



# Ministry of Finance, Croatia

## 10th Annual Meeting of OECD-CESEE Senior Budget Officials „THEN AND NOW”

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# ***WHAT DO ALL PREVIOUS MEETINGS HAVE IN COMMON?***

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1. Always in line with the current situation
2. An opportunity for all senior budget officials to have an overview of
  - Recent developments in budgeting and financial management
  - Countries experiences with implementing fiscal reforms
  - Gaining knowledge about best practise regarding particular budgetary and fiscal issues
3. Country budget reviews
  - 15 country budget reviews
    - 2013 Albania
    - 2011 Ukraine and Montenegro
    - 2010 Lithuania and Moldova
    - 2009 Bulgaria and Latvia
    - 2008 Estonia and Russia
    - 2007 Hungary and Turkey
    - 2006 Croatia and Georgia
    - 2004 Slovenia and Romania



# WHAT DO ALL PREVIOUS MEETINGS HAVE IN COMMON?

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4. OECD surveys and reviews of best practices

5. „Evergreen” topics

- MTBF
- Program/performance budgeting
- Accrual accounting
- IT System



# **FINANCIAL CRISIS AND IT'S IMPACT ON MEETING`S AGENDA**

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1. Focus of agenda before the crisis (2004-2008)
  1. Legal framework
  2. Role of different institutions in the budget process
  3. Budget and accounting methodology
  
2. Focus of agenda during the crisis – reaction to the crisis (2009-2011)
  1. Impact of the financial crisis
  2. Challenges of ensuring fiscal discipline
  3. Fiscal consolidation
  
3. Focus of agenda after the crisis (2012 -...)
  1. Lessons learned
  2. „More” fiscal discipline
  3. Rules and EU requirements



# ***Before the crisis***

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- **2004**

- Recent developments in budgeting and financial management in OECD countries
- Capacity building
- Financial reporting and cash management
- Multiyear expenditure estimates
- Agencies
- Programme budgeting

- **2006**

- Role of the MoF in the budget process
- Priorities for budget reforms
- Organic budget law
- Budget and cash
- Accrual accounting in public finance
- Performance budgeting
- The IT system supporting the budget process
- Multi-annual frameworks and expenditure estimates



# ***Before the crisis***

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- **2007**

- Relationship between the legislature and the budget office
- Engaging the public in budgeting
- Performance budgeting and accruals budgeting
- PEFA benchmarking

- **2008**

- The political economy of fiscal reform in Central and Eastern Europe
- The co-ordination of fiscal policy in the EU
- Government Finance Statistics (ESA95, SNA93)
- Medium-term budgeting
- Funding of social security pensions
- Independent forecasting bureaus
- Organization of the budget bureau
- Tricks of the trade (problematic bookkeeping practices)



# Reaction to the crises (2009 – 2011)

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- **2009**

- The impact of the financial crisis on budget policy in Central and Eastern Europe
- The impact of the financial crisis on fiscal discipline and fiscal sustainability
- The problem of off-budget public spending in Central and Eastern Europe
- National fiscal policy and EU coordination: rules and institutions
- Experience with budget reform
- The budget classification in the budget law
- Budgeting for investment
- Improving parliamentary scrutiny
- Performance information and budget



# Reaction to the crisis(2009 – 2011)

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- **2010**

- Redefining growth models for eastern European countries after the crisis
- Fiscal and monetary institutions in CESEE countries
- Impact of increased surveillance requirements on EU candidate and potential candidate countries
- Challenges of ensuring fiscal discipline: the role of fiscal regulators and financial markets
- Making line ministries responsible for budgetary discipline
- How to construct base line (current policy) estimates for the medium term
- Challenges of implementing a multi-year expenditure framework on the post-crisis environment



# Reaction to the crisis (2009 – 2011)

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- **2011**

- Current challenges of fiscal policy in central and eastern Europe
- Fiscal consolidation in CESEE countries
- New EU requirements for the budgetary frameworks of its country members
- Steering of execution agencies
- MTEF
- How to set up a long term fiscal sustainability analysis?



# *After the crises (2012 - ...)*

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## • 2012

- Lessons learned from the fiscal crisis and the recovery endeavours
- Recent developments in strengthening fiscal governance in the EU
- Budgeting in the circumstances of austerity measures and slower economic growth
- Political commitment to fiscal discipline: is it more important than legal provisions
- Recommendation for use of PPPs

## • 2013

- Endeavours to restore public finance in the CESEE region
- Implementing the new set of EU economic and fiscal governance procedures
- Accrual accounting and budgeting
- Budget transparency - best practises
- Medium-term expenditure framework – best practise
- Performance budgeting – recent trends
- Modern IT system in use in budget departments and treasury



# WHO HAS BEEN WITH US „THEN and NOW”?

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- ◆ Together with OECD and SIGMA from the outset
  - GTZ/GIZ
  - WORLD BANK
  - CEF
- ◆ Since 2011 – European Commission representative
- ◆ In 2012 on a one-time basis
  - Plenary session with Senior Budget Official`s CESEE Regional Network
- ◆ from 2013 - PEMPAL network



# SENIOR BUDGET OFFICIALS „THEN AND NOW”

