

<b>Internal No.</b>	<b>CEF: FIN 47/2021 MoF Slovakia: 2021/149</b>
---------------------	--

**The Ministry of Finance of the Slovak Republic, Bratislava,**  
hereinafter referred to as "the donor",

and

**The Center of Excellence in Finance (CEF), Ljubljana,**  
hereinafter referred to as "the recipient",

shall, conclude the following

## **Agreement**

### **1. Financial contribution**

The donor shall contribute to the recipient up to 200.000,00 EUR (in words: two hundred thousand euro) for the project "Public Accountants Certification Training Level 2 in North Macedonia (PACT L2 MKD)" referred to in the application dated August 20, 2021.

The allocation may be used solely in accordance with the approved budget specified in the Appendix I: Project Proposal, Appendix II: Intervention Logic; Appendix III: Budget of the Project Proposal, Appendix IV Financial Plan, and Appendix V: Reporting Template.

The allocation shall be used with other financing from other donor, that is SlovenianAid and with the recipient's own funds.

The allocation is approved on the basis of the above-mentioned project application and the budget, both of which are integral elements of this Agreement.

The allocation is intended exclusively to defray outlays necessary for the achievement of the intended purpose of the allocation.

### **2. Authorized period**

The authorized period shall be the time from January 1, 2022 to December 31, 2024.

### **3. Provision of the allocation**

The recipient is aware that in any event it is required to meet all obligations arising under the present Agreement.

### **4. Financing plan**

The Donor shall provide the recipient with the financial allocation of 200.000,00 EUR in compliance with the following payment schedule:

- a) the first instalment of 100.000,00 EUR within 30 days after the entry into force of this Agreement;
- b) the second instalment of 100.000,00 EUR by 31 October 2022.

In accordance with paragraph 1 of the present Agreement and with regard to the items eligible for allocations, Appendix II: Budget of the Project Proposal in the version August 20, 2021 shall be deemed binding.

A realization margin (possibility to transfer funds between the budget lines) of up to 20% of the total allocated funds is allowed. Any changes have to be approved in advance by the donor via e-mail.

The allocation must be used economically. The allocation must not be used to create reserves.

## **5. Provisions of procurement law**

The recipient shall implement the project alone and on his own responsibility. In the event that contracts have to be awarded to third parties for supplies, construction work or services, the recipient must comply with the procurement law applicable to him.

## **6. Safeguarding of rights**

In the case of allocations relating to publications, the recipient undertakes to make available to the donor 3 free copies of each publication.

The recipient undertakes to allow the results of academic/scientific works to be used by the public. The recipient undertakes to make public reference to the financial support in an appropriate manner in agreement with the donor.

## **7. Prevention of corruption**

The recipient undertakes to take appropriate personnel, organizational and administrative measures in order to prevent the allocation from being used inappropriately, as well as to avoid the influence of corruption on the project. In addition, he shall stop all practices which could give rise to allegations of corruption. The donor must be informed immediately if there are indications of violations of the stated aim of the allocation, other evidence or actions that could lead to criminal charges.

The donor may demand repayment of any already disbursed contributions if there are good grounds to believe that these payments have been misappropriated. The recipient will be given an opportunity to comment in advance.

## **8. Payment modalities**

### **8.1. Completion of payments by the recipient**

The recipient may make payments in advance of the consideration only to the extent that this is customary or justified in special circumstances. Any such special circumstances must be detailed in the final report.

### **8.2. Payment of the allocation by the donor**

The allocation shall be transferred at the recipient's request in one lump sum to the following bank account:

Name of the recipient:	CENTER OF EXCELLENCE IN FINANCE
Name of the bank:	UniCredit Bank
Account number:	SI56 2900 0005 1501 134
SWIFT code:	BACXSI22

## **9. Interest**

## 9.1. Interest on the allocation

If the recipient earns interest on the allocation (accrued interest), the donor must be informed in writing. The accrued interest must be credited and managed as project income up until the end of the approved period. Upon expiry of the approved period, the accrued interest must be transferred to the donor.

The accrued interest shall not be absorbed into the recipient's general budget and may not be used to finance project activities. The accrued interest may not be used to offset bank charges incurred.

## 10. Accounting requirements

The recipient undertakes to keep a current record of his finances with regard to the project specified in paragraph 1 of the present Agreement.

## 11. Completion of the agreement

CEF shall notify the donor when all activities relating to the project have been completed in accordance with the project application.

CEF shall notify the donor when all activities could not be brought to an orderly conclusion due to unforeseeable circumstances and/or force majeure events that would prevent CEF from fulfilling their contractual obligations in line with the project application.

In such cases and after all commitments and liabilities have been satisfied, any unutilized project funds under 10 % of the whole allocation shall be reallocated for other CEF activities and spent within the authorization period of this project, thus until 31 December 2024. These unutilized funds can be reallocated by CEF after consultation with the donor.

Should it become clear during or after completion of the project that any part of the allocation in amount exceeding 10% of the total project allocation is not or is no longer needed for the intended purpose, such part – plus any (accrued) interest incurred – shall, immediately and without being asked, be transferred to account no. SK71 8180 0000 0070 0011 5512. The donor must at the same time be informed in writing that this has been done.

## 11. Recipient disclosure requirements

The recipient is required to inform the donor without delay

- if, after the application for the allocation has been submitted, the recipient applies for and/or receives additional financial support from another public institution for the same purpose. The same holds for financial support from third parties;
- if the intended purpose or other circumstances crucial to the approval of the allocation change or no longer apply;
- if it becomes clear that the intended purpose cannot or can no longer be fulfilled with the allocation authorized;
- if bankruptcy proceedings have been opened or applied for with regard to the recipient's assets, or if the recipient ceases his activities for other reasons.

## 12. Right of audit

The donor and his auditing bodies shall be entitled to request books, receipts and other business documents and, if deemed necessary, to examine – or to have representatives examine – on site whether the allocation is being used in accordance with the intended purpose.

To this end, the recipient must have all receipts and documentation available and provide any necessary information during the audit.

The recipient undertakes to keep all original receipts proving income and expenditure, as well as all other documents relating to the financial support, for at least five years starting from the date of submission of the final report.

### **13. Breach of agreement**

The donor reserves the right to withhold or reclaim payment of the allocation or parts thereof, in particular if

- incorrect or incomplete information has been provided in order to obtain the allocation;
- the allocation is not or is no longer being used for the intended purpose;
- it becomes apparent that the intended purpose cannot be achieved, or cannot be achieved with the approved allocation;
- circumstances arise which alter or nullify the intended purpose;
- conditions imposed by the donor cannot be achieved or cannot be achieved within the set period, in particular if the required proof of employment of funds cannot be submitted on time and if the disclosure requirements set forth in paragraph 11 of the present Agreement are not met;
- bankruptcy proceedings have been opened or applied for with regard to the recipient's assets. In this context it must be remembered that all payments must immediately be discontinued and any funds already disbursed must be audited.

The donor shall give the recipient the opportunity to present his position before payments are discontinued or reclaimed.

### **14. Reports**

The recipient shall submit interim reports on a semi-annual basis (August 31, 2022 (for period January 1, 2022 - June 30, 2022), February 28, 2023 (for period January 1, 2022 – December 31, 2022), August 31, 2023 (for period January 1, 2022 – June 30, 2023), February 28, 2024 (for period January 1, 2022– December 31, 2023), August 31, 2024 (for period January 1, 2022 – June 30, 2024)).

Each report should include a financial update covering direct costs, CEF staff costs, and CEF overhead accrued for the delivered activities, a short narrative about the activities delivered, their evaluation and lessons learned, as well as relevant supporting information, for example, participant lists and agendas of delivered activities.

#### **14.1 Final report**

The recipient shall submit the final report to the donor within 60 days after the completion of project activities at the latest. The final report shall comprise a narrative report and financial report.

The narrative report must give detailed information about how the allocation was used, describe the measures implemented, present the result achieved and state to what extent the intended purpose has been achieved. In the report the recipient should explain the main positions of the statement of account and justify the necessity and appropriateness of the completed project activities.

The financial report must give separate information about income and expenditures.

#### **14.2 Confirmation**

The final report must contain confirmation that the expenditures were necessary, that the allocation was used economically and that the figures contained therein coincide with those in the books and original receipts.

#### **14.3 Submission of original receipts**

If the donor so requires, the recipient is obliged to submit the relevant receipts in the original.

#### **15. Jurisdiction/arbitration clauses**

The contracting parties shall take measures to settle any problem concerning a dispute, difference of opinion or claim arising from or relating to this Agreement by direct negotiation. The same shall apply to issues concerning the breach, termination or invalidity of this Agreement.

Should no solution be found in this way, the contacting parties agree that Slovenian law shall apply. The dispute shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules. The place of arbitration shall be Ljubljana.

#### **16. Amendments**

The Allocation Agreement may only be amended in whole or in part by written agreement between the donor and the recipient.

#### **17. Entry into force**

This Agreement shall become binding upon signature by the authorized representatives of the Parties and shall become effective on the day following its publication in accordance with the legislation of the Slovak Republic.

The recipient explicitly acknowledges with the publication of this Agreement in the Central Register of Contracts administered by the Government Office of the Slovak Republic and at the web page of the donor, subject to the prior redaction of information that the Parties agree is appropriate for redaction, which cannot be inconsistent with legislation applicable in the Slovak Republic.

Bratislava, October 20, 2021  
For the donor:

Ljubljana, October 1, 2021  
For the recipient:

---

**Igor Matovič**  
Minister of Finance of the Slovak Republic

---

**Jana Repanšek**  
Director of the CEF

Appendix I: Project Proposal  
Appendix II: Intervention Logic  
Appendix III: Budget of the Project Proposal  
Appendix IV: Financial Plan  
Appendix V: Reporting Template

## Project Proposal

# **Public Accountants' Certification Training Level 2 in North Macedonia (PACT L2 MKD)**

**August 20, 2021**

## Table of Contents

<b>List of Abbreviations</b> .....	7
<b>Project Summary</b> .....	8
<b>1. Situational Analysis</b> .....	9
1.1. General note on the reform efforts in the Republic of North Macedonia .....	9
1.2. Specifics of the PAR and PFM Reforms and Complementary Projects .....	10
1.3. Baseline Assessment .....	11
1.4. Assessment of the Beneficiary’s Ownership Level and Absorption Capacity.....	12
1.5. CEF work in public accountants training area and achieved results in North Macedonia.....	14
<b>2. Result Framework</b> .....	17
2.1. Overall Objective and Project Outcomes.....	17
2.2. Outputs and Activities .....	17
2.3. Beneficiaries and Target Groups .....	22
<b>3. Risks</b> .....	22
<b>4. Visibility</b> .....	23
<b>5. About CEF – CIPFA</b> .....	23
<b>6. Budget:</b> .....	25
<b>7. Logic framework</b> .....	25

## List of Abbreviations

CEF	– Center of Excellence in Finance
CIPFA	– Chartered Institute of Public Finance and Accountancy
IPSAS	– International Public Sector Accounting Standards
LWG	– Localization Working Group
MFA	– Ministry of Foreign Affairs of Slovenia
MoF	– Ministry of Finance of North Macedonia
PACT	– Public Accountants Certification Training
PAR	– Public Administration Reform
PFA	– Public Finance Academy
PFM	– Public Financial Management

## Project Summary

The Center of Excellence in Finance (CEF) proposes, at the request of the Ministry of Finance of North Macedonia (MoF), the project *Public Accountants' Certification Training Level 2 in North Macedonia (PACT L2 MKD)*. The project concept and activities are designed to support public sector reforms in North Macedonia with a focus on accounting function, and with the following expected outcomes:

- Widened pool of North Macedonia public sector accountants with knowledge and skills in line with international accounting standards and best practices.
- Fulfilment of conditions for local implementation of continuous public accountants' certification training.

The project entails internationally recognized (Chartered Institute of Public Finance and Accounting, hereinafter CIPFA) certification training of public accountants (up to 25), training-of-trainers of local tutors (up to 12) on the diploma level (level 2), proposing best possible options for efficient embedding of the certification training in the North Macedonian legal system and practice (localization), and training of a local take-over institution to efficiently and independently run certification of public accountants. Attained professional knowledge and skills of public accountants as well as trained local tutors to train in local language, and setting of legislative, technical and logistic conditions for independent running of the training, directly and sustainably respond to reforms of public accounting in North Macedonia.

Envisaged project duration is two years (2022-23) with possibility to finalize the implementation by the end of 2024, should the pandemics or other unforeseen or *vis maior* circumstances require so.

The Ministry of Finance of North Macedonia (MoF) has identified learning needs and corresponding activities that address reforms in the area of public sector accounting and capacity development of accounting practitioners in the public sector. Acknowledging project-based support delivered so far by the CEF and taking into account CEF's relevance in the field of the planned reforms, the MoF requested additional support from the CEF through implementation of a certification project on level 2 (diploma level), i. e. building on and deepening the results achieved together in the preceding project on level 1. The Minister of Finance of North Macedonia reflected on the MoF's needs and ownership in a letter of request for the training support in the area of public financial management and control, dated January 27, 2021 (Attachment 01).

From the perspective of Official Development Assistance (ODA), the project corresponds to SDG 16 (Peace, justice and strong institutions) and SDG 17 (Revitalize



the global partnership for sustainable development)<sup>1</sup> by focusing on the increased government financial transparency and accountability. This project will also support resilient response to public finance challenges caused by COVID-19, by strengthening internal capacity of the MoF to improve financial reporting and generate quality financial information crucial for sound decision making.

This project proposal is submitted for co-funding to the Slovenian Aid and Slovak Ministry of Finance. The beneficiary institution (MoF) and the CEF (from its core budget provided by the Slovenian Ministry of Finance) will provide in-kind contributions.

## 1. Situational Analysis

### 1.1. Reform Efforts in North Macedonia

The MoF takes decisive steps towards accountable and transparent public financial management. In autumn 2020, the MoF launched [SMART](#) (strategic, maintainable, accountable, reform-oriented and transparent) finance framework, targeting multiannual budgeting, fiscal consolidation, economic recovery and growth by acknowledging socially vulnerable groups, supporting the economy and preserving jobs, as well as strengthening public institutions in line with the Euro-Atlantic accession priorities.

The SMART finance concept is aligned with the [Action Plan for Recovery of Growth and Jobs](#) that, *inter alia*, prioritizes human resource development in the public and private sectors, as well as policies aiming at eradication of corruption and capacity building of state institutions. Implementation of the Action plan was prompted by the pandemic caused urge for economic recovery.

The Strategic Plan of the MoF (2021-2023)<sup>2</sup> identifies establishment of a Public Finance Academy as one of the priorities in 2021, lining-up departments and staff in charge of developing Law on Public Finance Academy.

---

<sup>1</sup> SDG 16: *Peace, Justice and Strong Institutions* and target 16.6: Develop effective, accountable and transparent institutions at all levels. By enhancing public sector accounting, project supports transparency and accountability of North Macedonian public institutions, especially having in mind consequences of COVID-19 on public finances.

SDG 17: *Revitalize the global partnership for sustainable development* and target 17.9: Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the sustainable development goals, including through North-South, South-South and triangular cooperation. Importance of global partnerships is even more crucial due to COVID-19 pandemic.

<sup>2</sup> <https://finance.gov.mk/strategic-planning/?lang=en>

## **1.2. Specifics of the PAR and PFM Reforms and Complementary Projects**

The MoF demonstrates considerable commitment to public finance reforms, more concretely in the area of public sector accounting reform, legislation improvements in the area of budget, financial information systems and internal control. These commitments are emphasized in many strategies and programs developed in the previous years, and require sustainable human resource development as main driver of reform implementation.

The Public Finance Management (PFM) Reform Program (2018-2021)<sup>3</sup> as one of the measures underlines increased transparency of government financial reporting as well as implementation of a financial management information system (FMIS). To achieve these milestones, the MoF will have to ensure better coverage and comprehensiveness of financial reports and increase knowledge of accountants in the area of international accounting standards. An additional milestone planned to be achieved by the end of 2021 is the adoption of the Law on Establishing the Public Finance Academy (PFA), as an organizational unit within the MoF. By establishing such unit, the MoF will set a stage for certification training and continued professional development of public officials. PACT is envisaged as one of the core training programs of the PFA.

The Public Administration Reform (PAR) strategy (2018-2022)<sup>4</sup> focusses on developing the professionalization and merit-based system of assessment and remuneration in public sector. Plans for enhanced integrity and transparency are in the center of human resource management in the entire public sector. The Economic Reform Programme (ERP) (2021-2023)<sup>5</sup> also points out the importance of establishing an FMIS, as well as improvements that will be made in the area of fiscal management by approving a new Budget Law.

A Draft Budget Law<sup>6</sup>, currently tabled for parliamentary deliberation, shall regulate the entire budget process: budget preparation and approval, execution, final account, reporting, fiscal discipline and transparency. The draft law shall improve the PFM system and provide the legal background for the implementation of a new FMIS.

In December 2020, the MoF submitted to the Parliament the Draft Law on Public Sector Internal Control System<sup>7</sup>, that in Art. 7 comprehensively elaborates the role of public financial management for the purpose of proper, ethical, efficient and effective public finance use and their protection from loss, abuse and damage. The same article places accounting as key for achieving these goals. To uphold development of skills

---

<sup>3</sup> <https://finance.gov.mk/public-financial-management-reform-programme-2018-2021-5/?lang=en>

<sup>4</sup> <https://mioa.gov.mk/?q=en/node/2381>

<sup>5</sup> <https://finance.gov.mk/economic-reform-programme-2021-2023/?lang=en>

<sup>6</sup> <https://arhiva.finance.gov.mk/en/node/9180>

<sup>7</sup> <https://arhiva.finance.gov.mk/en/node/9213>

necessary for proper and efficient financial management, the Law prescribes (Art. 27) establishment of adequate training that should be developed by the MoF by-laws.

In addition to MoF and Government priorities in this area, the following complementary projects currently run in North Macedonia:

- EU twining project “[Strengthening Budget Planning, Execution and Internal Control Functions](#)”<sup>8</sup>, implemented by the Netherlands, Latvia, Croatia and Bulgaria. This project aims to establish an institution for capacity development of public sector officials. The CEF complements this project already, by supporting the Public Finance Academy to localize PACT program.
- Technical support of World Bank “Advancing PFM Reform Implementation in North Macedonia” that supports the MoF implementing a FMIS.
- IMF FAD and OECD implement capacity development projects in the area of transparent and accountable PFM. The CEF cooperates with them in the area of learning and knowledge sharing among public sector officials.
- “Fiscal Implications of Structural Reforms (FISR)”, funded by the EU and implemented by the CEF to strengthen analytical and costing skills of public officials, coordination inside and between governmental institutions and regional cooperation
- “[Revenue Administration and Public Financial Management in South East Europe](#)” project funded by the EU and Swiss Federation and implemented by the IMF. The project funds IMF FAD regional advisors’ station at the CEF and JVI and supports economic governance and public financial management in six pre-accession countries, including North Macedonia. Offices and administrative support at the CEF are in-kind contribution from the Slovenian Government through the CEF.

### **1.3. Baseline Assessment**

Both, through its governing structure and through its operations, the CEF maintains regular communication with public accounting reform stakeholders at all levels. A focus on embedding of the public accounting certification training has been proven especially through implementation of CEF learning activities, where the initiative was expressed from various stakeholders: accounting and internal audit practitioners in ministries of finance, line ministries, state audit offices and other public agencies, as well as academia and professional associations. Field visits and targeted communication with the stakeholders enabled the CEF to accurately assess the situation in the field and map the relevant and devoted actors who are able and willing to uphold efficient take-over of the training by the local training institution. A constructive communication with the MoF cabinet resulted in establishment of the Localization Working Group within the ongoing PACT level 1 project, where most relevant and dedicated stakeholders are appointed members.

---

<sup>8</sup> <https://finance.gov.mk/strengthening-budget-planning-execution-and-internal-control-functions/?lang=en>

A vibrant partners' management within the CEF institutional structure and culture, allowed for direct access and exchange of information with other donors and implementing parties involved in the public accounting reforms in North Macedonia (e.g. leaders of the Twinning program "Strengthening Budget Planning, Execution and Internal Control Functions"). Efficient partner relations enhanced synergetic approach towards crucial milestones for the take-over process: establishment of a training academy and development of its program; drafting of new legislation on the budget system, public internal financial control, and role of the training academy; and finally, positioning the training of public accountants as a vital contribution to the MoF and other donors' efforts in the area of public accounting reforms.

Situational analyses of the public accounting system and practice points at cash-based principle that records the revenues and expenditures at the moment of cash transfer. The MoF is aware of the benefits from switch to accrual accounting that records all revenues and expenses as they are generated, thus providing more accurate and long-term picture on the public entity's financial conditions. With cash-based system, as is the case of North Macedonia, the obligation to monitor and report liabilities is not reliable and accurate. Monitoring of fixed assets (buildings, machinery, equipment, etc.) is not done in a systematic way while no accounting rules are set for their valuation. Equally important, organizational planning is done without accurate information on the long-term liabilities and expected revenues.

Within a larger-scale aspect of accounting system reform, the MoF invited CEF as a learning organization, to tackle important area of capacity development of public accountants.

Focusing exclusively on the capacity development of public accountants in line with international accounting standards and best practices, outcomes of the baseline survey both through partner relations and work within past projects' localization working groups are as follows:

- North Macedonian public sector accountants are not bound to professional certification (and *vice versa*, earned accountant certificates are not recognized as professional credentials within the public sector systematization)
- the North Macedonian civil sector does not implement a structured and regular trainings for public accountants
- the MoF is in the process of introducing the Law on Establishing a Public Finance Academy.

#### **1.4. Assessment of the Beneficiary's Ownership and Absorption Capacity**

Most recently, despite challenges caused by COVID-19, the CEF closely cooperated

with the MoF in the area of capacity development of public sector accountants ([certification training of public accountants on level 1](#)), and supported regional cooperation of North Macedonian public officials through the EU-funded FISR project. This close and continuous cooperation resulted in open discussions on senior and middle managers' level regarding the final action towards efficient embedding of the certification of public accountants and training of one cohort of students and tutors in the area of advanced public accounting.

In late June 2021, the MoF representatives expressed readiness to take over the certification training within its to-be-established local training institution for public finance practitioners (Public Finance Academy), and to deploy the body knowledge and skills attained during the certification training delivered by CEF for the independent running of the local certification training of public accountants.

At the occasion of the opening of the CEF-CIPFA conference on “Supporting Accounting and Auditing Developments and Synergies”<sup>9</sup>, the Minister of Finance of North Macedonia, Fatmir Besimi, stated in his opening speech that new laws on the Budget and Public Sector Internal Control Systems provide legislative basis for reform in the PFM area. He announced reform in the area of budget accounting through a new FMIS, and invited the CEF and CIPFA to support these endeavors with their learning and knowledge sharing and technical expertise.

The MoF also committed to appoint and provide the labor of a local coordinator who would be the interface between the MoF, the CEF and students. The MoF will also provide premises for training and knowledge assessment, e.g., at the new PFA.

Regarding the absorption capacity, the main stakeholders are trained tutors and certificate holders from past generations who establish a critical mass for the switch of mindset related to public accounting reforms amongst the practitioners, and who are crucial resource for knowledge transfer within the future PFA. The MoF recognizes the donors and CEF's investments in the past years, and intends to involve already trained actors in the future structured form of local certification.

The approach to general PFM reforms (SMART concept) and political consensus of the governing coalition<sup>10</sup> accelerates reforms in the area of public accounting by demanding higher quality financial information and thus proficient and committed holders of accounting functions. In this regard, political environment demands and is

---

<sup>9</sup> <https://dzt.mk/en/210702-international-conference-supporting-accounting-and-auditing-developments-and-synergies>

<sup>10</sup> [Statement](#) of the Deputy Prime Minister in charge of anti-corruption, and crime, sustainable [development and human resources](#), Ljupco Nikolovski: “*Some of the measures we are undertaking as a government are aimed at devising systemic solutions, thus providing for prevention of corruption and ensuring transparency when spending the public funds. Public fund management should be geared towards meeting the needs of citizens and rational spending of the budget funds.*”

ready for both continuous, locally run certification framework, and fully authorized managers of accounting function in public institutions.

### **1.5. CEF work in the Area of Public Accountants Training and Achieved Results in North Macedonia**

During 2007-2016, the CEF promoted a community of several successful PACT student generations, which evolved into a local professional network of public accountants. For the first time in 2007-2011, we met the need to strengthen accounting profession in North Macedonia. With the World Bank funding, we helped 25 students obtain a certificate (level 1) and 23 students a diploma (level 2) in international accounting. The next iteration of certification training was offered in 2012-2013 and resulted in 24 awarded certificates. It was funded through grants by the World Bank, Slovenian Ministry of Foreign Affairs and the Central European Initiative. The most recent project was implemented in 2014-2016. It encompassed the training on both levels – the certificate level for a third generation of accountants, and the renewed diploma level for a second generation of certified accountants; and resulted in certification of 10 accountants and awarding of diplomas to 9 accountants.<sup>11</sup>

All past PACT programs were done in accordance with learning scheme of CIPFA, a renown UK-based institute for professional certification of public accountants. CEF is the first organization that CIPFA granted the right to translate training materials from English to local language, which is a rarity as such worldwide. Internationally recognized certification training in local language vastly responds to immense needs and coincidentally limited capacities of participants to follow internationally recognized training and pass exams in English language. This is especially the case with public sector accountants in South East Europe, and even more so for local self-government levels or state agencies that do not require knowledge of English language from appointed accountants.

In the period 2016-2018, reforms in this were put on hold due to changes in Macedonian government which influenced the prioritization of public sector reforms, as well as often changes in the management structure of the MoF. With newly appointed administration in 2017, then-minister Tevdovski recognized the importance of the reforms in the area of public sector accounting and approached the CEF in 2018 with intention to continue with PACT on both levels (Attachment 02).

Following joint fundraising action undertaken by the MoF and CEF, in 2020, the

---

<sup>11</sup> A first generation of certified and diploma awarded generation of public accountants (2007-2011) was enrolled in a related previous program; whereas a second and third generation of certified public accountants (2012-2013, and 2014-2016), and a second generation of diploma awarded accountants (2014-2016) completed the training as per the renewed program 'PACT')

Slovenian Aid committed to fund level 1 training (certification level) of PACT in North Macedonia. Despite the COVID-19 pandemic, 35 students enrolled in the program, and in autumn 2021 the training will be concluded. Due to circumstances, the entire program was delivered online, with tutors creating content for online environment. Additionally, CEF included discussions on COVID-19 implications on accounting from the perspective of each module, new knowledge products on asset management were developed and role of accounting and auditing profession was discussed with high-level counterparts.

After several iterations of PACT in the past, the current project partners (MoF and CEF) accelerated work on the local take-over of the program. In this regard, the Minister of Finance appointed a Localization Working Group (LWG) composed of representatives of the MoF, academia, and the CEF, with tasks to assess the existing capacities and needs for training implementation, and to address the requirements for institutionalization and localization of the certification program.

MoF has appointed a Cabinet official, a Head of Financial System Department and a Project Local Coordinator as members of LWG. By involving Cabinet into work of LWG, ownership of localization process is enhanced and direct communication with Minister is ensured, as well as project coordination with other departments. Financial System Department is in charge of all legislation changes and strategies in the area of public sector accounting and as such adds leverage to work of LWG in the area of accounting reforms.

In cooperation with other group members, a survey on capacity development needs and a SWOT analysis of localization of training options has been developed, and the next step will be integration of findings into a set of recommendations for localization of the. Given that the MoF aims to localize training through the Public Finance Academy, these recommendations will include summary of next steps for successful localization and suggested representatives that should be included in the next LWG.

To help set up the new academy, the CEF will provide upon request of the LWG additional advice and experience sharing in serving as a training provider and knowledge hub. This may include, for example, the promotion of a learning culture, development of knowledge partnerships with other stakeholders, ensuring sufficient funds for continuous learning and knowledge sharing; different methods for capturing, packaging and sharing of knowledge; effective communication about learning; and systematically monitoring and evaluating different learning outcomes. Once the new academy is established, the CEF will encourage the nomination of its coordinators whom it will gradually prepare for running the PACT program.

The programs implemented by the CEF in the past years provide a good basis to enable successful PFM reform implementation in North Macedonia. They established

a critical mass of tutors and students for enabling sustainable training run by a local institution and provides a firm basis for a quality, internationally recognized certification that would enhance the quality of financial management and reporting, assisting Macedonian decision makers in their aspiration to bring PFM and decision-making to a higher level, and promote the professionalization of public sector accountants.

SCHEME of PACT:

# PROGRAM CONTENT

## CERTIFICATE MODULES

### MANAGEMENT ACCOUNTING

Scope of management accounting in public sector organizations, including ensuring sustainability of resources; the role of budgets, budget execution, and budgetary control in short- and medium-term financial plans; recording cost data and using costing techniques; applying management information in decision-making.

### FINANCIAL ACCOUNTING

Work environment and ethical standards of professional accountants; accounting fundamentals and principles of double-entry accounting; preparation of accounting records that meet the standard financial statement assertions and requirements of selected IPSAS; preparation of simple financial statements for sole traders; maintenance of accounting records and preparation of financial statements.

### NATIONAL PUBLIC FINANCE AND ACCOUNTANCY LEGISLATION AND TAXATION

Overview of legislative plans in public finance; structure of the country's public sector; principles and practices of government accounting; budgeting and accounting system; sources of revenues, including taxation, fees, rents and charges; key elements of income and expenditure; administration and accounting of salaries, wages and pensions for public employees; legislative and organizational framework of the Office of the Accountant General; legislative setting of public contracts; formation and operation of companies.

## DIPLOMA MODULES

### AUDIT AND ASSURANCE

Scope and legal, regulatory and ethical environment in which audits are performed; risk assessment and planning procedures required by internal and external standards; preparation of working papers on the testing performed to obtain sufficient and appropriate audit evidence; use of audit evidence to form an audit opinion; preparation of working papers on audit finalization procedures; role of internal audit and related tasks.

### FINANCIAL MANAGEMENT

Role of financial management and the economic environment in which organizations operate; financial institutions and markets that facilitate financing; role of treasury management and application of the tools and techniques used to manage financial risk; financial investment appraisal techniques to evaluate capital projects; calculation of external and internal prices, taking account of relevant economic and organizational factors; effective working capital management techniques.

### BUSINESS AND CHANGE MANAGEMENT

Application of key tools and techniques to ensure successful project management, including specific issues associated with IT projects and process change; techniques to deliver successful programs; approaches and techniques to plan change, manage the change process and embed new ways of working; techniques to commission services to bring about change and achieve strategic outcomes, and to procure the goods, works and services required by a business.

### PUBLIC SECTOR FINANCIAL REPORTING

The external financial reporting framework for the public sector; preparation of key external financial statements by applying relevant accounting standards; regulatory framework for measuring performance in public sector organizations.

In accordance with CIPFA setting and requirements, the PACT is composed of two levels, where the first level (certificate) targets junior to mid-career accountants, and the second (diploma) level targets mid- to senior career accountants. Certificate level comprises of two international modules, and a national module that is drafted and edited by the beneficiary (ministry of finance departments, tax administration and



public procurement agencies, and other relevant public finance oversight bodies. Holders of certificates at the first level are eligible to enroll to second, diploma level, and *vice versa*, possession of a certificate on the first level is a condition for enrollment at the second level.

Each training level takes up to one year of demanding studying (in classroom and home work) and examination. Each module is thought by a team of local trainers that is carefully composed of academics and public service practitioners. In classroom, lectures take learning blocks of 5 to 10 days (6-8 hours of lecturing). Besides technical knowledge, local tutors are trained to motivate students, assist them at all learning stages, and smoothen the burden of rigorous technical knowledge standards. CEF and CIPFA undertake quality assurance measures that ensure standards' observance and thus credibility of the program.

After certification (level 1) of 57 public officials and awarding of diplomas (level 2) to 8, the MoF recognized the need to strengthen the pool of advanced, level 2, diploma holders. This complete capacity development aim goes hand-in-hand with the MoF priority to reform public accounting sector.

## **2. Results Framework**

### **2.1. Overall Objective and Project Outcomes**

The overall project objective is to support the public sector accounting reform in North Macedonia, as crucial element of stronger PFM.

Specific project outcomes that contribute to the achievement of this overall objective are:

1. Widened pool of North Macedonia public sector accountants with knowledge and skills in line with international accounting standards and best practices.
2. Fulfilment of conditions for local implementation of continuous public accountants' certification training.

### **2.2. Outputs and Activities**

Expected outputs that will contribute to their achievement are:

- Successfully delivered training for a generation (up to 25) of public sector accountants on diploma level
- Local tutors (up to 12) trained on modules' content and obtained skills and capacity to independently run training at diploma level

- International material translated, updated and delivered to local training institution
- Delivery of localization recommendation and advice on reforming relevant legislation and by-laws, as per demand and agreement of the LWG
- Established conditions for local implementation of training (which includes training of up to 2 employees of takeover institution on independent delivery of training process, study visit of local coordinators to Human Resources Management Authority of Montenegro and enabling local takeover institutions to deliver 90% of training activities independently).

Planned activities will be delivered in the period between January 1, 2022 and December 31, 2023, with potential extension to 2024, should the pandemics or other unforeseen or *vis maior* circumstances require so. All activities contribute to one or both outcomes. In order to ensure responsiveness of project to any occurring challenges, especially taking into account possible COVID-19 restrictions, activities can be transformed into online or hybrid formats.

During the project implemented in 2020-2021 that coincided with general limitations due to COVID-19 pandemic, the CEF has completely transformed delivery of the PACT and projects activities into online learning. For the proposed project on diploma level, the CEF envisages a combination of face-to-face and online formats, using best practices and lessons learnt. Therefore, the CEF aims to include positive sides of both approaches – community building and information sharing during in-person meetings, and efficiency and safety of online collaboration. Listed activities, especially localization related, will include discussion on consequences of COVID-19 on public finances and work of employees in the public sector.

Experience from the previous period was used in budget planning too, e. g. with respect to ensuring sufficient flexibility to make adjustments in response to unforeseen developments like pandemic. In case of any significant savings, we will adjust project workflow and redistribute funds to provide additional learning and capacity development of officials, e. g. by engaging them in additional learning opportunities.

Activities that will be delivered during this project are:

**a. Introductory meeting with training candidates, selection of students, official opening event and training inception (first half of 2022)**

An introductory meeting with training candidates, selection of students and official opening event will be organized jointly with the MoF. These activities envisage dissemination of essential information to all project stakeholders, and supporting the MoF in selecting the best candidates and ensuring their commitment. The official opening event will aim at project visibility, capturing aspirations and challenges in developing the public accounting professions, and promoting public accounting

reforms in North Macedonia.

Criteria for student selection is twofold--fulfillment of a condition of having earned PACT L 1 certificate and assent for enrollment by the MoF, taking into account the purpose of PACT L 2 training.

Target audience for PACT L2 involvement will be a carefully selected group of past successful students on level 1. CEF will also advise MOF that selection of students should be made on the students' role of change-makers in their institutions and departments.

The CEF will make sure that the MoF takes into account strategic priorities in providing assent to candidate students and is well informed on the structure and content of PACT L2, which targets mid-senior accounting practitioners (accounting department managers, their deputies, or individual accountants that are responsible for more complex accounting tasks).

The MoF will ensure that students' employers award the time necessary for studying during the PACT L2. To ensure minimum attendance, CEF will propose to the MoF to sign with students' contracts that stipulate an attendance threshold and requirements for successful conclusion of the training.

**b. Selection and training of trainers on methodology and substance, and delivery of training materials (2022)**

The training of trainers aims at enabling local experts to efficiently support learning (in the classroom or online). The ultimate aim is to create sufficient local capacities for independent delivery of training at the local level.

Invited candidate trainers will be trainers from previous PACT generations, top students from previous generations, and renown local experts. Training on substance will be delivered by the CIPFA, while the CEF will deliver training of trainers on learning methodology. Trainers will be also trained to deliver online trainings. Translated training materials of international modules<sup>12</sup> will be handed over to the MoF and a representative of a future provider of locally run training.

**c. Localization of public accountants' certification training and support to local training institution**

The CEF will provide support to local stakeholders, the MoF and the local training

---

<sup>12</sup> Audit and Assurance (AA), Financial Management (FM), Business and Change Management (BCM), and Public Sector Financial Reporting (PSFR).

institution, which will take over the main role of training provider. For that purpose, the CEF will provide mentorship during the entire project tenure.

Local institutions and coordinators will be given the opportunity to experience modern approaches to online training and coordination. The CEF and the Montenegrin Human Resources Authority that has successfully and most recently taken over the PACT program in this country will share with North Macedonian beneficiaries the administrative and coordination skills that meet standards of continuous, professional and user-friendly training. A study visit will be organized for the North Macedonian training institution to the Montenegrin Human Resources Authority; and the budget permitting, an additional study visit to the CEF will be organized.

The main purpose of the localization process is handover of the PACT L2 program to a local take-over institution that will be assigned by the MoF to independently deliver the training, i. e. the envisaged PFA.

The CEF will enable the MoF and the take-over institution to independently run PACT program that will be adapted to local legal framework applicable to the public sector accounting function. Coincidentally, the CEF will facilitate a LWG that will be established by the MoF, with indicated goals and deliverables. From this perspective and from the past CEF experience of facilitating LWGs, the main goals of the LWG would be to deliberate available options, to propose official recognition of the title of certified/diploma level accountant in the public sector within the legislative framework of North Macedonia, propose mandatory certification training for public accountants, and make an official proposal on the most adequate training institution that should independently implement training, as well as structure encompassing the training program adoption, quality check, selection of the program trainers, data protection, financing and other areas required for independent and efficient certification training. The LWG will be offered the opportunity to work with international experts on the identification of necessary legal changes to implement the legal framework for professionalizing the public sector accounting profession and help with drafting of related by-laws and documents. CEF will engage one expert with technical knowledge on the public accounting reforms and specifically, aspects of certification training for accountants. One or two additional experts with policy-making background in their own administrations will be engaged if LWG stresses out a need for such expertise.

Should the LWG bring forward also the need for help with promoting public accounting reforms, the CEF will within the available project funding consider engaging additional international experts to share other countries' experiences, and/or encourage the involvement of local experts in the reform discussion. The LWG will include representatives from all relevant departments involved in the localization process. Framework terms of reference of international experts are outlined in Attachment 03.

The CEF will also recommend approaches for efficient delivery of online training based on the training needs in the public sector (good practices of coordination and organization of distance office work/telework, and risk assessment in this area).

**e. Preparation of training materials, delivery of training and knowledge assessment<sup>13</sup>**

This activity will be delivered through following actions:

- Preparation of training materials, delivery of training and knowledge assessment for **Module 1, Audit and Assurance (2022-23)**  
The module focuses on the role of quality control in contemporary management systems and responsibility assurance through the efficient audit techniques.
- Preparation of training materials, delivery of training and knowledge assessment for **Module 2, Public Sector Financial Reporting (2022-23)**  
Students will attain solid knowledge and skills in the area of public sector financial reporting, especially in regard to presentation of financial transactions, introduction of international financial reporting standards (IFRS) and preparation of financial reports.
- Preparation of training materials, delivery of training and knowledge assessment for **Module 3, Financial Management (2022-23)**  
The module elaborates principles of financial management in decision making. The focus is on organizational context of financial management and understanding and diligence in relevant financial management skills.
- Preparation of training materials, delivery of training and knowledge assessment for **Module 4, Business and Change Management (2022-23)**  
The module outlines practical aspects of organizational change and implementation of efficient programs and projects. Participants are thought on processes and techniques of change planning, including the steps essential for efficient program and project management. The module also elaborates the human resources management principles and processes improvement.

**f. Delivery of certificates - awarding ceremony (last quarter of 2023)**

Successful students who finalize PACT (pass four exams), will be delivered a CEF-CIPFA diploma. The MoF, the take-over institution and the CEF will organize an official event where successful candidates will be handed over their diploma. The purpose of this event is the promotion of development of the accounting function and celebration of achievements in the area of localization.

**g. Reporting, communication, visibility and technical support (2022-23)**

The CEF will regularly and proactively report to beneficiaries and partners on the project activities and achievements. The CEF will make short interviews on the project results, and tutors and students' impressions on the project delivery. Project related news and announcements will be published on the CEF web page.

---

<sup>13</sup> See Scheme of Level 2 outlined on pp. 10

### **2.3. Beneficiaries and Target Groups**

The MoF is the main institutional project beneficiary, the localization owner and in-kind contribution provider. Besides the MoF, the beneficiaries are also the public institutions whose employees are enrolled as students or engaged as trainers.

The secondary project beneficiaries will be the oversight, regulatory and professional institutions that urge and support reforms of the public sector accounting, and that benefit from enhanced public sector accounting profession that can promote reforms in the accounting area. Deliverables of the project will be coordinated with other stakeholders, and so establishing a synergy with wider reform endeavors.

The final beneficiary of the project will be the citizens of North Macedonia as tax payers and beneficiaries of the state services. Through professionalization of the public sector accountants, the project will contribute to an increased level of financial transparency, government accountability and financial data quality necessary for sound decision making on public funds.

Equally important, the MoF will be responsible for gradual take-over of certification and diploma content and methodology, and lead the localization process towards final take over by a local training institution.

Individual beneficiaries are students, who will be selected as described in part 2.2.a.

## **3. Risks**

The CEF identified the following risks that can jeopardize successful delivery of the project and proposed mitigation measures:

- Due to work obligations, some of the PACT students might have difficulties with fulfilment of training obligations. Mitigation of the risk: the MoF signs contracts with students and determines minimal requirements students have to fulfil, as well as sanctions. The CEF will advise the MoF in finding opportunities to bring past students who did not yet obtain a degree to successful completion of the program.
- Political changes in North Macedonia and staff replacement in the MoF management that can have impact on the readiness of the MoF to implement localization findings and recommendations. Mitigation of the risk: the CEF will, e. g. via its Governing Board mechanisms inform and include the new management structure in the MoF in the localization process and encourage their full commitment.
- Consequence of the pandemic, lockdown and limitations of face-to-face meetings. Mitigation of the risk: the PACT program is completely transformed to answer ongoing challenges and can be delivered fully online. Meetings and other activities can also be delivered online.

## **4. Visibility**

The CEF will adhere to donor's visibility rules and apply its own standards and best practices that ensure visibility of the project, donors and stakeholders. The visibility events will include diplomatic representatives of the donors based in North Macedonia, and media coverage with the support of the MoF press service. The CEF will use its web site, newsletter and social media channels to disseminate project-related news on achievements and results. As a beneficiary and in-kind contributor, the MoF will publish on its web site main information about the project.

## **5. About CEF and CIPFA**

The CEF is an international organization that supports capacity development for finance officials in South East Europe through learning. CEF experts design learning products, projects and programs that fit the needs of beneficiary institutions and adapt them to different learning styles of individuals. Based on well-defined objectives and drawing on in-house experts in learning, the CEF can assure that knowledge exchange and learning are well facilitated.

The CEF serves ministries of finance, tax administrations, central banks and public finance officials from other relevant institutions (e. g. line ministries) and agencies (e. g. financial supervisory agencies) in its constituency, which includes Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo\*<sup>14</sup>, Moldova, Montenegro, North Macedonia, Romania, Serbia, Slovenia and Turkey.

CEF learning events make up the core of its activity. They are tailor-made and aim to satisfy the immediate training needs and priorities of the region. Their practical orientation enables effective exchange of experiences in tackling specific problems. They are focused and provide guidance for both current and future tasks in reforming public finances, tax policy and administration, central banking and in adopting international standards. The program covers topics in the following thematic areas: (1) public financial management (budget planning and execution, accounting and auditing), (2) tax policy and administration, and (3) central banking. As an overarching topic the program addresses (4) leadership for managing reforms and (5) data and analysis for policymaking.

North Macedonia is part of the CEF constituency and its member that contributes to CEF governing structure, expresses training needs and participates in CEF knowledge exchange initiatives.

The CEF has successfully provided PACT programs in eight of its 12-member constituency. So far, 428 certificates and 292 diplomas have been awarded to public

---

<sup>14</sup> This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

accountants.

**CIPFA** represents approximately 14,000 members who are public finance leaders and officials around the world, specializing in high quality PFM and governance for organizations, and providing support to government and public services. CIPFA members work throughout the public sector, in national audit agencies, in major accountancy firms, and in other public and private sector bodies where public money needs to be effectively and efficiently managed. As the world's only professional accountancy body to specialize in public services, CIPFA's portfolio of qualifications is the foundation for a career in public finance. It also champions high performance in public services, translating its experience and insight into clear advice and practical services. CIPFA benchmarks professional qualifications for public sector accountants as well as provides a route to qualification and membership for people already working in senior financial management positions, and specifically-tailored programs, products, guidance and advice, and other services.

CIPFA will provide training material updates for international modules, set knowledge assessments and quality check of the knowledge assessment marking, and together with the CEF award certificates and diplomas to successful students. PACT certification permits continuation professional development in CIPFA training programs.



## **6. Budget**

A total budget is estimated at EUR 435.400.

Details on the budget coverage by the donors and provision of in-kind contribution are outlined in Appendix I (Budget) and Appendix II (Financial Plan).

## **7. Logic Framework**

Intervention Logic Framework is further elaborated in Appendix III.

**Place and date**

**Ljubljana, August 20,  
2021**

**Stamp**

**Director**

**Jana Repanšek**

**Signature**

Intervention Logic	Objectively Verifiable Indicator / values created (see table note)	Sources of Verification (as far as traceable within project time-frame and measurable)	Assumptions / Conditions
<b>Overall Objective</b>			
Support the public sector accounting reform in North Macedonia, as crucial element of stronger PFM	<ul style="list-style-type: none"> <li>- Visible involvement of PACT students and tutors in public sector accounting reform discussions (yes/no)</li> </ul>	<p>Country reports / assessments (e.g. IMF mission reports; PEFA, esp. Pillar VI, ROSC, SCD assessments; OECD SEE Competitiveness Outlook , EC Progress Reports, EC Assessments of ERPs, etc.)</p>	<p>Government committed to the reform implementation and consultation of wider public sector accounting community for that purpose</p> <p>Established internal MoF capacity for implementation of reform</p>
<b>Outcomes</b>			
Widened pool of North Macedonia public sector accountants with knowledge and skills in line with international accounting standards and best practices.	<ul style="list-style-type: none"> <li>- Public sector accountants on diploma level successfully trained (yes/no)</li> </ul>	<ul style="list-style-type: none"> <li>- Project reports</li> </ul>	Training delivered without interruptions
Fulfilment of conditions for local implementation of continuous public accountants' certification training	<ul style="list-style-type: none"> <li>- Legal framework developed (yes/no)</li> <li>- Localization documents successfully finalized (yes/no)</li> </ul>	<ul style="list-style-type: none"> <li>- LWG meetings reports and documents</li> </ul>	MoF ready to accept recommendations and actively participate in LWG work

Intervention Logic	Objectively Verifiable Indicator / values created (see table note)	Sources of Verification (as far as traceable within project time-frame and measurable)	Assumptions / Conditions
<b>Outputs</b>			
<ul style="list-style-type: none"> <li>- Successfully delivered training for public sector accountants on diploma level</li> </ul>	<ul style="list-style-type: none"> <li>- Up to 25 participants enrolled to Diploma level</li> <li>- 50% of enrolled students passed exams and obtained diploma title</li> <li>- Students graded program with grade 4 (out of 5)</li> <li>- 70% of students participated at the lectures</li> </ul>	<ul style="list-style-type: none"> <li>- CEF statistics</li> <li>- Exam results</li> <li>- Survey on participant's satisfaction</li> <li>- Reports on delivered lectures and exams</li> </ul>	<p>Students willing to actively participate in training and examination</p> <p>Students are not overburdened with their everyday responsibilities at work</p>
<ul style="list-style-type: none"> <li>- Local tutors trained on modules' content and obtained skills and capacity to independently run training at diploma level</li> </ul>	<ul style="list-style-type: none"> <li>- Up to 12 tutors trained on modules delivery</li> </ul>	<ul style="list-style-type: none"> <li>- CEF statistics</li> <li>- Reports on delivered ToT</li> </ul>	<p>Local tutors accept suggestions and teaching techniques</p>
<ul style="list-style-type: none"> <li>- International material translated, updated and delivered to local training institution</li> </ul>	<ul style="list-style-type: none"> <li>- 100% of material (4 modules) updated, translated and delivered (yes/no)</li> </ul>	<ul style="list-style-type: none"> <li>- Materials</li> <li>- Reports and confirmation on delivery of materials</li> </ul>	<p>N/A</p>
<ul style="list-style-type: none"> <li>- Delivery of necessary localization recommendation and advice on reforming relevant by-laws</li> </ul>	<ul style="list-style-type: none"> <li>- Developed legal recommendations for update of laws and by-laws (yes/no)</li> </ul>	<ul style="list-style-type: none"> <li>- LWG meeting reports</li> <li>- Localization documents</li> </ul>	<p>LWG has enough capacity to deliver planned documents</p>

Intervention Logic	Objectively Verifiable Indicator / values created (see table note)	Sources of Verification (as far as traceable within project time-frame and measurable)	Assumptions / Conditions
<ul style="list-style-type: none"> <li>- Established conditions for local implementation of training</li> </ul>	<ul style="list-style-type: none"> <li>- <i>Up to 2 employees of takeover institutions trained on independent delivery of training process</i></li> <li>- <i>Delivered study visit of local coordinators to HRMA</i></li> <li>- <i>90% of training activities local takeover institution can deliver independently</i></li> </ul>	<ul style="list-style-type: none"> <li>- <i>Reports on mentorship and meetings with employees</i></li> </ul>	<p><i>Takeover institution has enough capacity to dedicate to training localization</i></p>

### Activities

<b>A:</b>	Introductory meeting with training candidates, selection of students, official opening event and training inception
<b>(first half of 2022)</b>	An introductory meeting with training candidates, selection of students and official opening event will be organized jointly with the MoF. These activities envisage dissemination of essential information to all project stakeholders, and supporting the MoF in selecting the best candidates and ensuring their commitment. The official opening event will aim at project visibility, capturing aspirations and challenges in developing the public accounting professions, and promoting public accounting reforms in North Macedonia.
<b>B:</b>	Selection and training of trainers on methodology and substance, and delivery of training materials

2022	<p>The training-of-trainers aims at enabling local experts to efficiently support learning (in the classroom or online) the knowledge requires for successfully obtaining certification, and to promote regular reflection on learning experiences and the knowledge shared. The ultimate aim is to create sufficient local capacities for independent delivery of training at the local level.</p> <p>Invited candidate trainers will be trainers from previous PACT generations, top students from previous generations, and renown local experts. Training on substance will be delivered by the Chartered Institute of Public Finance and Accountancy (CIPFA), whilst the CEF will deliver training-of-trainers on learning methodology. Trainers will be also trained to deliver online trainings, as to properly respond to training needs in adequate formats. Translated training materials of international modules<sup>15</sup> will be handed over to the MoF – the project beneficiary, and a representative of a future provider of locally run training.</p>
<b>C:</b>	Localization of PACT and support to local training institution
2022-2024	<p>The CEF will provide support to local stakeholders, the MoF and the local training institution, which will take over the main role of training provider. For that purpose, the CEF will provide mentorship during the entire project tenure.</p> <p>Local institutions and coordinators will be given the opportunity to experience modern approaches to online training and coordination. The CEF and the Montenegrin Human Resources Authority that has successfully and most recently taken over the PACT program in this country will share with North Macedonian beneficiaries the administrative and coordination skills that meet standards of continuous, professional and user-friendly training. A study visit will be organized for the North Macedonian training institution to the Montenegrin Human Resources Authority; and the budgetary situation permitting, an additional study visit to the CEF will be organized.</p>
<b>D:</b>	Preparation of training materials, delivery of training and knowledge assessment

<sup>15</sup> Audit and Assurance (AA), Financial Management (FM), Business and Change Management (BCM), and Public Sector Financial Reporting (PSFR).

2022-2024	<p>This activity will be delivered through following actions:</p> <ul style="list-style-type: none"> <li>- Preparation of training materials, delivery of training and knowledge assessment for <b>Module 1, Audit and Assurance (2022-23)</b></li> </ul> <p>The module focuses on the role of quality control in contemporary management systems and responsibility assurance through the efficient audit techniques.</p> <ul style="list-style-type: none"> <li>- Preparation of training materials, delivery of training and knowledge assessment for <b>Module 2, Public Sector Financial Reporting (2022-23)</b></li> </ul> <p>Students will attain solid knowledge and skills in the area of public sector financial reporting, especially in regard to presentation of financial transactions, introduction of international financial reporting standards (IFRS) and preparation of financial reports.</p> <ul style="list-style-type: none"> <li>- Preparation of training materials, delivery of training and knowledge assessment for <b>Module 3, Financial Management (2022-23)</b></li> </ul> <p>The module elaborates principles of financial management in decision making. The focus is on organizational context of financial management and understanding and diligence in relevant financial management skills.</p> <ul style="list-style-type: none"> <li>- Preparation of training materials, delivery of training and knowledge assessment for <b>Module 4, Business and Change Management (2022-23)</b></li> </ul> <p>The module outlines practical aspects of organizational change and implementation of efficient programs and projects. Participants are thought on processes and techniques of change planning, including the steps essential for efficient program and project management. The module also elaborates the human resources management principles and processes improvement.</p> <p>Each module is being followed by examination sitting and re-sitting. One module includes 10 lecturing days, that will be delivered through combination of face-to-face and online sessions.</p>
E:	Delivery of Certificates - awarding ceremony (last quarter of 2023)

<p><b>(second half of 2023 - 2024)</b></p>	<p>Successful students who finalize PACT (pass four exams), will be delivered a CEF-CIPFA diploma. The MoF, the take-over institution and the CEF will organize an official event where successful candidates will be handed over their diploma. The purpose of this event is the promotion of development of the accounting function and celebration of achievements in the area of localization.</p>
<p><b>F:</b></p>	<p>Reporting, communication, visibility and technical support (2022-23)</p>
<p><b>2022-2024</b></p>	<p>The CEF will regularly and proactively feed the beneficiaries and partners on the project activities and achievements. The CEF will make short interviews on the project results', and tutors and students' impressions on the project delivery. Project related news and announcements will be published on the CEF web page.</p>

## PACT MKD L2 - App. I: Budget of the Project Proposal

<b>BUDGET ACTIVITY</b>	<b>TOTAL IN EUR</b>	<b>MoF SVK</b>	<b>MoFA SLV</b>	<b>MoF NMAC</b>	<b>CEF</b>
A. KICK-OFF AND INTRO MEETING	15 410	2 070	13 340	0	0
B. SELECTION AND TRAINING OF TUTORS AND DELIVERY OF TRAINING MATERIALS	82 040	25 958	56 082	0	0
C. LOCALIZATION	95 834	27 241	33 193	14 400	21 000
D. DELIVERY OF TRAINING	194 765	97 380	97 385	0	0
E. DELIVERY OF CERTIFICATES AND AWARDED CEREMONY	17 120	17 120	0	0	0
F REPORTING, COMMUNICATION AND VISIBILITY	12 050	12 050	0	0	0
subtotal	417 219	181 819	200 000	14 400	21 000
OVERHEADS = 10%	18 181	18 181	0	0	0
<b>GRAND TOTAL</b>	<b>435 400</b>	<b>200 000</b>	<b>200 000</b>	<b>14 400</b>	<b>21 000</b>

Director:

Jana Repanšek

Date:

20.8.2021.

Signature:

STAMP



## PACT MKD L2 Financial Plan

### BUDGET BY COST TYPE

Row Labels	TOTAL	MoF Slovakia (Donor 1)	MoFA SLO (Donor 2)	MoF NMAC (Donor 4)	CEF (Donor 3)
Direct costs	238 119	118 594	105 125	14 400	0
CEF work	179 100	63 225	94 875	0	21 000
Overhead	18 181	18 181	0	0	0
<b>Grand Total</b>	<b>435 400</b>	<b>200 000</b>	<b>200 000</b>	<b>14 400</b>	<b>21 000</b>

### BUDGET BY BUDGET SHARE

Row Labels	TOTAL	MoF Slovakia (Donor 1)	MoFA SLO (Donor 2)	MoF NMAC (Donor 4)	CEF (Donor 3)
Direct costs	100%	50%	44%	6%	0%
CEF work	100%	35%	53%	0%	12%
Overhead	100%	100%	0%	0%	0%

### BUDGET BY YEAR - PLANNED

Row Labels	TOTAL	MoF Slovakia	MoFA SLO	MoF NMAC	CEF
2022	253 272	35 572	200 000	7 200	10 500
2023 - 2024	182 128	164 428	0	7 200	10 500
<b>Grand Total</b>	<b>435 400</b>	<b>200 000</b>	<b>200 000</b>	<b>14 400</b>	<b>21 000</b>

## Appendix IV: Report Sample

<b>NAME OF THE PROJECT</b>	
<b>AGREEMENT NUMBER</b>	
<b>TYPE OF REPORT (interim/final)</b>	
<b>PERIOD</b>	
<b>REPORT NUMBER</b>	
<b>DATE OF SUBMISSION OF REPORT</b>	

### 1. Project implementation

#### 1.1 Implemented activities

(Information should be given about what activities were supposed to be implemented during the project phase (= period).

[TEXT].

Description  
Participation  
Facilitation

#### 1.2 Achievement of the desired project aims

(Here it should be stated whether and to what extent the project aims have been achieved. The desired and actual effects of the project on the target group should be described in quantitative terms where possible, otherwise in qualitative terms. If the project aims were only partially attained, reasons must be given.)

[TEXT].

Evaluation  
Lessons learnt  
Next steps

2. Financial report  
 2.1 Income

Income	As per Financing Plan for the Allocation Agreement		Actual income (EUR) till [DATE]	
	EUR		EUR	Remarks
Donor 1 [NAME]				
Donor 2 [NAME]				
Donor 3 [NAME]				
Donor 4 [NAME]				
Own funds (CEF)				
Total funds				

The total allocation from the [DONOR] comprises the following part payments based on individual requests for funds:

	Date of request	Amount	Date of payment
1 <sup>st</sup> request			
2 <sup>nd</sup> request			
3 <sup>rd</sup> request ...			

## 2.2 Expenditures

	1	2	3		4
	Expenditure as cost type	As per Financing Plan	Actual expenditure Total	Actual Expenditure – current reporting period	Remarks
A.	Direct costs				
B.	CEF staff costs (work)				
C.	Overhead				
	TOTAL				

Ljubljana, date

Signature by: