



## **TWINNING PROJECT**

**Strengthening the medium term budgeting  
for effective public financial management**



**Twinning Project MK11 IB FI 01**

**“Strengthening the medium term budgeting for effective public financial management”**

## **Activity 0.1 Kick-off Conference**

# **R E P O R T**



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## 1 Summary

The Kick-off Conference for the Twinning Project “Strengthening the medium term budgeting for effective public financial management” was held at the EU InfoCenter premises in Skopje on January 25<sup>th</sup> 2016. Representatives from Ministry of Finance and a number of other ministries and agencies, international organizations, other stakeholders and Embassies attended the Conference. In total 81 participants took part in the Kick-off Conference. Media coverage was ensured.

The moderators of the event, Ms. Verica Prokovic, BC Project Leader and Mr. Reijo Lindh, MS Project leader, opened the event by welcoming all the participants and introducing the speakers on the event.



*Ms. Verica Prokovic, BC Project Leader and  
Mr. Reijo Lindh, MS Project leader,*

## 2 Welcoming addresses held

Welcome addresses were given by the Head of Political and Info Section at the EU Delegation, Mr. Lukaš Holub and the State Secretary in the Ministry of Finance, Mr. Igor Dimitrov. Welcome note to participants was given by Ms. Anneli Temmes, Managing Director of HAUS Finnish institute for Public Management Ltd.

The Representative of the EU Delegation, Mr. Holub, stressed the importance of efficient and transparent public finance –

*“Efficient, transparent public finance may be considered as a base for good governance of public funds. This system improves the accountability and cuts the risks of fraud and corruption. The **project** should foster a change in the budget process from a budget based on inputs to one focused on results. Challenges standing on this road are related to providing continuous political support for budget reforms that should speed up the process and improve the fiscal accountability, capacity of all budget beneficiaries,”*



*Head of Political and Info Section at the EU  
Delegation, Mr. Lukaš Holub, (second from left)*





*State Secretary in the Ministry of Finance, Mr. Igor Dimitrov (second from right)*

The State Secretary in the Ministry of Finance, Mr. Dimitrov stressed the importance of the project itself, and the significance of the exchange of knowledge and cooperation that in the following 24 months will be established between Macedonian and foreign experts. State Secretary Dimitrov underlined -

*"This will be one of the key projects that will lead to improvement of management with public finance. And improving of public finance management and the effectiveness of*

*medium-term budget planning is one of the top priorities of the Macedonian Government within the country's EU integration process,"*

Ms. Anneli Temess, Managing Director of HAUS Finnish Institute for Public Management, pointed out in her opening speech the importance of establishing good communication and cooperation between experts from both Member states and Beneficiary state, and focused on the benefits we all gain from this cooperation.

Following the welcoming notes, the guests had a possibility to hear three key presentations related to the project and the topic areas of focus.

The first presentation was delivered by Resident Twinning Adviser Ms. Jonna Berghäll and Resident Twinning Adviser Counterpart Mr. Martin Noveski. The presentation summarized the project objectives, expected results and what we would like to achieve during the next two years of project implementation. One key outcome is to increase capacity of the Ministry of Finance and budget users for medium term budget planning. There will be recommendations how to develop the medium term Fiscal Strategy to meet the medium term budget framework approach. And recommendations on how to develop the annual budgeting process in order to better connect the annual budget with medium term budget and expenditure framework.



*Resident Twinning Adviser, Ms. Jonna Berghäll, and Resident Twinning Adviser Counterpart Mr. Martin Noveski.*

The importance of developing a new (improved) program classification of the budget with indicators included is also one of the key expected results from the project. Methodology for defining, monitoring and reporting of budget programs will be developed and through the project it is expected that the capacity of the Ministry of



Finance and budget users will be strengthened. Also through the project an assessment for IT development needs will be made. Furthermore the project will develop the capacity of the Ministry of Finance for public finance fiscal reporting according to ESA methodology and EU standards. The presenters as well promoted the project website <http://www.finance.gov.mk/en/node/5498> and invited guests to search for more information on the page.



*Mr. Sami Yläoutinen, Economic Policy Coordinator, Director General, Ministry of Finance, Finland*

Mr. Sami Yläoutinen, Economic Policy Coordinator, Director General at the Ministry of Finance in Finland provided a presentation on Public finance management in reform – change into medium term perspective. Mr. Yläoutinen introduced the basic ideas behind the medium term fiscal frameworks and budget frameworks. He stressed how medium term budget framework can help to overcome some very common budgeting

problems, such as unrealistic budgeting or inefficient spending. As well, the presentation pointed the preconditions for effective medium term budget framework, such as stable medium term fiscal objectives and realistic macroeconomic projections.. As a conclusion he stressed the importance of medium-term budget framework as a way to improve fiscal discipline, but also help effective prioritization of policies and stability and predictability.

Mr. Alexander Zeuner, Adviser in the Federal Ministry of Finance in Austria together with Ms. Jonna Berghäll, Resident Twinning Adviser, provided a presentation on Budget in reform – implementing medium-term budgetary framework that meets the EU requirements. Ms. Berghäll, focused on general level by introducing some elements of EU fiscal rules framework, and Mr. Zeuner presented, how implementing a medium-term budgetary framework works in practice by focusing on the Austrian case and lessons learned from that process.

Following the presentations, Project Leaders Mr. Reijo Lindh and Ms Verica Prokovic expressed satisfaction for the cooperation established and said that they are looking forward to see the realization of project activities and results.

Guests were invited to a small buffet.



*Mr. Alexander Zeuner, Adviser, Federal Ministry of Finance, Austria*





### 3 Media coverage of the event

EU Delegation published a press release for the Project kick-off conference and media was invited to cover the event:

- [http://eeas.europa.eu/delegations/the\\_former\\_yugoslav\\_republic\\_of\\_macedonia/press\\_corner/all\\_news/news/2016/25-01-2016-financing\\_en.htm](http://eeas.europa.eu/delegations/the_former_yugoslav_republic_of_macedonia/press_corner/all_news/news/2016/25-01-2016-financing_en.htm)

Following the event, articles were published in several major news portals. The project also had television news coverage in two national TV channels on Monday 25<sup>th</sup> of January. In the following are the links to published information about the project kick off:

- <http://sitel.com.mk/so-pari-od-eu-kje-se-jakne-upravuvanjeto-so-javnite-finansii>
- <http://telma.com.mk/vesti/proekt-za-upravuvanje-so-javni-finansii>
- <http://vecer.mk/ekonomija/promoviran-tvining-proekt-za-efikasno-upravuvanje-so-javnite-finansii>
- <http://sitel.com.mk/promoviran-tvining-proekt-za-efikasno-upravuvanje-so-javnite-finansii>
- <http://www.utrinski.mk/default.asp?ItemID=FB3B4E36E4ABA84EB5EE6E5809C07BCD>
- <http://lider.mk/2016/01/25/%D0%BF%D1%80%D0%BE%D0%BC%D0%BE%D0%B2%D0%B8%D1%80%D0%B0%D0%BD-%D1%82%D0%B2%D0%B8%D0%BD%D0%B8%D0%BD%D0%B3-%D0%BF%D1%80%D0%BE%D0%B5%D0%BA%D1%82-%D0%B7%D0%B0-%D0%B5%D1%84%D0%B8%D0%BA%D0%B0%D1%81%D0%BD/>
- <http://reporter.mk/2016/01/25/%D0%BF%D1%80%D0%BE%D0%BC%D0%BE%D0%B2%D0%B8%D1%80%D0%B0%D0%BD-%D1%82%D0%B2%D0%B8%D0%BD%D0%B8%D0%BD%D0%B3-%D0%BF%D1%80%D0%BE%D0%B5%D0%BA%D1%82-%D0%B7%D0%B0-%D0%B5%D1%84%D0%B8%D0%BA%D0%B0%D1%81%D0%BD/>
- <http://www.independent.mk/articles/26891/EU+Info+Center+Promotes+Project+For+Effective+Public+Financial+Management>



## 4 Gallery







This project is funded by the European Union