

25 February 2008 Draft Rules of Operation for BCOP

PREAMBLE

COGNIZANT of the need for high ranking and senior budget officials to cooperate and to promote improved public financial management, including budget management and budget reforms in their respective ministries;

ACKNOWLEDGING the need for professional networks of national budget officials to establish peer cooperation;

RECOGNIZING the important role played by sound public budget management procedures and practices in the promotion of economic development and good governance;

INTENDING to establish a culture of professionalism and mutual support among national budget officials through the benchmarking of methodologies and peer support;

CONVINCED that the establishment of a BUDGET COMMUNITY OF PRACTICE in the Europe-Central Asia Region (ECA) will contribute to the efficacy of public financial management and improved service delivery;

The Budget Community of Practice (BCOP) of the PEMPAL Initiative establishes the following Rules of Operation:

Definitions

ECA Country means any country within the Europe Central Asia Region as defined by the World Bank.

BCOP means the Budget Community of Practice established under the PEMPAL Initiative;

PEMPAL Initiative (Public Expenditure Management - Peer Assisted Learning) means the collaborative, peer improvement effort undertaken by professionals in countries in the ECA region and a sponsor/donor group;

"Member" means a Deputy Minister, Budget Director or Deputy Budget Director, or equivalent positions who participates in BCOP activities, registers as a Member and is accepted by the BCOP Executive Committee;

"Voting Members" are any two of the members from a country designated by a Minister, State Secretary; Deputy Minister or the highest ranking BCOP member from a country to vote on a matter during a BCOP Meeting or electronic vote.

"Associate Membership" includes other persons involved in budgeting and BCOP activities who have managerial responsibility in the formulation of national budget policy ;or professionals involved in the planning, preparation or execution of a national budget.

Associate members may be persons:

- 1) who work in a Department or Ministry of Finance or Planning or any other government organization or unit;
- 2) a past member who no longer eligible to be a member;
- 3) high level staff to Parliament Budget Committees;
- 4) staff professionals of budget departments who are not eligible to be members; and
- 5) line-ministry budget officials.

The **"Member Assembly"** is the annual meeting of all Members and Associate Members.

Membership is not limited to only those persons from ECA countries whose participation is sponsored by an international organization.

"Executive Committee" means the governing body of BCOP

“**Secretariat**” means the Center of Excellence in Finance (CEF) in Slovenia;

“**Sponsor**” means any public organization designated by the Executive Committee, which contributes resources to BCOP activities. Examples include the World Bank, U.S. Treasury, DFID, GTZ, etc.

Article 1

Objectives and Functions

1. BCOP shall promote the efficient and effective management of public finances to foster economic growth and enhance service delivery for the improvement of living standards of people living in the ECA Region. In order to achieve its objectives BCOP will:
 - (i) Support budget officials as they work to manage public finance systems and develop approaches, procedures and practices for improving public finance;
 - (ii) Advance the development of the ECA Region by building member capacity and promoting training and research in the field of public finance management from a budget practitioner’s perspective;
 - (iii) Encourage Member participation in similar organizations, such as regional/national organizations of budget officers;
 - (iv) Develop common BCOP positions on issues of interest to the members; and
 - (v) Create opportunities for collectively advancing the art of budgeting.

2. The functions of BCOP are to:
 - (i) Facilitate regular peer exchanges on budgetary and public financial management issues between Members;
 - (ii) Organize BCOP seminars, country visits and electronic or in person dialogues on budget practices;
 - (iii) Expand the existing resource base of public finance management experience through a series of website postings reflecting discussions at various BCOP forums;
 - (iv) Undertake capacity development activities, such as, cooperating with training institutions in designing and presenting programs on budgetary aspects of public financial management which address the needs of Members;
 - (v) Increase the awareness of high-level of decision-makers about the knowledge gained through BCOP activities;
 - (vi) Enrich the professional dialogue between Members on public financial management issues;
 - (vii) Provide support to other international initiatives relating to public finance management; and

- (viii) Perform any other activity as may be appropriate for attaining the objectives of BCOP.
- (ix) Make available to Members key budget documents and practices such as circulars, laws, and financial policies.

Article 2

Establishment

1. BCOP is hereby established in accordance with the provisions of this document.
2. BCOP functions as an integral community of practice within the PEMPAL Initiative and participates in Steering Committee and PEMPAL Plenary events.
3. The CEF shall serve as the Secretariat of BCOP.

Article 3

Legal Status and Authority

1. BCOP shall possess no legal personality. It is a voluntary network of budget professionals.
2. Members shall accord BCOP, its officers and Secretariat and other PEMPAL institutions such privileges or authorities as are necessary for the exercise of their functions and performance of their duties and shall facilitate activities undertaken in the promotion of the objectives of BCOP.

Article 4

Membership

1. Membership in BCOP is defined in the "Definitions Section" of this document. Any questions as to Membership shall be decided by the Executive Committee in consultation with the PEMPAL Steering Committee.
2. Delegations of Members attending BCOP meetings, seminars or dialogues shall consist of Members and Associate Members officially invited by the officers and Secretariat to attend such meetings, seminars or dialogues.
3. The Executive Committee may grant associate, observer or presenter status to officials of contributing sponsors or persons who have expertise in the budget-related aspects of public finance management.

Status shall be given based on conditions and procedures determined by the Executive Committee. Non-members may attend meetings or activities of BCOP, as invited, but are not entitled to vote.

Article 5

Admission of new Members

1. Any new Member, as defined in this document, must be admitted to BCOP by the Executive Committee.

Article 6

Institutions and Governance

1. BCOP shall have a Member Assembly, Voting Members, an Executive Committee, a Secretariat and such other titles or committees as the Executive Committee may determine.
2. The quorum of all meetings of BCOP shall be the Voting Members present and voting at the time of a vote.
3. Meetings may take place in person or by electronic device, such as videoconference, telephone conference or website convocation
4. Procedures for BCOP operations related to these Rules of Operation shall be drafted by the Secretariat for consideration or adoption by the Executive Committee.
5. Any dispute arising about the interpretation or application of these Rules of Operation shall be settled through direct consultations between the parties concerned. Should such consultations fail to resolve the matter within a reasonable period of time, the Executive Committee shall decide.

Article 7

Member Assembly

1. The Member Assembly shall consist of Members present at the annual meeting.
2. The Secretariat shall be notified, by the highest ranking Member, prior to any vote of the names and titles of the Voting Members.
3. The Chair, 1st Vice Chair, 2nd Vice Chair and 3rd Vice Chair of BCOP shall be held by Members elected annually by the Voting Members of the Member Assembly. Vacancies during the term of a Chair will be remedied under the provisions of Article 8.

4. The Member Assembly shall convene at least once every year.
5. The Voting Members may ratify any annual budget of BCOP, as may be needed for funds made available to the organization. The PEMPAL Steering Committee will authorize and approve, in close consultation with the Executive Committee, any BCOP funding provided by PEMPAL sponsor resources.

Article 8

Executive Committee and Elections

1. The Executive Committee shall consist of a maximum of 5 (five) Members approved by the Voting Members. It shall consist of 4 current Chairs and the Immediate Past Chair.
2. Any additional criteria for election must be determined by majority vote of the designated Voting Members.
3. The annual terms of Members on the Executive Committee shall start at the close of each Annual Meeting;
4. The Chair may replace, for the balance of the term, any Executive Committee Member who may resign or leave his/her position as a national level budget official subject to confirmation by the Voting Members of the Membership Assembly.
5. The Chair shall determine the Member of the Executive Committee who will represent BCOP on the PEMPAL Steering Committee.
6. If the Chair becomes vacant during the period for which the Chair was elected by the Member Assembly, the 1st Vice Chair succeeds to the Chair; and all other Vice Chairs move up one rank. Any Vice Chairs left vacant as a result of a succession shall be replaced in accordance with section 8.4.
7. The 1st Vice Chair automatically succeeds the current Chair at the end of the Chair's annual term; and all Vice Chairs move up one rank. This succession process is for the purpose of continuity of leadership and begins at the end of the Member Assembly which has adopted these Rules of Operation.
8. After the adoption of these Rules, the Member Assembly will vote each year for the 3rd Vice Chair, who will then enter the line of succession.
9. When a person finishes serving as the BCOP Chair, she/he shall become Immediate Past Chair and remain as an ex officio member of the Executive Committee for one additional year.
10. The line of succession of the Chairs can only be interrupted by a petition at the Annual Member Assembly signed by 2/3 of the Voting Members. If this occurs, a new election will be held. Nominations for the new

election must be signed by at least 5 Members from 5 countries and all new Chairs must be elected by a majority vote of the Voting Members of the Member Assembly. Based on the total of votes received: the Chair goes to the person with the highest vote; the 1st Vice Chair goes to the person with the next highest vote; the 2nd Vice Chair goes to the person with the 3rd highest vote; the 3rd Vice Chair goes to the person with the 4th highest vote, and the (Immediate Past Chair position) goes to the person with the 5th highest vote.

11. The Executive Committee shall
 - (i) oversee the implementation and interpretation of these Rules of Operation,
 - (ii) delegate tasks to the Secretariat but retain full authority over any such delegated tasks,
 - (iii) meet at least twice every year,
 - (iv) appoint any committee, task group or lead professional to carry out any purpose or mission related to the needs of BCOP,
 - (v) be responsible for the management of BCOP, and
 - (vi) control the use of any BCOP funds collected from Members.

Article 9

Secretariat

1. The BCOP Secretariat shall be the CEF in Slovenia.
2. The BCOP Secretariat shall report to the Executive Committee.
3. The Secretariat shall be responsible for the day-to-day administration of BCOP.
4. The Secretariat shall arrange all meetings, seminars and dialogues of BCOP. And also keep reports, publications and the minutes of all meetings. The CEF shall disseminate BCOP information via the PEMPAL website.
5. The Secretariat shall prepare brief, annual or summary reports of BCOP activity and submit them to the Executive Committee for approval.
6. The Secretariat shall assist the Member Assembly and the Executive Committee in their work and shall perform all functions assigned to it by the Executive Committee.

7. The Secretariat shall be the depository of all records of BCOP, of rules and procedures adopted for BCOP and of all BCOP instruments
8. The Secretariat will receive/transmit all correspondence related to BCOP and its activities.
9. The CEF may sign financial and other documents on behalf of BCOP with the written authorization of the Chair of Executive Committee.

Article 10

Working Languages

English, Russian and Serbo-Croatian will be the working languages of BCOP. Where required and possible, proceedings will be translated into all three languages.

Article 11

Finances

1. With the approval of the Executive Board, the CEF may accept donations from public and private sector sources to support meetings and other activities.
2. BCOP may have an interest earning bank account for any financial means, managed by the CEF.
3. The Secretariat may prepare an annual budget based on the financial contributions of the BCOP. This budget must be approved by the Executive Committee and ratified by the Voting Members of the Member Assembly.
4. All financial contributions, donations, or income from BCOP services, activities, products and publications shall be paid into the BCOP bank account.
5. The CEF shall appoint external auditors, with the approval of the Executive Committee, for BCOP and determine their mandate and remuneration. The Member Assembly shall consider the report and the Voting Members shall approve or reject the annual accounts and financial audit of BCOP. BCOP accounts and financial transactions shall be in accordance with generally recognized international accounting practices.
6. BCOP shall comply with all applicable taxation laws of Slovenia.
7. CEF may earn income by assessing fees for booth or other display space at meetings and events.

Article 12

Annexes

1. The Secretariat may develop such Annexes as may be necessary to facilitate the implementation of these Rules of Operation and the Executive Committee shall submit them for adoption to the Voting Members of the Member Assembly.
2. The Secretariat shall keep certified copies of these Rules and all Annexes adopted by the Member Assembly.

Article 13

Amendments

1. Any Member wishing to amend these Rules of Operation shall submit a written proposal, signed by at least 3 Members from 3 countries, for such an amendment, together with its explanation, through the Secretariat to the Member Assembly, for consideration and discussion at the annual meeting.
2. Amendments to these Rules shall be adopted by the Member Assembly by a 2/3rds majority of those voting.

Article 14

Ratification

These Rules of Operation are subject to ratification of the BCOP Member Assembly by a 2/3rds majority of those voting. These Rules enter into force on the date of ratification.

Article 15

Withdrawal or Removal

If a Member wishes to withdraw from BCOP, that person may do so at any time, by sending a written statement to the Secretariat.

Any Member convicted of a crime is automatically removed.

Any Member who leaves his/her post as a national budget official is automatically removed but may be invited to participate as a non-voting associate member.