



Centre for Financial  
Reporting Reform



WORLD BANK GROUP  
Governance



# EU-REPARIS

## The Road to Europe – Program of Accounting Reform and Institutional Strengthening

This project is funded by the European Union



and is an integral part of WB EDIF



## Financial reporting matters

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Strong financial reporting systems, reflecting the needs of different types of businesses, support sustainable economic growth. They make transparent and reliable financial information available; help ensure regulatory compliance; and support a business and investment climate conducive to private sector development.

Appropriate financial reporting standards (such as the IFRS for SMEs) can help high-potential SMEs secure venture capital finance and reduce the barriers to an eventual flotation.

Adopting shared and internationally recognized reporting standards across Southeast Europe makes it easier for domestic businesses to expand to into regional and wider European markets – a key factor for growth.

Relevant financial reporting can help businesses better monitor their activities and thus manage their operations more effectively.

Modern and effective financial reporting systems, if aligned with national tax systems, can help to reduce the burden of tax compliance.

The credibility provided by sound financial reporting gives banks and other providers of external finance the confidence to move beyond basing lending decisions solely on the collateral available toward lending on the basis of the business cash flows.

## EU-REPARIS

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As candidates, or potential candidates, for EU enlargement the countries of Southeast Europe, including Albania, Bosnia and Herzegovina, Kosovo\*, Former Yugoslav Republic (FYR) of Macedonia, Montenegro and Serbia, are integrating more closely with the EU and the EU's internal market, and aligning their legislative frameworks with the EU *acquis communautaire*.



**EU-REPARIS** has been designed to help and encourage this process of integration. It (i) addresses the need for better **institutional frameworks**, aligned with the *acquis* and harmonized regionally; (ii) encourages the **accounting profession** to offer enterprises, especially SMEs, effective business support services and advice on accessing finance and complying with regulatory requirements; (iii) helps stakeholders better understand the relationship between improved financial reporting and **access to finance**; and (iv) develops **supportive networks** of institutions among the countries of Southeast Europe, building sustainability and improving awareness of the benefits and successful approaches to corporate financial reporting reform.

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\* This designation is without prejudice to positions on status, and is in line with UNSCR1244 and the ICJ Opinion on the Kosovo Declaration of Independence.



## Program partners

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**EU-REPARIS** is funded by the **European Union**. It is an integral part of the Western Balkans Enterprise Development and Innovation Facility (**WB EDIF**), which seeks to promote SME development and financing as well as enhance the associated regulatory frameworks in the region.

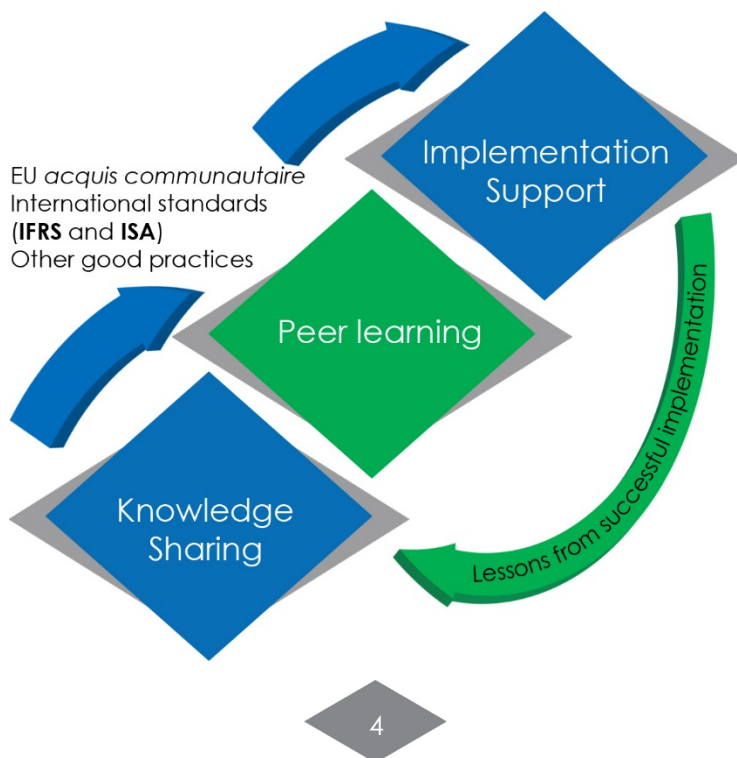


EU-REPARIS is implemented by the **Centre for Financial Reporting Reform**, part of the World Bank Governance Global Practice, and builds on work undertaken as part of Road to European – Program of Accounting Reform and Institutional Strengthening (REPARIS) from 2008 to 2014.

## How it works

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EU-REPARIS offers knowledge, analytical and advisory services and capacity development support to partner countries. This includes delivering targeted learning at face to face workshops or through virtual seminars, with relevant materials available from the CFRR website and ongoing contact maintained via a regular newsletter. Peer sharing and learning is an important element of the program, bringing together contemporaries to share good practice and learn from others' experiences. CFRR professionals offer their knowledge and experience to each of the partner countries in support of policy development and implementation.



## Technical and practical support

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**EU-REPARIS** supports Albania, Bosnia and Herzegovina, Kosovo, FYR Macedonia, Montenegro and Serbia with the financial reporting aspects of this process of integration. **EU-REPARIS** engages at three levels:

### INDIVIDUALLY

Providing knowledge, training and technical assistance

### NATIONALLY

Offering country-specific implementation support

### REGIONALLY

Facilitating peer to peer learning and experience sharing and regional cooperation

## Program Beneficiaries

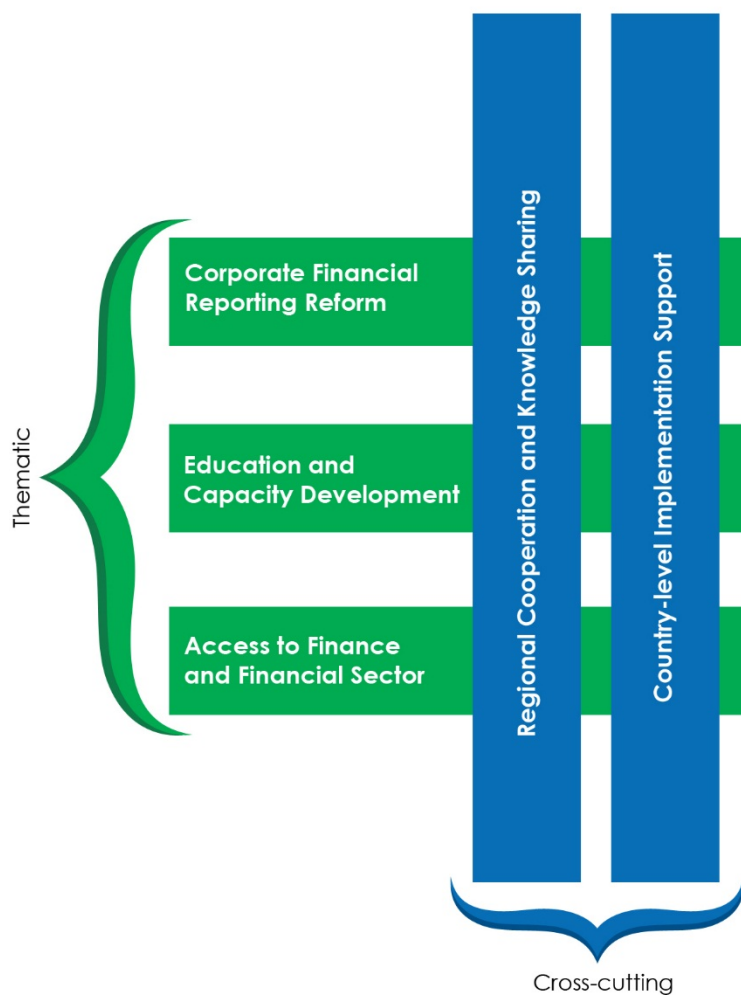
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EU REPARIS works with a broad range of stakeholders in the region, including those involved in designing and implementing corporate financial reporting reform in government; members of the accounting profession; financial regulators; universities and other institutions offering accountancy qualifications or ongoing professional development; and local businesses, especially SMEs. Activities are tailored to meet the varying needs of these groups to foster their engagement in the reform process.

## Approach and areas of focus

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**EU-REPARIS** uses a unique cross-cutting approach to address three key themes:





**Corporate Financial Reporting Reform:** Building accounting and auditing frameworks compliant with the EU *acquis* and which take into account the needs and constraints of SMEs, support the application of International Financial Reporting Standards (IFRS) and the IFRS for SMEs, and ensure appropriate public oversight and quality assurance arrangements for statutory audit.

**Education and Capacity Development:** Supporting the modernization of accounting education consistent with International Accounting Education Standards and the educational requirements of the EU's Statutory Audit Directive (i) at university level, (ii) for professional qualification, and (iii) for continuing education of professional accountants.

**Access to Finance and Financial Sector Supervision:** Promoting easier access to finance through practical guidance and solutions and building the capacity of financial sector regulators to use financial reporting standards for monitoring the financial sector.

**Regional Cooperation:** Sustaining reform momentum, regional collaboration and active knowledge transfer among stakeholders through regular high-level events and other engagement including quarterly newsletters and web-based activities.

**Country-level Implementation Support:** Providing technical advice and just-in-time assistance in support of reform implementation in participating countries.

## About CFRR

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The Centre for Financial Reporting Reform (CFRR), part of the Governance Global Practice of the World Bank, is responsible for corporate financial reporting activities across the Europe and Central Asia region.

Based in Vienna, Austria since 2007, the CFRR has a broad range of expertise, and extensive experience in using a regional approach to help participating countries tackle shared issues. This ensures regional consistency, enables countries to learn from others' experience and builds sustainability through the development of supporting networks of institutions.

CFRR offers advice and technical assistance to reform financial reporting and auditing frameworks, aligned with the World Bank's mission of ending extreme poverty and boosting shared prosperity.



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