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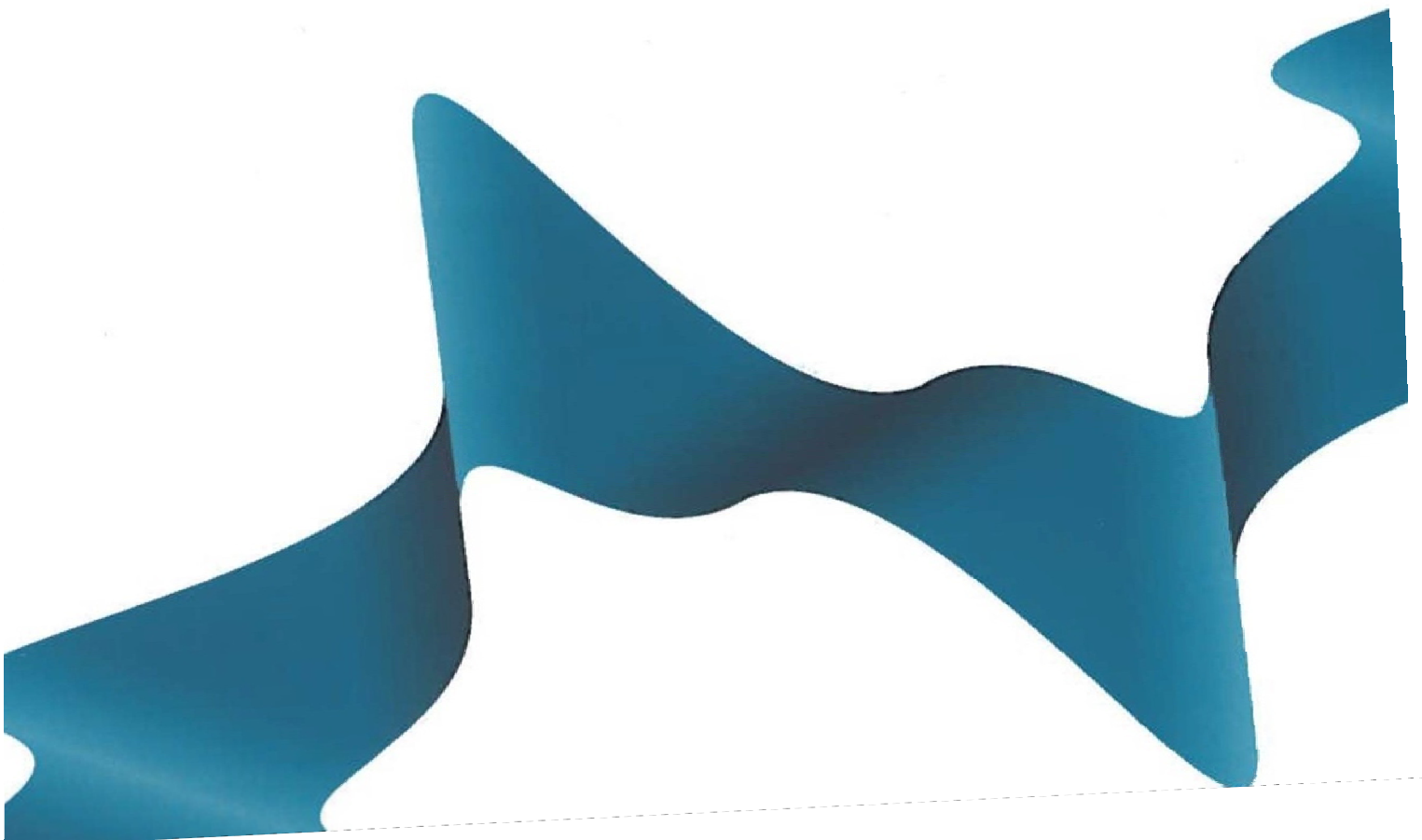
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# *Workshop on EU Budget Support for civil servants of Montenegro*

23- 25 January 2017, Danilovgrad (Montenegro)

PROVISIONAL AGENDA



# WORKSHOP ON EU BUDGET SUPPORT FOR MONTENEGRO

This proposal is a short synopsis, based on the trainers' experience, of the approach they developed specifically for Sector Budget Support training (a constructivist perspective), with a specific tool (a game based course). This is contained in a three-day training workshop on Budget Support challenges, design and implementation. It also presents the approach to training quality control and short elements of expertise of trainers.

This workshop is tailored for civil servants from Montenegro to learn how to realize the formulation phase, how to define indicators for variable tranches disbursement for budget support operations and how to realize an effective monitoring during its implementation in the field of the sector Democracy and Governance. This will build more specifically on the work currently done for DG NEAR on linking planning, monitoring and evaluating. This learning by doing course is designed to take on case studies, from the country, for the chosen field of integrated border management, public administration reform and education. The themes tables will be refined with the country and ReSPA, especially the depth and time dedicated to each section, based on needs. Montenegro has received support from ADELANTE for training on SBS and for designing SBS intervention but many of the staff in the administration has not received the training and requires support to use the DG NEAR SBS guidelines effectively and engage with the EUD in design, implementation and dialogue.

## 1. A constructivist perspective

Our conviction is that knowledge is constructed not transmitted and that learners are not passive recipient but instead play an active role in their own learning process.

To foster the construction of knowledge learners should have the opportunities of exploring and handling the concepts, tools and content, so they can access resources and relate them to their own mental framework.

The game offers an environment for an experience, providing knowledge in different forms through the scaffoldings of the game (group work, personal work, questions to resolves, tools provided during the course, help from the trainer).

With a game based course, participants feel challenged by the activities proposed and motivated to complete them.

For Montenegrin officials the overall objective is to construct and negotiate a Sector Reform contract supporting the Democracy and Governance policy with relevant indicators of performance.

## 2. The course structure

This three-day training workshop on Budget Support would combine theory with case study through a game.

The more traditional learning activities would be used to prepare participants for the simulation (lectures, readings, examples) where concepts and tools are exposed, explained and illustrated with examples.

This would be presented through slides and sharing of experience drawn from real life examples to illustrate essential concepts and practices. This will help participants understand and apply the BS (budget support) guidelines. After the presentation it doubles up as a reference tool for the participants during the exercises (rounds of the game), questions raised to explain or illustrate a concept or a key point. The concepts introduced by the slides are to be further deepened and applied in the game situation using the material from the chosen sector.

***For the purpose of active learning***, participants would then be divided in 3 groups of stakeholders and will receive a small set of instruction clarifying the common goal, that is to construct and negotiate a BS between all the groups, and the group's specific objectives.

The game blends both competitive and cooperative traits, reproducing thereby a more realist context in which one will then need to set indicators of performance that serve to disburse (so very different impact for the EC, the Ministry of Finance and the sector ministry). This provides an environment where the learner can fail safely, and can repeat the procedure multiple times. In the cooperative side, players' motivation depends not only on how well they're doing but also on how well others in the game are doing.

The game would be divided into modules (in order to divide the complexity of an SRC design and allow step-by-step learning) that must be completed before moving onto the next module. As a result, it is easier to identify and remedy all the issues that might have been overlooked, with a classical course.

The game is "balanced" in the sense that it accommodates different player levels by selecting a combination of members in each group to ensure several levels of knowledge and experience. Moreover, leaders in groups change during the game.

After each round, trainers would present the outcome of the game and debriefing using the concepts and tools of the course to explain the progress and the results

Finally the trainers would provide empty templates for each group to fill the details of the performance indicators and their agreed characteristics for implementing and managing a Sector Reform Contract (SRC). This simulation would be explained by each group: this would ensure they understand the design and reasons for this design by being able to explain them.

### 3. A three-day training workshop on BS challenges, design and implementation.

#### **Objective**

The objectives of the training is to ensure that the participants develop a practical understanding of sector approach in the context of IPA funding and know how to design and implement budget support in an effective way.

#### **Target Audience**

This course targets participants from National IPA Coordinator (NIPAC), Ministry of Finance, Ministry of Interior and Ministry of Justice.

#### **Pre-requisites**

Prior to starting the workshop, it is expected that participants will have read the Budget Support Guidelines and its annexes, and the online training <http://capacity4dev.ec.europa.eu/the-learning-space/minisite/methodological-courses/economics-public-finance-and-budget-support/e-learning-budget-supp-2> and will have shared the chosen Sector Planning Document (SPD) and answered a short questionnaire prior to the course to assess participants' knowledge on general issues related to the Budget Support and the Sector Reform Contract as an instrument used under IPA

#### **Learning outcomes**

The **expected learning outcomes** for the trainees that participate during the entire duration of the course are:

- Knowledge:
  - A clear understanding of SBS: principles, objective, requirements for demonstrating eligibility, requirements for policy dialogue and capacity development (accompanying measures).
  - Knowledge of the expected benefit of SBS through an analysis of its intervention logic and how the required policy dialogue will impact the sector
  - A practical understanding of the design considerations to ensure successful implementation
  - A practical understanding of the sector monitoring and performance assessment requirements for eligibility and disbursement;
- Skills:
  - To be able to prepare a roadmap to design an SRC
  - To be able to design a Sector Reform Contract (SRC): tranches, conditions and indicators of performance that support the objective pursued by the SRC.
  - To be able to specify the indicators
  - To practice policy dialogue, understanding how the sector ministry and ministry of finance will engage with the EU and other donors on policy dialogue and the manner in which policy dialogue is supported by monitoring.
- Mindset:
  - to be confident with the SBS tool
  - to be confident with own capacity to use it

#### **Learning methods**

The learning methods will include the following:

- Perform short presentation about key concepts with ample time dedicated to Q&A and buzz groups to ensure that the course is interactive and allows for sharing issues and concerns

- Simulation built with references to Montenegro Democracy and Governance sector (support to the implementation of Public Administration Reform Strategy) to illustrate the design and implementation of an SBS
- Discussion and lessons learned transposed in a visual way
- Interactive role game as a general frame for all these learning methods

## ***Agenda***

The following table sets out the main themes that should be treated during the training workshop.

- Theme 1: Introduction to Sector Approach
- Theme 2: Sector budget support
- Theme 3: Developing an intervention logic and elaborating the performance framework
- Theme 4: Sector Reform Contract design
- Theme 5: Key lessons and implication

For each theme, there are very strong linkages between the content of the approach to budget support and the implications for the administration in terms of preparation, internal coordination and dialogue (internal and with EU). The table thus sets out these linkages, showing for each of the themes the 'course content', the main concepts that will be treated during the presentation, the participants' skills that are expected to be developed on this basis and the focus of the activities that are proposed to apply the concepts and skills learned.

## **Logistics:**

**Please, note that during the workshop days will be served:**

Coffee/Tea: 11:00 – 11:15 and 15:30 – 15:45

Lunch: 13:00 – 14:00

## THEMES, SKILLS, PRESENTATION AND ACTIVITIES: AN AGENDA FOR THE THREE DAYS

| BUDGET SUPPORT                                  |   |   |
|---|---|---|
| <b>Theme 1: Introduction to Sector Approach</b> |   | <b>Course content and duration – Day 1</b>  |
| <b>Slides/presentation</b>                      | <ul style="list-style-type: none"> <li>What is Sector Approach</li> <li>Linking country and EU cycles</li> </ul>  | <b><u>Recall of principles of Sector Approach and analysis implications for programming – 15mn</u></b> : the SPD, its content and purpose   |
| <b>Concepts</b>                                 | <ul style="list-style-type: none"> <li>Sector Approach</li> </ul>   |   |
| <b>Skills</b>                                   | <ul style="list-style-type: none"> <li>Analysing state of the sector</li> </ul>   |   |
| <b>Activity</b>                                 | <ul style="list-style-type: none"> <li>The Democracy and Governance sector and possible roadmap</li> </ul>  | <b>1-Group work:</b> Agree on current state of the sector using SPD, gaps and what needs to be in place to allow BS – 1h30 hour group work  |
| <b>Theme 2: Sector budget support – Day 1</b>   |   |   |
| <b>Slides/presentation</b>                      | Budget Support  | <b><u>Budget Support introduction – 30mn</u></b> : concepts (definition, types of BS with explanation on the focus on SBS), objective, eligibility criteria, policy dialogue, monitoring, capacity development, and risk management. Overview of BS design considerations<br><b><u>Key issues for BS design – 1h30</u></b> : Requirements for designing a BS, strategic choices, structuring tranches (fixed and variable), conditions (general and specific) and indicators to support the objective, duration, volume, assessment planning.<br><br><b><u>Recall (on need basis)</u></b><br><br><b><u>Eligibility criterion 1 on Macro-economic stability</u></b> : key issues for macroeconomic stability in general and in Montenegro<br><br><b><u>Eligibility criteria 2 and 4 on Public Finance Management Reform and Transparency</u></b> : Key issues and approach in Montenegro; Implications for line ministries<br><br><b><u>Eligibility criterion 3 on Sector Policy</u></b> : What is <b>Policy/sector Policy</b> ? Key issues for eligibility assessment and complementary capacity development assessment |
| <b>Concepts</b>                                 | <ul style="list-style-type: none"> <li>Objectives of sector budget support</li> <li>Main principles of SBS</li> <li>The four elements of SBS and related principles</li> </ul>                                  |   |
| <b>Skills</b>                                   | <ul style="list-style-type: none"> <li>Pragmatism of expectations for BS</li> <li>The role of key players in the process of preparing and implementing BS</li> <li>Pragmatism of expectations for BS</li> </ul> |   |
| <b>Activity</b>                                 | <ul style="list-style-type: none"> <li>Design an SRC: conditions, performance framework and disbursement (timing of indicators' review, assessment, weight)</li> </ul>  | <b>2- Group work: Basis for designing a budget support operation 1h30</b> : determine assessments required for BS in the sector, compare to existing assessment, linking assessments to programme design  |

| Theme 3: Developing an intervention logic and elaborating the performance framework – Day 2 |   |   |
|---|---|---|
| Slides/presentation   | <ul style="list-style-type: none"> <li>▪ The key elements of Result Oriented Management in IPA II</li> <li>▪ What's "results"? Outcome, outputs applied to SBS</li> <li>▪ What is an IL?</li> <li>▪ What an assumption and a risk?</li> <li>▪ How to select indicators?</li> <li>▪ How to specify indicators?</li> <li>▪ What are they used for? Monitoring, evaluating and performance releases</li> </ul>   | <p><b>Topics 20mn:</b> What is a result-based management approach? What is its impact over the way we design our interventions?</p> <p><b>Topics 30mn:</b> What is intervention logic? How does it fit with the sector's one? Explaining the construction of intervention logic, its linkages with the Logical Framework Matrix (LFM) and the SBS specificities</p> <p><b>Topics 30mn:</b> linking context assessment to the intervention logic to map out the risks and assumptions. Understanding what are the risks of policy failure and how they affect an intervention</p> <p><b>Topics - 1hour:</b> Identifying and defining indicators, ensuring indicators measure progress towards the outputs and outcomes; indicators' quality; aggregation of data and disaggregation of indicators; sources and calculation methods; baselines, targets (milestones); data collection and validation.</p> |
| Concepts  | <ul style="list-style-type: none"> <li>▪ Intervention logic of SBS</li> <li>▪ Risk Management Framework</li> <li>▪ Conditions, pre-conditions</li> <li>▪ Performance Assessment Framework: indicators, baseline, targets, weights</li> <li>▪ Amounts, tranches, timing and predictability</li> <li>▪ Methods for assessment and calculation of payments</li> <li>▪ Assumptions and risks</li> <li>▪ Indicators characteristics (source, owner, calculation, interpretation, limits)</li> </ul>  |   |
| Skills  | <ul style="list-style-type: none"> <li>▪ Identifying policy objectives, institutional gaps to build an IL</li> <li>▪ Applying an iterative approach to building an IL using assumptions, risks and indicators</li> <li>▪ Choosing and specifying indicators</li> <li>▪ Choosing type of tranches</li> <li>▪ Ensuring the logic of the intervention and the relevance of the indicators</li> <li>▪ Understand the accountability ceiling to limit indicators to SRC's objectives</li> <li>▪ Using government's plan for monitoring and dialogue</li> <li>▪ Choosing type of indicators and indicator quality</li> <li>▪ Balancing pre-condition, trigger for disbursement and monitoring indicators</li> </ul> |   |
| Activity  | Design an SRC: design an SBS IL using the policy, the SPD, risks, assumptions and proposing indicators  | <b>3- Group work: 3 sessions of 1 hour, 1- designing the IL; 2-assessing risks and assumptions (and reviewing the IL); 3-selecting and specifying the indicators (and reviewing the IL)</b>   |

| Theme 4: Sector Reform Contract design – Day 3 |   |  |
|--|---|--|
| Slides/presentation                            | Monitoring and performance issues<br>Dialogue and monitoring  | <b>Topics:</b> 1h<br>What are the criteria monitored and evaluated? Why do we do it? Boundaries: indicators, monitoring, evaluation. Policy performance framework and sector strategic monitoring.<br><b>Policy Dialogue – 30mn:</b> What should the dialogue be about? Policy/reform achievements, SAA dialogue, impact of capacity development, information/feedback from external scrutiny agents (CSOs, private sector, other donors, SAI, Parliament) |
| Concepts                                       | <ul style="list-style-type: none"> <li>▪ Sector coordination mechanisms to ensure performance</li> <li>▪ BS coordination mechanism to ensure disbursement</li> <li>▪ Principles and requirements for monitoring of SBS</li> <li>▪ Policy dialogue; How does it serve SBS implementation; Why dialogue is important with EUD on performance</li> <li>▪ Complementary Assistance</li> </ul> |  |
| Skills   | <ul style="list-style-type: none"> <li>▪ Determining what monitoring will require and monitoring</li> <li>▪ Assessing performance</li> <li>▪ Dialogue</li> </ul>  |  |
| Activity                                       | <ul style="list-style-type: none"> <li>▪ Simulate implementation using a performance table</li> </ul>   | <b>4. Group work – 1h30:</b> agree on what monitoring indicates, and eligibility to pursue SBS implementation, calculate disbursement (fixed tranche), finalise the simulation   |
| Theme 5: Key lessons and implications – Day 3  |   |  |
| Slides/presentation                            | <ul style="list-style-type: none"> <li>• SBS principles and lessons learned</li> </ul>  | <b>Key lessons from budget support evaluations – 30mn:</b> what can be achieved with BS, conditions for success and potential benefits of budget support in accession countries<br><br><b>Implications for Line Ministries – 15mn:</b> the principal-agent relationship, design and monitoring implications, the role of line ministries   |
| Concepts                                       | <ul style="list-style-type: none"> <li>• Key lessons from past BS: benefits and limits of BS</li> <li>• BS traps: overloading</li> </ul>  |  |
| Skills   | <ul style="list-style-type: none"> <li>• Being able to visualise the steps, requirements and timing of SBS implementation</li> </ul>  |  |
| Activity                                       | <ul style="list-style-type: none"> <li>• Simulate a full SBS implementation using a performance table</li> </ul>  | <b>5 Group work- 1h30:</b> agree on performance, calculate disbursement (variable tranche), finalise the simulation  |
| Conclusion                                     |   |  |
| Slides/presentation                            | Facilitated recap by participants   | Based on their simulation, participants will present the key learning outcomes   |
| Concepts                                       | <ul style="list-style-type: none"> <li>• Covering all key concepts and architecture of SBS and of an SRC</li> </ul>   |  |
| Skills   | <ul style="list-style-type: none"> <li>• Link all concepts of SBS into the design of an SRC re. indicators</li> </ul>   |  |
| Activity                                       | <ul style="list-style-type: none"> <li>• Reconstruct an SRC using a template illustration (take-home design), focusing on monitoring issues and performance</li> </ul>  | <ul style="list-style-type: none"> <li>• Adding the preparation and design of the SRC to the existing simulation</li> </ul>  |