



## MINUTES OF BCOP EXECUTIVE COMMITTEE MEETING -

Warsaw, Poland, Wednesday, May 20, 2015

### PRESENT AT THE MEETING:

1. Mikhail Prokhorik (Belarus – Member of the BCoP Executive Committee)
2. Mladenka Karacic (Croatia – Member of the BCoP Executive Committee)
3. Elena Zyunina (Russian Federation – Member of the BCoP Executive Committee)
4. Hakan Ay (Turkey – Member of the BCoP Executive Committee)
5. Deanna Aubrey (World Bank – Resource team)
6. Maya Gusarova (World Bank – Resource team)
7. Živa Lautar (CEF – PEM PAL Secretariat)
8. Polona Sirnik (CEF – PEM PAL Secretariat)

### Interpreters:

Aleksandra Niemirycz, Kateryna Ferdyn (ENG-RUS translation)

Marina Čvorović, Nataša Ristić (ENG-BCS translation)

### AGENDA ITEMS:

1. Welcome
2. Update on BCOP budget (Maya Gusarova / Živa Lautar)
  - i. Approval of FY16 plan by Steering Committee
  - ii. Approval of carryover of funds
  - iii. Update on budget implementation of FY15 plan and forecast underspend (Živa Lautar)
3. Update on mid-term review of PEMPAL Strategy (Deanna Aubrey)
  - i. BCOP input required at July Vienna meeting – BCOP presenter?
4. Progress of Working Groups (Maya Gusarova)
  - i. Wage bill working group
  - ii. Budget literacy working group (timing of study visits?)
  - iii. Others?
5. Update on Executive Committee study visit to South Africa (Deanna Aubrey / participants)
  - i. Materials prepared and translated from study visit
  - ii. Overview of CABRI discussions
6. Other business? Next meeting – July 15, 2015, Vienna, Austria

Documents to be available at meeting (for background only, no requirement for Committee to review them):

- 1 copy of approved FY16 BCOP Action Plan in English/Russian/BCS
- 1 copy of South Africa event report in English/Russian/BCS
- 1 copy of BCOP submission to MTR in English/Russian/BCS
- BCOP Action Plan available at: <http://www.pempal.org/about/action-plans/bcop> (all languages)
- South Africa materials available at: <http://www.pempal.org/event/read/137>
- South Africa event report with links to more information available at: <http://www.pempal.org/event/eventitem/read/137/362>



- Additional guidelines, laws, budget documentation etc posted on wiki at <http://bcop.wikispaces.com/Study+Visit+to+South+Africa+-+PFM+Reforms+-+additional+materials>

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## 1. Welcome

In the absence of Gleardina Prodani, BCOP Deputy Chair, Maya Gusarova, World Bank resource team welcomed participants to the Executive Committee meeting and presented the points of the agenda.

## 2. Update on BCOP budget

*Update on budget implementation of FY15 plan and forecast underspend (Živa Lautar)*

Costs of the plenary event in Yerevan amounted to 99,000 EUR, and the saving was 45,000 EUR, while costs of the study visit to South Africa amounted to 32,000 EUR and the saving was 23,000 EUR. Overall the saving from past events in FY15 amounts to 68,000 EUR.

*Approval of carryover of funds (Maya Gusarova)*

The PEMPAL Steering Committee approved carryover of funds from FY15 to the FY16. Ms Belenchuk, Russian Federation, Deputy Chair of BCOP Executive Committee, had to present strong arguments to the PEMPAL Steering Committee, to support the request to transfer of funds to the next financial year. The transferred financial resources will serve mainly for funding the establishment and operation of new working groups. The transferred funds must be spent in the next budgetary year, as a condition of the carryover.

*Approval of FY16 plan by Steering Committee (Deanna Aubrey)*

PEMPAL Steering Committee said that the BCOP action plan did not give enough information on the COP's activities and did not relate enough to the PEMPAL strategy therefore the action plan was changed according to the template of the TCOP action plan. The revised Action plan presents activities for financial year 2015-16 which includes carryover of funds from FY15, which results in a total budget of 405,000 USD (from approved original amount for all COPs of 330,000 USD). The biggest spending item in FY16 will be plenary meeting in Belarus in February 2016 on fiscal rules and medium term budgeting. The remaining funding will go for working groups' meetings and study visits as well as notional costs included for use of World Bank video conference facilities.

## 3. Update on mid-term review of PEMPAL Strategy

At the plenary meeting in Armenia, input from BCOP Executive Committee members was incorporated into BCOP's formal submission to the mid-term review of the PEMPAL Strategy 2012-17. Two donors also provided their input for the review, in addition to members, who were given the opportunity to participate through an on-line survey. The received information was analyzed, in addition to performance information collated by the Secretariat. The report was drafted and will be circulated before the meeting in Vienna in July. Each COP will need to prepare a PowerPoint presentation which summarizes COP performance against the strategy's results frameworks key performance indicators (as outlined in BCOP's submission to the review, for example). These will be presented to the PEMPAL Steering Committee and COP Executive



Committees at the Vienna meeting, as part of the PEMPAL Executive's consideration of the review's results and recommendations.

*BCOP input required at July Vienna meeting – BCOP presenter?*

Ms Aubrey requested that the Committee consider who should present BCOP's results at the July meeting. She informed the Committee that this presentation is due on June 12 and the resource team were happy to prepare the first draft for the Committee's review. Mr Prokhorik suggested that the Chair Mr Krityan or Deputy Chairs, Ms Prodani or Ms Belenchuk, be given the choice to deliver the presentation first, before other volunteers are considered.

The next BCOP Executive Committee meeting will be held in Vienna before the proposed meeting to consider the results of the strategy's mid-term review. The timing of the meeting has been set for late Wednesday afternoon on July 15, to minimize Committee member's time away from MoF work. Most participants will then depart on Friday July 17 in the afternoon, except for participants attending the PEMPAL Steering Committee meeting which is being held that afternoon (ie COP Chairs and Deputy Chairs).

#### **4. Progress of Working Groups**

1. Wage Bill Working Group: implementation of the action plan is in progress. Three video conferences were organized and one more VC in FY15 is expected on June 10. In the week of May 25 the information will be circulated. The next year plans involve a study visit to a country, and the option of visiting of Serbia or alternatively Turkey was briefly discussed and will be verified (see more in the *Timing of study visits*). The operation of this working group is currently running on the presumption that the group is functioning for its last year. To continue with the work of the group, potential knowledge products will need to be identified that meet the needs of the participating countries. Thus, active involvement and concrete suggestions for future work are needed, if the group is to continue past its last meeting planned in May 2016.
2. Budget Literacy Working Group: The first meeting of the working group was held before this Committee meeting. It was viewed a success by Committee members with interesting results from the pre-workshop survey showing status of progress in budget transparency and budget literacy across 14 of the 15 participating member countries. Country cases of UK, Canada and Russian Federation were also illustrated which showed diverse and innovative approaches to improving budget literacy through targeting IT portals for citizen budgets; engaging students in the budget formulation process; and advertising the importance of paying taxes and the value of government expenditures on citizens' services via television and social media platforms. The survey highlighted the absence of citizens' budgets in many countries which could be an area of future reform and focus for the group. The working group will need to decide the focus of its next meeting scheduled back-to-back with the next plenary meeting in February/March 2016 in Belarus. At this plenary meeting, a member will also need to be elected, who can present the results of the working group back to all BCOP members during the plenary meeting.
3. Program Budgeting Working Group: Elena Zyunina will check when the group will start functioning. Funding for the study visit has been approved as part of the FY16 action plan with the first study visit scheduled for the preliminary date of April/May 2016 with 50,000 USD allocated. Since video conferences are not very expensive, VC meetings could also be organized. Anna Belenchuk, who will be attending the next BCOP Executive Committee meeting on behalf of the Russian Federation, will be requested to give feedback on the progress



of establishing this working group in Vienna meeting, on behalf of Mr Begchin, the leader of the group.

#### *Timing of study visits*

- Budget Literacy Study Visit: beginning of December 2015
- Wage Bill Management Study Visit: first week of October or beginning of November (though it depends on when the hosting country can host it). Study visit was to be organized in Serbia but alternative options will also be explored. Ms Gusarova will check with Serbia and get back to Mr Ay who will consult with Turkish colleagues on the possibility to make a study visit there. Ms Karacic said it would be very interesting and useful to see how program for payroll management works in Turkey.
- Program Management Study Visit: Ms Zyunina and Ms Belenchuk will check on the plans for development of this working group. Time scheduled for the group's study visit is spring 2016 (April/May). One option is to visit Russian Federation given their progress in program budgeting reforms. This option needs to be verified with the leader of the working group, Mr Begchin.

Because of the new arrangement with secretariat services, and the demands of member countries budget processes, there are no activities planned before the beginning of November. Preparations by the resource team for the plenary meeting in Belarus needs to start however over August/September to allow time for research for the concept note and identification of good practice country case studies and reports.

## **5. Update on Executive Committee study visit to South Africa**

### *Materials prepared and translated from study visit*

A comprehensive report on the Executive Committee's discussions with National treasury held in March 2015 was prepared and a link to the report has been provided in the agenda. Ms Karacic and Mr Ay provided input to the report on the status of reforms in their countries. No other amendments were received so Ms Aubrey took advice from the Committee, that the report can now be considered as final.

On the request of Committee members, two documents were translated into Russian and BCS: the Public Financial Management Act of South Africa and an Excel Tool on Key Performance Indicators used by line ministries.

All materials are on wiki and the link is available in the agenda of this meeting.

### *Overview of CABRI discussions*

Discussions that were held with CABRI were also documented. The results of these discussions will be shared with other COPs in the Vienna meeting. A lot of useful information came out of these discussions for the midterm review of PEMPAL strategy, given CABRI is a similar network to PEMPAL operating in Africa.

## **6. Other business**

1. Next meeting to be held on July 15, 2015, Vienna, Austria
- Anna Belenchuk will represent Russian Federation



- Representation of Armenia: Due to Konstantin Krityan`s sickness Arman Safaryan from MF Armenia, approached and asked if somebody else from the Ministry can be represented instead of Mr. Krityan. Representation in the Executive Committee is not country based but based on individual experience of active COP members, and representatives are subject to election by the rest of the Executive Committee. However, given the situation, members decided to give power to Mr. Krityan to decide whether he wants a replacement or not, to attend in an interim, observer capacity.
- 2. Change of PEMPAL Secretariat Services: For a transition period of 6 months, staff from the World Bank will take over the secretariat tasks, given unexpected decision from CEF to discontinue contract to supply secretariat services to PEMPAL. After this urgent transition arrangement is established to ensure ongoing functioning of PEMPAL in the short term, a decision will need to be made by the PEMPAL Steering Committee on whether it wants to initiate a tender process, to establish a replacement provider.
- 3. BCOP Executive Committee members and the BCOP resource team expressed high appreciation and gratitude for professional, flexible and dedicated work by Ms Lautar in the role of PEMPAL Secretariat. All members reflected on the high quality service Ms Lautar provided and noted that she will be greatly missed by all.