



PEM  PAL

FACT SHEET

BUDGET COMMUNITY OF PRACTICE (BCOP)



Budget
Community of
Practice

WHAT IS PEMPAL AND BCOP?

PEMPAL, the Public Expenditure Management Peer-Assisted Learning network is a network through which public finance officials from member countries in the Europe and Central Asia region connect, collaborate, and engage in mutual learning and problem-solving to drive public financial management (PFM) reform design and implementation. The network, launched in 2006, aims to contribute to strengthening PFM practices in the member countries through developing and disseminating information on good PFM practices and their application.

The network is organized around three thematic communities of practice:

- Budget Community of Practice (BCOP),
- Treasury Community of Practice (TCOP), and
- Internal Audit Community of Practice (IACOP).

The overall BCOP objective in 2026-2030 is to enhance budget methodology, planning, and openness in member countries, ensuring budgeting is strategic, effective, and focused on citizens' needs and development goals.

WHAT LEARNING MECHANISMS ARE USED?

Peer-to-peer learning and mutual problem solving are the main instruments used. Participants work together face-to-face and online to share knowledge and develop approaches to addressing common PFM problems. In contrast with traditional training approaches, participants formulate their own activity plans and play the role of experts within the peer groups, so they are not only receivers but also providers of technical assistance.

BCOP activity plans include sharing and creation of knowledge through face-to-face learning events, virtual meetings, and study visits, and through the development of knowledge products. BCOP activities are driven by member-led action plans that address key budgeting reform priorities of Ministries of Finance of member countries. BCOP conducts annual surveys of its members to gather countries' priorities.

WHO ARE BCOP MEMBERS?

BCOP members represent 20 ECA countries. Members are typically mid- to high-level officials in budget planning or budget methodology/policy units in the budget departments/sectors in Ministries of Finance. BCOP Members provide significant content contributions by developing and delivering presentations, reviewing and providing inputs to BCOP's knowledge products, and planning activities. BCOP membership includes 300+ budget officials from Ministries of Finance of ECA countries.

WHO LEADS BCOP AND PEMPAL?

BCOP is led by the BCOP Executive Committee, currently consisting of the representatives from the Ministries of Finance of eight member countries (Armenia, Bosnia and Herzegovina, Bulgaria, Georgia, Moldova, Serbia, Ukraine, and Uzbekistan), who elect a Chair on an annual basis. The Executive Committee members also comprise the leadership of the three BCOP's working groups. Technical expertise, coordination, and support are provided by the World Bank BCOP Resource Team, and the administrative support is provided by the PEMPAL Secretariat. At the network level, PEMPAL is led by the Steering Committee comprising of COP Chairs, Deputy Chairs, and World Bank and donor representatives.

WHAT ARE BCOP PRIORITY THEMATIC AREAS OF INTEREST?

BCOP has made a strategic shift in the 2026-2030 PEMPAL Strategy, reflecting significant up-to-date progress as well as new emerging global trends. BCOP member countries have made substantial advances in basic budgeting reforms and are ready for more sophisticated challenges. At the same time, digitalization, citizen accountability demands, and advanced IT solutions are transforming public financial management worldwide.

The 2026-2030 Strategy, developed based on reform priorities of member countries' Ministries of Finance, brings out the new, upgraded PEMPAL to support PFM modernization and enhancement. Accordingly, **BCOP's main mid-term thematic priority objectives are:**

1. strengthening the **budget's strategic impact;**
2. fostering **digital innovation and openness** in budgeting;
3. modernizing fiscal management **tools and institutions;** and
4. expanding internationally comparative budgeting data on PEMPAL countries to facilitate learning.

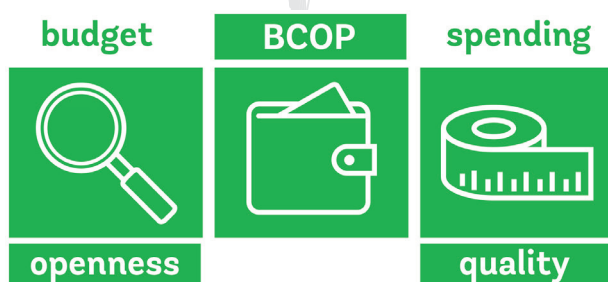
WHAT ARE BCOP WORKING GROUPS?

In line with the PEMPAL Strategy objectives and members' thematic budgeting priorities, BCOP operates three working groups, each addressing BCOP's thematic priority objectives:

1. **Working Group for Budgeting for Development (BDWG)**



2. **Working Group for Budget Innovations and Openness (BIOGW)**
3. **Working Group for Modern Fiscal Management Tools and Institutions (MFMWG)**



Budgeting for Development (BDWG)

- enhancement of the **budget's strategic orientation**
- stronger **mid-term frameworks** aligned with development goals
- strategic **capital budgeting**
- advanced and modernized **performance management and budgeting**
- budget **tagging**
- full **integration of budget and strategic planning**
- **strong monitoring and evaluation** tools for resource reprioritization

Budget Innovations and Openness (BIOGW)

- **modernization of budget documentation**
- harnessing **new IT tools** (including AI) **for more transparent and participative budgeting**, including, *inter alia*, upgraded interactive open budget portals with real-time tracking and citizen inputs
- application of **modern IT tools** (including AI) **for more agile and advanced budgeting**, such as process automation, advanced expenditure projections, policy scenario simulations, etc.

Modern Fiscal Management Tools and Institutions (BIOGW)

- **modernization of budget departments/ bodies** with enhanced organization, clarified roles, and stronger strategic orientation

- advanced **crisis management** (robust frameworks for responding to economic shocks and emergencies)
- **fiscal consolidation tools**
- identification, assessment, and mitigation of **fiscal risks**
- **independent fiscal institutions**

WHICH ORGANIZATIONS DOES BCOP PARTNER WITH?

BCOP multiplies knowledge exchange for budgeting officials through targeted partnerships. These partnerships comprise joint events, cross-participation, and content contribution in the events and knowledge materials.

In addition to the World Bank, BCOP's key partnering organizations are the Organization for Economic Cooperation and Development (OECD), the European Commission's Directorate-General for Economic and Financial Affairs (DG-ECFIN), and the International Budget Partnership (IBP). BCOP has a long and strong continuous cooperation with the OECD, through OECD's Network for Senior Budget Officials from Central, Eastern, and South-Eastern European Countries (CESEE) and OECD's Working Party on Performance and Results. More recently, BCOP has established a thematic partnership with DG-ECFIN. IBP is another long-term close thematic partner of BCOP. BCOP has also cooperated with the Global Initiative for Fiscal Transparency (GIFT), Coalition of Finance Ministers for Climate Action, PEFA Secretariat, and PEMNA.

WHAT ARE BCOP'S KNOWLEDGE RESOURCES?

BCOP develops knowledge products (KPs) in different formats, such as analytical reports based on cross-country survey data with recommendations; collation of global good practices; deep-dive analysis of a country's practices; and key takeaways for member countries from BCOP's meetings and discussions. BCOP has published 15 knowledge products (*click on the name of a KP below to view it on the PEMPAL website*):

1. [Use of Performance Information in the Budget for Evidence-Based Decision Making: Learning from International Experience](#)
2. [General Guidance on Linking Strategic Planning and Budgeting](#)

3. [Key Budgeting Reforms and Tools in the Current Focus of Finance Ministries](#)
4. [Trends in Program Budgeting, Budget Openness, Climate Change Responsive PFM, and Health Sector PFM](#)
5. [Modernization of Budgeting: Current Directions and Tips](#)
6. [Spending Reviews in the Netherlands](#)
7. [Improving Budget Documentation Clarity and Accessibility](#)
8. [Spending Reviews: Trends in PEMPAL Countries Benchmarked to Trends in OECD Countries](#)
9. [Participatory Budgeting for Youth](#)
10. [Conducting a Rapid Spending Review to Identify Measures for Budget Balancing](#)
11. [Mechanisms for the National MoFs to Facilitate Participatory Budgeting at the Subnational Level and Design Initiatives at the National Level](#)
12. [Performance Budgeting and Spending Reviews in PEMPAL Countries: Current Practices, Challenges, and Recommendations](#)
13. [Public Participation in Fiscal Policy and the Budget Process – Establishing and/or Strengthening Mechanisms in PEMPAL Countries](#)
14. [Performance Indicators in PEMPAL Countries: Trends and Challenges](#)
15. [Breaking Challenges in Constructing Citizens' Budgets for PEMPAL Countries](#)

In addition, BCOP has developed and shared with its members over 380 other resource materials. The regularly updated listing of these materials is shared with the members annually, categorized in 19 budgeting topics.

WHAT IS THE VALUE OF BCOP TO ITS MEMBERS?

Members use knowledge gained through BCOP to improve budget planning in their countries. BCOP has had an important impact on budgeting capacities and reforms:

- In regular members' surveys on impact, all surveyed countries reported that knowledge gained through BCOP has increased their capacities and has been used in reforms. 19 BCOP member countries report the application of knowledge gained through BCOP in reforms for at least two thematic budgeting areas; on average, countries report impact in 3 or 4 budget planning areas.
- In the November 2024 Ministerial survey, all BCOP countries reported that BCOP has had a significant or medium impact on their budgeting systems.
- In the BCOP's surveys on KPs, members rate the quality as high and report that the products are or will be used to improve budgeting.
- Feedback from anonymous post-event surveys and testimonials from events confirms the usefulness and impact.

There are numerous concrete examples of the use of BCOP knowledge. [Published success stories](#) illustrate different ways and channels of impact across different BCOP member countries.

BCOP's work has contributed to significant progress in member countries' budgeting, as evidenced by international assessments, such as:

- 25% increase in PEFA scores for budget planning
- 45% improvement in the Open Budget Index for budget transparency
- 11 countries now fully implement program budgeting with performance targets, while the remaining 8 are in the preparation phase or expanding from the piloting stage.





PEMPAL SECRETARIAT

Budget Community of Practice (BCOP)

E: BCOP@pempal.org

Internal Audit Community of Practice (IACOP)

E: IACOP@pempal.org

Treasury Community of Practice (TCOP)

E: TCOP@pempal.org

www.pempal.org

© PEMPAL Secretariat

This work is a product of PEMPAL Secretariat.

Rights and Permissions:

The material in this work is subject to copyright. Because PEMPAL encourages dissemination of its knowledge, this work may be reproduced, in whole or in part, for noncommercial purposes as long as full attribution to this work is given.

Any queries should be addressed to PEMPAL Secretariat.