



# TRANSITIONAL **EXPERIENCE**

Delivering Development Aid the Slovak Way



#### EMPOWERING CITIZENS

Between 2009-2014 countries in the Western Balkans, Eastern Europe and Central Asia have received a form of development assistance that could only be delivered by a country with unique expertise, a shared history and a genuine desire to empower the citizen.

Reducing poverty, creating employment and developing a socially inclusive society is exceptionally difficult in countries where weak governance or corruption persists. The recent global economic crises added to the challenges faced by nations with underdeveloped systems to manage public resources. Democratic institutions and effective systems of governance need to be advanced, particularly by countries in transition to EU membership. Slovakia - despite a complicated transition in the 1990s-2000s has been exceptionally successful in this regard.

A former recipient of aid, Slovakia has overcome significant challenges over two decades in its transition to democracy, economic stability and social prosperity. Today, as a member of the European Union, and as an emerging donor the Government of Slovakia has adopted its own unique holistic approach to international assistance. Sharing its own transitional experience with other countries is at the heart of the unique development cooperation programme that continues to evolve. Milestones include the establishment of Slovak Official Development Assistance (ODA) mechanism in 2003 and creation of the Slovak Agency for International Development Cooperation (SAIDC) in 2007.

UNDP has been a partner to the Slovak government along this journey. The partnership in support of Slovakia's role as donor started before EU accession, and has evolved over the years. Among the first instruments of the partnership was the Slovak-UNDP Trust Fund. Over two decades the Trust Fund has prepared the conditions and dispatched professional Slovaks from a multitude of disciplines to share their skills in countries keen to engage with them in development cooperation initiatives.

Another key manifestation of UNDP's partnership with Slovakia as a donor is the Public Finance for Development Programme led and financed by the Slovak Ministry of Finance. Strong technical expertise acquired during the difficult transition years, and good understanding of the region's context, along with empathy helps Slovakia share much needed knowledge and experience on public finance management with counterparts in other countries who seek solutions to their development needs. The results of the programme are evident in Moldova and Montenegro as capacity in public finance management has substantially advanced in both countries. The OECD has described the programme as an example of good practice on which to build upon. With this publication, it gives us pleasure to provide an insight into the key aspects of this unique partnerships between Slovakia and UNDP: the Slovak-UNDP Trust Fund and the Public Finance for Development Programme. We hope that these results have made a real difference, and will help Slovakia to set new trends in development cooperation.

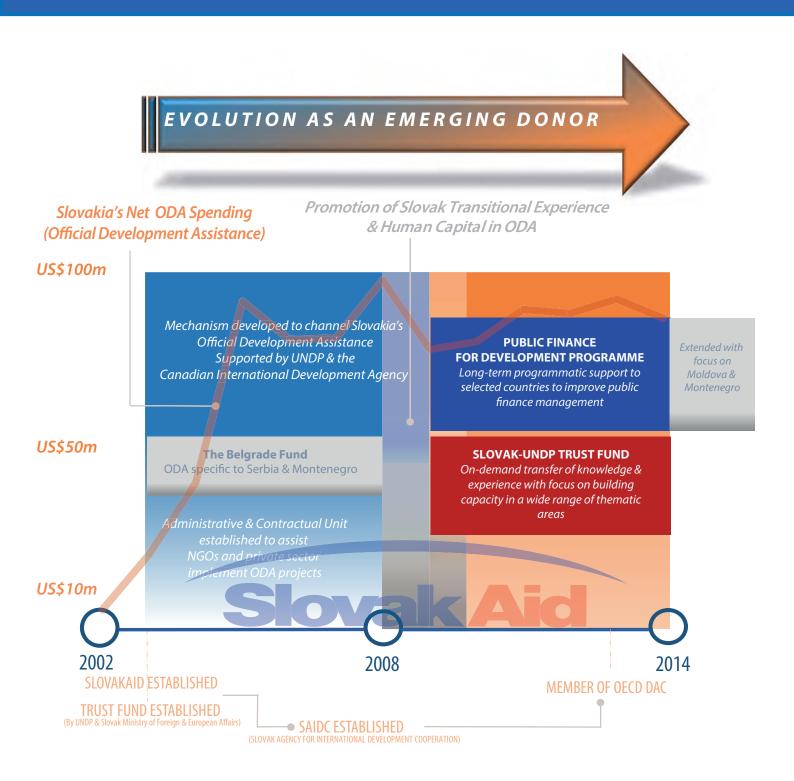
Mr. Olivier Adam UNDP Deputy Regional Director



UNDP cooperates with new EU member states and other emerging donors to build capacity and manage official development assistance.

Knowledge is shared through a network of UNDP country offices.

Mechanisms are provided to coordinate ODA between countries.



#### PUBLIC FINANCE FOR DEVELOPMENT PROGRAMME

Good practice in the management of public finance is critical to ensure effective use of government resources. Public finance reform requires leadership, capacity and transparency mechanisms to ensure the public have a say in how finances are managed. The Public Finance for Development Programme, implemented by UNDP, aims to develop the capacity of central and local governmental organisations by transferring the recent Slovak knowledge, experience and expertise

#### THE Why

In an equitable society, every citizen is entitled to benefit from public resources. Good governance, effective and accountable public finance are necessary for development.



Good governance reduces poverty - Photo: Milos Vujovic UNDP Montenegro

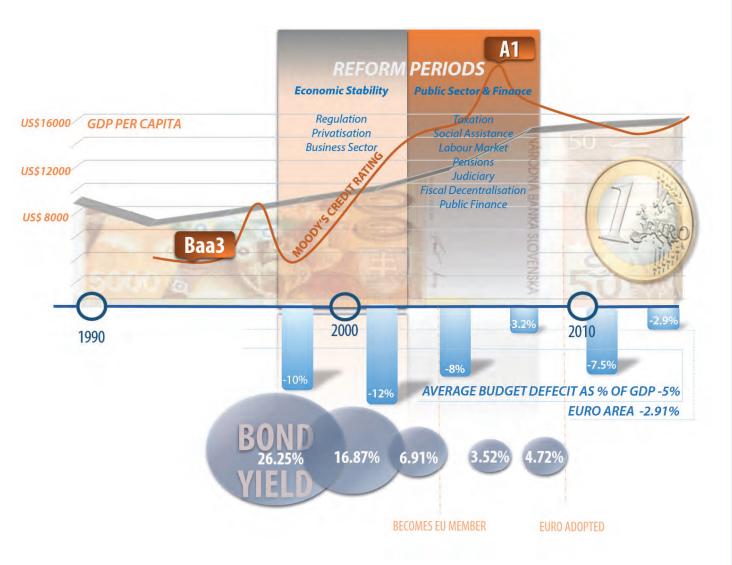
Many countries lack the resources and systems to manage public finances effectively. Specific expert support is required from people who can understand and address the issues. In its difficult, but eventually successful political and economic transition in the early 2000s, Slovakia overcame many of the obstacles now faced by countries in transition across the Western Balkans, Eastern Europe and Central Asia. This wealth of experience and a shared history has made Slovakia a major resource for them.

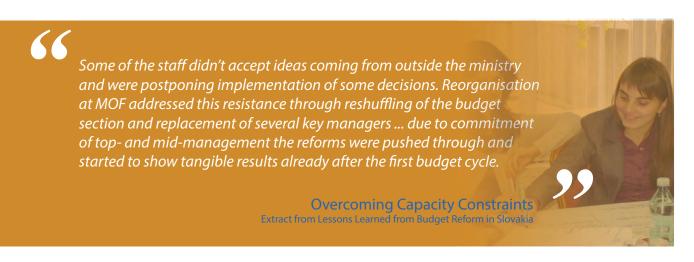
Through a UNDP-run multi-year programme, Slovakia's transitional experience has been used to enhance public finance capacity in countries where administrators and legislators required specific support. Success was achieved where high-level leaders in those countries drove the reform process. As a result of this systematic programmatic effort, public finance is becoming more transparent to their citizens, and the overall quality of public resource management is improving.



## THE SLOVAK **experience**

Slovakia's inspiring rate of social development matched its success in reducing taxes, decentralisation of public finances and transition to the Euro. Those who led the process attribute their success to a clear strategy, strong leadership and political support for reforms. The people who helped orchestrate Slovakia's transitional success have shared their experience and have adapted their reform approach to the specific needs of countries now in transition.





#### THE how

Those involved with Slovakia's transition empathise with their counterparts, particularly those who share a similar historical background. Countries in transition now benefit from support based on a peer-to-peer dynamic provided by Slovak experts. In the process – implemented by UNDP - the Slovak Ministry of Finance itself is learning what it means to be a donor.

**The programme is DEMAND DRIVEN** and responds to the needs that are jointly identified by all involved in the process. Although countries from the Commonwealth of Independent States and the Western Balkans share much in common, Slovak experience has shown that needs vary. Adapting solutions to local conditions is key.

INITIAL EMPHASIS CENTRAL GOVERNMENT

Capacity Assessment
Individuals & Regulatory Framework

High-level training

Develop Training Curricula

**ADJUST TO LOCAL REQUIREMENTS** 

AMALITIC SINUCTUR

Policy Advice

TRAINING OF TRAINERS

FOCUS LOCAL GOVERNMENT

**Good Practice Guidelines** 

**Public Engagement** 

**ALIGNMENT** of the programme activities with countries government strategies is important to ensure local ownership and commitment to reforms.

**HARMONISATION** of assistance with donors' projects in the beneficiary countries ensures efficient use of resources and minimises duplications and overlaps.



#### THE difference

One of the key contributions the Public Finance for Development Programme made for the beneficiary countries was support provided to implement Programme Based Budgeting in Moldova..

It is about linking the policy and the budget people. It is about communication, human resources and processes. Transparency decreases fraud. The old system was short term based. No one cared what was delivered. The new system is about the medium term that links the strategy with the budget. Programme Based Budgeting shows what you receive for your money using indicators. A budget allocated to meet a healthcare strategy to improve mortality rates will be measured by indicators that show if better healthcare has been delivered.

If you want to really implement this you need to teach people in country. Projects will expire and consultants will disappear and so people in the country need to continue the process.



Juraj Renčko

Consult & adviser to the Slovak Minister of Finance during reform period

It is new way of perceiving the term "budget". The difference is, it is based on performance and focused on results achieved for taxpayers' money. It is a management tool that emphasises responsibility and accountability and links budgeting with multi-annual planning.

Through the Public Finance for Development Programme funded by Slovakia Ministry of Finance, Slovak consultants have developed training materials on programme budgeting implemented in Moldova. By delivering train-the -trainer courses for civil servants in Moldova, consultants not only shared Slovakia's transitional experience but more importantly, they contributed to developing capacities that have the potential to be sustained over years.

"While a linear budget provides general information how much money is spent in individual sectors, a programme budget asks, 'were the citizens provided for this money with sufficient quantity and quality goods or services? "Each country undergoing a reform process can learn from the experience of the others, but at the end of the day, there is no unique way of doing so, each of them has to implement the general rules into its own specific economy, social, legal system." It represents an additional classification to linear budgeting," explains Anna Baron., having engaged in public finance reform in Slovakia and as a consultant in Moldova.



PROGRAMME BASED BUDGETING [also known as performance-based budgeting] systematically integrates performance information into budgeting by using it to link funding to results (outcomes and outputs), with the aim of improving performance. It facilitates good expenditure prioritization while simultaneously placing increased pressure on ministries and agencies to improve the effectiveness and efficiency of their expenditures.



World Bank

#### MOLDOVA budgeting for the public good

In Moldova the programme funded by the Ministry of Finance of Slovakia focused on programme budgeting.

Public financial management has been greatly enhanced in Moldova by developing capacities and improving processes for programme budgeting - a method of budgeting focused on results and getting value for taxpayers money.



A Good Exchange of Opinion - Danka Kovalova & Igor Guseinov at training of trainers in Moldova

This needs a big change in philosophy and thinking, especially for top management. Decentralised management is also a new issue. Therefore, the first phase focused on central government. We later moved on to the municipalities.

Moldova was successful because they led the process, they had a vision and they knew at the beginning what they wanted to achieve. They had targets to consolidate public funds. It is easier to introduce something as a result.

Danka Kovalova

Consultant - Conducted Train-the-Trainer Courses & Developed Training Curricula

**Project Begins** 

Legislation Analysis for Programme Budgeting

Capacity Development Plan

Project Phase 2 Designed Jointly with Ministry of Finance, Moldova

Analysis of Programme Budget methodology 40 future trainers from central authorities receive training on programme budgeting

Circa 95 policy makers from central & local authorities received training on programme budgeting

Capacity Assessment for implementation

Training Designed (all levels of government)

Phase 2 Begins

APR 2011 DEC 2011 APR 2012

Because of this cooperation we have learned to set goals and tasks that are similar. This raises the accountability of each institution. Money is given to the heads and you see how they spend it. We realise that it is not so important to show the routine activities of every institution, but to come up with the goals and direction that the institution is taking; and you have to show this to the public. In areas with similar structures such as our cultural sector - with institutions like art galleries and museums - we have merged budgeting systems to be more efficient.

We went to Bratislava and met our counterparts at the Ministry of Finance. We met with district authorities at the town Hall and in mayoralty of Pezinok. I was impressed by things such as the extracurricular activities at a school we visited.

We were very pleased to work with Slovak experts, training was very productive and a good exchange of opinion. It was easy to work with them because their mentality is close to ours. That is very important when implementing reform.

Igor Guseinov

"

Transition countries usually face the same type of democracy challenges in order to be transparent and accountable in using the public funds.

There is often a lack of management practices that would ensure maximum value for money.

The reform process is often complicated by political rivalries, limited understanding of new concepts and insufficient recognition of the complexity and inter-relationship of reform activities. Therefore the strong political commitment and consensus, however needed, are often lacking.



Anna Baron
Consultant

On-the-job training for Min. of Finance & central public authorities in Moldova

Report on Lessons Learned from Budget Reforms in Slovakia Produced

70 people from local authorities (raions) trained on concept & methodology for programme budgeting

On-The-Job Training Provided in 3 raions to Prepare their First Programme Budgets Methodological Guides Produced

Methodological Guides Produced Monitoring & Evaluation Methodology Completed



**AUG 2014** 

**MAY 2013** 

#### TRAINING the trainer

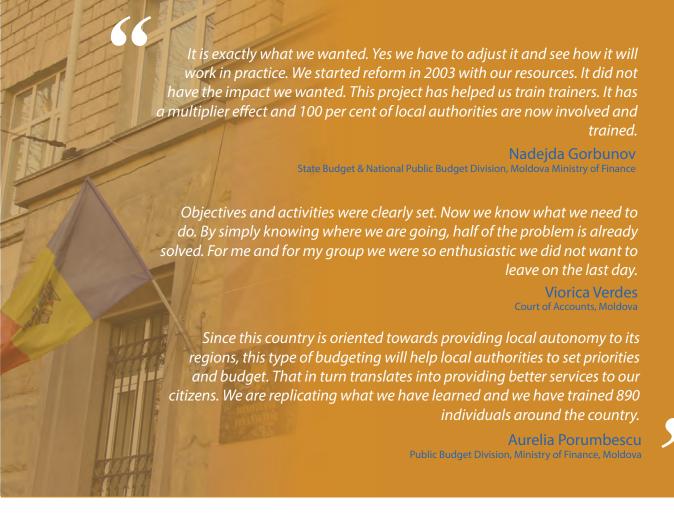
Training is an important component of the Public Finance for Development Programme. Emphasis was placed on training of trainers to ensure the outcome delivers sustainable capacity to partner institutions and their staff.

Training needs are a key element in capacity assessment. The needs of high-level government representatives differ from those of their administrators. Local government also require specific solutions. Local trainers need coaching in addition to on-the-job support. To design effective training programmes and curricula, training needs analysis is required as part of the capacity assessment.



Martin Valentovic (MESA10) trainer and co-author Lessons Learned from Fiscal Decentralisation in Slovakia. It provided insight into transition design, timing, political/social background, communication strategy and analysis of what was not possible.

"We must take into account the strengths and weaknesses of each group. We work together to set a target based on how the trainees will use the capacity they learn. We then set to work on presentations and training tools appropriate to each group. It is a big investment," said consultant and trainer Danka Kovalova. The results of the initial work in training the trainers were quickly evident. After on the job training the Ministry of Finance in Moldova quickly implemented the suggestions which were immediately submitted for approval to the budgetary [authorities].



Public services management and budgeting for specific objectives was highlighted to a Moldavian delegation during a study visit to Bratislava. They witnessed an example of "citizen governance" on the city council's website. They learned how residents chose how a specific budget was spent by casting a vote for their preferred initiative online.

'On-the-job trainings were introduced as an innovative way of knowledge and experience sharing in Moldova. Budget and policy specialists worked with experts during the program budget preparation and applied the theory from trainings in the real budget process.'



#### MONTENEGRO capacity strengthened

In Montenegro the Public Finance for Development Programme supported the capacity of the ministry of finance in important areas of public financial management such as public accounting and reporting, macro-economic forecasting and analysis, as well as public debt management.

**COUNTRIES KEEN TO REFORM** share a desire for transparency, efficiency and responsibility. Montenegro is one such country. Driven by local leadership and influenced by the Public Finance for Development Programme, the Sector for Economic Policy and Development at the Montenegro Ministry of Finance has been restructured using the experience of Slovakia. This included the establishment of three specialist units for macroeconomic projection and analysis, fiscal projection and analysis, and, structural policies.

Experts from Slovakia's Ministry of Finance, the Debt and Liquidity Management Agency and others share their experience of public financial management reform.



Public sector accounting & reporting systems improved

All priority areas of cooperation in Montenegro assessed and recommendations for improvements provided

Macro-economic forecasting model and fiscal revenue forecasting model developed

Roles & responsibilities between budget sector & others clarified

Strengthening capacities for macro-economic, fiscal forecasting and public sector accounting continues



**SEP 2012** 

17 people attended seminar on written communication by Centre for Excellence in Finance

**DEC 2013** 

Capacity for economic/ fiscal analysis & forecasting strengthened JUL 2014

Positive feedback on quality of analytical output from European Commission

#### NEXT **steps**

**LONG TERM PARTNERSHIPS** will continue to support public finance reforms. The Slovak Republic - UNDP Partnership for Results in the International Development Cooperation is planned to continue throughout 2016. With funding from the Slovak Ministry of Finance, the positive results in partner countries bodes well for the future.

**PUBLIC AWARENESS** has a critical role to play in public finance management. Misappropriation and misallocation of public funds translate into ineffective delivery of social services. To ensure it is equitable and transparent academia, NGOs, research institutes, the media and others must engage in the process.

**CAPACITY DEVELOPMENT** will remain a priority. The positive impact of ongoing initiatives in Moldova and Montenegro are becoming apparent. Building on the successes achieved there in public finance management within central and local authorities. By encouraging local ownership, reforms will yield results, value for money will be assured as citizens become the ultimate beneficiaries of the Public Finance for Development Programme.



The lives of people with intellectual disabilities are improved by effective public finance management
Photo: Milos Vujovict, UNDP

## SLOVAK-UNDP TRUST FUND

UNDP and the Slovak Government have been working together to support the Slovak Republic in becoming a donor of development assistance. Since 2003, the Slovak-UNDP Trust Fund has been the mechanism for channelling Official Development Assistance. Building capacity to plan, deliver and monitor assistance has been a major component of the project. The end result is reflected in the initiatives that empower lives and help nations to be resilient.

## тне why

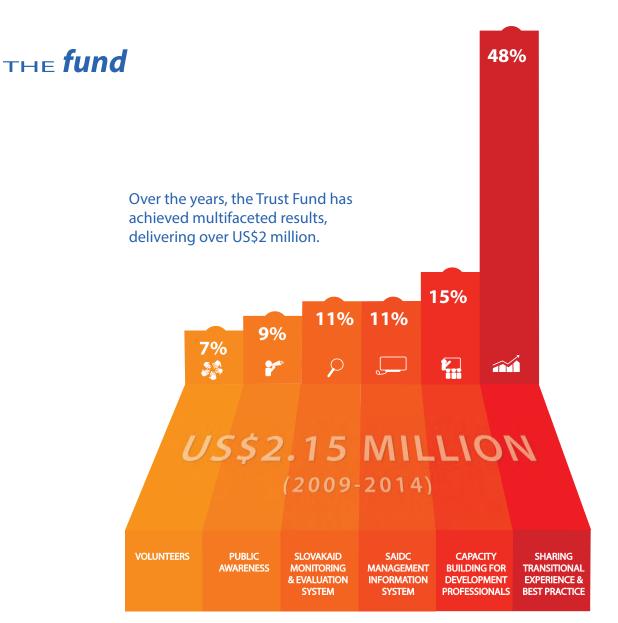
The Slovak-UNDP Trust Fund was established on the basis of Memorandum of Understanding between the Government of the Slovak Republic and the UNDP in May 2003. Between 2003 and 2014, the Trust Fund delivered over US\$14 million in assistance, including over \$2 million during the second phase of the Trust Fund, in 2009-2014. In the initial period, 2003-2008 the Trust Fund was used as one of the main tools of the international assistance and as a testing ground for Slovakia's national approach to ODA.

From 2007-2008, with the creation of SAIDC and other instruments of bilateral assistance, the Trust Fund's rationale has evolved. In 2009-2014, the focus of activities was on sharing knowledge and expertise from Slovakia with partner countries, based on their demand, and using the network of UNDP country offices. A cadre of experts armed with skills and knowledge of Slovakia's transitional experience has provided valuable support in countries keen to redevelop sectors as diverse as environmental protection, public administration reform, anti-corruption and tourism. A variety of initiatives, including a volunteer programme, have created the foundation that will enable Slovak assistance to continue to deliver new trends in international development assistance long into the future.

Promoting transitional experience is a landmark feature of Slovakia's Official Development Assistance which focuses on peer-to-peer learning, aims to provide demand-driven and realistic solutions and is based on the full respect of the partner country's choices in development. Though relatively not large in nominal financial terms, the assistance that Slovakia channelled through the Slovak-UNDP Trust Fund has had a catalytic effect, leading to new initiatives, higher quality reforms and more funding opportunities. Importantly, along the way, the Slovak-UNDP Trust Fund has supported the capacity of key Slovak ODA stakeholders to plan, deliver and monitor assistance.

As a longer term impact, the quality of life has been improved through the transfer of Slovak knowledge and expertise via UNDP country offices in Europe and the CIS. The result is enhanced human and economic development.

The Slovak-UNDP Trust Fund was a pioneering effort to put the recent transition experiences of the new EU member states on the map of development cooperation in Europe and CIS, and beyond. For UNDP, it has been a privilege to work with Slovak Republic as a young donor, and to observe the concrete results of the partnership on the ground: transfer of know-how; active learning; peer-to-peer support in crucial socio-economic reforms. These results are manifested through positive feedback of the governments and civil society of our programme countries, and have often translated into longer-term programs with sustainable impact.





The partnership between donors may have different forms and quality. Slovak partnership with UNDP is one of the most significant outcomes. The cooperation began basically with the formation of SlovakAid in 2003. At that time UNDP regional centre in Bratislava created an "incubator" of the future SAIDC agency. After the establishment of the SAIDC agency the cooperation between UNDP and SlovakAid was naturally moved into a new phase. Both donors knew what to offer – what they are good at. Slovakia contributed to the partnership with lessons learned from the economic and social transformation, the reforms, institutions' building and democratization process. UNDP offered well established network of offices, well working implementation mechanism and a team of independent experts. During the 12 years almost 500 projects were implemented in partner countries under the SlovakAid program. Slovakia has built up a functioning institutional, legislative and strategic framework and in 2013 became a member of the club of the most advanced donors (Development Assistance Committee of OECD). Stable partnership between UNDP and SlovakAid is very important part of the story of Slovak development cooperation.





#### THE knowledge exchange

INCORPORATING CLIMATE CHANGE INTO LOCAL DEVELOPMENT was the title of a workshop held in Slovakia to strengthen the capacity of local governments to tackle climate change issues. Participants learned about the importance of an integrated response involving local development processes and partnerships at international, regional, national and local levels. The science and behind the likely impacts of climate change, mitigation commitments and finance mechanisms were outlined with the help of case studies and the development of action plans for local government.

**TRANSITIONAL EXPERIENCE BETWEEN EU MEMBER STATES** and other countries was shared at an international conference in Slovakia. New EU member states shared their experience in political, economic and environmental transition with Balkan countries and the former Soviet Republics. Representatives from UNDP Bratislava Regional Centre, Belarus, Georgia, Kyrgyzstan, Serbia and Ukraine also discussed aid effectiveness and relationships among donors and recipient countries. In 2012, UNDP organized a number of events jointly with the European Commission and the World Bank, bringing the emerging donors of the region together to discuss their needs and priorities for capacity building. This works, started as part of the Slovak UNDP Trust Fund, continues today, managed by the UNDP New Partnerships Team in Istanbul.

**SUPPORTING THE EFFECTIVENESS OF AID.** As part of the Slovak-UNDP Trust Fund activities, UNDP organized a number of trainings, capacity building and knowledge sharing events aimed at improving the capacity to manage ODA. The Trust Fund supported the early days of SAIDC and other ODA institutions, as well as contributing to the formulation of the first Medium-Term Strategy of Slovak Official Development Assistance



#### SERBIA **social inclusion**

As signatory to the Decade of Roma Inclusion, Serbia was committed to narrowing the gap in welfare and living conditions between the Roma and non-Roma population. The objective was to break the cycle of poverty and exclusion. To improve their knowledge of programmes for Roma minority inclusion, a study tour to Slovakia was arranged for ten Roma municipal coordinators from Serbia.

The delegation visited organisations and met with those addressing Roma across Slovakia. Lessons learnt and good practice was shared relating to Roma housing, health, education and employment. A handbook outlining the current situation for Roma in Slovakia was distributed. It provided recommendations and details relating to social and inclusion programmes.



Sharing experience and lessons learnt helps address social issues Photo: UNDP Montenegro

## BELARUS poverty & employment

With large scale industrial restructuring comes rapid growth in poverty and unemployment. Communities across Eastern Europe and the CIS share a common heritage; communities suffer social deprivation where the economy is based on unviable state-owned enterprises. In their efforts to address the issues, eight experts from Belarus learnt about the Slovak experience in social policy development. During their study tour they discovered how Slovakia found ways to enhance social services, through process that ranged from data management and inter-government coordination, to employment initiatives and entrepreneurship.

## uzbekistan **legal structures**

A strategy adopted in 2007 aims to improve welfare provision in Uzbekistan through access to legal services and courts of arbitration. By visiting an arbitration court and the Chamber of Commerce in Slovakia, eight Uzbek professionals learned about alternative dispute resolution methods and an educational system for arbitration judges. Slovakia's experience in developing such structures in accordance with international standards was detailed in a publication made available to Uzbekistan's justice ministry and chamber of commerce.

#### THE highlight of activities

Study tour for 15 professionals from BOSNIA AND HERZEGOVINA learning from Slovak experience on sustainable land use, management and environmental protection

Study tour to Slovakia for 10 Municipal Roma Coordinators from **SERBIA** 

Public expenditure management focusing on decentralisation and inter-budgetary relations was basis for study tour of finance experts from **UZBEKISTAN** 

A school **essay competition** focusing on ODA held in Slovakia

Trust Fund organises **intl. conference** on sharing transition experience of EU states with others

Civil Engineer shared knowledge & skills with local experts & UNDP staff in **TAJIKISTAN** to assist with planning, monitoring & evaluation of infrastructure rehabilitation projects

Public Awareness campaign Everyone Matters & photo exhibition & SOS **SUDAN** documentary film produced

> Development evaluation training for 42 stakeholders in Slovakia's ODA

13 officials from central and local government in **ALBANIA** visited Slovakia to learn about Slovak experience with regional development and use of preaccession EU assistance



2010

Study tour learning from the Slovak experience in environmental management and remediation of mine sites for 16 people from **WESTERN BALKANS**  2011

3 Development projects evaluated in **BOSNIA & HERZEGOVINA** 



Empowered lives. Resilient nations.

UN Volunteer Project Officer posted to **KENYA** -focusing on human rights & civil education

Volunteer programme structured & pilot phase implemented.
Volunteers posted to **GEORGIA**, **KENYA**, **MONGOLIA** & **VIETNAM** 

8 experts from **BELARUS** learn about social policy development and social service delivery during visit to Slovakia

8 professionals from **UZBEKISTAN** learnt about
alternative dispute resolution
institutes and educational system
for arbitration judges during the
study visit to Slovakia

12 legal professionals & pedagogues from **BELARUS** visited Slovakia where Slovak experts shared information about judiciary and experiences with legal education 8 negotiators from **MONTENEGRO** gained from lessons learned by Slovakian accession negotiation process during a study visit to Slovakia. Followed by 4 expert missions to Montenegro

Slovak experts provided **MONTENEGRO** with support for **EU Accession negotiation process** in Justice, Freedom & Security

Study on strengthening local fiscal autonomy based on Slovak experience presented to local authority representatives in **MOLDOVA.** Followed by study visit to Slovakia

6 experts from **MOLDOVA**'s wine industry visited Slovakia to learn about wine sector development

SOS **SUDAN** documentary film produced

Comparative experience on reform of public administration during the EU accession process shared during visit by 8 officials from **MONTENEGRO** to Slovakia Information shared on agricultural payments, veterinary & food authority functions etc. during visit of 8 officials from **MONTENEGRO** to Slovakia

7 anti-corruption directorate reps from MONTENEGRO participating in study visit to Slovakia were presented with a guide based on Slovak experience on how to engage the private sector in anti-corruption

Supporting reform of municipal financing through experience exchange highlighted in 2 reports & related training for 18 local authority administrators in **MONTENEGRO** 

11 environmental officials from **MONTENEGRO** 

Slovak experience

undertook study tour - Protected areas in EU accession context -

Consumer statistics experience outlined to 2 experts from **MOLDOVA** during study visit to Slovakia's statistics HQ. Social statistics expert from Slovakia shares knowledge in Moldova.

2012

3 Slovak development projects evaluated in KENYA & SOUTH **SUDAN** 

6 Slovak development projects assessed in AFGHANISTAN

Photo exhibition Helping the World

Slovakia

2013

4 Slovak development projects evaluated in **SERBIA** 

Slovakia Accession to OECD-**Development Assistance** Committee

2014 6 officials from **MOLDOVA** visited Slovakia to learn about natural hazard early warning systems

4 Slovak funded development projects evaluated in MOLDOVA

Following a study tour to Slovakia for 6 local authority reps, a round table Independent Municipality = More Democracy was organised for 58 reps from municipal & national government in MOLDOVA

Slovak experience in support & rehabilitation of victims of crime, mediation system & judicial expertise shared during study visit for 12 professionals from **MOLDOVA** 

> **Public Awareness** - National Development Day, One World

SlovakAid

Volunteer handbook & legal mechanism for sending

volunteers & experts to

developing countries launched

Film Festival & brochure launch

Support provided to SlovakAid Intl. conference & Afriktivity photo exhibition marking 10 years of ODA organised

## MONTENEGRO COMMON ground in progress

Addressing social and economic reform creates unimaginable challenges for all concerned. Finding people with a professional understanding of the technical issues helps make reform a reality.

As one example reform of municipal financing was supported through experience exchange in a partnership with the Network of Institutes and Schools of Public Administration and Policy in Central and Eastern Europe (NISPAcee).

During a study visit to Slovakia in 2012, representatives of Montenegrin municipalities expressed particular interest in the inter-municipal cooperation in managing landfill in Turcianske Teplice. In the Municipality of Martin the transparency of outsourcing public procurement administered online grabbed

specific attention as did the revenue generated by the City Card discount system. The implementation of the EU LEADER programme in Jesenske also added to the experience.

Fiscal decentralisation, public private partnerships, performance management, public procurement, and the role of professional associations were among the topics learnt in a two-day training workshop attended by representatives of 21 Montenegrin municipalities.



#### A report demonstrated opportunities

for increased revenues, fund-raising, and innovative ways of improving efficiency. Using case studies a separate report focused on the functioning of joint municipal offices in Slovakia and the various structures that are required.



"Although the system of organizing and financing local self-governments in Slovak Republic is different from Montenegro, the good practices in Slovakia could be very useful for the Montenegrin municipalities and with some modifications replicated to national and local practices. The following good practices in Slovakia could be very useful for the Montenegrin municipalities:

inter-municipal cooperation in managing landfill, outsourced public procurement in order to increase transparency and decrease corruption,

City Cards for citizens, implementation of EU projects, Benchmarking of the Slovak municipalities."

Olivera Dimic
JNDP CO in Montenegro

#### MOLDOVA peer to peer engagement

#### SUPPORT AND REHABILITATION FOR VICTIMS OF CRIME,

mediation systems and judicial expertise were the key issues covered during a study visit in 2013. This was to enhance the knowledge of 12 Moldovan professionals. To help them meet the Justice Sector Reform Strategy they met with Slovak experts from the Ministry of Justice, Judiciary Council, the Supreme Court, lower courts, the Office of the Public Prosecutions, the Public Rights Defender and the Ministry of Interior.

#### **LOCAL FISCAL AUTONOMY**

is central to Moldova's decentralisation strategy.
Slovakia's extensive experience in this area was shared in an in depth analysis delivered by MESA 10. The assessment of revenue capacity and policy recommendations supported the work of local authorities and a working group in Moldova as they amended related legislation and policy.

#### THE NATIONAL BUREAU OF STATISTICS

was provided with technical advice in relation to the European System of Integrated Social Protection Statistics and the Consumer Price Index. A study visit was organised for two Moldovan statisticians to meet with their Slovak counterparts.

with natural hazards are linked internationally. Six Moldovan decision makers undertook a study visit to learn about the setting up, scope and functionality of a Slovak system.

WINE AND TOURISM initiatives are helping a sector that is ready to grow. Funding and development of the wine sector within the EU was of great interest to six Moldovan producers who took part in a study tour to Slovakia. Their Slovak experience highlighted the success of the wine register, Slovak National Quality scheme and the contribution wine brings to tourism and regional development. Slovak experts subsequently visited Moldova to review legislation and propose effective changes to support the industry. A draft concept of modern EU compliant wine register system was prepared and distributed among Moldovan stakeholders.

#### THE local authority

Local authorities across Moldova are now budgeting according to the reforms that have been implemented through both the Slovak-UNDP Trust Fund and the Public Finance for Development Programme.

The previous system was centralised giving local governments little autonomy. UNDP estimated in 2012 that less than three percent of the their budgets were controlled by local authorities.

"Providing utilities such as water was made difficult as a result. Outdated pumps consume a lot of energy, making the cost of water supply expensive. With limited funds it was not possible for the local authority to save for energy efficient systems. Those who took the initiative and generated income locally were punished through less state transfers the following year. This was inefficient for both local community and the wider economy," explains Alexandru Osadci, Programme Manager at the Congress of Local Authorities from Moldova (CALM).



MOS & CALM sian Five-Year Cooperation Agreement

CALM is keen to build on the reform that now allows local governments to work towards improving infrastructure. "It opens up opportunities for co-founding and helps optimise taxation in the community." In the past factional interests and a lack of technical expertise hindered cooperation and development between local authorities. Since 2013, CALM has addressed these issues with the support of SlovakAid.



This is manifested in an agreement between CALM and the Slovak Association of Towns and Villages (ZMOS). It is delivering a programme of bilateral development cooperation until 2019. It commenced in 2014 when Slovakia's decentralisation experience was shared with 58 representatives of Moldovan national and municipal governments at the "Independent Municipality = More Democracy" forum. Expert papers and good practice examples were developed to demonstrate how partnerships between local government, NGO's and others helped Slovakia's transition.

International organisations see a key role for municipalities in discussing major development issues. To capitalise on this and to get first hand expert knowledge on decentralisation ZMOS has organised study tours to Slovakia. Shared experiences on positioning within governmental structures, competences transfer to local government, cooperation with different sectors and financing is now helping over 600 local authorities across Moldova to serve the community.

#### THE **volunteer**

A handbook on development volunteering was developed to cater for Slovak volunteers and sending organisations. It is the result of a project that set quality standards and helps enhance the volunteer's management capacity.

To establish a mechanism in line with Official Development Assistance policy, a pilot volunteer programme was initiated. In 2010 nine volunteers were posted to Georgia, Kenya, Mongolia and Vietnam. Their experience helped establish the structures that will serve future generations of Slovak volunteers.

The director of a Slovak NGO eRko, Marián Čaučík was a member of the NGO Platform engaged in the pilot programme. "This is now the SlovakAid Volunteer Sending Programme. Now it is there and we can all plan. Development education is integrated into our processes. We benefit from volunteers who return from countries like Kenya. Volunteers are like ambassadors for development cooperation when they come back to Slovakia."



Slovaks were also encouraged to join the United Nations Volunteers programme. This pursues global recognition of volunteers and encourages integration of volunteerism into development programmes.

It was a way to learn and provide expertise while helping create positive change for those who need it. Such experience is mutually beneficial. I now work with Amnesty International in the UK. Over the years I have met with volunteers of all ages who share a wide range of expertise across the world. The general public is gradually realising that the problems facing countries like Kenya, can in some way affect us. Engaging with them helps us Slovaks and others understand the issues.

It is good to see that structures have recently been developed in Slovakia to support volunteering. Even at this stage the public is not prepared for the changes that are needed to support international development. More public backing is necessary to enable Slovakia – and other countries that have recently joined the EU – to support legislators to bring aid funding in line with EU and UN targets. Engagement through volunteering and raising public awareness is the way forward.

# PUBLIC FINANCE FOR DEVELOPMENT

# SLOVAK-UNDP TRUST FUND

POST 2014 - UNDP's partnership with the Slovak Republic as an emerging donor in the Western Balkans, Eastern Europe and Central Asia continues to evolve since its inception over a decade ago. Slovak Republic – UNDP Partnership for Results in the International Development Cooperation will continue to increase capacity of partner governments while also improving Slovakia's capacity to deliver the most effective development assistance. As part of it, cooperation with additional partners will help, deliver, monitor and evaluate more development activities through sharing transition knowledge and experience of Slovakia.

This will be reflected in the further development of The Public Finance for Development programme. The structure of the Slovak – UNDP Trust will continue its transformation to place a greater focus on strategic programmes in Moldova.





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The Slovak Republic – UNDP Partnership for Results in the International Development Cooperation is implemented by the UNDP Regional Centre for Europe and the CIS, Istanbul Regional Hub.

UNDP Europe and the CIS – Slovak Project Team Grosslingova 35, 811 09 Bratislava, Slovak Republic E-mail: SVK-UNDP.Partnership@undp.org www.eurasia.undp.org www.publicfinance.undp.sk