

FISR2

STRUCTURAL REFORMS BETTER INTEGRATED
WITHIN FISCAL FRAMEWORKS

Navigating the implementation of the Reform Agenda

Setting the stage for a sound Coordination plan

Tilen Božič, CEF associate fellow, 10.9.2024

Plan

- Lessons learned/coordinating change – RRF in SLOVENIA
- Lessons learned – ERP in the WB region
- Lunch😊

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Navigating the implementation of the Reform Agenda: Montenegro

Lessons learned/coordinating change – RRF in SLOVENIA

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Contents & purpose

- Time flies, priorities change, people leave, but you still have to get the job done.

This part of the presentation was prepared in cooperation with Ms Saša Jazbec, State secretary in charge of getting the RRF back on track. We were both serving as state secretaries at MoF at that time and need to say, that wielding a whip to get the RRF back on track inevitably makes you „the everyone’s favourite“.

Slovenia - preparing for the Recovery and Resilience (RRF)

Slowly and
steadily

- Identification of Challenges and Opportunities as a response to the COVID-19 pandemic (GVT/LMs, 2020)
- Consultations and Coordination – engaging stakeholders, drafting the plan, close coordination with EC to ensure alignment (2021)
- Submission and Approval (4/2021 and 7/2021 respectively)

Disruption
and derail

- **Shifting politics**/priorities and insitutional change (4-6/2022)
- **Critical failure** in meeting milestones (6/2022)
- Reduction of funding (6/2022)

Repositioning

- Switching to **emergency management** mode and taking control - coordination/cooperation/communication (6+/2022)

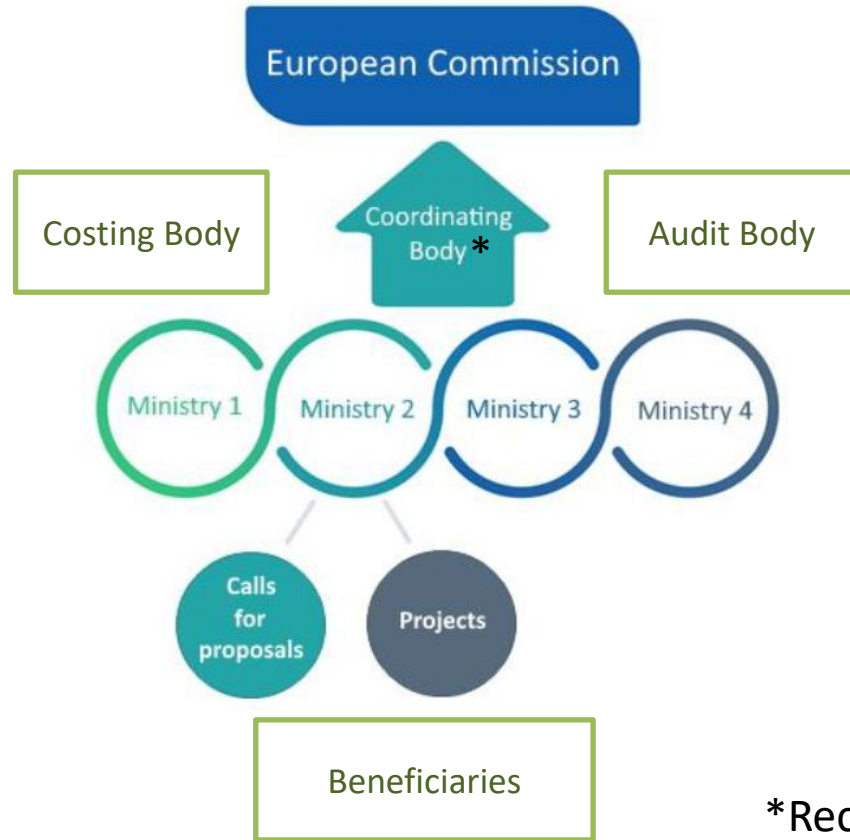
Back on track

- **Adjustments** and implementation (2022–2023)

Just keep on
going

- **New occurences** – energy crisis, soaring interest rates&inflation etc.

Structure



*Recovery and Resilience Office

Initial plan 1/2

Total funding available under Slovenia's RRP

		Final RRP financial breakdown on 1 July 2021		
Development area	Project / Measure	Total (million EUR)	Grants (million EUR)	Loans (million EUR)
GREEN TRANSITION	COMPONENT 1: Renewable energy sources and energy efficiency	146.00	46.00	100.00
	COMPONENT 2: Sustainable building renovation	86.05	86.05	0.00
	COMPONENT 3: Clean and safe environment	472.80	152.80	320.00
	COMPONENT 4: Sustainable mobility	311.90	218.90	93.00
	COMPONENT 5: Circular economy – resource efficiency	48.00	48.00	0.00
Total		1,064.75	551.75	513.00
DIGITAL TRANSFORMATION	COMPONENT 1: Digital transformation of the economy	56.50	56.50	0.00
	COMPONENT 2: Digital transformation of the public sector and the public administration	260.17	260.17	0.00
Total		316.67	316.67	0.00

Initial plan 2/2

SMART, SUSTAINABLE AND INCLUSIVE GROWTH	COMPONENT 1: Research, development and innovation	132.22	132.22	0.00
	COMPONENT 2: Increasing productivity; investor-friendly business environment	157.50	157.50	0.00
	COMPONENT 3: Labour market – measures to reduce the impact of negative structural trends	56.28	56.28	0.00
	COMPONENT 4: sustainable development of tourism, including cultural heritage	127.00	127.00	0.00
	COMPONENT 5: Strengthening competences, especially digital ones and those required in new jobs	264.36	190.99	73.37
	KOMPONENTA 6: Efficient public institutions			
Total		737.36	663.99	73.37
HEALTHCARE AND SOCIAL SECURITY	COMPONENT 1: Healthcare	224.90	224.90	0.00
	COMPONENT 2: Social security and long-term care	79.00	20.00	59.00
	COMPONENT 3: Social housing	60.00	0.00	60.00
Total		363.90	244.90	119.00

Total	2,482.68	1,777.31	705.37
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Share	Green	Digital
Total	42.45%	21.46%

We all know - a lot can change in 9 months, let alone in a few years...

- Elections (4/2022)
- A new PM (5/2022) and GVT take office (6/2022)
- The new GVT vision/programme not necessarily in line with the previous
- The new GVT structure/17=>20 ministries (!delay) and LM's to be reshaped; GVT reorganisation law blocked for months
- New data on country performance available (GDP)
- **Landscape/priorities rapidly changing:** war in Ukraine, geopolitical tensions, Germany stagnating, energy crisis, inflation and interest rates soaring, supply chain issues, severe natural disasters such as fires (7/2022) and floods (9/2022, 8/2023), etc.

Getting a clear picture on the state of affairs – first status report upon taking over the coordination body

- Many deliverables/milestones **set unrealistically** – delayed instalments
- Some **ministries to be revamped**, some new to be set-up and take over implementation of reforms and investments
- **Grants decreased** by 286 m (-16%)
- Systemic pre-conditions not (fully) in place
- A **new chapter** to be added on RepowerEU (new reforms, new investments, same deadlines)
- **EC will surely understand** there is a new GVT, let's (re)negotiate? => Slovenia entered into the RRF so...
- **Do something!**

Done „something“ (summer/fall 2022)

- Regular explanatory & fact-finding **meetings** (state secretaries' level)
- Regular meaningful **reporting** for government put in place (visibility/priority, bottlenecks)
- **Clarifications** with EC (high level, technical level)
- **Re-checking feasibility** of existing milestones / targets / investment deadlines (reduction of investments, adjustment/clarification of milestones/targets)
- The above allowed for „**negotiating**“ an amended plan with EC (10/2023)
- **Adjusted** some goals and timelines, incorporated additional **measures** from the European REPowerEU initiative

Meaningful reporting to GVT – big picture (example at a specific date)

Payment request #	Planned amount (m EUR)	# of milestones / targets	# of met milestones/ targets	Official deadline	Realistic deadline as estimated by LMs	LMs in charge of delayed milestones /off track targets
1.	57	12	1	Q4 2022	tbd	LM1 (target no. x2), LM2 (target no. y2), LM3 (target no. z3), LM4 (target no. e4)
2.	147	19	1	Q2 2023	tbd	LM1 (target no. x1), LM5 (target no. f5)
3.	157	17	1	Q4 2023	tbd	LM6 (target no. g6)
4.	164	5	1	Q2 2024	30.09.2025	...
5.	229	11	0	Q4 2024	30.06.2025	...
6.	208	16	0	Q2 2025	30.06.2026	...
7.	144	19	0	Q4 2025	31.03.2026	...
8.	81	6	0	Q2 2026	30.06.2026	...
Total	1.612	105	4			...

Meaningful „traffic light reporting“ – by payment request

PAYMENT REQUEST Q2/2023 ... status report at a specific date

	Target / Milestone short description	LM in charge	Status	Risks
1.	x1 Nadgrajene železniške postaje	LM1	V teku	
2.	x2 Izdani sklepi o sofinanciranju za podporo podjetjem pri prehodu na krožno gospodarstvo	LM2	V teku	
3.	y1 Konzorciji podprti z dokončano celovito digitalno preobrazbo	LM2	V teku	Tveganje predstavlja nižja finančna realizacija od zahtevane v CID, ki določa najmanjši skupni znesek financiranja namenjen malim in srednjim podjetjem.
4.	y2 Število začelih projektov	LM2	V teku	
5.	x3 Vzpostavljen in operativen kompetenčni center – center za kadre	LM3	V teku	Tveganje predstavljajo proceduralni postopki v zvezi s sprejemom Zakona o javnih uslužbencih (ZJU-1), ki je podlaga za vzpostavitev kompetenčnega centra/centra za razvoj kadrov in enotne vstopne točke. Cilj: xx. xx. xxxx. Marca predvideno, da bo zakon sprejet na ravni vlade, dejaven od xx. xx. xxxx.
6.	x4 Dodatni izobraževalni zavodi z opt. povezavami nad 1 Gb/s	LM4	V teku	
7.	y3 Začetek veljavnosti Zakona o vzpostavitvi 'krizne' sheme skrajšanega delovnega časa	LM5	V teku	Zakonodajni postopek lahko vpliva na časovnico sprejema pravne podlage, ki je predmet mejnika. Predvidena časovnica za predložitev sheme na ESS je do konca marca 2024. Mejnik se združi z M136 v eno pravno podlago (spremembe ZUTD).
8.	y4 Začetek veljavnosti sprememb Zakona o urejanju trga dela	LM5	V teku	Zakonodajni postopek lahko vpliva na časovnico sprejema pravne podlage, ki je predmet mejnika. Predvidena časovnica za predložitev sprememb zakona na ESS je do xx. xx. xxxx.
9.	x5 Strokovni in vodstveni delavci z opravljenim usposabljanjem za pridobitev digitalnih kompetenc in kompetenc za trajnostni razvoj	LM4	10/2023	Časovno tveganje zaradi kasnejšega začetka izvajanja ukrepa. Predvidoma bi oktobra 2023 lahko dosegli zahtevan obseg cilja.
10.	x6 Začetek veljavnosti zakona, ki bo urejal sistem plač v javnem sektorju	LM2	V teku	Tveganje predstavljajo proces usklajevanja s socialnimi partnerji in stavkovne zahteve več sindikatov znotraj javnega sektorja, kar lahko oteži sprejetje dogovorov. Cilj je, da zakon stopi v veljavo s xx. xx. xxxx, vendar pa je časovnica zaradi zahtevne tematike lahko vprašljiva.
11.	y5 Oddaja naročil za nacionalni sistem telemedicine	LM6	V teku	JN za izdelavo tehničnih specifikacij za pripravo JN za sistem telemedicine, ki bi moralo biti oddano xx. xx. xxxx, ni bilo oddano. Pripravljajo se JN neposredno za izbor izvajalca telemedicine (tehnične specifikacije v pripravi). Tveganje predstavlja obseg in vrednost naložbe (83 mio EUR), ki vključuje 12 različnih podprojektov, od katerih se eden nanaša na sistem telemedicine. Oddaja predvidena xx. xx. xxxx.
12.	y6 Sprejetje Uredbe o podrobnejših pravilih urejanja prostora ob postavitvi fotonapetostnih naprav	LM7	V teku	

Key take-aways/lessons learned

- Stewards change, **country is the same**, and blame games do not do the trick
- There will probably **not** be a chance for **(re)negotiating** RA
- **Clear wording** and its understanding is one of the keys for successful implementation - ask yourself: do we know **what needs to be done** in this milestone/step/reform?“
- **A single entry** / coordination **point** with the EC
- **Regular** and structured:
 - meetings / contacts at **technical & state secretaries'** levels (weekly)
 - link with **PMO** to keep it going as planned (weekly)
 - (progress) reporting at **GVT sessions** (monthly)
 - (progress) reporting in **Parliament** (quarterly)
- Transparent, **clear and simple** communication; channel selection
- **Do not assume** stakeholders are on board – plan, **check**, act

Discussion

- How do you find the approach taken by Slovenia in getting off and back to the „RRF track“?
- RRF preparation/RRF implementation – are there any parallels with MNE/RA?
- Is there something you could use?
- It there something you would need (additional insight into adapting the coordination/content/financing, techniques used etc.)?

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Navigating the implementation of the Reform Agenda: Montenegro

Lessons learned – ERP in the WB region

Tilen Božič, CEF associate fellow, 10.9.2024

A decade of experience in coordinating ERP – (still) relevant

- **It's (still) alive!** At first some assumed RA will be an integral initiative substituting the ERP; now we know **ERP is here to stay**;
- There is **no one-size-fits-all**, but there is **no need to reinvent the wheel!** ERP coordination process evolved and successfully became embedded in the GVT/LMs and other stakeholders processes; **let's take what works** and make use of the institutional memory;
- There is need of an **overarching coordination of multiple EU initiatives!** **RA will have to connect/sync** with ERP (and IPA) to streamline both(/all) processes and allow for efficient and effective use of (human) resources.

Positioning in national strategic planning

- Similar to ERP, the RA was developed in close cooperation with the EC, **reflecting the key documents** so far developed and taking note of national and regional strategies and goals,
- Seen not only as fostering EU accession, but also as a **broadbased and structured process in driving forward the development of the country** (i.e. doing it for the sake of your country and not due to „external“ interest),
- **Coherent coordination** drives prioritization and relies on strong cooperation/communication with higher levels of GVT and PMO, as the operational level of LMs, and other stakeholders,
- **Strategic positioning of the coordinator** within GVT including adequacy of function (M/StS/GD) and seniority.

Aligning ERP drafting with the budget calendar – RA is no different

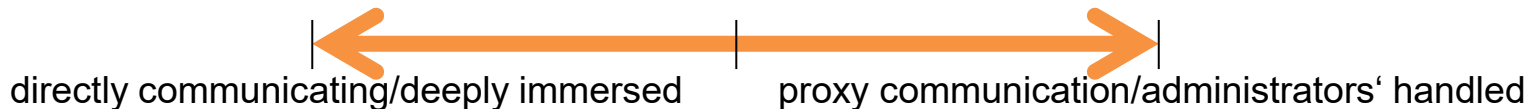
- Assuring (in)formal **alignment with budget preparation** in order to respect the timeline, planning and execution phases, revision(s) and other procedures integral to the (state) budget,
- a must: **costing**/budgeting and **impact** analysis.
- Structural reforms (ERP) have to be synchronised with the **allocation of funds for their implementation**; RA „steps“ are no different and coordination is the key to not „leaving any step behind“ – a key prerequisite in creating a **multi-layered inertia** to keep the steps going forward and assuring accountability (preventing no-one takes ownership/responsibility for a specific step).

ERP „flow“ – roles, responsibilities and accountability; RA concept similar, with some (mandatory) tweaks

- Organisational **structure** and comm. flows: **formalized**; highly professional, stability/independence from daily politics;
- **Mandate**: formalized with adequate level of **authority/autonomy**, clear/concise/focused;
- Work **group members**: MoF, PMO, LMs, GVT PR, (RA =>+ MEuA); stability and/or substitutes/successors ready;
- **Coordinator** prerequisites: full-time/“all in“, **highly ranked** (M, StS, GD, HRep.), highly **experienced** (seniority, policy/politics), authoritative, proactive, analytical and communication skills, used to coordinate multiple initiatives in parallel;
- Coordinator **closest team** prerequisites: trusted, **highly operational**, effectively **complements any gaps** in expertise/skills of the Coordinator;
- **Sub-coordinators** prerequisites: **compatibility** with the coordinator and closest team and aligned with above requirements; well intraconnected/positioned within own LM/institution).

Coordination, Communication, Cooperation

- An **inclusive approach** in drafting Coordination and Communication plans is highly recommended – comprehensive **understanding of the plan/expectations**,
- **Continuous (internal) coordination, communication** and collaboration including frequent (face-to-face) meetings,
- **(Internal) communication** should stick to prerequisites for „**good journalism**“ – answering who, what, when, why, where, how and assure accuracy, relevance, reliability, conciseness, transparency, clarity, objectivity etc.),
- **Digitally augmented** coordination/communication where needed/relevant,
- **Thoughtful selection/involvement** of staff/stakeholders present at the meetings (e.g. MoF, Treasury, PR, etc.) – accountability, risk mitigation, better implementation,
- **Adaptive coordination/communication** approaches – techniques based on the typology of the stakeholder(s)



Discussion

- Are you able to benefit from implementing good practice generated during the „ERP decade“ by bootstrapping it to RA? What should work with RA, that worked with ERP?
- What would **not** work and hence could you see as gaps/handicaps?
- To what extent do/will you make use of the infrastructure, (human) resources, communication channels, IT and other tools pertaining to ERP? Is there opportunity to streamline, is there risk of unnecessarily duplicating? What/why?

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After lunch – „ice breaker“

Tilen Božič, CEF associate fellow, 10.9.2024

„Ice breaker“

- Select the line that you can relate to,
- Explain what does it mean and how does it relate to you (real or fictitious).

Ice breaker - chose and relate

1. If it was easy... it would be done long ago.
2. If it bothers you that bullets and medals rarely hit the right target, you are the single greatest risk for this project to succeed.
3. Only strong and well nurtured stakeholders can provide traction to a structural reform in times of a (minority) government. A strong government can pull-off a structural reform, but it is highly likely that it will be reversed as soon as the government changes.
4. If the whole political elite says your reform is the most „precious of them all“, it just could be for you or Smeagol, but not for them.
5. Always have a mandate for what you are negotiating and never make assumptions or take decisions that are not yours to make.
6. Your fairness, integrity, transparency and reliability are your aces. Don't give them away (easily). Make detailed notes. Always – you may need them to prove your point... or apologize.
7. Your team can mitigate your handicaps - except for empathy.
8. Fruits that seem to be low hanging, tend to be poisoned.
9. There is no such rule as „silenzio stampa“ (in politics), however, be ready it to use it to your advantage.
10. A rationally, empirically and hence objectively best solution is theory. Practice can usually do better.
11. There is no point into trying to find the logic/reasoning behind each and every position of other negotiating parties, however, it can be fun.
12. Starting meeting/negotiations five minutes late due to one member/negotiator missing out of twelve, costs one hour.
13. If you can't find a way out, skip. Take a break, a walk or go to sleep and then try smarter not harder.
14. Timing and number of negotiation coffee/finger food breaks may significantly speed-up the process.
15. You can find a problem to any solution and leverage it through conflict to a desired level/goal – in some cases provoking an intentional disagreement may have even more value than a yes or a no.
16. Usually, the opinion maker and the decision maker are not the same person – the first is the queen, the later is the king. Treat them accordingly. If they like publicity, may be useful for anchoring/frontrunners.
17. If one of the two social partners starts to praise you, it is likely you made a mistake, if both do, you can be certain you did. Anyone can afford to make a mistake, unless you are the one who makes it.

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Translating the RA into a draft Coordination plan

Tilen Božič, CEF associate fellow, 10.9.2024

Disclaimer

- This presentation was prepared **prior to the appointment of RAC**, his closest team and WG, while the **RA agreement(s) is/are not in place yet** (i.e. expected in a few weeks),
- CEF has not received the underlying documentation pertaining to the RA in MNE, with respect to RA steps, their timeline, and work done so far, etc.
- ...
- Following that, **significant engagement from your side is needed** in order to move in the right direction and combine theory with actual needs,
- **GOAL for today => roles&responsibilities (names) is the key precondition for the coordination plan preparation to move forward.**

What do you want, what do you need and what you can handle? ...and what can be handled by others/at other levels?



Janus-C
(Schempp-Hirth)
Team 1/1



Panthera
(Pipistrel)
Team 1/2



A380
(Airbus)
Team 1/4

A user friendly view – adapted to user(s)/needs

- There are multiple users and different needs, hence in order to make the (master) coordination plan a „user friendly“, it should enable the (co)existence of at least two views:
 - A synthesised/**high-level** insight for the top management (for PMO briefings, GVT sessions, external stakeholders, etc.),
 - An analytical/**micro-level** view that could be seen as „Chopping the A380 cockpit into smaller manageable pieces“ => enables delegating smaller bits to the RA team/WG and cope with the coordination plan at a **micro level** by generating coordinaton sub-plans (e.g. workig with separate LMs/organisations),
- i.e. **zoom-in** (technical/operatives) and **zoom-out** (management/lead) perspectives.

What needs to be and what can be handled (example)?

National Reform and Growth Coordinator (RAC) **mandatory** roles as per RA regulation&agreement(s) – **superhero with superpowers** (or **institution**) needed



- interlocutor for the overall implementation of the facility,
- coordinating the work of all LMs/institutions involved in the implementation of the Reform Agenda (RA) and the Growth Facility (GF),
- Compilation of RA reports and payment requests,
- (requested) documentation forwarding to EC (contribution arrangements, proof of disbursement, data on recipients of funding),
- Assurance on fulfilment of quantitative and qualitative steps,
- Assurance that funds were managed in accordance with all (?) applicable rules (including avoiding conflict of interest, preventing corruption and double funding),
- Ensuring the monitoring of establishment and operationalisation of the internal control system,
- Ensure sound fin. management, transparency, equal treatment, non-discrimination, proportionality,
- Steer and guide monitoring committee,
- Coordination with the anti-fraud coordination office,
- etc.

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Navigating the implementation of the Reform Agenda: Montenegro

Setting-up the draft Coordination plan

Tilen Božič, CEF associate fellow, 10.9.2024

Coordination plan roadmap – facilitated discussion

Limited time => tentative paths to continue this workshop:

- A. Simple high-level** model&discussion **group work**/tasks,
- B. Step-by-step** roadmap with selected (**group**) **work**/tasks (key components, organisational structure, roles),
- C. Deep dive** into single component of the coordination plan with discussion*

*we can dig into stakeholders (mobilisation) and/or assuring the sustainability of priorities or any other, that you deem relevant.

A

Simple high-level model&discussion

Coordination plan components/high-level – facilitated discussion

PROCESS

(steps, timeline, alignment)

Is the process clear to you?

Your key steps are?

Timeline ok? ...

Overall alignment?

OUTPUTS&FEEDBACK

(deliverab., cost., impact, etc.)

What is your main output?

Clear guide, quality indic.?

Feedback timing/comm. ...

Basis for good measures? Expected comm. content?

ROLES

(decisions, responsibilit., etc.)

Role clear to you?

Role clear to management/colleagues?

RA (sub)C role clear? ...

Main roles are?

COLLABORATION and CONNECTIONS

Your main collaborators?

Important connections?

Support each other? How?

Main collaborators and communication channels?

B

Step-by-step roadmap with selected group work/tasks

First things first – where is the starting point?

- **Institutional set-up** and foreseen changes, if applicable,
- **Organisational set-up** and foreseen changes, if applicable,
- **Position** of the RA within the political landscape (importance/priority/support, communication/popularity, expectations),
- **Legal basis** for the RAC, RAC team and WG and its competencies/**obligations** (much more than just coordination => assurance, interlocutor, compilation etc.),
- Latest **status** of the RA (agreement(s), implementation),
- Draft coordination plan (existence) – what was **already done** and can be used as a **basic framework or/and a structured input** (e.g. RA preparatory documents/agreement(s), budgetary/ERP-related documents, etc.),
- **How do you want to coordinate and** how do you want to **be coordinated** (it is not about wishes, but rather about capacity and needs).

First things first – where is the ending point?

- Successfully implemented RA,
- ...?

Starting and ending point determined – where next?

- Key components of a coordination plan - facilitated discussion
- What are the main components?

Starting and ending point determined – where next?

Key components of a coordination plan - facilitated discussion

- **Coordination structure**
- Project Governance
- Stakeholder Identification and Engagement
- **Roles and Responsibilities**
- **Steps and Activities**
- **Timeline and Milestones**
- Budget and Cost Management
- Communication (plan)
- Collaboration Mechanisms
- Risk Management (plan)
- Quality Assurance and Control
- Monitoring and Reporting
- Funds Release Requirements
- Impact Analysis
- Compliance and Legal Considerations
- Review and Improvement
- Documenting/archiving

Coordination plan perspective (remember the A380?) => not everything can/should be squeezed in a single field of view
=> could imagine as pivot table(s) concept (single „huge“ dataset, multiple views)

Key components of a coordination plan - facilitated discussion

Determining the **coordination structure** (determines plan typology):

- **Linear** (functional) – organised by departments (in charge), RAC would have limited power,
- **Project** – project manager coordinating, resources assigned to project, RAC would have „full“ power, units following,
- **Matrix** (hybrid) – „two-headed beast“ with shared authority/power (project manager, functional manager; weak/balanced/strong), where for RA the RAC should be placed higher (i.e. „strong“ more authority than the functional manager),
- **Composite** – combining various project structures,
- **Network** – highly decentralised with external alliances/outsourcing,
- Other.

Key components of a coordination plan - facilitated discussion

Adapting the coordination structure:

Organization Type	Functional	Matrix			Projectized
		Weak	Balanced	Strong	
Project Manager's Authority	Little or None	Limited	Low to Moderate	Moderate to High	Very high
Resource Availability	Little or None	Limited	Low to Moderate	Moderate to High	Very high
Project Manager's Role	Part-time	Part-time	Full-time	Full-time	Full-time
Project Budget control	Functional Manager	Functional Manager	Functional Manager and Project Manager	Project Manager	Project Manager
Project Management Administrative staff	Part-time	Part-time	Part-time	Full-time	Full-time

Key components of a coordination plan - facilitated discussion

Adapting the **coordination structure**:



Let's draw sth/
structure

Organization Type	Functional	Matrix			Projectized
		Weak	Balanced	Strong	
Project Manager's Authority	Little or None	Limited	Low to Moderate	Moderate to High	Very high
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Project Manager's Role	Part-time	Part-time	Full-time	Full-time	Full-time
Project Budget control	Functional Manager	Functional Manager	Functional Manager and Project Manager	Project Manager	Project Manager
Project Management Administrative staff	Part-time	Part-time	Part-time	Full-time	Full-time

Example - understanding/knowing roles to meet expectations

- RAC roles and responsibilities
- RAC closest team (if any) role(s) and responsibilities
- WG role(s) and responsibilities
- Role(s) and responsibilities of WG members
- Roles and responsibilities of LM/institutions staff
- Etc.

Key components identified – where next?

- Drafting the template of a (master) coordination plan - facilitated discussion

* Hint: use as starting point what is already available

Template drafted – where next?

- Fill in the template 3-5 most popular/representative RA steps* in order to test it and get a glimpse of the draft master coordination plan (**work in groups**; aim is to use the draft template in practice and identify gaps/needs for further improvements),
- List/include all relevant RA steps w/o further elaborating them (i.e. further elaboration expected in the following weeks).

* If RA related 3-5 steps cannot be disclosed, please provide any alternative ones that could be deemed relevant.

Master coordination plan drafted – where next?

Get out present and sync in order to:

- Agree/promote the **desired structure/hierarchy** of the coordination plan (e.g. master plan/sub-plans),
- Assure an **inclusive approach** – stakeholders to **propose improvements** to the master coordination plan,
- Request (internal) stakeholders to prepare **coordination sub-plans**, so they take ownership of the process – **reverse-engineering** of the processes and deadlines to **map out the timelines** (i.e. identify critical milestones/risks to stay aligned with the master plan),
- **Align sub-plans** with the master plan,
- Provide a **single support/entry** point (Q&A/permanent support, red-flagging, monitoring/reporting/deliverables, etc.),
- Determine/align **communication channels** and make sure there is somebody responsive/proactive on the other side (role, responsibility, name, contact),
- Finalize the master coordination plan.

Master coordination plan finalized – where next?

- **Present** the master coordination plan **to the relevant (other) stakeholders!**
- Who are they and why do you have to do it?
 - Synchronising with **top level**, so it can play a supportive role,
 - Informing the **external stakeholders**, so they can track and activate, when needed,
 - ...
- Start with the **implementation** of the coordination plan,
- **Loop** => keep the plan relevant and reliable => **regular reviews/updates**; reflecting the changes and allowing for the coordinated implementation of the RA.

C

Deep dive into single component of the coordination plan with discussion

Stakeholders identification and ranking including actual case pertaining to pension reform in SI

Stakeholders – power vs. attitude

- It's subjective, elusive, keeps changing, and there is a lot that you can't do; focus on „can do“
- Depends on „facts and background“:
 - Government strength (minority/majority, priorities)
 - Coalition structure, plan and priorities
 - The nature/content of the SR
 - Timing (start/mid/end of term, position on the economic curve etc.)
 - Team working on the project (size, other workload, expertise, trust, power etc.)
 - Media/public expectations, perception and awareness
 - Etc. (i.e. there is no „one size fits all“)
- Focus/tips
 - Understand stakeholders => is change in position possible/what will it take
 - Forsee the interaction between stakeholders and prevent „landslides“ („plane crash“)
 - Distribute focus/effort accordingly
 - „Tailor made“ approach

	Pro	Neutral	Contra
High power	●	●	●
Mid power	●	●	●
Low power	●	●	●

Stakeholders real example – how did we identify and select them?

- Define the (in)formal process of the SR

setting the scene

Draft project plan
Draft concept and impact estimation

Stakeholder identification and mobilisation

Coalition briefings & feedback

Preliminary coalition approval

(Official) launch

negotiating

Social partners (plenary and negotiation sessions)

Mandate adaptations

Coalition briefings and feedback

Public consultation and feedback (extended)

Opposition briefings and feedback

Inter-ministerial consultation

Coordination with Government Office for Legislation

Final coalition approval

implementing

Government session

Coordinating amendments with Legal service of the National Assembly

Parliamentary plenary and committees sessions (National assembly, National council)

(Post) implementation support

- List relevant stakeholders (down to names & contact details)
- Who nurtures communication? Multilevel but coordinated => the „airplane crash test“

Stakeholders – who, what, when, how, why?

Need	Stakeholder(s)	Role/impact	Frequency	Phase
Assuring and nurturing adequate political support	PM	Sets priorities and provides primary political support	Q	keep in the loop at all times (note that political landscape is changing very fast & memory is short)
	PMs' advisor(s)	Keeps track of the reform, provides feedback from PM	M/W	
	Leaders of coalition parliamentary groups	Approval of (minor) amendments to the negotiations mandate (fall-back, extending/narrowing the scope)	Q	
	Coalition MPs and their expert assistants	Confirm initial mandate for negotiations; align expectations; provide materials for facts based discussions in the parliament	M	
	Opposition MPs and their expert assistants	Change no=>neutral, by openly sharing data, measures and reasoning, highlights of pros&cons from their prospective	Q	
Expert knowledge, data and analytical capacity; additional „free“ brainpower to assure „brain of reasonable scale“	Institute for economic research	Microeconomic pension model (promptly and regularly estimating the financial impact of various measures)	W	D, N
	Pension and disability insurance institute	Historical and current data on pensioners; aligning measures with capacity/practical insight	M	all phases
	Fiscal council	provide all relevant data in order to allow Fiscal council to take a well informed position	Q	D, I
	Government office for legislation	consistency with other legislation; improving the quality of translation of measures into provisions/law	Q	N, I
	Parliament office for legislation	consistency with other legislation; improving the quality of translation of measures into provisions/law; assure there are no major outstanding (legal) issues	Q	N, I
	Ministry of finance	Review and approval of (expected) financial impact(s)	Q	D, N, I

Stakeholders – who, what, when, how, why?

Need	Stakeholder(s)	Role/impact	Frequency	Phase
Building broad (social) consensus	Members of the social council	Name the members of the negotiation groups (two groups, eight rounds each); negotiations; need unanimously positive vote to avoid (lethal) changes to the law in the governmental and parliamentary procedure; provides inertia and resilience	W	N, I
Building public awareness and understanding	The media and general public	Attending TV and radio shows, giving in-depth interviews (numerous); press conferences (two); technical briefings for journalists (two); one-on-one discussions/correspondence with journalists interested in details, reasoning, calculations etc. (numerous); providing updates on status of negotiation, providing alternative view in case of „leakage“ of information from the negotiation room; assuring inertia and resilience of the reform by placing it high on their agenda	W/D	D, N, I
	Various expert and interest groups/opinion makers, NGOs	Presenting the plan, measures, legal and financial implications of the reform at various conferences, roundtables, briefings and other venues/events; assuring opinion makers and interest groups have quality (first hand) data that they readily share and provide relevant feedback during public consultation; obtain information on likely responses/issues that could be raised by interest groups and foresee likely communication channels (identify dummies)	M/W	D, N, I

Phase: D-design, N-negotiation, I-implementation;

Engagement frequency: Q-quarterly, M-monthly, W-weekly, D-daily.

Stakeholders – who, what, when, how, why?

Need	Stakeholder(s)	Role/impact	Frequency	Phase
Being on the same page; echo; anchoring the long term strategy ; additional „brain power“	International organisations (EC, IMF, OECD etc.).	Representatives of relevant international organisations may provide additional insight and share peer countries data and measures; importance of alligning the understanding of issues and solutions; anchoring the structural reform in national strategies and international documents; generating broader goal congruence and assistance in horizontal communication accross ministries and other stakeholders on what has to be done;	Q	D, N, I

Phase: D-design, N-negotiation, I-implementation;

Engagement frequency: Q-quarterly, M-monthly, W-weekly, D-daily.

„Priority“ ... and the risk of reversal

Costing the reform – 9/2022 UK tax changes that didn't happen

- Expected „price“: approx. 1% GDP (reduced tax revenues)
- Actual „price“:
 - most of the proposed Δ (double) reversed immediately,
 - sterling value \downarrow , debt price (spread) \uparrow ,
 - monetary financing of the public debt,
 - 1x minister of finance (Kwasi Kwarteng sacked after one month in office),
 - 1x PM sacked (Liz Tuss, 49 days in office); (triggering temporary) political crisis,
 - (post-Brexit) outlook took an additional blow,
 - etc.

Macro Matters
 5 minute read · September 23, 2022 7:54 PM GMT+2 · Last Updated a month ago

Analysis: UK bonds and pound at centre of storm as tax shock hammers confidence

By David Milliken, Dhara Ranasinghe and Tommy Wilkes



- Summary
- Investors reel at Kwarteng's borrowing plan
 - UK 5-year bonds suffer biggest daily fall in 31 years
 - Sterling falls 3% to 37-year low below \$1.09

The Telegraph News Sport Business Opinion Ukraine Money Life Style Travel Culture Puzzles

How the Tories could force Liz Truss to resign

The Prime Minister's position appears in danger - here we look at how she could be ousted

By Telegraph reporters
19 October 2022 7:35am

Liz Truss's position as Prime Minister appears in danger as some Tory MPs call for her ousting after a disastrous start to her premiership.



Discussion

- How is this relevant for setting priorities with respect to structural reforms?
Fast track adoption of sensitive&complex changes in policy?
- What does a (double) reversal mean/bring to the table?
- What does „priority“ even mean? Adopting first/fast vs. adopting for sure?
Low hanging fruits (tend to be poisoned)?
- What is deemed a failure and whose failure it is?

Introducing real estate property tax in Slovenia – a (high) priority

- It appears UK did not learn from SI – did we? 😊

(what is the value of a (spectacular) failure of this magnitude)

- Why is it (still) called a „**priority**“?

It has been 20 years... (study/mass valuation/tax law adoption&failure to pass the appeal to the constitutional court/abolished&temporary in use of building land...)

- Why it is called „**structural**“?

It will hardly increase tax revenues for more than 0,5% GDP. What are the positive externalities (registers/data/development/spatial planning/transparency/fair-play/tax...)?

- What was/is the process and what **did we learn**?

(force and political power does not do the trick; the basics => who is on board? Importance of stakeholders – who, why... transparency, accountability, (political) endurance etc.)

What (pre)determines a priority –practical example

...naming a „priority“ does not (yet) make a difference.

„Are we there yet?“



Shrek 2, DreamWorks Pictures, 2004



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STRUCTURAL REFORMS BETTER INTEGRATED
WITHIN FISCAL FRAMEWORKS

Navigating the implementation of the Reform Agenda: Montenegro

Next steps in preparing the draft Coordination plan

Tilen Božič, CEF associate fellow, 10.9.2024

On the path to finalizing the RA (master) coordination plan – facilitated discussion

- What are the (un)knowns? What can move forward and what is needed to do so in the foreseeable future?
- **Deliverables and deadlines (who, what, when, why, where, how)?**
- 2nd part of „Navigating the implementation of the Reform Agenda“ event likely to be held in October,
- CEF can help in the meantime – how?

THANK YOU

...and see you soon!

CEF team

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WITHIN FISCAL FRAMEWORKS

