



The purpose of this newsletter is to keep all members of PEM-PAL up-to-date on the latest developments. This edition is distributed by e-mail to all participants of the PEM-PAL Workshop held in April 2006 in Warsaw, to all participants of the Workshop for Treasury Officials held in June 2006 in Ljubljana, and to staff of the organizations that support PEM-PAL.

We would like to hear your ideas on PEM-PAL initiatives and your suggestions for this newsletter. Please send your comments to pempal@worldbank.org.

Approval by the PEM-PAL Steering Committee of the First Member Initiatives.

The PEM-PAL Steering Committee meeting was held on September 21st at the World Bank headquarters. The main items on the agenda included the four country applications for PEM-PAL funding that were received in June 2006. One application was accepted without comment, two applications were accepted with some provisions, and one application was returned for revision because the proposed activity was considered to be outside the scope of PEM-PAL. This means that the following initiatives by the PEM-PAL members will be supported by the program:

- A delegation from MoF in Montenegro will undertake a study visit to Lithuania in March 2007. The purpose of this visit is to learn more about cash management and its relation to effective budget execution. The US Treasury Office of Technical Assistance has offered to take the lead in facilitating and funding this activity.
- Tajikistan will host a regional round table in Dushanbe to gain knowledge on experience with the implementation of MTEFs. A number of PEM-PAL members will be invited to participate in this event. The details of this event are being prepared by the MoF in Tajikistan.
- The Kyrgyz Ministry of Finance will undertake a study tour to the Baltic countries to learn more about the experience with budget classification and related topics. The details of this visit are being developed by the Kyrgyz MoF.

The participants in these PEM-PAL activities are expected to document and share their experience as widely as possible. For example, all participants in exchange visits and discussion events will be expected to submit a short presentation of their findings. These presentations will be shared with the whole PEM-PAL community. This can be done through the web site, or at a PEM-PAL event, when those who participated in an event will be asked to present their findings with the participants in the meeting. The PEM-PAL members who submitted an application that was approved have also been informed about the rules and mechanisms for funding these activities.

Successful Start of the Community of Practice for the Treasury Officials

Productive Launch Workshop in Ljubljana

We have received many positive comments on the workshop for the Treasury officials held in June in Ljubljana. Treasury officials and technical specialists from 14 countries attended a two-day workshop at which the first PEM-PAL professional community of practice (COP) was launched. The results of the evaluation by the workshop participants show that the vast majority of participants were very positive about the usefulness of the workshop agenda for their practical work.



During the workshop, the maturity framework for the treasury/PFM systems was introduced. In an interactive session, all the participants of the workshop applied this framework and scored their treasury system. The participants also discussed indicators of a broader treasury performance assessment framework which was presented by a facilitator of the US Treasury. Several

country presented cases about how they had made progress in reforms in treasury. Part of the workshop was used to establish the PEM-PAL Community of Practice for the treasury officials. This was the first workshop of this nature, and the event provided many valuable inputs for future workshops to establish Communities of Practice for other practitioners in Public Financial Management. All the workshop materials and list of members of the Community of Practice are posted on the PEM-PAL website.

Interesting Developments after Ljubljana Event

In October, the web-based version of the Maturity Framework (MF) for Treasury / Public Financial Management System (PFMS) presented at the Treasury CoP workshop has been completed by a team led by Cem Dener. Starting from November



1, 2006, the workshop participants can use the MF tool on the website (www.pempal.org/pfmstool). User names and passwords for the Treasury CoP members are automatically created to enable immediate access to all available information and to help you to undertake regular updates. A User Guide has been prepared and circulated by e-mail to all the participants of the June workshop.

The workshop has generated an interest among the Community of Practice members for targeted follow-up activities. In October, Kyrgyzstan and Moldova jointly applied for support to an exchange of experience in developing the budget classification and the chart of accounts. Before applying for support, the treasury officials from the two countries had already undertaken a video conference and have agreed to have another one. This discussion resulted in the proposal for a visit of the Kyrgyz delegation to Moldova. The Steering Committee considered this a request that matches the PEM-PAL objectives and gave its approval for a visit in November 2006. In case other members of the Treasury CoP would like to join the video conferences between Kyrgyz and Moldova, they are kindly invited to inform the members from these two countries and PEM-PAL.

The participants in the Treasury COP workshop in Ljubljana identified a number of topics for targeted follow-up activities for this Community. They intend to share their experiences in a) Treasury Single Account (TSA) operations; b) Transition to accrual based accounting, and c) Electronic document archiving. Following the workshop the members from Kyrgyz and from Moldova continued their interactions as mentioned above. The other participants of the Treasury CoP are now requested to indicate their level of interest in these or other topics. We would like to get your feedback, so please **send us your comments and suggestions on the topic(s) of interest by indicating the desired type of interaction (video conference, study tour, workshop, etc.) together with proposed dates before December 22, 2006.** We will share the results of your feedback with the other participants and inform you about activities planned in 2007.

Upcoming PEM-PAL events.

Launch of Community of Practice for Internal Auditors, Ljubljana, Slovenia, December 12-14.

World Bank, GTZ and InWent will support the launch of a Community of Practice for Internal Auditors by a workshop that will be held in the middle of December. Like the Treasury workshop, this event will be organized in collaboration with the Center of Excellence in Finance in Ljubljana. Preparations for the workshop are well underway. Delegations from 20 countries plan to participate.

Launch of Community of Practice for Budget Officials, Vilnius, Lithuania, March 2007.

Work has also started to launch the CoP for senior budget officers. The lead organizers for this event will be the US Treasury OTA and the OECD Senior Budget Officials network. The event is planned to be combined with the OECD Senior Budget Officials (SBO) meeting which is going to be held in Vilnius on March 21-23, 2007.

Launch of Community of Practice for External Auditors

Launch event for the External Auditors CoP is tentatively planned for June 2007 in Ljubljana, Slovenia.

PEM PAL is for You!

PEM-PAL is a network of and for people who work in public financial management in the Europe and Central Asia Region. At present, management of PEM-PAL is undertaken by a Steering Committee which includes only representatives of the supporting organizations. **This needs to change!**

Starting with the workshop for the Internal Auditors in December the participants in each Community of Practice will be asked to choose their own leadership.

Each Community of Practice will also be asked to choose its representatives on the Steering Committee. Each of the Communities of Practice will nominate up to two people as its representatives on the Steering Committee.

Further details, such as the use of an annual rotation mechanism for the leadership positions and representatives, will be discussed in the workshops.

For the future of PEM-PAL, it is necessary that the members of the network participate directly in all decisions by the Steering Committee.

New Country Materials Available at the PEM PAL Web Site

Under the heading “What Peers are doing”, the PEM-PAL website provides information that is posted by the PEM-PAL participants. Following the posting of the PEFA PFM assessment for the Kyrgyz Republic (available also in Russian), a comprehensive package of recent budget documents from Georgia was posted (available also in Russian). Translations into Serbian / Croatian are available on request. More recently, the PEFA PFM assessment for Moldova also became available (English version).

The PEM-PAL website is a great opportunity for the members to share information. We welcome all materials that you would like to share with others. In particular, when you are developing new materials, such as guidelines or instructions on which you would like to invite comments and suggestions from other PEM PAL members, these are very welcome.

Opportunities for Initiating PEM-PAL Activities

PEM PAL offers a range of options for gaining and sharing knowledge between the members. There are the scheduled events, such as those announced above. In addition to these events, the members are encouraged to initiate their own ideas for activities that can be supported by the PEM-PAL. These activities could include video conferences between members, joint learning events, thematic workshops and seminars, peer-to-peer exchanges, etc.

For each Community of Practice, there is funding available for such activities. To use these funds, a number of members from at least two or more countries need to submit a joint application for CoP follow up activities.

In addition to CoP activities, there will be a next round of general country applications in spring 2007.

The forms for applications are available on the PEM-PAL website in three languages.

The completed application forms have to be submitted to PEMPAL@worldbank.org. Members are advised to submit applications as early as possible, definitely no later than two months before the event so that there is enough time for the Steering Committee to decide and for all required preparations to take place.

This e-Newsletter has been distributed to all members of the PEM-PAL network. In case you would like to be included on the mailing list of this e-Newsletter, please send a message to PEMPAL@worldbank.org with your name, position, affiliation and e-mail address. If you would like to stop receiving this e-Newsletter, please send a message to the same address containing the text that you would like to be “removed from the PEM PAL mailing list”