

CONFERENCE ON ACCESSION
TO THE EUROPEAN UNION
- BULGARIA -

Brussels, 22 March 2004

CONF-BG 3/04
ADD 24

Document provided by Bulgaria

Subject : Additional information (Annex 14)
Chapter 21 – Regional Policy and Coordination of Structural Instruments

Public Finance School, Ministry of FinanceProvisional Programme**1. Public Expenditures Management (PEM) course**

Four PEM courses (each with duration of 1 week) for the staff of the new pilot line ministries that will prepare programme budgets for 2005. The aims of the PEM course are: to make an overview of the current budgetary process in Bulgaria; to give a broad understanding of the theoretical principles of public expenditure management and describe examples of existing good practices; to create awareness about the need for reforms in Bulgaria and identify the key elements of the reform process. Main topics included are*:

- *Budget Reform in Bulgaria* - the necessary changes in budget reform: the budget reform agenda;
- *The Bulgarian Budget Process* – institutional settings, coverage, structure and classification;
- *Main Principles of PEM* - issues on the Transparency and Comprehensiveness of the Budget;
- *Budget Preparation* - why is budget preparation so important, macro-economic framework, MTEF experiences in Bulgaria;
- *Budget Innovations* - Program budgeting, Performance Indicators, Simulation of Budget Preparation Exercise;
- *Overview of the Expenditure Control Framework in Bulgaria*;
- *Budget Execution* - What is budget execution, main issues in the field of budget execution;
- *Treasury Functions in Bulgaria* - Appropriation and allocation of funds according to the organic budget law. Financial planning and revenue forecasts. Cash Management – the Single Treasury Account;
- *Financial reporting requirements*, the Bulgarian FMIS development and the advantages of a good FMIS system;
- *Financial control in Bulgaria* - Internal Control and internal Audit, External Audit
- *Modern Control and Audit Practices & Performance audit* - the increasing role of audit in public sector reform.

2. Six workshops (1 day for each policy area) on **Reporting of Programme Budgets** for the staff of the Ministry of Environment and Waters, which made the first programme budget in Bulgaria for 2003. The aim of the workshops is to provide guiding instructions to the MoEW staff in preparing their report on the 2003 budget programs.

* The course is under development. It is possible to make amendments in the topics after conducting Training Needs Analysis.

3. Training course on **Fiscal Decentralization and Analytical Techniques for Monitoring Impacts of Finance Policy** organized by the Local government Initiative of the USAID with the participation of the PFS for the staff of MoF, representatives of some line ministries, municipalities. The aim of the course is to provide basic training in theory and practice of Fiscal Decentralization to improve Public Expenditure Management. The course will be held in the premises of the Public Finance School in the MoF –duration 10 days in total, divided into 3 blocks.

Main topic that will be covered are:

- *Municipal Financial Condition Analysis*
 - *Municipal Revenue Analysis*
 - *Analysis of Municipal Revenue Performance*
 - *Revenue Forecasting*
 - *Intergovernmental Transfer Systems*
 - *Simulation Models for Analyzing Finance Policy Alternatives*
 - *Budgeting and Financial Management*
 - *Municipal Expenditure Analysis*
 - *Quantitative Techniques for Municipal Expenditure Analysis*
 - *Expenditure Cost Standards*
 - *Quantitative Techniques for Setting Cost Standards*
 - *Quantitative Analysis of Municipal Debt Capacity*
4. Training organized by the World Bank and coordinated by the PFS for the MoF staff and policy makers from line ministries and representatives of Parliament – February 2004. duration – 4 days.
 5. Seminar under the SIGMA programme, related to the changes in the Organic Budget Law (duration 2 – 3 days). Comparative study of similar laws in EU (and possibly OECD) countries, discussion on fundamental issues related to scope, comprehensiveness, structure of the law and regulation of the major changes prompted by the budget reform.
 6. Under preparation, together with the staff of the *Management of EU Funds Directorate* at MoF, is a program targeted to the spending units outside MoF that are recipients/beneficiaries of EU funds. The aim of this program will be to disseminate knowledge and create capacity for more effective and efficient identification, planning, managing, reporting and evaluation of projects financed from the EU pre-accession, and prospectively, from the Structural and Cohesion Funds of the EU. This programme will be finalised by September 2004
