two parts outlined in the Enlargement Strategy (macroeconomic/fiscal framework and structural reforms), while the Joint Conclusions define the areas and key structural challenges that each beneficiary should address.
- The draft ERPs are elaborated from August to November and undergo public consultations, organized by ERP coordinators (usually the MoF).
- By January 15,<sup>8</sup> the final ERPs, adopted by the Government, should be submitted to the EC.
- From February to April, the EC works on the Assessment of the ERPs and publishes beneficiary reports. The EC assessments with beneficiary-specific recommendations should be taken into account in the next cycle of ERP preparation.

The objective should be to fully synchronize the ERP process with the budget calendar. The alignment of the ERP with the budget calendar is paramount for effective economic governance and sustainable development. Ensuring synchronicity between these two crucial elements enables a seamless and well-coordinated approach to fiscal planning and execution. When socio-economic reforms are strategically integrated with the budget calendar, policymakers can optimize resource allocation, prioritize key initiatives, and enhance the overall efficiency of public spending. This alignment facilitates a more transparent and accountable fiscal framework, fostering investor confidence and economic stability. Timely coordination between the ERP and the budget calendar ensures that the government's priorities are reflected in financial planning, creating a conducive environment for growth and prosperity.

The alignment of the ERP with the budget calendar has evolved from initially structuring reforms as a “wish list” to a detailed costing and budgeting of reform measures. As the preparation and timeline of the annual budget and the MTEF are governed by the national organic budget law, coordination and drafting of the ERP should be tailored to the budget process. Typically, the

<sup>7</sup> <https://data.consilium.europa.eu/doc/document/ST-9478-2023-INIT/en/pdf>

<sup>8</sup> Until 2023, January 31.

preparation of the capital budget starts in the first quarter of the year, while expenditure limits, based on macroeconomic projections and instructions for budget preparation, are distributed to budget users in the second quarter.

The launch of the ERP in spring usually coincides with the activities of establishing the framework for the upcoming annual budget, including setting expenditure limits for budgetary users. Structural reform measures carried over from previous periods have previously undergone costing and budgeting through the MTEF. However, the budget allocation for the measures needs to be confirmed every year. On the other hand, new reforms measures require negotiation within a short timeframe that overlaps with both the ERP and budget processes, with financing considerations factoring in the availability of financial resources.

Sometimes, the need to incorporate new structural reform measures may be deferred to the next ERP, particularly if new key obstacles to competitiveness and inclusive and green growth are identified, or if the EU introduces new policy guidance based on EC assessments. Most ERP coordinators initiate the prioritization process for reforms or reform measures in September, at best in July. This process involves costing and budgeting, leaving insufficient time for negotiating the budgeting of reforms within already defined expenditure limits. Consequently, coordinators are often compelled to postpone the integration of fiscal costs related to structural reforms into the budgets for the following fiscal year, potentially leading to delayed compliance with certain EU policy guidance.

**Montenegro's ERP** preparation is formally aligned with the budget preparation process, and the ERP and the Draft Budget Law are considered two complementary documents. During the ERP preparation, meetings are conducted with officials responsible for budget planning in the MoF. This ensures that structural reforms are synchronized with the allocation of funds for their implementation. Additionally, within the Instrument for Pre-accession Assistance (IPA) programming framework, key sectors are identified to position the ERP as the primary programming instrument.

The coordination of the **ERP in Kosovo\*** has successfully achieved a high level of alignment with the budget calendar. While the ERP complements the budget, the synchronization of their calendars is coordinated from the moment the EC launches the Guidance for preparation of the ERP. Shortly thereafter, a national ERP launch is organized in Kosovo\*, which ensures political support for the process and shared understanding of changes made by the EC to the Guidance, and formally establishes the ERP WG and a timeline for the beneficiary.

Reform measures are typically derived from strategic documents, necessitating their costing and budgeting in the years preceding the actual ERP preparation. Initiating coordination with budgeting reforms immediately after receiving EU policy guidance would better complement both the ERP and the budget calendar.

**North Macedonia's ERP** calendar is fully aligned with the budget calendar for all activities undertaken in both processes from June to January. However, certain discrepancies occur in April-May, a crucial period for ensuring finances for new structural reforms. The details are provided below.

The budget process starts in April, when budgetary users submit their basic budget scenarios and new initiatives to the MoF. The Government adopts strategic priorities by April 15, and the Fiscal Strategy and expenditure limits by May 31.

The ERP activities usually start in April-May, when the Economic and Financia (EcoFin) Dialogue is held, where ERP priorities are defined, and the EC Guidance Note for the ERP is published. This is followed by the usual launch of the ERP cycle in May-June and the adoption of information about the Joint Conclusions and the ERP timeframe in June.

The most important aspect of the preparatory phase is that the ERP cycle starts when the budget framework is already set. The structural reform measures outlined in the ERP must have an ensured budget, implying that LMs must outline new structural reform proposals by April, as they would need to be packed as budget proposals. This is prior to the start of the ERP cycle and requires lots of proactivity from the LMs, which, based on the established practice, does not take place. Instead, the structural reforms must be derived from already set budget outlines/expenditure limits and planned activities/measures of the LMs. In addition, the strategic priorities of the Government are adopted prior to the EcoFin Conclusions.

Addressing the shortcomings of the preparatory phase could be achieved by initiating the ERP cycle earlier, in February or March. This would enable better integration of the ERP and the budget process as outlined in the EC Guidance Note for the ERP.



MY NOTES

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# The flow of the ERP coordination process: roles, responsibilities and accountability

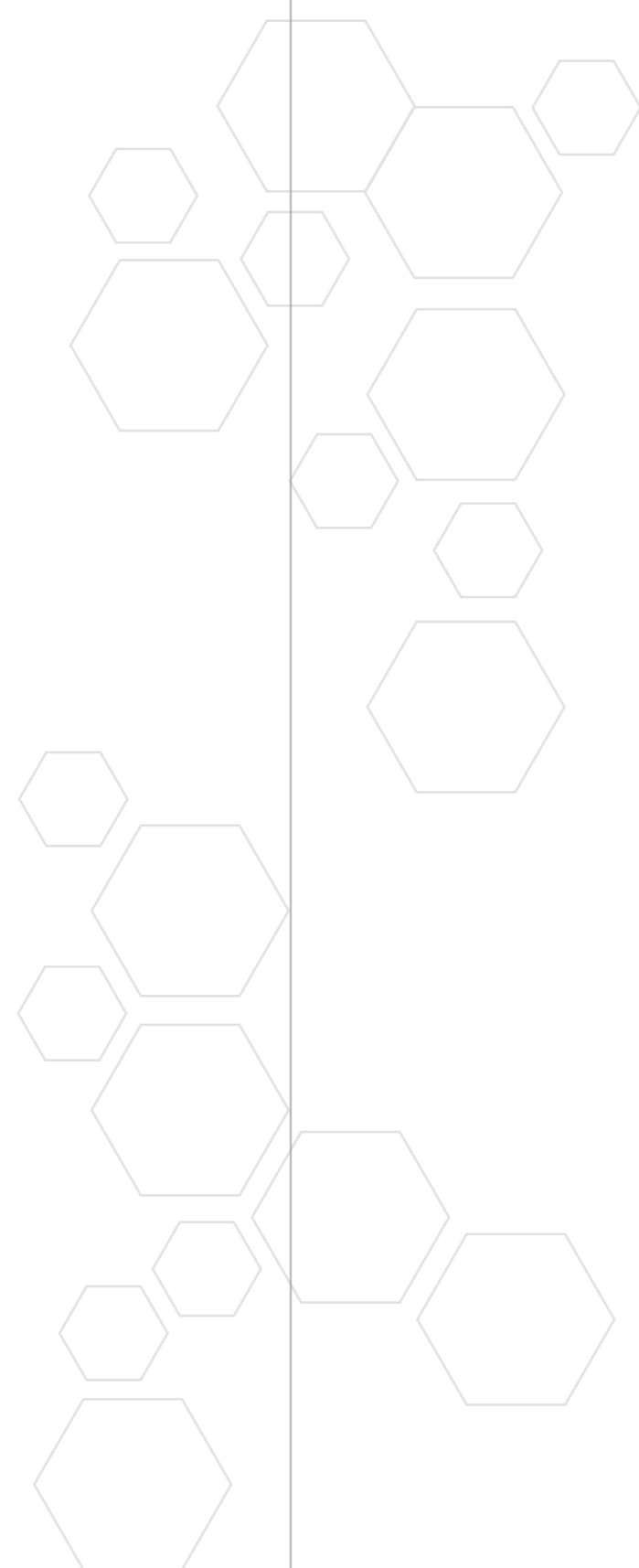
The process of preparing the ERP is typically overseen by a high-level official from the MoF, such as a state secretary, general director, or an advisor appointed by the government in the Prime Minister’s office or a director/coordinator from a state development body. The role of an ERP coordinator is not a full-time position, and their job description often involves tasks not traditionally associated with ERP coordination. ERP coordinators are expected to be authoritative, highly experienced officials in public administration, well-versed in economic policies and public finances, possessing analytical and communication skills, and capable of coordinating multiple tasks simultaneously.

While the ERP coordinator is appointed annually by the government or another designated body after the launch of the EC Guidance Note for the ERP, having the same coordinator for consecutive ERPs is desirable. The structure of ERP coordination is sometimes developed at the level of ERP chapters, including macro-fiscal framework and structural reforms. Occasionally, an additional level of coordination is recognized for different reform areas. For example, some beneficiaries have sub-coordinators for reform areas, and others for macro-economic and fiscal chapters to achieve consistency.

The ERP is recognized as an annual government activity concerning the selection and appointment of the coordinator and WG members. While this recognition creates the possibility for frequent changes in the coordination team and susceptibility to political influences, it also provides flexibility to accommodate significant or minor changes introduced by the EC through the Guidance Note for the ERP.

The formalization of the ERP coordination process usually begins right after the government receives the EC Guidance Note for the ERP. The government adopts a legal act representing the official launch of the ERP preparation, establishing a WG led by the coordinator or a team of coordinators. The WG, usually comprised of representatives from the Prime Minister’s office, the MoF, and LMs, is given a mandate and is time-limited, aligning with the submission of the ERP to the EC.

Coordinators are typically responsible for allocating tasks in accordance with the Guidance Note, prioritizing reforms, and assessing their fiscal impact. The coordination structure follows the outline defined by the Guidance Note, involving the formation of teams working on the macroeconomic and fiscal framework as well as structural reforms. The coordination of structural reforms can be further developed into teams in LMs based on priority areas. Tasks



with instructions are delegated to representatives from the MoF and LMs in the ERP WG. LMs collaborate with the MoF to budget the estimated costs based on defined expenditure limits and fiscal rules.

Consistent ERP structures, developed over time through accumulated knowledge and experience, have led to reliable coordination and a high level of institutional memory. The coordination of the ERP should be a highly professional process, independent of political influences and changes.

The coordination of the **Montenegrin ERP** has been quite dynamic over time. High-level officials from the Prime Minister's office and the MoF have been appointed to oversee the overall ERP. Sub-coordinators have been designated for the macro-fiscal chapters and the chapter on structural reforms. While the sub-coordinator of the macro-fiscal chapter has remained constant, the sub-coordinator of the structural reform chapter has changed frequently. Political changes in the government have had consequences for the ERP coordination, including the replacement of the appointed ERP coordinator in the middle of the ERP preparation process for political reasons. This has impacted the ERP preparation process and the quality of reforms according to the EC assessment.

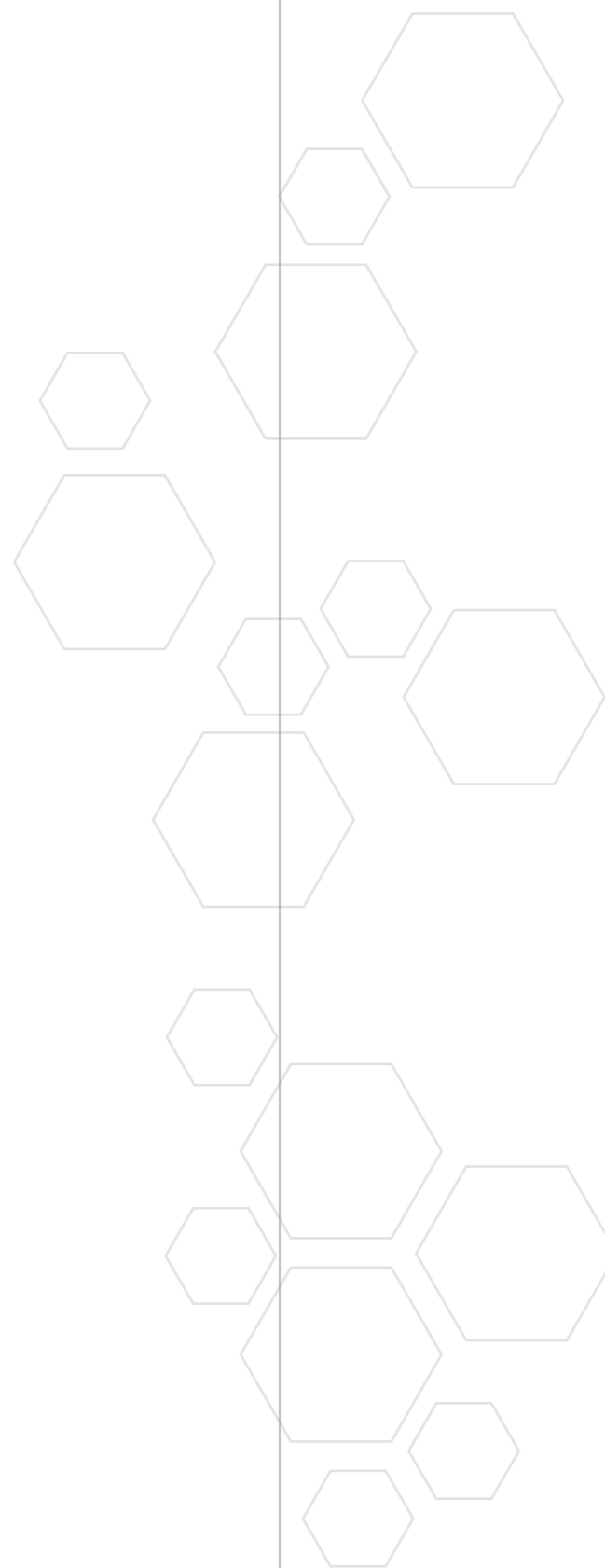
The MoF leads the entire process of the ERP preparation, starting with the adoption of the information on the preparation of the ERP and the Decision on the formation of a WG for the ERP. WG members are proposed by LMs based on the Minister of Finance's invitation. The tasks of the WG include:

- Establishing an overall framework for medium-term economic policy and setting goals
- Analyzing the macroeconomic framework and the sustainability of public finances
- Proposing a set of measures within the framework of structural reforms and assessing the fiscal and economic impact of these measures
- Conducting public discussions on the draft ERP
- Compiling a report on the implementation of structural reform measures
- Participating in the preparation of ministerial meetings of EU member states and candidates for EU membership

The Montenegrin ERP is formally developed through joint consultations with relevant ministries responsible for implementing specific reform measures, the international community, whose activities complement the program, and key stakeholders in society.

However, the delayed start of drafting the structural reforms chapter and the need for integrating the fiscal costs of these reforms into the budgets leave very little time for consultation with relevant stakeholders and broader discussions at higher levels of government. While the ERP is a priority for the coordination and working team members, it is not the sole focus of the coordinator's everyday activities. This can pose challenges in the ERP drafting process within the limited timeframe and might affect its quality.

In contrast to Montenegro, the **Kosovar ERP** has maintained a stable coordination structure. The lack of experience in preparing the Economic and Fiscal Programme and Pre-Accession Economic Programme prompted Kosovo\* to learn from others and adopt best practices. Dedication and consistency in ERP coordination have been the main factors contributing to the improvement of the ERP. Upon receiving the EC Guidance Note, the process of nominating coordinators begins, in line with the ERP's priority areas.



The Strategic Planning Office informs the general secretaries of the LMs to nominate coordinators based on the reform priority areas outlined in the Guidance Notes for developing the chapter on structural reforms. These coordinators become integral members of the team responsible for drafting Chapter 5 on Structural Reforms.

The ERP process in Kosovo\* starts with a government decision outlining coordination structures and responsibilities among the ERP team members. The Minister of Finance, Labor, and Transfers serves as the National Coordinator of the ERP process, supported by:

- Strategic Planning Office at the Prime Minister's Office, focusing on the agenda of structural reforms
- Department of Economic Policies at the MoF, Labor, and Transfers, overseeing the macro-economic framework and fiscal policies, including fiscal support measures
- Development Cooperation Office (Coordinator for the IPA/NIPAC), enhancing the connection between the reform priorities in the ERP and the IPA program
- Coordinators appointed by the general secretaries of the responsible ministries, overseeing priority areas as per the ERP Guidance Note

Apart from the ERP, coordinators of the Kosovar ERP are involved in the development of other programs. While prioritizing the ERP, coordinators often find themselves overloaded with responsibilities, all of which need to be completed simultaneously with the ERP.

**North Macedonia** has managed to maintain a stable ERP coordination structure over the years, led by established officials from the MoF. The coordination role has been entrusted to the MoF since the introduction of the ERP in 2015. The State Secretary of the MoF has been appointed as the ERP coordinator over the last few years, supported by two sub-coordinators who play a crucial operational role in the coordination process of the Macedonian ERP from the very start. The coordinators, backed up by the ERP Secretariat in the MoF, lead the ERP WG, which includes officials of LMs and representatives of other relevant institutions, such as the National Bank, responsible for working on the macro-economic and fiscal outlook and structural reforms.

The ERP coordination structure is (re)established each year by the Government's decision at the start of the ERP cycle. The two MoF sub-coordinators have been continuously and extensively engaged in ERP coordination over the years, safeguarding the institutional memory of the process, regardless of changing WG members. The budget officials of LMs are insufficiently represented in the WG, which calls for stronger internal coordination within LMs, given the importance of the budgeting/costing for each structural reform.

In terms of its structure, the WG pursues horizontal coordination of the ERP among institutions. The WG members from LMs are responsible for coordinating the structural reform proposals within their ministries, prior to submitting the proposals to the ERP coordinator(s). The prioritization of reforms is conducted by the ERP WG, and the draft document is compiled by the ERP coordinator(s) and the ERP Secretariat. The final content of the ERP is determined by the Government through the adoption of the document.

The WG, particularly the ERP team from the MoF, is also engaged in regular coordination with the EC, ensuring prompt and effective responses to the developments in the ERP process. Furthermore, the WG organizes consultations on the ERP with stakeholders. In addition to the regular public consultation scheduled in the ERP calendar (usually in November), the WG makes efforts to engage in consultations with stakeholders during the elaboration of the ERP.

The ERP coordinator, sub-coordinators, and WG members are full-time employees in their respective institutions, primarily dealing with their regular job tasks. The MoF tends to prioritize the ERP in the work responsibilities of its ERP team, particularly during the ERP elaboration in autumn. On the other hand, the perception of ERP prioritization varies among LMs, and the regular responsibilities of WG members tend to prevail due to work overload. In such situations, the commitment of the ERP coordinator's team (ERP Secretariat) and their persistence in communication with the WG members plays a key role to ensure LMs' timely contributions to the ERP document. However, performing regular and ERP tasks simultaneously is a burden for LM officials that needs to be addressed in the ERP coordination process.



#### MY NOTES

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## Communication in the ERP coordination process

There are typically two types of ERP coordinators: those who directly communicate with the ERP WG, and those with administrative personnel handling communication and information distribution among ERP WG members. In the first case, coordinators are deeply immersed in the process, understanding all the details and challenges, but they also bear a heavier workload. In the other case, coordinators juggle various responsibilities but implement a more formal, rather than substantial, coordination of the ERP.

Thanks to digital communication options, coordination within ERP structures has become much more efficient. Theoretically, an ERP can be submitted to the EC without requiring a single face-to-face meeting between coordinators and the ERP WG, or LM policy experts and their colleagues from LM financial departments, or even LMs with representatives of the MoF.

The announcement of the first ERP draft on the website formally initiates public consultation, enabling all interested parties to submit comments and suggestions for improvement. However, the question remains: is the online communication method, when pursued exclusively, truly sufficient and effective? Does it contribute to a high-quality ERP, ensure ownership, and facilitate progress on the implementation of policy guidance and reforms? Experience has shown that coordinators, who hold more frequent meetings with the ERP WG members and include MoF budget representatives, achieve more efficient and effective coordination, and deliver a higher quality ERP. Continuous inclusion of stakeholders from the identification of obstacles to the final setting of reforms would ensure not only ownership but also a better design of the reforms and a higher level of implementation.

The drafting of the **Montenegrin ERP** is characterized by horizontal and vertical coordination among all key stakeholders. This involves continuous communication and collaboration with all members of the WG and representatives of LMs on instructions regarding the content and structure of the document, the methodology of its preparation, coordination, deadlines, communication methods, and the number of pages the document should contain. Individual meetings are organized during the ERP preparation process to enhance the efficiency of collaboration between ERP coordinators and relevant ministries. The exchange of information between ERP coordinators, their teams, and other stakeholders relies largely on communication through email and phone calls.

Stakeholders are included in the process in two phases: at the beginning of drafting the ERP (September/October) and during the later stages (November/December) when stakeholders have an opportunity to provide comments and suggestions on the first draft of Chapter 5 on Structural Reforms. However, stakeholders often lack basic knowledge of the ERP, including its structure, purpose, and aims, as evident from the little feedback on the draft of the reforms.<sup>9</sup>

<sup>9</sup> [Role of Civil Society Organizations in ERP in Montenegro](#)



Coordinators of the **ERP in Kosovo\*** also use different communication channels: face-to-face meetings, emails, and online meetings. The coordination structure allows the national coordinator to delegate responsibilities to sub-coordinators of ERP chapters or reform areas, who are usually more involved in the process, content, and substance of the ERP. Among the most important communication channels are consultations between the Strategic Planning Office and LMs. Public consultation on the first draft of the structural reforms chapter is organized to involve stakeholders in the process.

The ERP process in **North Macedonia** encompasses rather complex and extensive communication among various stakeholders, including:

- The Government and the ERP WG (represented by the ERP coordinator's team)
- ERP coordinators and members of the ERP WG
- Members of the ERP WG (particularly those working on reforms involving more than one institution)
- Members of the ERP WG and other ministry officials involved in ERP preparation (internal LMs communication)
- The ERP WG (represented by the ERP coordinator's team) and the EC
- The ERP WG and relevant stakeholders

Communication takes the form of official written correspondence when needed, while the majority of interactions occur through phone calls, face-to-face meetings, emails, and online meetings. Additionally, regular workshops are conducted each autumn, devoted to ERP finalization, which includes intensive communication and coordination among ERP WG members. These workshops are supported by the CEF.

All means of communication are extensively utilized in the horizontal and vertical coordination of the Macedonian ERP process, with the ERP coordinator's team being the backbone of communication. Communication mostly revolves around the content and structure of the document, the methodology of its preparation, coordination, deadlines, and any other relevant information. The most intensive communication occurs in autumn during the elaboration of ERP documents.

The public consultations on Chapter 5 are conducted through the MoF website, serving as a platform to post the ERP, while stakeholders submit their comments to the ERP WG in MoF. The consultation process varies in terms of volume and quality of comments, with international organizations, such as the World Bank, usually providing the most valuable insights due to their profound macroeconomic expertise. To gather further input from stakeholders, the ERP coordinator's team makes efforts to engage them in consultations throughout the elaboration of the document.

## Advancing the ERP coordination process

When questioning the coordinators of observed ERPs in three beneficiaries about how they would enhance the ERP coordination process, all three coordinators prioritized digitalization. They believe that strengthening competencies, holding more frequent meetings with ERP WG members, involving a wider array of LMs, and building institutional memory are essential steps to ensure the successful implementation of reforms, particularly in the face of governmental changes. These measures are seen as crucial for fostering collaboration among stakeholders.

The **Montenegrin coordination team** emphasizes the digitalization of the ERP, transparency, strengthening the capacities of new ERP WG members, and ensuring better monitoring of the reform implementation through the selection of LM representatives into the ERP WG:

- The Montenegrin coordination team prioritizes enhancing overall communication between ERP coordinators and the WG. A key approach involves digitalizing the preparation process to ensure the successful implementation of reform measures and foster a comprehensive understanding of the document by both the WG members and the broader public. This would facilitate improved collaboration among LMs during the ERP preparation.
- Another area for improvement is enhancing transparency in the ERP preparation process by providing document access to various stakeholders.
- Given the change in the Government of Montenegro and consequently in senior leadership at LMs, it is crucial to strengthen the competencies of both existing and new members of the ERP WG.
- The appointment of members in the LMs who are directly responsible for implementing reforms is vital, enabling them to monitor performance indicators and potential risks effectively.

The **Kosovar coordination team** identifies opportunities to enhance coordination through the completion of the ongoing digitalization of the ERP preparation process, and by strengthening the capacities and understanding of LM representatives about the importance of the ERP:

- Kosovo\* has initiated the digitalization of the entire ERP development process, and within this platform, the coordination process will be advanced.
- In addition to the digitalization of the ERP preparation process, Kosovar coordinators consider meetings with and within LMs equally important. However, efforts need to be invested in acknowledging the significance of the ERP among LMs.

The **Macedonian ERP coordination team** considers the **digitalization of the ERP process** as an utmost priority for advancing the process. It is expected to significantly contribute to time rationalization and reduce communication overload for the ERP coordinator's team. It would also ensure the timely delivery of information to LMs, as the digitalization envisages pre-determined emails related to milestones and deadlines in the ERP process.



of the policy guidance from EU, and drafting the ERP in accordance with the EC Guidance Note. Every coordinator can make their own coordination template calendar based on the beneficiary specificities of the ERP process.

**The formal start of the ERP cycle begins with the submission of the Joint Conclusions from the ministerial meeting of EU Member States and candidates for EU membership.** This would shift the formal beginning of ERP preparation by a month to a month and a half, which is crucial for the negotiation process in prioritizing and budgeting the costs of reforms. In combination with the previously conducted obstacle analysis, this change can significantly contribute to a more constructive and effective ERP preparation process.

**Enhancing the role and engagement of high-level government officials in the ERP preparation process is vital.** There is a difference in the engagement of high-level officials in prioritization and the content of the ERP, as well as in the EC assessment and policy guidance. The more stable the coordination team is, the greater the involvement of decision-makers. Practice has shown that, with the launch of the ERP, familiarization with the ERP WG's tasks, policy guidance, and the Guidance Note for the ERP, the interest and involvement of high-level officials are higher. Additionally, in cases where high-level officials are actively involved, the implementation of reforms and reform measures is of higher quality.

**Depoliticizing the coordination is crucial.** Some examples have demonstrated that political influence can detrimentally impact the quality of ERP coordination, reforms, and the document as a whole. Political influence introduces inconsistency into the process and diminishes institutional memory. By appointing professionals as coordinators, independent of political considerations, every government stands to gain in the process of EU integration through the implementation of reforms that effectively tackle obstacles to competitiveness and promote inclusive and green growth.

**Digitalization of ERP preparation.** The experience of some EU candidates has shown that the digitalization of the ERP preparation process can significantly improve the document's efficiency and consistency, streamline procedures, and identify responsible individuals. These positive experiences can serve as examples for others to enhance their coordination processes.<sup>10</sup>

**Face-to-face meetings.** The significance of face-to-face meetings should not be diminished despite the need for digitalization. Coordination that uses ERP WG meetings as a key communication channel consistently yields a set of prioritized reforms that better address obstacles and policy guidance, ultimately leading to a higher-quality ERP.

**Strengthening communication within LMs, between LMs, and between LMs and MoF.** There is still a high level of unawareness about the importance of the ERP in LMs, highlighting a clear need to enhance capacities, especially in understanding the significance of the ERP for financial experts in LMs to cost the reforms. The increasing challenge of implementing structural reforms necessitates strengthening cooperation and coordination between LMs, especially in cases where a structural reform/measure is implemented by two or more different institutions. In this context, establishing a broader ERP WG that includes more LM officials dealing with budgetary issues could contribute to the overall increase in the visibility and strategic importance of the ERP document within government institutions.

<sup>10</sup> An overview of EU candidates considerations for [Advancing the Digitalisation of the ERP Preparation Process](#) was published in a CEF discussion paper in 2022.

**Stakeholders are a necessity in the ERP coordination process.** While stakeholder participation is often seen as a formality, representatives of relevant stakeholders can substantially contribute to the quality of identified obstacles in the ERP and prioritized reforms. By increasing ownership of the ERP through stakeholder involvement, the beneficiary ensures better implementation and a substantial response to the Guidance Note for the ERP regarding the effectiveness of stakeholder contribution.

**Utilization of ERP procedures for the implementation of the Reform Agenda.<sup>11</sup>** Beneficiaries encounter new rules, conditions, and advantages on their journey towards EU accession under the Growth Plan. Coordinators find themselves at the point where they need to utilize current ERP structures and procedures, especially those related to Chapter 5, to efficiently and effectively deliver the Reform Agenda, as well as the macroeconomic and fiscal framework in the new ERP document. The Reform Agenda and its implementation will be based on structural reforms from the ERP and the latest policy guidance, underscoring the necessity to use all previously acquired capacities in ERP coordination.

<sup>11</sup> The Reform Agenda is a plan of structural reforms and investments for 2024–2027, serving as a basis for operationalisation of the Reform and Growth Facility for the Western Balkans.





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# About the CEF

The CEF is an international organization with the mission to support capacity development of public officials and their institutions in South East Europe (SEE) through learning and knowledge sharing. We are a leader in applying people-centered learning approaches and holding the know-how of becoming and being a learning organization. As a key learning partner for public officials in the CEF constituency in SEE, we have specified four thematic priorities for our work: public financial management, central banking, leadership for managing reforms and learning and knowledge ecosystems.



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