



Meeting of the members of PEM PAL Executive Committees

July 2, 2008

MINUTES

PARTICIPANTS

Members of Executive Committees:

	Name	Surname	CoP	Institution	Country
1	Anila	Çili	Treasury	Ministry of Finance	Albania
2	Aurelia	Coman	Internal Audit	Ministry of Economy and Finance	Romania
3	Diana	Grosu-Axenti	Internal Audit	Ministry of Finance	Moldova
4	Tomislav	Mičetić	Internal Audit	Ministry of Finance	Croatia
5	Alexandr	Prohničhi	Treasury	Ministry of Finance, State Treasury	Moldova
6	Nikola	Vukićević	Budget	Ministry of Finance	Montenegro

Staff:

	Name	Surname	Institution
1	Richard	Bartholomew	US Treasury
2	Pascale	Kervyn de Lettenhove	The World Bank <i>(by VC link)</i>
3	Elena	Nikulina	The World Bank
4	Natalia	Pisareva	The World Bank
5	Robert	Taliercio	The World Bank
6	Urška	Zrinski	CEF

1. Opening exercise

*Participants made notes of their brainstorming on the following questions:
How do members of the Executive Committees of Communities of Practice see the PEM PAL network? What are its advantages, obstacles, and how to overcome them?*

A. REASONS FOR PARTICIPATING IN PEM PAL NETWORK

The members of the Executive Committees of the PEM PAL CoPs listed arguments for participating in PEM PAL:

1. To fill in the gap in professional networks in the region – there are few networks which officials at the ministries of finance can join. For this reason they see PEM PAL as an advantage.
2. To experience direct, personal, professional interaction. The participants get to know their peers from other countries.
3. To gain knowledge about their PFM discipline.
4. To have a tool to promote reforms. *(This advantage has been stressed by a representative of donors)*
5. To help individuals interested in reforms.
6. To compare where they are in their efforts. Participants can benchmark their work in PFM.
7. To generate new knowledge in each discipline.
8. To help them do their job.
9. To promote problem solving. In cases where the participants have had troubles executing reforms, they have stated that their peers have helped them solve them.
10. To better understand the legal framework of reforms.
11. To facilitate intergovernmental sharing.
12. To avoid problems. By learning from the mistakes of others they can avoid repeating mistakes.
13. To accelerate professional knowledge.
14. To make up for the lack of R&D in PFM.
15. To offset insufficient funding for professional development in PFM. (Ministers are hesitant to send their officials to expensive workshops/seminars. Strong donor support gives PEM PAL an advantage.
16. To have a website that offers a low cost way of communicating.
17. To create pressure for professional advancement. Participants get to learn what their peers have already achieved and this creates pressure as they do not want to lag behind.
18. To arrange professional certification.
19. To better define of their profession.
20. To build personal relationships.
21. To get professional recognition.
22. To learn how to use common professional tools.
23. To get the opportunity to do SWOT analyses.
24. To learn what works and what doesn't and why.
25. To learn what causes success in certain countries.

B. OBSTACLES

Members of ECs have recognized the following obstacles to participating in PEM PAL:

1. Lack of permission to participate.
2. Lack of adequate time to prepare for activities. Members stressed that, in the past, events were not advertised well in advance for them to actively participate in the preparation of events.

3. Language. Three different languages: poor knowledge of English; and difficulties in communicating among each other without interpreters.
4. Ministers do not know enough about PEM PAL, which can prevent members from attending PEM PAL events.
5. Little has been done in order to sustain members in the network.
6. In addition to sustaining current membership, more must be done to bring new people into the network. Others need to feel invited.
7. Money limits.
8. There is no coordinated strategy to get the "right" people to join.
9. Inadequate follow-up after the events.
10. Lack of assignments. After the events people are not sure what their role is and what they must do/organize for the future.
11. E-mail communication is not working adequately. We need to rethink this way of communication.
12. Lack of a shared knowledge base.
13. Need for restricted access to certain parts of the web page, as there is information members do not want to share with "outsiders".
14. Lack of action plans within the CoPs.
15. Scheduling problems.
16. Lack of ownership of CoP activities by members.
17. Lack of political endorsement.
18. Insufficient support to CoPs on the substance of professional issues, as opposed to logistics.
19. The need for more research in PFM disciplines.
20. Unrealized potential in PEM PAL members who can make bigger contributions.
21. Lack of social interaction at PEM PAL meetings.
22. Insufficient participatory interaction.
23. Professional pressures, especially the time demands of PEM PAL activities.
24. The undefined relationship of PEM PAL to new EU member states and their ministries.
25. No agreed results indicators.

C. APPROACHES TO DEAL WITH OBSTACLES

Members of ECs suggested the approaches to deal with the above mentioned obstacles:

1. Need to define (short-term) CoPs strategies.
2. Need to prepare plans with well defined goals and objectives.
3. Need to identify indicators to measure results – to show donors what we are doing.
4. Greater usage of the web page.

2. Reports from Chairs of the Executive Committees

a) Report by TOMISLAV MIČETIĆ, Chair of INTERNAL AUDIT CoP

The Internal Audit CoP has had more than 30 video conference events since its launch at Ljubljana workshop in December 2006. According to the IA CoP, VCs have proved to be the best way of communicating among members of this CoP and for planning their events. VCs were organized by the World Bank, with the help of the WB country offices. They believe it is important to set clear agendas and plans for the future VCs to be as efficient as possible.

However, they have not held a VC event since the Istanbul plenary meeting of all CoPs in February 2008.

Members of IA CoP have had similar experiences in reform in the field of internal audit and they can learn from each other. They are divided into four different groups, each working on different issues of internal auditing:

- Training and certification (led by Tomislav Mičetić)
- Pilot projects (Marina Barynina)
- Strategy and legal framework (Diana Grosu-Axenti)
- Evolution of the old system (Ahmet Baspinar)

They have their Executive Committee elected and rules of operation adopted.

b) Report by ALEXANDRU PROHNITCHI, Chair of TREASURY CoP

The Treasury CoP held two videoconferences prior to the Istanbul event to structure the agenda for the plenary meeting. After the Istanbul meeting they have had no activities, but they are organizing a video conference to discuss and prepare a plan of activities. The leaders of this CoP are rather new to the PEM PAL; however, communication via e-mails, as in the case of IA CoP, has not proved very efficient.

Elena Nikulina from the World Bank office in Moldova will take over the role of facilitating the group for next 12 months after Cem Dener (WB) resigned from this position.

In Istanbul they elected the members of their Executive Committee.

c) Report by NIKOLA VUKIĆEVIĆ, Chair of Budget CoP

The Budget CoP adopted rules of operation at the meeting in Istanbul and elected members of the Executive Committee. At Istanbul, they organized a meeting of the Executive Committee in April in Bucharest in conjunction with the OECD SBO meeting; but there were last minute cancellations due to ministers withdrawing travel permission. An attempt is underway to reschedule the meeting on a weekend in order to avoid work conflicts. BCOP members intend to make more active contributions to future SBO meetings. The planned July MTEF seminar was delayed to 2009, due to scheduling conflicts. A special 2009 seminar for Russian speakers is under discussion.

*It was agreed that each CoP needs to prepare and develop a short-term strategy) and action plan for next year which will be then be sent to the PEM PAL Steering Committee for "no objection". Deadline for submission is: **30 September, 2008.***

The format of the submission sheet was accepted and each CoP must send a document with the following information:

- a) Purpose of activity*
- b) Timing of activity/ies (with timeline attached)*
- c) Expected results*
- d) Additional descriptive information*
- e) Total PEM PAL budget support required.*

It was agreed that PEM PAL will strive to achieve sustainable membership in its network as well as to attract new officials from the ministries of finance in Europe and Central Asia region. Each new member should have access to bylaws and plans for the future of each CoP which should be published on new PEM PAL web page (www.pempal.org). Executive committees will be responsible for the content of the new PEM PAL Web Page. The Secretariat will provide translations when needed but each CoP must budget the translations in their plan of activities.

The members of the Executive Committees tackled the question of how to overcome the problems of members of CoPs not responding to their emails. The following solutions were suggested:

- It is important that members of the ECs use the Web Page's blogs and forums as the main tool to reach their members; not just e-mail communication.*
- They will rely on the World Bank country offices when necessary for communication.*
- They will use their action plans as the basis for discussions.*

*Because **language** has proved to be a main obstacle for livelier communication in the past, they suggest a creation of a glossary which would help the interpreters and translators as well. TCoP decided to use their resources for translation of materials for the web page (In English and Russian language).*

Members of the Executive Committees proposed the following to sustain membership in PEM PAL and to attract new officials to join:

- PEM PAL should strive to organize PEM PAL activities in each country to raise the profile of the network.*
- Solutions to overcoming obstacles must often be country specific.*
- WB country offices could help promote PEM PAL in ECA countries.*
- PEM PAL should concentrate more on technical staff and not decision makers because their post is subject to change due to political processes in each country.*

- *If PEM PAL will strive to organize practically oriented workshops useful for the daily work of officials in ECA region it will be easier to get the permission to travel.*
- *The PEM PAL Secretariat is encouraged to send letters of thank you after each of the events to the Ministries, to stress the importance of their support of participation.*
- *Invitation letters should be sent with the signature from the WB, and with logos of all the sponsors.*

3. PEM PAL Evaluation

Rob Taliercio from the World Bank presented the findings of the interim report (Evaluation of the PEM PAL initiative) which was prepared by Alta Fölscher from Mokoro Ltd. The report suggests a value chain which says that a functioning secretariat, committed membership, sufficient resources, good governance and ownership will result in a productive, sustainable and well-functioning network. This will result in PEM PAL members learning from each other and building their capacity to improve PFM and expenditure outcomes in member countries.

*Members agreed that in order to monitor and evaluate the progress of PEM PAL network, the network needs to agree on a set of indicators. Members agreed that indicators differ from CoP to CoP and that therefore each CoP should **recommend indicators in the next two weeks**.*

4. New PEM PAL web page

Urška Zrinski from the CEF (PEM PAL Secretariat) presented the new/beta web page.

It was agreed that each EC will receive a user name and password to arrange the content on the subpages (each CoP has its subpage where it will present its activities, latest news, its members, future events...).

Members suggested to add another item on the web page *MEMBERS*, to provide information about the member countries and individuals involved in PEM PAL network. Each CoP should strive to publish as much information as possible as well as help Secretariat to gather information about the legal framework and documents connected with PFM in PEM PAL members countries.

5. Goals and objectives

Richard Bartholomew from the US Treasury, Office of Technical Assistance, stimulated discussion on goals and objectives of PEM PAL network.

The following goal of the PEM PAL was accepted by the members of the Executive Committees present:

Through their active participation in sustainable peer practitioner networks, PEM PAL members will achieve the ongoing ability to improve the practice of PFM across the ECA Region.