



MINUTES OF BCOP EXECUTIVE COMMITTEE VIDEOCONFERENCE MEETING

SEPTEMBER 30, 2013

PRESENT:

1. Gelardina Prodani (Albania – Chair of BCOP ExCom)
2. Mladenka Karačić (Croatia – Member of BCOP ExCom)
3. Nurida Baizakova (Kyrgyz Republic – Member of BCOP ExCom)
4. Hakan Ay (Turkey – Member of BCOP ExCom)
5. Maya Gusarova (World Bank – Resource team)
6. Naida Čaršimamović Vukotić (World Bank – Resource team)
7. Deanna Aubrey (World Bank – Resource team)
8. Tamara Maisuradze-Simic (CEF – PEMPAL Secretariat)

AGENDA ITEMS:

1. **Welcome and introduction of new Executive Committee member from the Ministry of Finance of Kyrgyz Republic** (Gelardina Prodani / Maya Gusarova)
2. **Announcement of the results of the election of the Executive Committee Chair and Deputy/Deputies** (PEMPAL Secretariat)
3. **Update from the Cross-COP Leadership meeting and PEMPAL Steering Committee meeting held in Bohinj in July 2013** (Ms. Gelardina Prodani)
4. **The 2014 Cross-COP meeting preparations – progress and BCOP contribution** (representatives of Organizational Committee Gelardina Prodani, Anna Belenchuk, Elena Zyunina and BCOP Resource Team)
5. **Update on OECD Budget Survey** (Deanna Aubrey)
6. **BCOP Action Plan 2014 – Implementation Progress**
 - i. **BCOP 2014 Plenary meeting**
 - o Location and timing (Hakan)

- Presentation of the Draft concept and discussion on the next steps (BCOP Resource Team)
- ii. **Study Visits** – update and further steps (including confirmation of countries to be invited)
 - Spending Reviews (Naida)
 - Program Budgeting at Local Government Level (Deanna)
 - Role of Parliament in Budgeting (Maya)
- iii. **Knowledge products/working groups**
 - Draft Concept for the working group on wage bill (Maya)
 - Examples of performance indicators by sector (Deanna)
 - Synopsis of available research on fiscal consolidations (restoring public finances) and synopsis of macroeconomic outlook for ECA region (Naida)
 - Wiki postings for internal use: annual budgets and explanations, budget instructions and budget methodologies (Resource Team)

7. Other business

DISCUSSION:

1. Welcome and introduction of new Executive Committee member from the Ministry of Finance of Kyrgyz Republic (Gelardina Prodani / Maya Gusarova)

Ms. Gusarova greeted participants to the Executive Committee videoconference meeting and welcomed the new BCOP Executive Committee member from Kyrgyz Republic, Ms. Nurida Baizakova.

Ms. Gusarova noted that the remaining members of the Executive Committee (Ms. Elena Zyunina, Ms. Volha Tarasevich, Mr. Konstantin Krityan and Mr. Stevan Brkic) sent notifications that they were not able to participate at the meeting due to urgent obligations in their Ministries.

Ms. Gusarova outlined the proposed Agenda for the meeting.

2. Announcement of the results of the election of the Executive Committee Chair and Deputy/Deputies (PEMPAL Secretariat)

PEMPAL Secretariat announced the results of the BCOP ExCom Chair election process. According to the majority's voting, Ms. Prodani has been re-elected as a Chair for another year. Ms. Gusarova noted that, according to PEMPAL Operational Guidelines, the Chair appoints up to two members of the EC having a voting right as her deputy/ies, so Ms. Prodani has the right to propose any changes regarding the deputy chair. It was agreed that Ms. Prodani will inform the Executive Committee about her decision during the next Executive Committee meeting.

3. Update from the Cross-COP Leadership meeting and PEMPAL Steering Committee meeting held in Bohinj in July 2013 (Ms. Gelardina Prodani)

Due to the need to focus on other priority issues, the participants skipped the detailed discussion of this issue. The minutes of the Steering Committee meeting are located at PEMPAL web-site. If there are specific questions on decisions taken, Ms. Prodani and Ms. Gusarova will be happy to provide clarification.

4. The 2014 Cross-COP meeting preparations – progress and BCOP contribution (representative of Organizational Committee Ms. Gelardina Prodani and BCOP Resource Team)

Ms. Gusarova informed the participants that the PEMPAL Organization Committee has not met yet and is planning to meet after the next meeting of the Steering Committee (taking place on October 3) during which the final decision about the Cross-COP meeting budget will be made. However the Draft Concept Note for the Cross-COP meeting has been developed and discussed with the Russian Ministry of Finance. The Draft Concept Note has been circulated to the members of the Organizational Committee for their feedback.

Ms. Prodani noted that the Draft Concept Note took into account the BCOP Executive Committee discussions from Riga and Bohinj and that the BCOP is well represented.

Ms. Gusarova informed the participants that each COP will need to send suggestions on specific ways/formats in which it would like to be presented at the Cross-COP meeting in the BCOP booth. Further communication regarding COP's suggestions on the exhibition booths will be conducted via email.

The venue of the Cross-COP plenary meeting has not been selected yet; however several options are being discussed. IACOP has already declared that they would like to hold their COP-

specific meeting prior to the Cross-COP plenary meeting, utilizing opportunity offered by this big event.

BCOP Resource Team suggested that BCOP also uses this opportunity and organize a smaller face-to-face one-day workshop of the BCOP Working Group on Public Sector Wage Bill Management. The Concept Note for the work of the BCOP Working Group on Public Sector Wage Bill Management has already been circulated to the BCOP Executive members.

5. Update on OECD Budget Survey (Ms. Deanna Aubrey)

Ms. Aubrey informed the participants that a total of nine PEMPAL countries (in addition to the three countries which were already included in OECD Survey prior to PEMPAL's involvement – Albania, Russia and Turkey) completed OECD Survey and OECD/PEMPAL thank them (these nine countries are Azerbaijan, Belarus, Bosnia and Herzegovina, Croatia, Kyrgyz R, Macedonia, Montenegro, Serbia, and Uzbekistan). Four countries which originally agreed to filling out the survey did not do so (Armenia, Georgia, Tajikistan, and Ukraine).

Currently, the OECD is going through a data cleaning process. PEMPAL is currently providing translation of OECD's data cleaning questions to the countries, which will go out to the countries by October 4th. Data cleaning will be done in the next few weeks and by the end of the year, an analytical report will be prepared by OECD and BCOP Resource Team (led by Ms. Deanna Aubrey for this process). The report will be presented at the BCOP plenary meeting in Turkey in March 2014. Ms. Aubrey informed the Executive Committee members that she will ask for their feedback in terms of structure of report and the presentation to the BCOP plenary meeting.

6. BCOP Action Plan 2014 – Implementation Progress

i. BCOP 2014 Plenary meeting

- Location and timing (Hakan)
- Presentation of the Draft concept and discussion on the next steps (BCOP Resource Team)

Mr. Ay confirmed to the ExCom members and the Resource team that Turkey is interested to host the next BCOP plenary meeting on result-based monitoring and evaluation of expenditures. The location will be chosen among Istanbul and Antalya after the Secretariat explores prices for flights and venue.

In order to ease the process of approval and coordination by the hosts, Mr. Ay requested an official letter from PEMPAL to be sent to the Turkish authorities in which it will be explicitly stated that the costs of the event organization will be covered by PEMPAL (however, any in-kind contribution from the hosting side will be more than welcome and appreciated). Ms. Čaršimamović Vukotić confirmed that such draft letter will be sent to Mr. Ay by October 4th. Ms. Prodani noted that the preferred timing of the BCOP plenary meeting is the first week of March 2014. Upon receiving this letter from the PEMPAL, Mr. Ay will coordinate with his superiors and will inform the Resource Team about Turkish authorities' preference for location/venue and dates (if any).

Invitations for the next plenary are planned to go out around the end of November – beginning of December, 2013. The Agenda will be formulated with the help of an international expert on result-based monitoring and evaluation, Mr- David Shand (on the basis of the Draft broad Concept Note discussing format and broad content which was drafted by the Resource Team and sent for comments to the Executive Committee members). The Draft Agenda is planned to be ready by the end of October.

Within the week of October 7, 2013 BCOP members are encouraged to provide any feedback/comments on the Concept Note, in terms of both format and thematic issues.

- ii. **Study Visits** – update and further steps (including confirmation of countries to be invited)
 - Spending Reviews (Naida)

Ms. Čaršimamović Vukotić (BCOP Resource Team coordinator for this Study Visit) informed the participants that the Study Visit on Spending Reviews will be held in Dublin, Ireland on November 11-14, 2013. She explained that the Resource Team first explores the possibility of this Study Visit taking place in Germany, based on preferences previously noted by the Executive Committee. However, based on feedback from GIZ and also based on available publications, Germany currently does not perform ex/post expenditure reviews. Furthermore, there are current plans for further modernization of budgeting in Germany. Thus, Germany does not seem suitable for such Study Visit at this point. However the OECD will be performing budget review of Germany this year, so this could be based for further consideration of relevance of German budgeting experiences for BCOP in the following years.

Consequently, knowing that Ireland also has a good system of spending reviews, the Resource Team also explored the possibility of Ireland hosting this Study Visit. The Irish authorities

agreed to host the Study Visit in the period from November 11 to November 14th 2013. Draft Concept Note and Agenda was developed by the Resource Team and shared with Ms. Prodani, who is a lead on behalf of the Executive Committee for this Study Visit. The Draft Agenda will be shared with the participants within the invitations to this Study Visit, which will come out by October 4th.

Invitees to this Study Visit are up to 15 participants from the countries represented in the BCOP Executive Committee. Given that this Study Visit was planned in the BCOP Action Plan prior to Kyrgyz R. joining the Executive Committee, Ms. Baizakova inquired whether representatives from Kyrgyz R. could join this Study Visit. It was agreed that the PEMPAL will invite and finance one participant from the Kyrgyz R. to join the Study Visit to Ireland.

- Program Budgeting at Local Government Level (Deanna)

Ms. Aubrey (BCOP Resource Team coordinator for this Study Visit) informed the participants that the Study Visit on Program Budgeting at Local Government level will take place in Krakow, Poland from December 9th to December 12th 2013. Draft Agenda will be prepared and shared in the next few weeks.

Participants in this Study Visit will be representatives from Croatia, Serbia, Bulgaria, Moldova, Russian, Turkey, Ukraine, and Kyrgyz Republic.

Given many countries interested for this Study Visit, the Resource Team will investigate whether the Ukrainian representatives can be financed through TCOP, given that Ms. Natalia Sushko from the TCOP has expressed interest in participating at this meeting.

According to the initial plan, this particular study visit was envisaged for BCOP member countries which have expressed interest in this topic during the BCOP 2013 plenary meeting in Tirana.

Ms. Prodani suggested that in terms of planning participation for this Study Visit, two participants from each country should be invited and if some places are left after the registration process, the Executive Committee members can be offered the opportunity to fill out the places.

- Role of Parliament in Budgeting (Maya)

Ms. Gusarova (BCOP Resource Team coordinator for this Study Visit) informed the participants that the two options for hosts of the Study Visit on Role of Parliament in Budgeting were Germany and Austria. The BCOP Resource Team explored both options. Given the fact that the Parliament of Austria has confirmed its interest to host BCOP study visit, the proposed destination for this Study Visit is Austria. Mr. Konstantin Krityan will be a lead for this Study Visit on behalf of the Executive Committee.

Potential dates of the visit are Thursday-Friday during the last two weeks of January 2014, based on feedback from the Austrian authorities. The Executive Committee confirmed that the hosting institution can have flexibility to choose the exact dates. Further discussions regarding the organization of the visit will be held in the coming weeks.

The BCOP Action Plan, based on the interests of the countries for this topic expressed during the 2013 BCOP plenary meeting in Tirana, 3 countries have shown interest in this study visit: Albania, Armenia, and Azerbaijan. Ms. Gusarova informed the participants that this Study Visit will be organized at the Austrian Parliament's premises. Due to limitations in terms of bringing in translation equipment into the parliamentary premises, and given that the original countries which expressed interest for this Study Visit are all English or Russian speaking, it is suggested that this Study Visit is limited to the participants who speak Russian or English language. The Executive Committee expressed no objection to this approach.

iii. Knowledge products/working groups

- Draft Concept for the working group on wage bill (Maya)

Ms. Gusarova briefly presented the Concept, circulated for the Executive Committee members' approval. The planned activities of this Working Group in FY 2013 include 3 videoconferences (to present and discuss analytical framework and initial findings of the World Bank study on managing public sector wage bill in the ECA countries, to invite the countries represented in the Wage Bill Working Group to take part in a short on-line survey to help undertaking analysis of the wage bill in their respective countries, and to analyze specific country cases, covered by the World Bank study), planned for early November 2013, January 2014, and April 2014. Finally, during the proposed face-to-face workshop in May 2014 prior to the Cross-COP meeting, members of the Working Group can prepare and discuss their own countries cases. Budget for this event is envisaged under the BCOP budget for Working Groups/Knowledge Products - the translation / interpretation is estimated at USD 11,000.

Invited participants for the Wage Bill Working Group will be members of the BCOP Executive Committee and their colleagues dealing with wage bill management issues.

Additionally, Ms. Gusarova explained that the Concept Note for the Wage Bill Working Group was drafted to accommodate for the two different possible objectives of this Working Group: i) the minimum objective is to offer in-depth information about the World Bank's study on managing public sector wage bill in the ECA countries and ii) maximum objective is to also have participating PEMPAL countries prepare analyses and presentations of their own country cases.

Ms. Prodani agreed that the proposed survey should be distributed to the PEMPAL countries participating in this Working Group and that the face-to-face meeting/workshop should be planned for May 2014 prior to Cross-COP plenary meeting in Moscow. She also noted that the Concept Note is acceptable and that the Resource Team should proceed with planning first video meeting of the Working Group for early November 2013.

- Examples of performance indicators by sector (Deanna)

Brief discussion on this subject was held under the agenda item on Wiki postings for internal use (see below).

- Synopsis of available research on fiscal consolidations (restoring public finances) and synopsis of macroeconomic outlook for ECA region (Naida)

Ms. Čaršimamović Vukotić informed the participants that for the synopsis of macro-fiscal outlook for ECA countries, the data from the IMF's World Economic Outlook (scheduled to be published in mid-October) will be used, given that this dataset has the most up-to-date and detailed data on both macroeconomic and fiscal indicators. The tentative plan is to prepare update of this synopsis twice a year (in Spring and in Fall).

In terms of the synopsis of available research on fiscal consolidations,, several studies/papers from the IMF, OECD, EC and the World Bank will be used (no more than 10 studies/reports in order to keep the synopsis reader-friendly).

Both of these synopsis report will be prepared in November.

- Wiki postings for internal use: annual budgets and explanations, budget instructions and budget methodologies (Resource Team)

Ms. Čaršimamović Vukotić and Ms. Gusarova informed the participants that the Resource Team (this activity will be led by Ms. Aubrey) will post first batch of materials to BCOP Wiki by end November.

This will include:

- a. materials for the BCOP Working Group on Wage Bill Management
- b. synopsis report on ECA macro-fiscal outlook
- c. synopsis report on research on fiscal consolidation efforts
- d. examples of performance indicators (which will be prepared by Ms. Aubrey, partially using materials from previous BCOP events and materials available from some PEMPAL countries)
- e. some example of annual budgets/budget documentation, budget instructions, and budget methodologies (including Austrian documents, as requested by Ms. Volha Tarasevich during previous BCOP Executive Committee meetings)

Report on OECD Budget Survey results for PEMPAL countries will also be posted on Wiki, once the report is available (tentatively scheduled for end year).

BCOP Wiki will firstly be introduced as internal page just for BCOP Executive Committee members, who will subsequently decide on whether and when to open it up to the whole BCOP, also on the bases of internal, password-protected approach (rather than opening it up publically).

7. Other business

The Executive Committee also discussed the break-down of the budget for the Study Visits. Available budget for the above-listed three BCOP Study Visits in FY 2013 is 120,000.00 USD.

The Executive Committee decided taking into account the locations and number of interested countries, that the approximate distribution of the budget will be the following: 45,000.00 USD each for the visits to Ireland and Poland and 30,000.00 USD for the visit to Austria, though there might be some variations, after exploring costs for Ireland study visit. Also, the Secretariat can consider applying 15% increase if costs prove to be above these estimated amounts and the Executive Committee is ready to adjust the budget when receiving information on actuals. Ms. Prodani noted that this approach is rational and allows for some flexibility if needed.

Ms. Prodani also asked the participants on whether they have any feedback/questions for her to share at the October 3 Steering Committee. No additional feedback was provided by the Executive Committee members.

Prepared by: BCOP Resource Team and PEMPAL Secretariat