**Mid-Term Review of the PEMPAL Strategy 2012-17**

**Actions and Strategy Addendum endorsed by PEMPAL Executive July 2015**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

# Background

**The results of the mid-term review (MTR) of implementation progress of the PEMPAL Strategy 2012-17 were considered by the PEMPAL Executive on July 16-17 2015, in Vienna, Austria**. The meeting was attended by 20 member country representatives from the COP Executive Committees from 13 countries (Albania, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Hungary, Kazakhstan, Kyrgyz Republic, Moldova, Russian Federation, and Ukraine). Representatives from the Steering Committee including key development partners to the program also participated: Ministry of Finance of the Russian Federation, SECO and World Bank.

**The objective of the meeting was to review implementation progress at the PEPMPAL Strategy’s mid-point, ie for first 2.5 years from June 2012-December 2014** to:

* Determine whether objectives remain achievable within target timeframes and existing resource constraints;
* Formulate proposals for adjustments, which could include adjustments to the Strategy, its results framework, and costings in light of implementation experience; and
* Identify measures to manage any emerging risks that may impact on full implementation of the Strategy.

**All meeting materials can be found at the PEMPAL website**: <http://www.pempal.org/event/read/144>

**A discussion draft of the MTR report was distributed before the meeting** **summarizing the results**, including reviewing progress of 15 actions in the Strategy and analyzing available baseline and performance data for 35 performance indicators. The PEMPAL Executive, comprising Development Partners and COP Executive Committees (the latter representing 8-9 member country governments of the 21-23 total members), examined this draft in preparation for the discussions.

**From the analysis undertaken as part of the MTR, a table of suggested improvements was developed** which listed all possible actions that could be undertaken in the final years of the strategy to strengthen the program. Given the resourcing and timeframe constraints, not all these suggestions for improvement could be undertaken.Thus, the PEMPAL Executive were tasked with reviewing the preliminary listing and proposing changes, deletions and additions to the table while also prioritizing actions for improvement that should be done in the final years of the strategy.

**From the meeting’s deliberations, ten key actions were identified by the PEMPAL Executive as ‘High Priority’** ie requiring implementation in the remaining years of the current strategy (refer ***Table 1*** attached). Other actions were classified as either medium to low priority, and will be implemented subject to availability of resourcing and other higher priority actions being implemented first.

**Key decisions were also made by the PEMPAL Executive which led to specific amendments to the PEMPAL Strategy being agreed which are outlined in the Addendum to the Strategy at the attachment**. This Addendum comprises a table outlining specific amendments and areas of increased focus for the remaining strategy period, including page numbers where the changes impact on the text and actions included in the PEMPAL Strategy 2012-17 document. It was decided that a full revision of the Strategy was not required and that this addendum was sufficient to reflect the decisions made and the specific impact they had on the strategy.

# Decisions made by the PEMPAL Executive from considering the MTR results

* **The original objectives of PEMPAL Strategy remain valid and PEMPAL is making very good progress towards achieving them**. The Executive therefore identified no need for changes in the formulation of the Strategy objectives.
* **The main risk highlighted by the review was related to sustainability of the network beyond the current Strategy period**. Several dimensions of sustainability (quality, secretariat support, financing) require attention during the final years of the Strategy implementation. Donor partners have particularly urged to put more emphasis on financial viability and raising awareness at senior management and political levels of the benefits of involvement in PEMPAL.
* **The agreed approach to addressing the sustainability risk requires clarification of strategic vision on the longer-term future of PEMPAL**. It was decided that the vision for the next strategy should be formulated by June 2016 and endorsed at the next year’s Executive meeting. In the next strategy, values of professionalism and equal access opportunities should be endorsed. The new strategy should also include a clearer definition of network services and knowledge products. The results framework for the next strategy should be simplified – less actions and less performance indicators – to facilitate monitoring and reporting. A communication plan should also be developed as part of the next strategy.
* **The Executive welcomed the fact that there is no need to seek additional funding for the final years of the current Strategy given generous supplementary contributions provided by the existing donors**. It was therefore decided to concentrate efforts on preparing for fund raising in support of the future new strategy. In that context, it was agreed to prepare a promotional brochure on PEMPAL results targeting an external audience. The market of potential donors should also be explored and contacts established with a view to securing financial support for the future period. Investigations will also be initiated on how to increase financial member contributions as part of the development of the next strategy, including putting in place arrangements to encourage member countries to finance more delegates to participate in PEMPAL events.
* **World Bank annual meetings will be used to further raise awareness at senior management and political level of the benefits of involvement in PEMPAL**. Ministry of Finance of the Russian Federation also offered to promote PEMPAL at G20.
* **It was concluded that the current implementation arrangements are working well**. The unexpected decision of the former Secretariat not to extend the contract with PEMPAL past June 2015 required the emergency change in Secretariat mechanism. The Steering Committee considered the options for future delivery of secretariat services in a later meeting and decided the most feasible option was to keep the interim secretariat mechanism recently established within the World Bank until the end of the current Strategy period (June 2017), while investigating the market as part of the next strategy preparation.

# Table 1: Areas of Improvement Prioritized by the PEMPAL Executive

SC – Steering Committee; RT – COP Resource Teams; COP ExCom – COP Executive Committees; PEMPAL Exec – SC and COP ExCom

| **Hierarchy of Strategy Objectives** | **Responsibility** | **Timeframe** |
| --- | --- | --- |
| **Strategy Goal/Impact**: PEMPAL member Governments from Europe and Central Asia more efficiently and effectively use public monies resulting from applying new PFM practices | | |
| 1. A more systematic and standardized approach to collecting success stories will be established in the future. Results will be measured on various dimensions (eg success stories, figures, examples, survey results, ‘value detectives’ method. Benefits will be captured at both the individual and institutional levels including how one leads to the other, if feasible.) | Secretariat  COP ExCom  RTs | High Priority: Process and methodology to be established as part of next strategy |
| **Outcome**: A sustainable, professional public financial management platform through which individual members are networked to strengthen their capacities and enable them to share learnings and benchmarking between countries | | |
| 1. Targeting of PEMPAL products and services towards specific PFM practice will be facilitated. Actions agreed include:    * continued expansion of more direct network delivery strategies such as working groups, case clinics while ensuring results from working groups are effectively monitored; and    * investigating approaches used by other networks. | SC | Medium Priority: To be considered as part of next strategy |
| **Output Objective 1**: PFM priorities of member governments are addressed by the PFM network platform. | | |
| 1. COP action plans will be more comprehensively presented to the SC for approval, as recommended by donors.    * A more systematic approach to identifying cross-COP projects will be applied before the end of the strategy period, Action plans will include envisaged cross-COP activities, projects and exchanges.    * Government PFM reform priorities will be more formally identified within the plans (through PEMPAL member surveys).    * A uniform detailed Annual Action Plan for COPs will be designed and adopted. | COP Chairs  Deputy Chairs | High Priority for first action (dot point 1): To be adopted for FY17 plans in 2016. Other actions will be implemented for the next strategy period. |
| 1. SC meetings will be used more effectively for cross-COP exchanges, with COPs playing a more active role (through providing more informative reports as recommended by the Ministry of Finance of the Russian Federation).    * COPs to submit reports on implementation of adopted Action Plans to the SC. (Updates on progress of implementation of plans to include more comprehensive presentation of results achieved, issues addressed, and work produced). | COP ExCom | High Priority: From Quarter 4, 2015 SC meeting. An item will be added to all future Steering Committee meeting agendas ‘Cross-COP Exchanges’. |
| 1. Recording and reporting of some types of cross-COP exchanges will be strengthened.(ie COP members attending events of other COPs). Post event electronic surveys to include additional category of ‘Other COP member – specify COP’. | RTs  Secretariat | High Priority: Data collection to occur for all future COP meetings and to be included in quarterly reports. |
| **Output Objective 2**: Quality resources and network services, supporting relevant PFM practices, are provided to members | | |
| 1. The types of products and services being delivered by PEMPAL will be identified and clarified (ie more systematic approach to branding PEMPAL knowledge products and services, drawing on experiences of other networks eg CABRI).    * All knowledge products to include statement regarding permission being required to use reproduce or translate the product. | COP ExCom  RTs | Medium Priority: To be considered as part of next strategy |
| 1. Improve the collection of information about the use of PEMPAL provided or produced knowledge products (including the library once the new platform is finalized).    * a) Project to be initiated as part of new IT library platform. b) COPs to agree that when developing any new knowledge product, strategies will be put in place to gain feedback on its use | Secretariat  RTs  COPs | Medium Priority: To be addressed as part of next strategy |
| 1. Ensure the quality of knowledge products and resources is maintained through regular updating where feasible.    * Ensure adequate resources are allocated to the effective monitoring and maintenance of website, wikis and other storage and communication repositories used by PEMPAL. | Secretariat  COP ExCom  RTs | High Priority: Ongoing |
| 1. Periodically assess developing technology solutions for their applicability and usefulness in improving communication, particularly translation tools given the multi-lingual nature of the network. | Secretariat | Low Priority: Given current resourcing constraints and interim Secretariat mechanism. To be incorporated into TOR of new Secretariat mechanism. |
| 1. Clarify the role of observers and strengthen the role of COPs on the Steering Committee in line with recommendations made by donors. | SC  Secretariat | High Priority: October 2015/January 2016 SC meeting |
| 1. Revisit the operational guidelines and other procedures to identify any changes required as a result of donor recommendations and the new Secretariat delivery mechanism being established. | Secretariat  COP ExCom | High Priority: October 2015/January 2016 SC meeting |
| **Output Objective 3**: A financially-viable network of public financial management professionals, committed to improving PFM practices in the Europe and Central Asia region, is built and maintained | | |
| 1. Improve collection and reporting of in-kind and financial member contributions, within agreed templates.    * A more systematic way to collect this information will be implemented by the Secretariat.    * Those countries making significant in-kind contributions to the network will be made more visible eg reporting on these contributions will be included in the PEMPAL Annual Report.    * Arrangements will be put in place to encourage more delegates that are financed by member countries to participate in PEMPAL events. This will be part of investigations to increase member country financial contributions.    * The market of potential donors will be explored and contacts established with a view to securing financial support for PEMPAL | Secretariat RTs | High Priority: Meeting to be held of COP RTs/COP reps/new Secretariat on collection, and reporting needs with decisions made on types of information to be collected, template for collection, and frequency of reporting.  Potential donors to be identified as part of development of next strategy. |
| 1. Quality of information in the membership database will be improved, particularly on department within an agency, titles of participants and data on previous PEMPAL events  attendance | RTs  Secretariat | Medium Priority: As part of TOR development for new Secretariat, establish process for improving membership database |
| 1. A marketing campaign/strategy to promote PEMPAL will be designed. The marketing and communication plan will be strengthened in light of additional professional associations, products and services identified as part of the review process.    * A marketing brochure on PEMPAL results will be prepared and aimed at external stakeholders for fund raising, and promoting performance results beyond the strategy period.    * Standardized approaches will be explored for induction of new members as part of marketing strategy and approach to manage member turnover. Eg development of induction kit. | Secretariat  RTs | High Priority: Marketing brochure and strategy to be developed before end of strategy period. |
| **Output Objective 4:** Awareness of high government and political levels is raised regarding the benefits and value of engaging through PEMPAL | | |
| 1. PEMPAL will aim to have a special event for the political level whether during the World spring meeting or annual meeting. PEMPAL will also explore promoting its agenda under G20 (with the assistance of the Russian Federation MoF), and at the Open Government Partnership. | World Bank  MoF RF  COP ExCom | High Priority – exact timing subject to scheduling of these external meetings. |

Attachment: Addendum to Strategy

|  |  |
| --- | --- |
| **Strategy Page Number** | **Description of Amendment** |
| 7, 26, 36 | **References related to a funding gap existing for the strategy to be removed as gap now filled**. Estimates of strategy costing 10.54 million USD to be updated to 10.65 million USD (110,000 USD more) based on actual implementation costs as at July 2015. |
| 33 | **For Action 4 and its sub-actions in the strategy, related to the former Secretariat’s contract and the benchmarking of the Secretariat mechanism are no longer valid**. These actions will not be progressed for the remainder of the strategy, given the need to establish an urgent interim replacement Secretariat in response to the previous Secretariat not extending its contract with PEMPAL past June 2015. All references to CEF as Secretariat provider in the strategy to be removed. |
| 35, 24 | **For Action 14** **in the strategy, no action is required on assessing the feasibility of a formal network of PFM institutions**. A decision was made to keep the network informal thus this action will require no further progress for the remainder of the strategy. Reference to this action in the body of the strategy document (page 24) to be removed. |
| **The Executive decided that further work is needed to ensure Actions 3, 12 and 13 are completed by the end of the strategy:** | |
| 19, 31 | **Action 3, identifying synergies and working projects between COPs;** The event List of Participants and post event surveys will be amended to better capture instances whereby one COP member attends the event of another. A more systematic approach to identifying cross-COP projects will also be applied before the end of the strategy period. |
| 23, 34 | **Action 12, mobilization of co-financing and in-kind contributions from members where possible and improving collection and reporting of in-kind financial contributions;** A more systematic way to collect this information will be implemented by the Secretariat. Those countries making significant in-kind contributions to the network will also be made more visible eg reporting on these contributions will be included in the PEMPAL Annual Report. Arrangements will be explored that encourage more delegates that are financed by member countries, to participate in PEMPAL events. Any such arrangements will also consider the public good nature of the network, including positive regional benefits. |
| 23, 34 | **Action 13**, **targeted marketing to donors and professional associations**. Although there is no need to seek additional funding for the final years of this strategy given additional contributions made by current donors, a promotional brochure on PEMPAL results will be prepared and aimed at external stakeholders for fund raising, and promoting performance results beyond the strategy period. A marketing strategy before the end of the strategy period will also be established. The market of potential donors will be explored and contacts established with a view to securing financial support to PEMPAL for the next strategy.World Bank annual meetings will be used to further raise awareness of the benefits of PEMPAL at senior levels and the Russian Federation will promote PEMPAL at G20 meetings to invest additional efforts to Output Objective 4. |
| **The Executive decided that strengthening data quality for several indicators will be implemented over the remainder of the strategy period:** | |
| 31, 32, 34, 35 | Number and type of cross-COP exchanges; knowledge products number and type; % of members from targeted functional areas; financial and in-kind member contributions; donor in-kind contributions; and number of Ministers/Deputy Ministers opening or attending events. |
| **General Updates** | |
| 10 | The PEMPAL Organizational Chart has been updated and can be found in the MTR Report located at the following link <http://www.pempal.org/event/eventitem/read/144/413> (to be posted) |
| 9: Sections 3 and 4. | Reference to OECD/SIGMA and GIZ (Germany) in Section 3, as being members of Steering Committee, should be removed in light of these donors leaving the network. OECD/SIGMA as included in Section 4, should be removed given they no longer provide assistance to the COP Resource Teams. |