



# **MID-TERM REVIEW OF THE PROGRAMME**

## **PUBLIC FINANCE FOR DEVELOPMENT**

### **Strengthening Public Finance Capacities in the Western Balkans and Commonwealth of Independent States**

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## LIST OF ABBREVIATIONS

EC	European Commission
EU	European Union
GMS	General Management Support
ISS	Implementation Support Services
MF	Ministry of Finance
MFA	Ministry of Foreign Affairs
MNE	Montenegro
MOL	Moldova
PAB	Programme Advisory Board
PB	Programme Board
PFM	Public Finance Management
PM	Project manager
QA	Quality Assurance
SAIDC	Slovak Agency for International Development Cooperation
Slovak ODA	Slovak Official Development Assistance
SR	Slovak Republic
SRB	Serbia
ToR	Terms of Reference
UNDP BRC	United Nations Development Programme Bratislava Regional Centre
UNDP CO	United Nations Development Programme Country Office
UKR	Ukraine



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## I. EXECUTIVE SUMMARY

The Programme Public Finance for Development: Strengthening Public Finance Capacities in the Western Balkans and Commonwealth of Independent States initiated by the Ministry of Finance of the Slovak Republic is focused on supporting the public finance reform initiatives in selected Slovak ODA priority countries using a programme-based concept and demand-driven approach. The Programme was launched in 2009 as one of the regional programmes of the United Nations Development Programme Bratislava Regional Centre.

The mid-term review was planned to be conducted after 18 months of project implementation in order to comprehensively review the Programme set-up, focus, strategy, targets, issues, risks and achieved results. A review team was proposed by the MF SR as a donor and UNDP BRC as an implementer and was composed of a senior expert from UNDP and senior and junior consultants from MF SR who were not involved in the Programme implementation.

The review team focused mainly on immediate results achieved within Component 0 and 1, overall management of the activities and budget. The Programme is in the last third of its planned implementation timeframe so it is too early to assess the impact especially from a long-term perspective. However, based on the findings and information there are strong indications that the Programme will be successfully completed and the overall impact of the results will be positive.

A non-experimental design evaluation method<sup>1</sup> was applied in this mid-term review. There were desk reviews of the Programme documentation, semi-structured surveys, phone interviews and direct interviews (with Slovak stakeholders) used as data collection methods.

### *The Programme implementation set-up*

It can be concluded that the start-up phase of the Programme was very effective in terms of management as well as budget lines. The review team was provided with complete Programme documentation and relevant contacts. The success of the set-up phase is based on the following factors:

- drafting detailed Programme document with the clear objectives, structure and principles,
- willingness of MF SR and Slovak experts to transfer experience with public finance reform in Slovakia to beneficiaries via Slovak ODA using programmatic approach,
- The selection of a well-established international organization as an implementer (i.e. UNDP BRC) which can provide necessary know-how,

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<sup>1</sup> Nonexperimental design provides description of the relationship between intervention and its effects. It uses existing data, surveys, or information available for analysis.

capacities, networks and verified methodologies in delivering development assistance,

- Appropriate timing and field of intervention in terms of demand and gaps in Western Balkans and countries of Eastern partnership (i.e. MNE, MOL, SRB, UKR),
- The right selection of partner institutions in selected beneficiary countries and local personnel who are leaders of the reform processes and decisions and policy makers with real power,
- Commitment and professional approach of PM,
- Demand-driven and participatory approach in preparation of detailed implementation plans for the respective beneficiary country,
- High commitment of beneficiaries and strong ownership of the donor,
- Comprehensive Programme structure and efficient monitoring and reporting system which enables flexible response to risks and problems,

Despite of very positive results there are several issues in the Programme management which should be considered and modified in order to keep a high quality of outputs and ensure the successful implementation of all components:

- Modification of the timeframe for activities which require communication among several stakeholders. As it was found out, the activities requiring response and direct involvement of beneficiaries has to be prolonged due to limited time capacities of staff, language obstacles and the necessity to translate documents, commenting and tuning the documents.
- The role of UNDP COs representatives involved in the Programme implementation is important and their work should be appropriately paid based on clear job descriptions and monitoring of tasks' realization.
- The Programme has been developed as the partnership programme. Management and managing for results is ensured by an implementer with an active participation of the donor. Regular reporting provides timely and accurate data of the implementation progress. However, as lack of actual information was reported on donor side and micro managerial interventions on implementer sides, it is recommended to share information and communication among partners on continuous bases.
- Change of PM part-time position (80%) to fulltime and to separate administrative and professional (e.g. QA) duties conducted by PM, adjust remuneration of PM proportionally in the framework of respective budgets lines.
- Involvement of an assistant for promotional activities under Component 3 and simple administrative tasks.
- Continuing alignment of the work plan with PM workload regardless of the PM assignment.
- Modification of performance monitoring framework, i.e. reduction of extensive number of quantitative indicators and introduction of qualitative ones. Reporting on monitoring performance indicators should be done annually.

### *Programme design and strategy*

The Programme is the first initiative within the Slovak ODA using a programmatic approach with cross-sectoral impact. Its structure and division into respective components allows implementation of activities in a logical sequence and flexible responding to risks. The following strengths can be pointed out:

- Reputation of Slovakia in public finance reform and economic development,
- Detailed analysis of the countries' preparedness and assessment of their needs in the field of PFM,
- Implementation of Paris Declaration principles and among them harmonization with other donors' initiatives,
- Strong ownership of the donor,
- Participatory approach in designing implementation plans,
- High commitment of beneficiaries and usage of local resources and systems for implementation,
- Relevance in terms of development strategies of the respective beneficiary countries,
- Strong drive in transferring Programme plan to expected results on side of PM as well as beneficiaries,
- Transparent and regular reporting and monitoring system.

Going into details within the respective components, it should be noted that the Programme was designed as very complex and ambitious from the time and work load point of view. As the initial phase has showed, prioritizing of the activities is necessary and it will be necessary also in the future. The following recommendations are proposed for next implementation phases:

- Modification of the overall Programme timeframe,
- Strengthening expert capacities at the Ministries on lower levels which are not influenced by political changes,
- Activities planned within the Component 2 and 3 should be focused on the most important actors in the beneficiary countries (e.g. most relevant NGOs and academic institutions) instead of the involvement of too many new stakeholders,
- Involvement of Slovak capacities out of MF SR in activities aimed at Programme visibility, research, publishing, via involving NGOs or academic institutions,
- Improvement of the Programme visibility via regular website update and sharing lessons learned,
- UNDP COs' focal points should be strengthened (via clear assignments and motivation) in order to provide quality services and their work should be monitored,
- Incorporation of on-the-job training modalities if possible.



### *Programme implementation results*

The implementation of the Programme has been planned for 3 years and it is divided into the Components 0 – 4. Based on the reports and surveys, the initial needs identification phase of the Programme has been successfully completed.

The priority countries were identified, detailed country profiles were elaborated and four final beneficiary countries were selected (MNE, MOL, SRB, UKR). Subsequently, implementation plans for selected areas of interventions were prepared and for MNE and MOL endorsed and currently they are under implementation. It can be concluded that the activities under Component 0 were successfully completed within planned budget lines and timeframe. Activities within Component 1 are under implementation with the exception of SRB due to the political situation. According to feedback from beneficiary in MNE, there is strong satisfaction with transfer of useful knowledge in the area of PFM and quality of outputs achieved. Moreover beneficiary is implementing recommendations of experts into practice and would like to continue in cooperation also in other areas of PFM, e.g. macro economy and treasury.

Activities under the Component 2 have not started yet and will be initiated probably in 2012, because preparation of activities under Component 2 started in Moldova as part of the Joint programming process of the European Commission. Potential partner NGO identified in 2011 may be involved in component 2 in Montenegro in the area of macro/fiscal forecasting

There are several challenges to be considered in the future phase of implementation:

- Preparation of a detailed and realistic work plan for Components 2 and 3,
- Focus on carefully selected activities and stakeholders from the possible range of pre-defined activities and stakeholders,
- Quality of partner institutions with emphasis to sustainability of the results within Components 2 and 3 should be considered,
- Involvement of Slovak and/or local academic and NGOs to cooperation via small-scale projects,
- Dissemination and promotion of lessons learned and improvement of overall Programme visibility.