



MINUTES OF BCOP EXECUTIVE COMMITTEE MEETING -

Videoconference, October 24, 2014 at 14.00 CET

PRESENT AT THE MEETING:

1. Konstantin Krityan (Armenia – Chair of BCOP Executive Committee)
2. Gelardina Prodani (Albania – Deputy Chair of BCOP Executive Committee)
3. Anna Belenchuk (Russian Federation – Deputy Chair of BCOP Executive Committee)
4. Elena Zyunina (Russian Federation - Member of BCOP Executive Committee)
5. Kanat Asangulov (Kyrgyz Republic - Member of BCOP Executive Committee)
6. Mikhail Prokhorik (Belarus - Member of BCOP Executive Committee)
7. Mladenka Karačić (Croatia – Member of BCOP Executive Committee)
8. Maya Gusarova (World Bank – Resource team)
9. Naida Čaršimamović Vukotić (World Bank – Resource team)
10. Deanna Aubrey (World Bank – Resource team)
11. Živa Lautar (CEF – PEM PAL Secretariat)

Interpreters:

Translation was provided by World Bank Offices in respective countries.

AGENDA ITEMS:

1. Welcome (BCOP Chair, Konstantin Krityan)
2. Completed BCOP Chair election process (Maya Gusarova/Ziva Lautar)
3. Discussion of draft concept note for Fiscal Consolidation plenary meeting (All)
4. Update on study visit to Slovenia (Naida Čaršimamović Vukotić)
5. Update on study visit to South Africa and nomination of BCOP Executive Committee lead for visit (Deanna Aubrey)
6. Update on wage bill management working group (Maya Gusarova)

7. Mid-term review of PEMPAL Strategy 2012-17 (Deanna Aubrey)
 8. Secretariat new newsletter approach (Ziva Lauter)
 9. Update on wiki (Naida Čaršimamović Vukotić)
 10. Other business
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1. Welcome

Mr. Konstantin Krityan, newly appointed Chair of BCOP, welcomed participants to the Executive Committee meeting. He again expressed gratitude to the fellow Executive Committee members in electing him the new Chair and said that he is looking forward to working hard on continuing the successful work of the BCoP. He also emphasized the importance of the excellent leadership of the previous Chair of BCOP, Ms. Gelardina Prodani, noting that under her leadership the BCOP has become a very active COP showing good results.

2. Completed BCOP Chair election process

Ms. Živa Lautar explained the protocol of the BCOP Executive Committee chair election procedure: the elections were performed via emails. Short guidelines on election procedure were prepared for this purpose. First round of election process was launched on September 8 and concluded on September 19. The second round of elections started on September 25. Members of the Executive Committee were deciding between two candidates. On October 10 the process was concluded. Results were released on October 13.

Ms. Maya Gusarova congratulated Ms. Krityan for new position and reminded him, that he can announce deputy chairs. Ms. Krityan nominated Ms. Gelardina Prodani and Ms. Anna Bellenchuk. They have both accepted the nominations and expressed gratitude and willingness to take over these positions.

3. Discussion of draft concept note for Fiscal Consolidation plenary meeting

a) Concept note and Agenda items

Ms. Maya Gusarova gave overview of the proposed concept note and the draft agenda for the forthcoming plenary meeting to be held on February 11-13, 2015, with the topic of fiscal consolidation, with focus on spending reviews. She asked for the Executive

Committee members' feedback. The overall approach to the organization of the plenary meeting, proposed thematic sessions and speakers, as well as the format of the meeting were discussed.

In terms of the format, based on the earlier feedbacks of the membership and the Executive Committee, it would remain the same as last year, with two and half days of sessions and half day for cultural event, and with the thematic sessions taking place in the morning and group discussions taking place in the afternoon. The last day of the event will be used for wrap-up sessions to highlight the main conclusions and the summary of the thematic sessions, as well as for the session to analyze the inputs about the priorities for the 2015/2016 Action Plan which will be gathered from all member countries during the meeting.

In terms of the thematic sessions and speakers, the proposed agenda would include presentations from: i) the World Bank team on the results of the World Bank study and options for effective wage bill management (given that the wage bill is one of the most important expenditure area for fiscal consolidation) and on results of the pre-event survey of the PEMPAL countries on their experience and challenges in the area of fiscal consolidation (as was decided in the earlier Executive Committee meetings, this survey will be developed by the Resource Team based on the templates of the OECD Fiscal Consolidation Survey and Fiscal Risk Survey), ii) other international organizations whose research includes fiscal consolidation tools - the IMF and the OECD, and iii) country cases from both PEMPAL countries and outside of the PEMPAL countries. In terms of the country cases, proposed presentations from the PEMPAL countries include Armenia, Russia and Turkey. During this meeting, Mr. Krityan and Ms. Belenchuk confirmed that they are ready to present, while, in the absence of Mr. Ay, it was decided that the Resource Team would contact him to confirm Turkey's presentation. Mr. Prokhorik offered that Belarus can present their case as well, in the case that presentation by Turkey is not confirmed. In terms of the proposed presentations from the countries outside of the PEMPAL region, Ireland has been invited to present, given that they had a successful large-scale consolidation program based on the 2012-2014 Comprehensive Expenditure Review, which was presented to the Executive Committee during the 2013 Study Visit to Dublin. In addition, the Irish case presentation would include the overview of the preparation of the new 2015-2017 Comprehensive Expenditure Review, based on lessons learnt from the previous 2012-2014 Comprehensive Expenditure Review process. In terms of the speaker, potential speaker from the Department of Expenditure was identified based on the feedback of the 2014 Study Visit participants. It was also discussed that presentation of the Russia case, would be made by the Director of department of budget policy, Mr. Ilya Sokolov.

Finally, within the country case presentations, based on the suggestion of the World Bank team, the draft agenda includes the presentation on methodological approach to World Bank's Public Expenditure Reviews for Poland, Croatia, and Romania.

In terms of the agenda timeline, based on the request of Mr. Krityan, it was decided that presentation on PEMPAL status of reforms (survey results of the pre-event survey to be presented by Ms. Čaršimamović Vukotić) will be moved up to before lunch on Day 1, in order to have full afternoon devoted to discussion groups.

b) The venue selection and side activities

Ms. Lautar reported on current status of venue selection: thus far the Secretariat is considering between two hotels.

Mr. Krityan offered help and assistance in organization of the event in Armenia and inquired about ways in which the assistance can be provided to the Secretariat. Ms. Lautar said that involvement of the hosting country in event preparations is always welcome and briefly described where its input would be needed (recommendations of hotels, suggestions for social activities...).

c) Important dates and invitation process

Ms. Gusarova outlined the main tasks and deadlines related to plenary meeting preparations. Considering the festive period between December 15 and January 15, the preparations should start already in November. Budget estimate should be ready by November 7; the pre-event survey needs to launch by early December, so the invitations should go out already in early November. The Executive Committee confirmed that the same approach to invitations should be implemented as in the last two years - two participants per country should be invited from non-Executive Committee countries and three participants from the countries represented in Executive committee, while the invitations need to list the names of the Executive Committee members and also the members who attended the previous BCoP plenary meeting.

Mr. Mikhail Prokhorik noted that Eurasian Commission expressed interest to attend the plenary meeting in Armenia as self-payers.

Mr. Krityan mentioned that Czech Republic would also like to participate as observer and considering their experiences their input would be useful.

Mr. Kanat Asangulov noted that Kyrgyz Republic would like to nominate a few extra people to attend the plenary as self-payers.

Ms. Gusarova confirmed that both parties as well as up to three people from Kyrgyz Republic can be invited to participate as self-payers. She also noted that the total

number of self-payers will be subject to venue capacity, to be determined by the Secretariat.

4. Update on study visit to Slovenia

Ms. Čaršimamović Vukotić briefed the executive committee members on this study visit preparations and expressed gratitude to Mladenka Karačić and to colleagues from Serbia, who helped outline the list of most topical questions to be addressed at the visit. The Study Visit will take place in Ljubljana from November 18 to November 21, with the participants from Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, and Serbia being invited.

5. Update on study visit to South Africa and nomination of BCOP Exec Comm lead for visit

Ms. Deanna Aubrey reported on status of preparations for study visit to South Africa; the dates have been approved by hosting party and are now set for March 10-13, 2015.

Comments and suggestions of Executive Committee members in regards to the Concept Note and Draft Agenda for this Study Visit which were circulated prior to this meeting are requested by October 31. Ms. Aubrey asked also for the volunteer from the Executive Committee members to be the lead for this Study Visit on behalf of the Executive Committee. Ms. Anna Belenchuk volunteered to be the lead.

6. Update on wage bill management working group

Ms. Gusarova reported that the Working Group on Wage Bill Management has gathered face to face in May 2014 in Moscow and then again via videoconference on September 23. The Concept Note for the FY 2015 has been drafted and circulated to the Executive Committee members. Countries currently involved in this working group are Albania, Bosnia and Herzegovina, Armenia, Belarus, Kyrgyz Republic and Moldova. The next meeting is scheduled for December 2014.

7. Mid-term review of PEMPAL Strategy 2012-17

Ms. Aubrey explained that the Concept Note for the PEMAL Mid-term Review has been prepared and sent to Steering Committee for comments. Ms. Aubrey informed the Executive Committee that their feedback will be sought, including via interviews to be conducted by the Resource Team.

The review process will take place in the first quarter of 2015, while it is planned that in July 2015 the Cross-CoP workshop (of Executive Committees and Steering Committee) will be organized to review results of the review.

8. Secretariat new newsletter approach

Ms. Lautar explained the latest improvement of the PEMPAL public relations efforts. The new format of the newsletter was released in the mid October, capturing the activities in the period from January to September. The idea is to release the newsletter on a quarterly basis.

Several members of the Executive Committee informed the Secretariat that they have not received the newsletter. In addition, it was suggested that the email should also include the link to the website where the newsletter would be displayed, which would be useful in the cases where recipient email accounts do not display the newsletter properly.

Ms. Lautar noted these concerns and explained that the Secretariat will address these issues.

9. Update on wiki

Ms. Čaršimamović Vukotić informed the Executive Committee that the new materials from the Wage Bill Management Working Group have been posted on Wiki, which continues to function as internal site for BCoP members only, for posting of unofficial material additional to official material posted on the PEMPAL website (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 work in progress / unofficial PEMPAL material. She reminded the members that the Wiki currently functions as internal site based on the paid annual fee, which will expire in early 2015. Thus, she encouraged the members to explore the site and to be ready to discuss whether the Wiki should continue to function as is during the next Executive Committee meeting.

10. Other business

- a) OECD event in November

Ms. Gusarova informed the Executive Committee members that OECD Performance Network meeting will take place on November 24-25 2015 and that one spot was offered to BCOP by the OECD, based on earlier discussions held between the BCoP Executive Committee and Resource Team with the OECD in the Hague in June 2014.

Since Nikolay Begchin (who will lead BCoP Working Group on Performance Budgeting) cannot attend the meeting due to other obligations, she suggested offering this participation to Anna Belenchuk. The Executive Committee members supported this proposal.

- b) Progress on establishing BCoP working groups on performance budgeting and budget literacy

Ms. Belenchuk reported that draft concept notes for both Working Group on Performance Budgeting and Working Group on Budget Literacy will be ready in beginning of November.

- c) Action plan 2015-16

As was the case in previous years, the input for the preparation of the BCoP 2015/2016 Action Plan will be based on the feedback from the BCoP membership which will be gathered during the 2015 plenary meeting in Yerevan.

Mr. Krityan suggested that, in the preparation of this process, it may also be useful to gather some initial suggestions in terms of priority reform areas from the Executive Committee prior to the meeting. This would then be used to start discussions with the members in Yerevan.

This suggestion was adopted by the Executive Committee, with the deadline for suggestions to be sent to the Resource Team by the Executive Committee members being set for November 21.

- d) Update of the PEMPAL website

Mr. Krityan noted that list of executive committee members being published on the PEMPAL webpage needs to be updated. Ms. Lautar confirmed to update the list at earliest convenience.

- e) Next meeting

Next meeting will be organized in Erevan in February 2015, back-to-back with plenary meeting, while all needed correspondence and decision-making in the meantime will be held via email