

## 1<sup>ST</sup> MEETING OF THE WORKING GROUP FOR DEVELOPING REGIONAL STANDARDS FOR ROMA RESPONSIBLE BUDGETING

### :: MEETING NOTES ::

The First meeting of the Working Group for Developing Regional Standards for Roma Responsible Budgeting (the Working Group) was held in Vienna on 26 April 2018. The main objective of the meeting was to initiate the process of developing regional standards for Roma responsible budgeting which will allow improved budgeting and implementation of Roma relevant mainstream and targeted policies.

The meeting started with a Tour de Table of the Working Group members present in the meeting. Please see the list of participants annexed to this document (Annex 1). The Albanian representatives were not present in the meeting. Notwithstanding that, Albania remains firmly supporting this initiative.

In the opening statement, Mr Orhan Usein explained the context leading to the formation of the Working Group. At the [2<sup>nd</sup> Task Force meeting](#), its members unanimously decided to explore possibilities for introducing Roma responsible budgeting in the public budgeting cycles. The main reason behind the decision is that participating economies usually face issues related to securing funds for their Roma Integration Strategies and Action Plans. Such a practice is also visible from the annual monitoring reports submitted by the participating economies on the implementation of the Roma Integration Strategies and Action Plans.

The Working Group has two sets of objectives ahead, both of which are draft documents which will be presented for adoption to the appropriate institutions in each participating economy. The first one '*Manual on Minimum Standards for Roma Responsible Budgeting*', is envisaged as an operational document which will be used by relevant government officials in various line ministries when preparing their annual budgets. The second one, '*Legislative and Procedural Proposal for Roma Responsible Budgeting*' will include regional and economy-specific proposals on necessary amendments to organic budget laws and other relevant legislation allowing for structurally embedding Roma responsible budget planning and adopting, budget spending, and budget control.

Related to the EU accession process, the success of the Working Group will contribute to the EU pre-accession requirements in relation to judiciary and fundamental rights as well as the financial and budgetary requirements. For longstanding results, Roma responsible budgeting should be 'attached' to the ongoing budget reform from line to programme budgeting wherever and whenever possible. The Working Group can also utilize the experience of previous and ongoing gender sensitive budgeting initiatives. The Working Group should especially strive to make Roma integration a stable priority in budgets (such as some other priorities are), and that mainstream funds allocated for Roma are purposefully spent.



The agenda of the first meeting of the Working Group was unanimously adopted. The final Agenda of the meeting is annexed to this document (Annex 2). The Rules of Procedure of the Working Group were adopted and are annexed to this document (Annex 3).

The Roma Integration policy expert Mr Danilo Smolovic presented the Roma Integration 2020 project and the correlation between budgeting and the work on monitoring Roma integration policies. The presentation will be shared with all the members.

The Roma Integration policy expert Ms Aleksandra Bojadjeva presented the [monitoring template](#) adopted at the 2<sup>nd</sup> Task Force meeting. The monitoring template includes data on budget allocated and spent for Roma integration, and goes from priorities to individual measures. Importantly, the monitoring template measures impact of Roma integration policies which allows for improvements or setbacks in Roma integration to be measured.

Ms Katja Lautar, Team Leader of the budgeting experts, presented the working methodology to be used. The methodology was adopted without changes and is annexed to this document (Annex 4). Ms Lautar suggested it is necessary to look at the socio-economic impact of budget policies and to shed light on how funds for Roma integration are distributed. This calls for a comprehensive approach and understanding of the concept of budgeting, as well as collecting data necessary for well-grounded policy development. Very importantly, the Working Group needs to infer what policy priorities (in practice) are and to include them in the budgeting process. She further explained the intervention logic of the Working Group, following the general *log frame analysis* approach. Existing documents published on [RI2020 website](#) give a good insight into what are the baselines at the economy level and what information are lacking, as well as what are the most pressing needs of participating economies when it comes to budgeting of Roma integration policies.

Ms Lautar shortly presented the general simplified budgeting cycle which is as follows:

- April: spending ceilings distributed to ministries;
- June: discussions with ministries on the ceilings;
- November: synchronisation of bottom-up and top-down approaches.

In practice this means that a certain ministry would know the amount allocated to it already in April. The Working Group would need information on how much of that amount shall be allocated within the given ministry for Roma integration. Based on that, the actual measures should be planned by priorities. Measures need to be planned in a way that sufficient details on the money allocated and spent are included. Specific allocations should be made for targeted measures. In case of mainstream measures, when there is a reference to Roma as a target group it should be monitored whether Roma are really targeted in practice, to what extent, and what part of the funds is spent for Roma. Ms Lautar also explained the approaches to synchronisation of budgets and policy documents. One option is synchronising strategies and action plans with already planned budgets (top-down), while the second is synchronising budgets with already planned action plans and strategies (bottom-up). In reality, both approaches are used and synchronised among them.

Following the budget adoption, a phase of implementation and monitoring follows. The information gathered during that phase will serve for the evaluation of policy and procedures and further reforms (learning by doing). Priorities' and measures' definitions can be then discussed and re-redefined.

The group continued to discuss the need to synchronise work on budgeting with donor funding and the need for capacity building for donor funds management and project planning.





Ms Bojadjeva called for introducing procedures for preparing good proposals for donors, consulting donors, and finally for synchronising cycles of budgeting and action planning with internal donor cycles in order to have a certain guarantee that donor funds will be allocated as planned. Ms Lautar intervened to point at the importance of recognizing existing national co-financing, making it stable, and possibly increasing it. Showing commitment would be a positive signal for donors to allocate more resources. Mr Kjosev added that it is also necessary to be pro-active in cooperation with donors and work to better align economy and donor priorities in order to have long lasting and relevant impact. The issue of donor assistance will be addressed by the Working Group.

Mr Rezart Xhelo, budget expert of the Working Group, presented the case of introducing gender sensitive budgeting in Albania. Mr Xhelo noted that it was a step by step process which started off by discussing human rights perspective in budget process and exposing benefits of this approach for all stakeholders. The approach combined top-down measures such as bylaws and law amendments, with work with line ministries. When working with line ministries, the question raised was how a strategy is mainstreamed and how to make relevant institutions open up and contribute to gender sensitive budgeting. This communication resulted in identifying hidden opportunities, which were then pursued. He emphasized that on-the-job trainings were one of the most beneficial measures for the initiative, and that similar should be done when the Working Group finalizes its proposals. Most recently, in its annual guidelines for Medium-term Budget Programme (MTBP) Albania introduced an obligation for each line ministry to have at least one gender budget objective with clear targets and indicators. On that same note, the master guidelines for MTBP now refer to participative approach and call for including other stakeholders in the budgeting process. Nowadays, with continued effort, gender responsive budgeting is largely incorporated into the routine process of public budgeting in Albania.

In the next part of the meeting, participants briefly presented the budget systems and budget cycles of their economies for comparison purposes. Here included is a short overview of the stated, in the order of presentations in the meeting:

- Bosnia and Herzegovina - Budgeting procedure is under the jurisdiction of the federal level. The jurisdiction is determined by the international contract and is limited. Based on the Budget Framework Paper for the fiscal year and two following years, Ministry of Finance and Treasury need to prepare the budget in accordance with the medium-term framework plan of revenues and expenditures. No later than 31 January of the current year, the Ministry of Finance and Treasury of Bosnia and Herzegovina forwards budget instructions to budget users. In April, Ministries prepare tables of priorities which they submit to the Ministry of Finance. Ministry of Finance and Treasury of Bosnia and Herzegovina prepare plans for each institution containing budget claims. Roma integration is in the jurisdiction of Ministry of Human Rights and Refugees for the thematic priorities of housing, health and employment. Budget is adopted at the end of the year, which is when MHRR proposes a decision to the Council of Ministers on the criteria for the budget use. When a public decision is adopted, the MHRR publishes call to municipalities and other institutions to implement the budget. In case of Roma integration, negotiations are done with the beneficiaries and the Council of Roma.

Internally, the MHRR prepares internal ceilings each year. Reallocation among internal ceiling is oriented towards spending, but it varies according to thematic





priorities and partners involved. There is a midterm review of spending, when information is presented to the Minister in charge and the Government.

The case of Bosnia and Herzegovina is very specific. Strong decentralization means that information from all stakeholders is collected and taken into account, which is commendable. However, this hampers the efficiency in decision making and budget implementation. Vertical communication in terms of coordination and reporting is problematic, whereas in case of education horizontal communication needs improvements.

Taking into account that Bosnia and Herzegovina has three organic budget laws, budget management is difficult. The solution introduced is the annual high level meeting of Prime Ministers of constitutional entities and other ministers. Here decisions on appropriations to entities and ministries are made.

- The Former Yugoslav Republic of Macedonia - The budget is defined as annual plan of revenues and expenditures. The Budget is drafted on the basis of strategic priorities. April 15 is the deadline for defining strategic priorities of the Government and budget beneficiaries. Priorities are defined for three years based on which the Ministry of Finance prepares triannual Fiscal Strategy by 31 May each year. There included are the main categories of costs, limits for the budgets users and fiscal plans. Based on the Fiscal Strategy, Ministry of Finance prepares budget circular for ministries, with instructions and budget limits. Based on the circular ministries prepare budget requests which must be in line with strategic priorities also, by 31 August each year. Based on the requests, the Ministry of Finance drafts the budget for the year to follow. During the budget preparation, the Ministry of Finance organizes a high level meeting with the largest budget users. Based on the consultations the Ministry of Finance decides on appropriations, and has the largest leverage in deciding. After this, the Government has two months to finalize the budget, which then sits in the Parliament for one month before adoption.
- Serbia – The case of Serbia is similar to that of the Former Yugoslav Republic of Macedonia. The Fiscal Strategy defines the macroeconomic framework for three years. The Ministry of Finance prepares instructions to budget users which are circulated in September. Budget users have two months to prepare budget claims based on the ceilings. Serbia is in the process of introducing programme budgeting. Currently, only Ministry of Health has specific financial envelope allocated for Roma.
- Kosovo\* - The process is similar as for other economies, with the same logic of administrative procedures and instructions. Budget circular is issued by 15 May for the budget for the next year. The budget cycle is similar. Midterm financial framework is prepared by the end of April and is a triannual document. This document is submitted to the Parliament for information but not for approval. The Government approves midterm financial framework, which includes government and national priorities. Ceilings for ministries in general stay within the historical data (previous expenditure for policies), while new policies need more justification for funds to be allocated. No data on performance of policies is collected or used, and line ministries' priorities are generally accepted without objections. The budget is prepared by the end of October when it is sent to the Parliament.





- Montenegro - The budget cycle is largely the same as in other economies when it comes to planning and adopting budget. Neither programme nor gender sensitive budgeting exists. The ceilings are defined only on economic grounds.

Following the short presentations by each economy, Ms Katja Lautar presented the *Reporting format for the interviews and desk research* which the Working Group will use when performing research. Questions to be tackled are included in the document, which is annexed to this report (Annex 5). Ms Lautar advised to infer what are the priorities and who are the stakeholders involved, as well as to understand the programme and policy creation from the perspective of the Ministry of Finance. It will be necessary to enter into the process of already existing activities and try sensitizing it to needs of Roma. The group will also be looking into how ceilings are defined and looking for ways to define appropriations for Roma integration, as well as how to improve public consultations when policies are defined. IPA programming will also be a topic of research. Mainstreaming Roma integration into existing programmes is expected to be easier than introducing new policies. It is important to try influencing the Ministry of Finance to tackle Roma integration in the budget circular. From the previous experience of experts, this is possible if the case for introducing this in the budget circular is well presented to the Ministry. In the end, it will be necessary to combine aims at the level of outcomes and impact with what is available at the input level.

At the end of the meeting, the Working Group agreed the following:

- RI2020 will prepare Meeting Notes and share it with participants, together with documents agreed and used in the meeting.
- After sharing Meeting notes and relevant documents, experts will initiate on-the-ground research in relevant institutions through a set of meetings with relevant institutions. Research will be performed during May 2018, in order to prepare for the 2<sup>nd</sup> meeting of the Working Group. Economy representatives will support experts in this regards and facilitate meetings and research. The meetings were tentatively agreed by experts and economy representatives already during the meeting.

The RI2020 thanked all participants for their cooperation concluded the meeting.

