

Internal No.	CEF: FIN 37/2020 MoF Slovakia: 2020/024
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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 94.954,00 EUR (in words: ninety-four thousand, nine hundred fifty-four euro)

for the project "Strengthening Line Ministries' Capacities to Assess Fiscal Implications of Structural Reforms – a Case for Moldova" referred to in the application dated 17.12.2019.

The allocation may be used solely in accordance with the approved budget specified in the Appendix I: Project Proposal and Appendix II: Budget of the Project Proposal.

The allocation shall be used with other financing from other donors and with the recipient's own funds.

The allocation is approved on the basis of the above-mentioned project application and the Financing Plan 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 1.1.2020- 31.12.2021.

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 allocation of 94.954,00 EUR will be paid to the CEF in a lump sum by 15.2.2020. *SP*

In accordance with paragraph 1 of the present Agreement and with regard to the items eligible for allocations, Appendix I: Budget of the Project Proposal in the version 17.12.2019 shall be deemed binding.

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:	BACXS122

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 and repayment modalities

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

Should it become clear during or after completion of the project that any part of the 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. SK46 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;
- the allocation is not used for the intended purpose within six-weeks of its payment;
- 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.

32

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 (July 2020, January 2021 and July 2021).

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 place of jurisdiction 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 be valid into force immediately upon signature by the duly authorized representatives of the contracting parties and shall remain valid until the donor and the recipient have fulfilled all their obligations thereunder. This Agreement shall enter into force one day following its publication in the Central Repository of Contracts in line with Slovak legislation.

37

Bratislava,
For the donor:

Ljubljana, January 23, 2020
For the recipient:

Ladislav Kamenický
Minister of Finance of the SR

Jana Repanšek
Director

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

Project proposal

“Strengthening Line Ministries’ Capacities to Assess Fiscal Implications of Structural Reforms – a Case for Moldova”

The Ministry of Finance of the Republic of Moldova (MoF) and the Center of Excellence of Finance (CEF) have jointly identified a learning need of the public officials of the MoF and line ministries (LMs) related to the improved assessments of the fiscal implications of the structural reforms (SRs) in Moldova. This project proposal will address the learning needs of up to 50 budget officials by involving them in peer learning and discussions within the ‘Fiscal Implications of Structural Reforms’ project funded by the European Union, initially designed for states of the Western Balkans and Turkey.

1. Result Framework

Overall objective:

To improve capacities in Moldova to integrate structural reforms (SRs) in the national budget framework

Outcomes:

- Enhanced costing and budgeting of SRs
- Knowledge exchanged with other countries on how LMs cost and budget SRs

Outputs:

- Increased analytical, technical and leadership capacities of up to 50 representatives of the line ministries (LMs) and Ministry of Finance (MoF) of Moldova to perform sound and consistent costing and budgeting of SRs
- Knowledge from the Slovak Ministry of Finance and/or line ministries is transferred to public finance officials from Moldova

- LMs and MoF officials from Moldova meet and exchange with their peers in the Western Balkans and Turkey knowledge and practices, and thus enable peer to peer learning and exchange of knowledge and practices

2. Target Learners

Based on the roles, responsibilities and competencies, the learning initiatives envisaged with this project primarily target:

- (i) *Staff in LMs (as institutions charged with policy preparation, coordination and implementation, especially those staff members involved in fiscal planning)*
LMs are responsible for the preparation and elaboration of policy proposals aimed to achieve the Government's programme objectives. Officials working in LMs and other relevant budget beneficiaries (agencies, administrative bodies, etc.) provide critical inputs into the structural reform policy measures and are primary learners. This target group also includes the relevant representatives of sectoral extra-budgetary funds, agencies and state-owned enterprises (SOE) to the extent that they provide inputs for the SRs costing and budgeting process
- (ii) *Staff in MoF*
MoFs act as focal points for coordination, alignment and assessment of LMs' submission of fiscal implications of SRs, and integrating them national budget frameworks. They are likewise the main implementing bodies for measures intended to strengthen the country-wide public financial management system, which are often included as SR.

3. Situational Analysis and Assessment of the Ownership Level by the Beneficiary

Tight communication between the Moldovan Ministry of Finance and the CEF has resulted in open and self-examining description of state of affairs and learning needs by the Moldovan Ministry of Finance that will be outlined in subsequent parts of this chapter.

A. General note on the reformist efforts in the Republic of Moldova

The Republic of Moldova aims towards strengthening its economic governance and joining the EU. These two goals conjoin under the framework of the European Neighborhood Policy, more specifically the Eastern Partnership¹, and under the Association Agreement which aims towards a deep and comprehensive free trade area.²

Over the past three years, the Moldovan Government has undertaken a considerable range of reformist actions with the assistance by the development partners. The Government has addressed, *inter alia*, reforms of pension system, the central public administration reform, a reform of the public sector wage bill, support to investment and export sectors, etc. Currently, there is not a single document which would focus solely on structural reforms to be undertaken.

¹ https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eap_deliverables_factsheet_2017.pdf

² https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/countries/moldova_en

The broadest document which describes Government's priorities, and policy measures, including potential structural reforms is the Government Action Plan, drafted at the beginning of the term of each new Government, and updated each year. More detailed information on structural reforms is comprised in the sector strategies of each ministry. These are presented to the MoF at the beginning of the budget cycle, for the preparation of the medium-term budgetary framework.

B. Specifics of the PAR and PFM Reforms

The implementation of the PAR and PFM reforms are in all essential aspects on-going in spite of some changes in priorities and approaches stemming from a new government.

Policy-making has been improved during the latest years, thus reducing ill-prepared, arbitrary Government decisions.

With the separation of policy development and monitoring from implementation, the conditions have been established for setting clearer accountability targets for both ministries and subordinated agencies. Ministries may delegate the administrative management functions to general secretaries and focus, with the support of State Secretaries, on the policy process, strategic goals and monitoring results in the sector, while senior civil servants perform organizational management functions.

Use of the Information Technology in the public administration is increasing as to facilitating better efficiency. Ministries and subordinated bodies have increased the use of information platforms and technologies.

The government has undertaken a public administration reform focused on consolidating the central public administration, reorganizing ministries to optimize staffing, and introducing a single wage system for the budget sector. The objectives of the reform included improving the decision-making processes, and reducing bureaucracy and administrative costs. The Center for Reform Implementation (CRI) established in January 2017 was tasked with implementing the reform and evaluating its progress. The CRI has coordinated the new Law on Government, the new Government structure and creation of the Agency of Public Property aiming to improve the business environment and investment attractiveness by better managing public property. In 2017, the number of ministries was reduced from 16 to 9, and the staff count declined by around 40 percent. Finally, the Agency of Public Services has been set up to serve as the one-stop shop for citizens and businesses, and use e-Governance tools to make public services more accessible and transparent.

To complete the public administration reform, the central administration reform was supposed to be followed by administrative-territorial and local public administration reforms, aiming at unifying some of the municipalities to streamline funding and improve project implementation.

To contribute to full extend of the economic development, the Government of the Republic of Moldova (RM) also focuses on strengthening the competitiveness and export, considering the closeness to the EU and other world markets. In this regard, in order to create favorable conditions for attracting investments in the economy of RM, and to promote exports of domestic goods and services, the Ministry of Economy has developed a national strategy for attracting investments and promoting exports for 2016-2020, as well as an action plan for its

implementation. This strategic document reflects the Government's high prioritizing of this area. In 2018, the Government established an Investment Agency under the auspices of public administration reform. The new entity has the mission to contribute to economic growth by increasing the level of foreign investments, increasing the volume of exports and developing tourism. Thus, the Agency's functions are to promote the country's image in order to attract foreign investments; support investment activity and protect investments; promote exports and tourism; and strengthen economic diplomacy.

C. Challenges in reform implementation

Implementation of reformist goals is challenged by several factors.

- Among the main challenges in the implementation of structural reforms is the political instability, emanated in frequent changes of the Government. The development, consultation with all the interested parties, and implementation of a structural reform is a process that might take a couple of years.
- Another challenge is the costing of the structural reforms, which is difficult to be performed in the inception phase, while these reforms deserve sufficient fiscal space in the medium-term budgetary framework. Linked to this is the capacity of the ministry to design and analyze the structural reform.
- Another challenge can be insufficient coordination between the Government stakeholders, as structural reforms have often inter-sectorial impact. Efficient coordination ensures the successful implementation. The project will also provide significant strengthening of capacities imminent to analysis and coordination of structural reforms.
- The current challenges after the Public Administration Reform is that the 2nd stage has not been finalized, mainly the reorganization of governmental bodies and authorities subordinated to the ministries, as well as SOEs.
- Another issue is that the cut of staff of the ministries and the merger of some large ministries, has negatively affected the capacity of the ministries in terms of strategic and budget planning of their policies.

In order to support the capacities of the LMs, the MoF tried to provide more support in the costing process, as well as enhance the dialogue by introducing budget consultations at the medium-term budgetary framework stage.

While the multi-year budget planning exists for over a decade in Moldova, the links between policies and budgets could be further strengthened. An orderly process of parallel policy planning and budget planning is a challenge in Moldova.

Moreover, Ministries have vacancies that remain unfilled, for a long time, thus putting stress on the remaining civil servants. With the outflow of part of professional civil servants due to uncompetitive remuneration, restructuring and other reasons, the newcomers usually require on-the-job training. The civil service training system does not keep up with the demand for professional development needed for the qualitative implementation of reform objectives. A

serious effort should be made to identify the skills and capacity gaps in public entities. Training should become compulsory, not only in law, but in practice, and should be linked to professional development goals.

The focus on policy results, their measurement, monitoring and reporting must be strengthened. A planning process is under development that should inform the policy planning of the resource available, as well as the budget process of the policy priorities that require financing. The evaluation of policy impacts should also inform budget decisions on whether to continue financing initiatives that fail to deliver results. The CEF has assessed that the development and learning capacities of the Moldovan public administration experts make a solid basis to enable civil servants in their learning as well as sharing and applying technical knowledge, and to thus contribute to steady progress in public administration and public finance management reforms.

D. Complementary development projects supporting the PAR and PFM reforms

The EU funded on-going projects supporting the Public Administration Reform process that has the overall objective to enhance the institutional and human resources capacity of the central and local public administrations, to draft and implement evidence-based policy and to ensure the efficient and effective delivery of high-quality administrative services in line with the European Principles of Public Administration. The first of these development projects is focused at public investments and provides technical assistance exclusively to Moldovan public officials.

The support is divided in three projects addressing the:

- “PAR” in general in order to improve efficiency, effectiveness and accountability of public administration at central and local level and to strengthen administrative capacity of Moldovan public administration;
- “Motivation” supporting professional capacity development and motivation of the Public Administration employees;
- “Policy Development” supporting the development of a monitoring/evaluation system, gathering and processing of relevant information on the performance of the Public Administration plus capacity building activities for selected personnel on monitoring and evaluating public policies.

An up-coming EU supported project “Strengthening of the policy development process in the context of the implementation of the Association Agreement in Republic of Moldova” has the purpose to ensure:

- Assistance to the Government to revise and implement Rules of Procedure that must enable a most efficient, reliable and transparent policy development process across public administration;
- Assistance to the Ministry of Foreign Affairs and European Integration (in alignment with State Chancellery as national aid coordination institution and Ministry of Finance) to clarify and demarcate roles and responsibilities regarding the approximation of legislation and to strengthen its Association Agenda planning function;
- Assistance to the State Chancellery and Ministry of Finance for the fulfilment of the policy development functions as Centre of Government;

- Assistance to the Government of Moldova for implementation of a unified system of ex-ante economic and social impact assessment of public policies for an improved evidence based policy making process;
- Capacity building activities for the strengthening of the mechanisms of monitoring and implementation of the Association Agreement.

The possibility for a number of public officials to exchange experiences with peers from other countries that have gone through similar experiences, to get trained and develop networks will pave the way for better understanding and ownership.

USAID will support the Republic of Moldova to improve the business and trade enabling environment. It will help government institutions and the private sector accelerate the implementation of trade liberalization mechanisms, adopt structural and business enabling reforms, and improve strategic communications between private and public actors. Through a flexible, demand-driven approach developed in consultation with a wide range of stakeholders and USAID, Moldova Structural Reform will help improve policies, regulations, institutions, and processes that can lead to sustained and inclusive economic growth in Moldova.

Ongoing learning efforts provide technical knowledge to Moldovan officials and are narrowly focused as to scope (estimation of impact of the Association Agreement) and geographically (Moldova-focused learning approach). Complementary, this project focuses on the broad perspectives of structural reforms, their costs and budget implication, with a comparative knowledge exchange amongst regional peers.

C. Assessment of beneficiary's ownership level and absorption capacity

Under the auspices of Moldovan chairmanship of the CEF Governing Board, the CEF Director has received an expression of need and interest in a learning package that would respond to inclusion of wider circle of actors responsible for economic development program of Moldova. This initiative was operationally finalized through a written statement of needs expressed by the Head of Directorate for Public Investment and Foreign Assistance at the Ministry of Finance, dated 21.10.2019.

Moldovan participants at CEF learning events³ and also at Governing Board discussions⁴ have expressed in several occasions the need and willingness to extend the capacity building of line ministries. They deem that previous interventions supporting all line-ministries in public policy development and financial management have given good results which motivate taking new steps.

This document was prepared in tight cooperation with the representatives by the Ministry of Finance, who have provided essential data on the learning needs, based on their self-examinational approach to capacity building. Specifically, the input was provided by the budget

³ <https://www.cef-see.org/the-cef-is-an-important-knowledge-hub-in-see-and-it-could-further-extend-its-role-in-the-region-2016-02-23>

⁴ <https://www.cef-see.org/governance>

planning department from the MoF, based on their experience in conducting budget hearings at various stages, as the medium-term budget planning, as well as short-term annual budget planning. During the hearings, the MoF faced weak capacities of the line ministries for realistic budget estimations of their reform measures. Partly, this led to a constant under-execution of the approved state budget over the last three years.

The Moldovan representatives demonstrated a proven track of local coordination capacities as to recruit the adequate staff, provide information on immediate capacity building needs, record the attained knowledge and facilitate institutional knowledge sharing. Thus, this project will be followed by high level of ownership by Moldovan representatives, and the CEF will report to donors on the local coordinator's ability to act as an active interface between participants and the CEF.

Considering a strong ownership demonstrated both by the high-level decision makers and technical staff members, the CEF hereby proposes a learning program that responds to the Moldovan administration's needs to uphold assessment of fiscal implications of the structural reforms in the Republic of Moldova.

4. Timeframe

The activities would take place in the period February 2020-December 2021.

5. Implementation Approach

A. *Moldovan learners join “Strengthening Line Ministries’ Capacities to Assess Fiscal Implications of Structural Reforms” (FISR) peers*

As far as space permits and it further promotes regional peer-to-peer learning, the Moldovan participants will join the face to face and online learning activities of their peers from the Western Balkans and Turkey, designed and delivered under a project financed by the European Union. The CEF has been entrusted by the European Commission (EC) a mandate to implement in the period 2019-2021 a project aimed at “Strengthening Line Ministries’ Capacities to Assess Fiscal Implications of Structural Reforms” (FISR). Its overall objective is to ensure sound and consistent assessment of the fiscal implications of structural reforms. Its website is <https://www.cef-see.org/fisr>. With this project the CEF will:

- Generate and implement a comprehensive learning portfolio with knowledge sections on: policy drafting, accounting, costing, budgeting, enabling environment for implementation of reforms and increased transparency;
- Support mapping appropriate coordination schemes (external, internal) in drafting and budgeting structural reforms;
- Steer and develop the regional knowledge exchange among practitioners engaged in Economic Reform Programs (ERP) and structural reforms.

The activities include regional and in-country learning initiatives, regional policy dialogues, supporting a Network of Regional Experts in Structural Reforms (NRE), engaging public

officials of beneficiary institutions trained as trainers, and connecting all that on a functional and user-friendly online platform for knowledge exchange. The geographical scope of the FISR project is the Western Balkans and Turkey.

With this project proposal, the knowledge and cross-country peer to peer learning already being generated within the frame describe above will be also made accessible to the Moldovan beneficiaries.

B. Recruitment of relevant learners

Considerable effort will be put into careful identification and selection of relevant participants. In this regard, the CEF will rely on the coordination of the Ministry of Finance of Moldova and through its own recruitment and communication channels. Application forms for each training event can be submitted via the respective event page on the CEF's website. After careful selection based on recommendation by the Moldovan Ministry of Finance, professional relevance and English language skills, the CEF will confirm successfully submitted applications by e-mail.

The applicants' relevance will be reviewed at first instance by the Moldovan Ministry of Finance, who holds coordination and lead in the structural reforms. The Ministry will communicate its recommendation of learning candidate to CEF, who will consider it and decide on acceptance to specific learning event and enter the participant into its learners database. The maximum number of participants per event will be 3 for workshops and 5 for high level policy dialogues, if not otherwise stated; an overall count of maximum 50 participants from Moldova will be supported.

Within the limits of the available budget, the Moldovan participants' travel, accommodation with breakfast, and meals at events will be arranged by the CEF. Participants (or their sending institution) will carry the costs of adequate health insurance during their travel and for their stay at the event location.

The working language, for both oral and written communication will be English. This includes written materials for the learning events. Face-to-face learning events will take place at the CEF Headquarters in Ljubljana. In order to provide continuity of the learning process and optimize the participants' time dedicated to learning contents, the CEF will also provide online learning space at its Online Learning Campus and Line Ministries Portal.

C. CEF Unique approach to knowledge sharing and CEF learning space

The CEF considers the learners at the heart of the learning process, applying the participatory approach to learning and encouraging each learner to take ownership over the learning process. The CEF as a knowledge hub provides a platform for public officials to meet and connect. The CEF learning expert takes an important role as a curator, facilitator, moderator, co-creator and observer who engages and helps the group to understand the learning objectives and assists them to achieve these objectives.

The design of CEF premises play important role in engaging learners into collaborative and interactive learning. The CEF learning space is designed to motivate the learner to open up with own idea, challenges and discuss solutions with peer participants.

The face-to-face activities will take place in the Republic of Slovenia; the online learning activities will be provided through the [CEF Online Learning Campus](#).

The implementation will be led by the CEF and be based on region-wide cooperation among MoFs and LMs, and collaboration with the Slovak Ministry of Finance and other partners, (the EC, the IMF-FAD, OECD, SIGMA, ReSPA and other potential partners and training providers).

The CEF will coordinate donors, knowledge providers, beneficiaries and beneficiary institutions through the project implementation, the donors (EU and the Slovak MoF) will participate in the project oversight in the framework of grant contracts. The Slovak Ministry of Finance will designate its experts from the relevant field of expertise for selected learning events, as per more specific arrangements with the CEF throughout the implementation of the project. As per grant contract schedules, the donors will review reports on project implementation and accordingly disburse the project funding.

The CEF staff will monitor who is attending the delivered activities, how participants experience the learning process and benefit from the knowledge shared by their peers and lead experts, what learning gaps remain, and later on follow up with some of them to see how the learning experiences have enhanced their work and contributed to their countries' reform efforts. The CEF staff will collect participants' feedback on the usefulness and impact of the delivered activities. This is done by facilitating their regular reflection while learning, carrying out post-event evaluation surveys, and collecting Value Creation Stories (VCS).

All activities will incorporate at least one opportunity for reflection to engage participants in evaluating their learning experience and progress. The CEF's post-event evaluation approach assesses several parameters: i) overall satisfaction; ii) overall usefulness; iii) potential use of new knowledge in the future; iv) learning event set-up and delivery; v) content; vi) faculty; vii) learning objectives; and viii) organizational arrangements. It is based on the Kirkpatrick's model of training evaluation, inspired by the World Bank's Independent Evaluation Group and the ILO's International Training Centre, modified to fit the CEF's approach to learning.

The VCS approach applied by the CEF was developed by renowned social learning experts Beverly Wenger-Trayner and Etienne Wenger, and modified by the CEF to serve its learning, monitoring and evaluation purposes. VCSs enable the attribution of observable outcomes to learning initiatives, which supports the establishment of logical links between distinct data streams and tells a story with a learning value. The stories are written based on an interview with guiding initial questions. The stories use personal and collective experience to make sense of monitoring data, and provide a way to integrate data across all cycles into an account of value creation.

The working language, for both oral and written communication will be English. This includes written materials for the learning events. Face-to-face learning events will take place at the CEF Headquarters in Ljubljana. In order to provide continuity of the learning process and optimize the participants time dedicated to learning contents, the CEF will also provide online learning space at its Line Ministries portal.

Within the limits of the available budget, the Moldovan participants' travel, accommodation with breakfast, and meals at events will be arranged by the CEF. Participants (or their sending institution) will carry the costs of adequate health insurance during their travel and for their stay

at the event location. Implementation role by the Slovak Ministry of Finance representatives

A transfer of Slovak experts' knowledge and experience will be facilitated through the Slovak MoF in-kind contribution in the form of one case study on selected topic that reflects Slovak expertise forte. Slovak experts, as per recommendation of the Slovak MoF, will also share their knowledge and experience through engagements, when deemed adequate and necessary, within the FISR project and in line with EU recruitment requirements.

6. Budget:

The proposed budget for administrative costs related to selection, booking and hosting arrangements for participation at learning events for the Moldovan officials is 94.954,00 Eur.

CEF will provide in-kind contribution in the form of classrooms availability, the Slovak Ministry of Finance will contribute in-kind with one case study on selected topic, and the European Union will provide in-kind development of the content, design and implementation of learning events and learning materials, from which Moldovan learners will be able to benefit without additional cost.

7. About the CEF

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, line ministries, central banks and public finance officials from other relevant institutions in its constituency that includes Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo*, North Macedonia, Moldova, Montenegro, Romania, Serbia, Slovenia and Turkey.

The CEF learning program is demand-driven and reflects the learning needs of finance officials in SEE. It is developed through consultations with its Governing Board that comprises ministers of finance and central bank governors, its Advisory Board that includes representatives of donor and partner institutions in the region, and other relevant counterparts. A network of national coordinators plays an important role in the ongoing information exchange between the CEF and its constituency. The Coordinators are responsible for human resources development in target institutions and help the CEF to regularly assess the needs and priorities for its future learning program.

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.

The CEF is one of the official channels for implementing the international development cooperation of Slovenia and several other bilateral partners. It is included in the list of official development assistance international organizations of the Organization for Economic Cooperation and Development (OECD).

Capacity development activities of the CEF are set in the wider context of sustainable development goals (SDG) and the 2030 Agenda for Sustainable Development. The CEF aligns the capacity development activities of the participating institutions in the framework of SDG#17, which is to revitalize the global partnership for sustainable development. The CEF builds on partnerships with donor countries, international development cooperation institutions and partner institutions.⁵

The CEF serves as a hub for regional technical assistance advisors of the IMF Fiscal Affairs Department and the IMF Statistics Department. This partnership helps the region benefit from strong synergies between IMF technical assistance and the CEF training.

Attachments:

1. Annex I Intervention Logic Framework Strengthening Line Ministries' Capacities to Assess Fiscal Implications of Structural Reforms – a Case for Moldova
2. Annex II Budget

⁵ For an overview of CEF partners, see <https://www.cef-see.org/partners>.

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
Overall Objective			
✎ To improve capacities in line ministries and Ministry of Finance of Moldova¹ to integrate structural reforms (SRs) in the national budget framework of Moldova.	<i>A comprehensive learning portfolio of 15 learning initiatives on costing and budgeting of SRs is available for public officials from LM's and MoFs in Moldova (yes/no)</i>	<i>The CEF learning program 2020-2021 Line Ministries Portal</i>	N/A
✎			
Outcomes			
1. Enhanced costing and budgeting skills of LM officials	Knowledge of methodologies and coordination schemes implemented in costing and budgeting	<i>Value Creation Stories Event reports Digital stories</i>	Understanding the importance to integrate structural reforms into the national budget framework Commitment and ownership by the stakeholders
2. Exchange of knowledge among Moldova and Western Balkans and Turkey on budgeting and costing of structural reforms	Networking and sharing opportunities created at learning events Knowledge sharing at the Line Ministries Portal	<i>Event reports Digital stories Line Ministries Portal Value Creation Stories</i>	Openness for communication and sharing

¹ Detailed description of learners' profiles is available at Chapter 2. Target Learners of the Narrative description of Project.

Annex II

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
Outputs			
1.1 Increased analytical, technical and leadership capacities of the representatives of the line ministries (LMs) and Ministry of Finance (MoF) of Moldova to perform sound and consistent costing and budgeting of SRs;	Up to 50 practitioners from the budget departments of the line ministries and Ministry of Finance exchange knowledge at 15 learning initiatives	<i>CEF Participation statistics</i> <i>Event and progress reports</i> <i>Digital stories</i> <i>Line Ministries Portal</i> <i>Value Creation Stories</i>	Beneficiaries willing to cooperate & coordinate Appropriate participants recruited Participants willing to engage Learning agenda consistent with needs & state of the art knowledge
1.2. Knowledge from the Slovak Ministry of Finance and/or line ministries transferred to public finance officials from Moldova	1 Knowledge product (ex. case study) produced based on the Slovak experience in costing and budgeting SRs	<i>Progress Reports</i>	Slovak MoF has expertise for packaging experience into a knowledge product
2.1 LMs and MoF officials from Moldova meet and exchange with their peers in Western Balkans and Turkey and thus enable peer to peer learning and exchange of knowledge and practices	A minimum of 30 public officials from Moldova connected among themselves and with peers from Western Balkans and Turkey through learning events, regional mailing lists, discussion space at the Line Ministries Portal	<i>CEF Database (CEFDB) records</i> <i>Event reports</i> <i>Digital stories</i> <i>Line Ministries Portal</i> <i>Value Creation Stories</i>	Beneficiaries open to cooperate & coordinate Good internet skills Good internet connections

Annex II
Activities²

A1:	MANAGING FINANCING AND COSTING OF PENSION SYSTEM REFORMS
05-07.02.2020	<p>The workshop aims to strengthen the knowledge needed for assessing possible approaches to improving the financing of social protection, especially pension systems, and reducing sector-specific fiscal risks. It will examine the macroeconomic and fiscal implications of ageing population and how pension system reforms can help address these challenges. In particular, it will take a look at the techniques and tools for forecasting aging population, and identify the data sources and the necessary data quality for carrying out such analysis. This event will also assess how forecasts can be used for structuring pension systems reforms to respond to the expected labor supply decline, while also ensuring fiscal sustainability in the long run. This event will combine methodological approaches with policy-oriented sessions (i.e. how to design, cost, manage, implement, communicate, and promote reforms).</p> <p>Target audience: finance ministries' budget and macro-fiscal departments; institutes for macro-economic analysis; ministries of social affairs; social security</p>
2.5 days	
Up to 3 participants	
Workshop	
A2:	FORESIGHT AND SCENARIO PLANNING METHODOLOGIES
05.02.2020	<p>Foresight informs the thinking that occurs before strategic decisions are made by expanding perceptions on the strategic options or choices available to the organization. Traditionally, in the public financial management realm, quantitative foresight methods, such as forecasting, are commonly used. The webinar will illustrate new methods and tools for planning social changes, including structural reforms. It will explore the usefulness and applicability of foresight methodologies to organizational decision-making.</p> <p>Target audience: public officials involved in strategic decision-making.</p>
Webinar Unlimited number of participants	
A3:	WAYS TO OPTIMIZE INTERNAL CONTROL OF EU FUNDS
18-20.02.2020	<p>As collaboration is one of the key factors necessary for effective learning, this learning initiative will offer a good balance between classroom lecturing and solving practical case studies related to internal control and audit challenges encountered in EU-funded projects and programs. This will give participants a chance to learn about possible ways to overcome them. It will draw upon the lessons learned from internal control and audit of EU-funded projects in the 2014–2020 programming period. Countries have now more responsibilities to develop an effective control system and to assure proper spending of EU funds. Hence, we will discuss</p>
2.5 days	
Up to 3 participants	

² The proposed topics and scheduled timing of events are subject to change due to unforeseen reasons at the time of planning the learning program for 2020–2021. The work program envisaged for 2021 will be updated in 2020.

Annex II

Workshop	<p>methodologies that can be used to manage EU funds more effectively. In addition, specific aspects concerning ways of combating fraud and preventing irregularities in EU-funded projects and programs will be covered.</p> <p>Target audience: public officials involved in the management and control of EU funds.</p>
A4:	FISCAL PROGRAMMING OF STRUCTURAL REFORMS
20-22.05.2020	<p>The objective of this workshop is to determine technical and non-technical factors that contribute to improved programming, prioritization and incorporation of structural reforms into national budget and planning documents resulting in improved relevance and credibility of the Economic Reform Programs (ERP). It will identify implications of varying definitions of structural reforms, models for assessing their costs and effects, and mechanisms to align them with national planning documents and integrate them into the annual budget to secure their continuous funding and implementation. In addition, the workshop will examine practical tools and methods for the quantification of structural reforms' impact on economic growth, competitiveness and employment. To secure funding for priority structural reforms, participants will also examine prospects for utilizing instruments from the new EU multi-annual financial framework.</p> <p>Target audience: officials from finance and policy departments of line ministries, and budget analysts in ministries of finance, who are involved in the ERP design and coordination.</p>
2.5 days	
Up to 3 participants	
Workshop	
A5:	CONDUCTING FINANCIAL AND EXPENDITURE ANALYSIS IN THE PUBLIC SECTOR
02-04.06.2020	<p>The workshop explores through simple practical examples how to perform financial analysis in the public sector. It will enable officials in finance departments to develop their financial analysis capacities. The workshop will focus on the basic concepts of reading financial reports, performing financial analysis, calculating budgets, and understanding the most important financial ratios in the public sector.</p> <p>Target audience: line ministry staff of finance departments and budget analysts in ministries of finance.</p>
2.5 days	
Up to 3 participants	
Workshop	
A6:	SUCCEEDING IN STRUCTURAL REFORMS
30.08-01.09.2020	<p>This regional event will look into the key success factors for making structural reforms a positive change of a specific economy. It will focus on this exploration from two complementary perspectives: developing policies based on data analysis, and creating an</p>
0.5 days	

Annex II

Up to 5 participants	enabling environment for changes and reforms to succeed. It will tackle different managerial approaches and collaboration practices across institutions and sectors, and demonstrate case studies and value creation stories.
Regional Policy Dialogue	Target audience: state secretaries, heads of policy and analytical departments of line ministries and ministries of finance.
A7:	COST ACCOUNTING TECHNIQUES
08-10.12.2020	<p>The workshop aims to familiarize line ministry officials with the concepts and tools that support the analysis of costs in an effective and efficient manner. Cost accounting is an important managerial tool for improved understanding of actual resource allocation in service delivery, and offers the information needed for efficient and effective decision-making. Through presentation of theoretical concepts and practical exercises, the workshop will help participants understand the practical applicability and benefits of cost accounting in their institutions.</p> <p>Target audience: accountants of line ministries, financial officers and managers who apply cost accounting principles.</p>
2.5 days	
Up to 3 participants	
Workshop	
A8:	POLICY DRAFTING AND NEGOTIATION IN LINE MINISTRIES
24-26.11.2020	<p>A precondition for successful implementation of structural reforms is to ensure that they are well-drafted, with clear statement of their expected impact and performance indicators. Well-stated measures build on effective communication and negotiation with various stakeholders, which can then be costed and integrated into the budget frameworks. The objective of this workshop is to improve writing of policy measures and support officials in transforming their ideas into clear statements, which entails also negotiating them with various stakeholders before their incorporation into the Economic Reform Programs.</p> <p>Target audience: public officials from line ministries and ministries of finance.</p>
2.5 days	
Up to 3 participants	
Workshop	
A9:	STRATEGIC COMMUNICATION OF LINE MINISTRIES
Q1 2021	<p>The participants will look into modern communication strategies, tools and channels that public organizations can use to engage employees and strengthen liaisons with external stakeholders. Within this frame, the participants will learn how to improve communication and coordination between line ministries and ministries of finance, and line ministries and other sectors (the civil society, businesses and universities).</p> <p>Target audience: communication officers and heads of policy departments of line ministries.</p>
2.5 days	
Up to 3 participants	

Annex II

Workshop	
A10:	STRUCTURAL REFORMS AND ASSESSMENT OF THEIR ECONOMIC IMPACT
Q1 2021	<p>This workshop aims at increasing participants' understanding of approaches, based on data and economic analysis, for assessing the impact of reforms, given the type of reform and data availability. At this workshop, participants will learn how to estimate the effects of specific policy measures (of a reform), and prioritize policy measures based on their expected impact.</p> <p>Target audience: policy and analytical departments in line ministries and ministries of finance.</p>
2.5 days	
Up to 3 participants	
Workshop	
A11:	THE ROLE OF ACCOUNTING IN COSTING STRUCTURAL REFORMS
Q2 2021	<p>The workshop will address the role and impact of accrual accounting in the budgeting process. Accounting information from past periods is an important source for future budgeting decisions. The workshop will explore how the possible uses of accounting information can improve policy choices, including pre-requisites for linking financial and non-financial (performance) information in assessing and evaluating the costs of policy decisions.</p> <p>Target audience: accountants of line ministries, service delivery managers and finance officials in ministries of finance and line ministries.</p>
2.5 days	
Up to 3 participants	
Workshop	
A12:	MEDIUM-TERM AND PROGRAM BUDGETING
Q2 2021	<p>This workshop aims at improving the understanding of multi-annual budgeting objectives and features, including challenges and bottlenecks in the process; and explaining the role of program budgeting. Many structural policy decisions have impacts beyond the current budget year, or even arise in later years. To make rational policy and budgetary decisions, medium-term implications must be considered. The workshop will introduce medium-term budgeting, examine relevant international experiences, explain the role of program budgets, review medium-term and program budgeting practices in the region, discuss the main challenges and bottlenecks, and describe a practical model to build a medium-term budget framework from a top-down perspective. It will examine the relationship between annual budgets and medium-term budget framework, and how their link can be improved.</p> <p>Target audience: officials working in ministries of finance and line ministries (and other budget beneficiaries) who actively deal with budget preparation, strategic planning, macro-economic forecasting, and budget decision-making.</p>
2.5 days	
Up to 3 participants	
Workshop	

Annex II

A13:	MANAGING FINANCING AND COSTING OF EDUCATION POLICIES
Q3 2021	<p>The objective of this workshop is to strengthen assessments of possible approaches to improve financing of education policies and reduce sector-specific fiscal risks. Education reforms are high on the reform agenda. The challenge for policymakers is to ensure funding for these reforms while not threatening long-term fiscal sustainability. The workshop will provide a comparative analysis of education policies and reforms across the region, capture challenges faced during their implementation, and give recommendations on how to address them.</p> <p>Target audience: officials from finance ministries' budget departments; education ministries' finance and policy departments that participate in the development and programming of education policies and preparation of annual budgets; education service providers; and other public institutions with a mandate in education.</p>
2.5 days	
Up to 3 participants	
Workshop	
A14:	MONITORING IMPLEMENTATION OF STRUCTURAL REFORMS
Q4 2021	<p>The workshop will address monitoring as a phase of the policy cycle and will focus on Economic Reform Programs, in particular the structural reforms included in them. It will offer hands-on knowledge of possible methods and available tools for monitoring and evaluation of structural reform measures, their costing and budgeting, etc.</p> <p>Target audience: officials working in ministries of finance and line ministries (and other budget beneficiaries).</p>
2.5 days	
Up to 3 participants	
Workshop	
A15:	INTEGRATING STRUCTURAL REFORMS INTO BUDGETING PROCESS
Q4 2021	<p>This regional discussion will be focused on analyzing the prospects for utilization of knowledge in the costing and financing of structural reforms and their impact on state budgets. It will reveal how line ministries have improved their budgeting based on improved costing, and also new potential improvement points. This event will assess the actions needed to measure the secondary implications of structural reforms (i.e. their impact on employment, inflation, etc.).</p> <p>Target audience: ERP Coordinators, state secretaries, secretary generals, director generals of finance and line ministries.</p>
1 day	
Up to 3 participants	
Regional policy dialogue	
A16:	ONLINE NETWORKING

Annex II

	Enable a minimum of 30 officials of line ministries and the Ministry of Finance of Moldova to join and use the electronic platform for learning dedicated to line ministries (https://www.lineministries.org/dashboard)
A17:	KNOWLEDGE PRODUCT
	1 Knowledge product (ex. case study) produced based on the Slovak experience in costing and budgeting SRs

Appendix IV: Report Sample

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

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) <i>till [DATE]</i>	
	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 st request			
2 nd request			
3 rd 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: