



COMBINED MINUTES OF THE TWO BCOP EXECUTIVE COMMITTEE MEETINGS -

MOSCOW, May 25, 2014 and THE HAGUE, June 25, 2014

PRESENT on May 25, 2014 at 15.00 (Moscow):

1. Gelardina Prodani (Albania – Chair of BCOP ExCom)
2. Mladenka Karačić (Croatia – Member of BCOP ExCom)
3. Anna Belenchuk (Russian federation – Member of BCOP ExCom)
4. Nikolay Begchin (Russian federation – Member of BCOP ExCom)
5. Elena Zyunina (Russian federation – Member of BCOP ExCom)
6. Hakan Ay (Turkey – Member of BCOP ExCom)
7. Konstantin Krityan (Armenia - Member of BCOP ExCom)
8. Nurida Baizakova (Kyrgyz Republic - Member of BCOP ExCom)
9. Maya Gusarova (World Bank – Resource team)
10. Deanna Aubrey (World Bank – Resource team)
11. Nataša Ristić (PEMPAL interpreter ENG/BCS)
12. Dragica Todorović (PEMPAL interpreter ENG/BCS)
13. Boris Rubinstein (WB Moscow interpreter ENG/RUS)
14. Konstantin Gusakov (WB Moscow interpreter ENG/RUS)
15. Živa Lautar (CEF – PEM PAL Secretariat)

PRESENT on June 25, 2014 at 15.30 (The Hague):

1. Gelardina Prodani (Albania – Chair of BCOP ExCom)
2. Mladenka Karačić (Croatia – Member of BCOP ExCom)
3. Anna Belenchuk (Russian federation – Member of BCOP ExCom)
4. Nikolay Begchin (Russian federation – Member of BCOP ExCom)
5. Željka Stojičić (BIH - Member of BCOP ExCom)
6. Hakan Ay (Turkey – Member of BCOP ExCom)
7. Konstantin Krityan (Armenia - Member of BCOP ExCom)
8. Mikhail Prokhorik (Belarus - Member of BCOP ExCom)
9. Nurida Baizakova (Kyrgyz Republic - Member of BCOP ExCom)
10. Maya Gusarova (World Bank – Resource team)
11. Naida Čaršimamović Vukotić (World Bank – Resource team)
12. Deanna Aubrey (World Bank – Resource team)
13. Dragica Todorović (PEMPAL interpreter ENG/BCS)
14. Radmila Vujović (PEMPAL interpreter ENG/BCS)
15. Iulia Timotin (PEMPAL interpreter ENG/RUS)
16. Maria Aidova (PEMPAL interpreter ENG/RUS)
17. Živa Lautar (CEF – PEM PAL Secretariat)



Given that two BCOP Exec Comm meetings were organized in a short time period and that the discussions from Moscow meeting continued in the Hague, This document represents combined minutes for both meetings.

CONSOLIDATED AGENDA ITEMS

I. SUNDAY, MAY 25, 2014, , MOSCOW and WEDNESDAY, JUNE 25, 2014, , The Hague

1. Welcome (BCOP Chair, Gelardina Prodani)
2. Briefing on feedback groups operating in cross-COP meeting (Deanna Aubrey) - ITEM TABLED FOR DISCUSSION IN MOSCOW ONLY
3. Review of the implementation and updated budget realization for 2013/2014 Action Plan (Maya Gusarova and Ziva Lautar)
4. Update on OECD SBO meeting in Den Haag 25-27 June 2014, including PEFA framework workshop (Maya Gusarova/Deanna Aubrey and Ziva Lautar) -- ITEM TABLED FOR DISCUSSION IN MOSCOW ONLY
5. Progress on implementation of approved BCOP Action Plan 2014-15 (Deanna Aubrey/All)
 - a. Plenary meeting: Tools for fiscal consolidation.
 - b. Study Visit - EU countries on management and budgeting of EU funds
 - c. Executive committee Study Visit on Budget Transparency to South Africa
6. Potential Knowledge Products/Working Groups:
 - a. Next steps for the wage bill working group
 - b. New working groups
 - c. OECD Collaboration?
7. Wiki use - ITEM TABLED FOR DISCUSSION IN THE HAGUE ONLY
8. Other business?
9. Next meeting for the third quarter of 2014? ITEM TABLED FOR DISCUSSION IN THE HAGUE ONLY

1. Welcome

Gelardina Prodani welcomed participants to the ExCom meeting and briefly introduced meeting agenda both in Moscow and in The Hague. In the Hague, she also introduced M.s Zeljka Stojicic, a new member of the BCOP Executive Committee from the Ministry of Finance of Republika Srpska in Bosnia, who replaced Stevan Brkic in the Executive Committee, as approved by the Executive Committee in written form in April. Ms. Stojicic said a few words about herself and her roles in the Ministry of Finance,



benefits of the PEMPAL networks from the perspective of her Ministry, and she also expressed excitement for future work of the Executive Committee.

2. Briefing on feedback groups operating in cross-COP meeting. ITEM TABLED FOR DISCUSSION IN MOSCOW ONLY

Ms. Aubrey explained the concept of enabling groups' process which encouraged building of the community through member input (to be implemented during the Cross-COP Moscow meeting) and invited the ExCOM members to take active part in one of three enabling groups: agenda activists – responsible for seeking feedback on potential future COP work in the area of fiscal transparency and accountability; social reporters – responsible for creating shared memory; and critical friends – responsible for what's working and what's not during the implementation of the meeting agenda (to improve future events).

- Mr. Ay volunteered for the agenda activists group but was later replaced by Nurida Baizakova
- Mr.. Krityan volunteered for the social reporters group.

Ms Aubrey also briefed the Executive Committee members about discussion groups at the Cross-COP meeting. The discussion was to be organized within the 8 smaller groups, with each group to discuss specific questions and prepare a 10 minutes presentation – report on the discussion in cooperation with another group.

3. Review of the implementation and updated budget realization for 2013/2014, Action Plan 2014-15

Ms.Gusarova reported on the current status of budget execution. In comparison to the approved 2013/2014 BCoP budget, current execution (including estimated spending for the Moscow event as the last item) is at 89%, showing effective planning and spending. Expected slight underspending due to cheaper than planned organization of the plenary in Turkey allowed extra budget for translation and extra budget for participation in OECD event in the Hague and organizing PEFA workshop in June 2014. However, due to the general agreement at the level of the Steering Committee savings from COPs budgets will not be transferred to the next year, COPs will rather operate under newly approved budgets.

Updated budget execution data was not available for the discussion at the Hague Executive Committee meeting, since the final actual spending data for Moscow event and data for the Hague event were not available yet./

4. Update on OECD SBO meeting in Den Haag 25-27 June 2014, including PEFA framework workshop. ITEM TABLED FOR DISCUSSION IN MOSCOW ONLY



At the Moscow meeting, Ms Aubrey reported on preparations for the OECD SBO meeting in the Hague. In terms of the presentation of the OECD Budget Practices and Procedures Survey results, the results will be presented in the format similar to the presentation in Antalya, but in more detail.

The report on the results of PEMPAL participation in the OECD Budget Practices and Procedures Survey was translated and sent to Executive Committee members in mid-May for comments.

Ms Aubrey informed the Executive Committee members, that the OECD has kindly asked to give suggestions and clarifications (from countries involved in the survey) on some outstanding issues and reflections on the survey instrument. Ms Prodani added that this can be done once the survey respondents go through the draft report.

In addition, Ms Aubrey mentioned that OECD is seeking two to three volunteer countries to present their cases in the Hague meeting. Topics to be addressed: fiscal sustainability, MTEF, fiscal consolidation after crisis, budget transparency and reform program. The presentations should be not more than 20 minutes long.

It was concluded that the details of the contribution of the BCoP to the OECD CESEE SBO meeting in the Hague would be decided and coordinated via email through the Resource Team.

5. Progress on implementation of approved BCoP Action Plan 2014-15

a. Plenary meeting on tools for fiscal consolidation

In the discussion on the potential hosts for the 2015 BCoP plenary meeting (to be held on the subject of the fiscal consolidation, as decided based on the BCoP membership feedback given during the 2014 BCoP plenary meeting in Antalya), Mr. Krityan informed the Executive Committee that Armenia was interested in hosting the meeting. It was decided that Mr. Krityan would inform the members about his Minister's final confirmation in the Hague and that he would also propose options for the exact meeting location.

In the Hague, Mr. Krityan confirmed that Armenia would host the plenary meeting. He informed the Executive Committee that the location options would include Yerevan or two resort towns, one of which was 30km from Yerevan and the other was 70 km from Yerevan. It was decided that the resource team, Mr Krityan and the Secretariat would discuss the options in detail during the next few days in Den Haag and consider exploring what could be the most efficient in terms of cost. It was emphasized by Mr. Krityan that venue booking needs to be made well in advance (already in September or early October). In terms of the timing of the plenary meeting, while in Moscow it was agreed that March of 2015 would be the best time, in the Hague Ms. Gusarova explained that the meeting should be moved to early February of 2015, given that the BCoP Executive Committee was invited to South Africa for a study visit in early March.



The Resource Team asked the Executive Committee members to send their feedback in terms of format, length, topics for specific sessions, and specific experts to be invited to the plenary meeting by the end of summer via email to the Resource Team.

b. Study Visit - EU countries on management and budgeting of EU funds

This study visit is planned for the Western Balkans countries which are EU members, candidates or potential candidates, based on the interest in this topic expressed by the Western Balkans countries in the 2014 BCoP plenary in Antalya. In Moscow, Ms. Karacic explained again that the topics concerning management of EU funds from the perspective of detailed budget planning and execution procedures were interesting for Croatia as well as for other Balkan countries. Proposed location is Slovenia, given the common past financial systems and Slovenian EU experience.

In the Hague, Ms. Carsimamovic Vukotic gave an update on the status of the visit preparation. Based on the feedback from the participants from Croatia, Bosnia and Herzegovina, and Serbia, the study visit targeted timing is early or mid-November 2014. Ms. Karacic will be coordinating this study visit on behalf of the Executive Committee.

It was decided that a detailed list of questions to be addressed by the presenters in Slovenia would be drafted by Ms. Karacic and (through the Ms. Carsimamovic Vukotic who will coordinate this study visit on behalf of the Resource Team) sent to remaining Balkans countries to add their questions. The list would then be used to guide presentations of the Slovenian hosts.. Turkey will also consider whether they would like to join this study visit, since Turkey is also a potential EU candidate.

c. Executive Committee study visit: Budget Transparency to South Africa/CABRI network

The offer from South Africa came in Moscow, Ms. Prodani reported, after she and the resource team held discussions on the feasibility of such a visit. Ms. Kay Vyvyan Brown, Chief Director of Expenditure Planning at the South African government and coordinator of CABRI asked to develop a concept letter and specify which reforms were of interest to the BCoP Executive Committee

It was decided that Ms Aubrey would draft a letter which would be circulated to the Executive Committee representatives for comments. Since the National Treasury receives a lot of requests for study visits (60 per year), it needs to be specific on what reforms the Executive Committee want to learn about.

Ms Gusarova mentioned that CABRI would benefit from PEMPAL as well - they were interested to learn about the PEMPAL approach. The CABRI is a network similar to PEMPAL that comprises 13 Ministries of Finance in the Central Africa region.



Ms Aubrey added that a mid-term review of PEMPAL is planned in the second half of 2014 and the first half of 2015 which could also include benchmarking and comparisons with CABRI during this study visit. Ms Prodani reported on the MENA region interest in participating in PEMPAL. Thus, she proposed, it may be good to send someone to a meeting being organized in bu OECD in MENA in November-December 2014 or to organize a separate event. It was decided that Ms Gusarova would discuss the options regarding interaction with MENA countries with PEMPAL Team Leader Ms. Nikulina and report back to the Executive Committee Chair.

6. Progress on work of potential Working Groups and Knowledge Product Development

- a. Next steps for the wage bill working group
- b. New working groups
- c. OECD Collaboration?

a. Next steps for the wage bill working group:

At the Moscow meeting, Ms Gusarova briefly reported on developments with the Wage Bill working group, which was planning to have a face-to-face workshop next day on May 26. She mentioned that the Executive Committee would need to agree, if the working group would continue next year.

Ms Belenchuk from Russian MoF raised the question of demand for the working group, but Mr Krityan mentioned that e.g. Armenia launched changes to the wage bill last year and that this topic continued to be of interest and highly relevant for them.

In the Hague Ms. Gusarova reported that the outcomes of the wage bill workshop in Moscow revealed that members of the Working Group from 5 countries are interested to continue and suggested a few new topics to be covered. Therefore given the interest of members to continue, it was agreed to keep this working group in the upcoming year. Ms Gusarova and Mr. Mills from the World Bank will come up with proposal of VC sessions for the coming year and circulate it around September 2014.

b. New working groups

Ms. Gusarova asked the Executive Committee members, if they would like new working groups to be established in FY15. She shared the experience from the wage bill working group which was based on VC events to a large extent, and proved to be feasible to organize. In response Mr. Begchin suggested a working group on program budgeting and program evaluation, since this was one of the topics most often identified as a priority among the member countries during the 2014 plenary meeting in Antalya. It was decided that Mr. Begchin would prepare the rough terms of reference/concept and plan for this Working Group, in cooperation with the Resource Team.



Ms. Belenchuk suggested a working group on budget literacy. It was decided that the draft concept will be developed in cooperation between the World Bank and the Department for International Relations within Ministry of Finance of Russian Federation.

At the meeting in the Hague, the concepts had not yet been prepared, however, Mr Begchin and Ms. Belenchuk confirmed that the first drafts for comments could be expected in July.

Ms Prodani observed that Albania would be interested to explore debt issues (debt management, internal and external debts, and fiscal consolidation). They are also interested in issues related to arrears; as they are currently taking a lot of measures with IMF and WB support to pay arrears. Ms Gusarova suggested that a special videoconference on this topic could be organized.

c. Further collaboration of the BCoP with the OECD

Ms Gusarova noted that the OECD is open to future cooperation with PEMPAL. The ways of future cooperation need to be discussed.

Ms Carsimamovic Vukotic added that OECD is ready to continue with other surveys - performance budget or survey on fiscal consolidation for example. Performance survey could fit into Mr Begchin's working group. Survey on fiscal consolidation could be incorporated into Armenia event.

Mr Hakan suggested that OECD's survey on fiscal risks could also be incorporated into the fiscal consolidation survey to be developed and circulated before the next plenary meeting.

Mr Downes from OECD gave confirmation during the Hague meeting that BCOP could utilize the OECD surveys for such purposes. It was agreed that the Resource team would follow up with OECD in the course of preparation to BCOP annual plenary in Yerevan

8. Wiki use

Ms Carsimamovic Vukotic gave a review of the material currently available on Wiki. She noted that the WIKI page is still not being used often and she encouraged the Executive Committee members to start using it WIKI will continue to be the platform for publishing documents for internal use only for: additional unofficial material (for example, additional material received from the host countries after Study Visits), knowledge products based on the material from other international organizations or original material of other international organizations (e.g. IMF or OECD), and for work in progress / unofficial PEMPAL material.

Ms. Carsimamovic Vukotic informed the members that, given that the Secretariat pays for the Wiki to be internal, it will continue to be used as is until Spring 2015, while the renewing of the paid access will be considered based on the data on actual usage of Wiki between now and Spring 2015.



9. Other business

- a. Elections of the Chair of the Executive Committee. Ms. Gusarova informed the members that, based on PEMPAL Operations Guidelines, elections will need to be done in the fall. It was decided that this will be done online in September or October.
- b. Ms. Baizakova informed the Executive Committee that she cannot remain a member of the Executive Committee since she would be going to Japan for a 2 year study visit exchange. She asked the Executive Committee to consider that Mr.Asangulov (who has been active in BCoP activities too) replaces her in the Executive Committee. The Executive Committee approved this proposal by voting.
- c. Congratulations were given recent promotions of the Executive Committee members– Mr Begchin became Deputy Director of Budget Policy Department and Ms Bellenchuk will head of a new division dealing with budget analysis and transparency.

10. Next meeting

Next meeting will be organized at the end of September or early October via videoconference.