**PEMPAL BCOP Annual Plenary meeting – March 14-16, 2018:**

**Improving Effectiveness and Accountability of Public Expenditures: Trends in Intergovernmental Fiscal Relations, Performance Budgeting and Budget Participation**

**Vienna, Austria**

**EVENT REPORT**

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# **Background**

**This event report captures the key discussions and decisions made at the 2018 Budget Community of Practice (BCOP) annual plenary meeting held on March 14-16 in Vienna, Austria, focused on improving effectiveness and accountability of public expenditures.** The report was prepared by the World Bank BCOP Resource Team and reviewed by the speakers and BCOP Executive Committee before being shared with all event participants and posted on the PEMPAL public website.

### **Event Objectives and Participants**

**The meeting gathered BCOP representatives from Ministries of Finance (MOFs) from 19 BCOP member Governments from the Europe and Central Asia (ECA) region**: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kazakhstan, Kosovo, Kyrgyz Republic, Macedonia, Moldova, Montenegro, Romania, Russian Federation, Serbia, Ukraine, and Uzbekistan. The BCOP Resource Team members Maya Gusarova and Naida Čaršimamović Vukotić provided technical support in preparing the agenda and facilitating the workshop, while logical and administrative support was provided by Ksenia Galantova and Kristina Zaituna of the PEMPAL Secretariat.

**The key objectives of this plenary meeting** were to:

* Provide the opportunity for BCOP member countries ***to review approaches and trends in intergovernmental fiscal relations*,** familiarize with developments in OECD countriesand discuss possible approaches and options for PEMPAL countries
* Provide the opportunity for broad BCOP membership to review practices and approaches on the issues of BCOP Working Groups’ focus in the past year - ***use of performance indicators in performance budgeting*** and ***public participation*.** Get feedback from BCOP members on the BCOP Working Groups’ most recent work on knowledge products:
  1. Performance Indicators in PEMPAL Countries: Trends and Challenges (by BCOP Program and Performance Budgeting Working Group)
  2. Public Participation in Fiscal Policy and the Budget Process – How to establish and/or strengthen mechanisms in PEMPAL countries (by BCOP Budget Transparency and Literacy Working Group).
* Update members on BCOP progress since the last plenary meeting and to report back on countries’ priorities gathered in the pre-meeting survey to inform the development of the BCOP FY2019 Action Plan.

**The format comprised a half day on intergovernmental fiscal relations, with subsequent days being hosted by the two working groups operating under BCOP** - Program and Performance Budgeting Working Group (PPBWG) which comprises of members from 15 BCOP member countries and is led by Nikolay Begchin from the Ministry of Finance of the Russian Federation and Budget Literacy and Transparency Working Group (BLTWG) which comprises of members from 16 BCOP member countries and is led by Anna Belenchuk from the Ministry of Finance of the Russian Federation. The PPBWG focus on the subtopic of performance indicators and the BLTWG focused on the subtopic of public participation.

# **Agenda Overview**

**The event was opened by Linda Van Gelder,** Country Director, Europe Western Balkans, and Dan Boyce, Chair of PEMPAL Steering Committee and Practice Manager, Governance – ECA East. They stressed the importance of PEMPAL network and the work of BCOP and outlined that the three subtopics of the plenary meeting - intergovernmental fiscal relations, performance indicators, and public participation - are at the core of the countries’ efforts to increase effectiveness and accountability of government spending globally and are instrumental for PEMPAL countries as they further progress in their budgetary reforms. They thanked PEMPAL financial supporters the Ministry of Finance of the Russian Federation and SECO for the resource support that enabled the network to function.

**The Chair of BCOP, Anna Belenchuk, thanked the Austrian Ministry of Finance for their contribution to the plenary meeting in providing excellent speakers for the event to discuss Austrian system, experiences, and lessons learnt in intergovernmental fiscal relations, as well as all other speakers from international organizations (**the World Bank, Organization for Economic Cooperation and Development (OECD) Public Expenditure and Financial Accountability (PEFA) Secretariat, International Budget Partnership (IBP), and Global Initiative for Fiscal Transparency(GIFT)) **for their cooperation with the BCOP and presentations on the up-to-date and upcoming research, analyses, and activities of these organizations related to budgetary and fiscal issues.** An overview of the agenda was also shared andparticipants welcomed, including the BCOP Executive Committee, speakers, experts, and newcomers.

**BCOP Executive Committee Deputy Chair, Kanat Asangulov from Kyrgyz Republic provided an overview of the progress of BCOP,** noting that in 2017, BCOP held six meetings in addition to three meetings of the BCOP Executive Committee and four PEMPAL Steering Committee meetings in which BCOP leadership participated. Results from these events and other BCOP activities in the last year were shared with the membership, as well as the results on from the pre-meeting survey sent to BCOP's 21 member countries in terms of country budgeting reform priorities, based on which BCOP Executive Committee will finalize the FY2019 BCOP Action Plan. In the pre-meeting survey, the 21 member countries of BCOP were also asked to document their priorities to be addressed in future plenary and working group meetings. The BCOP Executive Committee analyzed and discussed these results prior to the plenary meeting on March 13th. Mr Asangulov reported on budgeting reform topics listed as the priorities for the BCOP countries in the BCOP pre-event survey conducted in February 2018. The most common priorities are related to topics of the two BCOP working groups. Overall most common priorities are:

* + 1. topics related to program and performance budgeting (i. programs, ii. performance indicators, and iii. monitoring and evaluations of expenditure including spending reviews);
    2. topics related to budget literacy and transparency (i. citizens’ budgets, ii. budget literacy, and iii. public participation); and
    3. Integrating capital budgeting/public investment in budget planning (assessing its effectiveness, prioritizing).

It was agreed that the next annual plenary meeting will follow the same format, with one day dedicated to each of the working groups, given their topics remain a key priority for members, and a half day will be dedicated to a third topic. The Executive Committee will in its next meeting in May 2018 make the final decision on the third topic. He also informed the participants that the Executive Committee accepted Uzbekistan’s proposal to host the 2019 BCOP plenary meeting.

The Agenda of the BCOP plenary meeting is provided in *Annex 1.*

# **Day One – Intergovernmental Fiscal Relations**

During the first day participants were familiarized with approaches and trends in intergovernmental fiscal relations discussed possible approaches and options for PEMPAL countries.

**Presentations on intergovernmental fiscal relations were provided by the World Bank** (Iryna Shcherbyna), **PEFA Secretariat** (Jens Kromann Kristensen), **OECD** (Sean Dougherty) **and the Ministry of Finance of Austria (**Philipp Päcklar and Gerlinde Zimmer**), as the country case study.** The key discussions and conclusions from these presentations are outlined below.

### **Intergovernmental Fiscal Transfers: Trends and Challenges in PEMPAL Countries**

**The results of the BCOP’s pre-event thematic survey on intergovernmental fiscal relations conducted in 2018 were presented.** It should be noted that the survey results are based on PEMPAL countries’ own self-assessment in informal BCOP pre-events survey and no data cleaning/verification was conducted. Thus, this data should be treated as approximate self-assessed snapshot used to broadly set the scene for further discussions in this event.

**Each PEMPAL country balanced the delegated and own power of local governments in its specific way, considering historical, political, administrative, economic, and other circumstances. However, key nation-wide services are mostly delegated to the subnational level, which is closer to the taxpayers and service beneficiaries.** Subnational governments in PEMPAL countries shape key national policy sectors such as education (the share of education in total local governments’ expenditures was 32.2% on average in 2016), health care (9.7%), and social assistance and protection (8.9%). As a part of their own policy, they also maintain local infrastructure and pay for communal services provided for budget entities. Those responsibilities of local self-governments demonstrate the nature of fiscal decentralization and create the fundament of budget expenditures structure.

**The share of budget revenues in GDP indicates the level of centralization of public finance management (PFM) system and the role of local governments.** This role is quite different across PEMPAL countries. The values vary broadly from 0.7% in Armenia to 16.6% in Croatia due to a wide range of factors. However, there was no example where the share of local budget revenues in GDP exceeds 20%. According to the IMF Government Finance Statistics (GFS) database, taxing power of subnational governments in almost all PEMPAL countries is lower than the average of EU countries (which is 5.6%).

**Having low and vulnerable own fiscal sources, local governments are heavily dependent on inter-budgetary transfers.** The primary role of fiscal transfers is to cover the gap between expenditure needs and revenue capacity. However, the system of transfers is many-sided and complicated.

**PEMPAL countries use various types of inter-budgetary transfers for subsidization, financing sub-national services and investments, and equalization, but further reforms are needed***.* The main challenges related to intergovernmental fiscal relations concern the following issues:methodology of assessing revenues and expenditures during budget planning; rules for the allocation of transfers; transfer of responsibility from central to local government and vice versa; and improvement of budget performance.

**Unlike traditional grants, output-based grants are focused on quality and access to public services, as the grant objectives.** Therefore, performance-oriented transfers may be used to increase citizens’ satisfaction with service delivery through strengthening budget performance, transparency, and accountability**.** Their critically important features are clear grant objectives and performance indicators (including clear baseline value and availability of performance data to check baseline and achieved results). These features are in line with performance-oriented budgeting, which some PEMPAL countries are introducing or going to introduce in the nearest future.

### **What Do PEFA Assessments Tell Us About Intergovernmental Fiscal Relations?**

**PEFA is a diagnostic tool mapping country’s PFM performance at national and subnational levels** with a reference for good practice and comparing PFM performance over time in and between countries. PEFA’s database consists of over 570 reports and over 40,000 individual performance scores. PEFA assessed eighteen PEMPAL countries since 2006. PEFA framework was upgraded in 2016 and includes three outcomes, seven pillars and 31 indicators.PEFA 2016 pillars include budget reliability, transparency of public finances, management of assets and liabilities, policy-based fiscal strategy and budgeting, predictability and control in budget execution, accounting and reporting, external scrutiny and audit.

**Two PEFA indicators refer to subnational governments with a direct relationship to central government.** Indicator on*Transfers to Subnational Governments* evaluates transparency and timeliness of transfers from central government to subnational governments (SNGs) with direct financial relationships to it.Indicator on*Fiscal risk reporting – Monitoring of SNGs* provide assessment of the extent to which information on financial performance, including the central government’s exposure to fiscal risks, is available through audited annual financial statements of SNGs.

**Good international practice on transfers to SNGs is implied by PEFA.** This includes clear criteria for the distribution of grants, predictability of annual allocations, and monitoring of the net fiscal position of SNGs that have direct fiscal relations with the central government.

**Additionally, when PEFA assessments are carried out at the subnational level, they assess the reliability of transfers from a higher level of government.** This indicator measures the extent to which transfers to the SNGs from a higher-level government are consistent with originally approved high-level budgets and are provided according to acceptable time frames.

**ECA region performs better than other regions** on all of these PEFA indicators/dimensions; however, there are large variations among countries which form an opportunity for knowledge exchange and peer learning in the region.

### **Messages from the OECD’s Fiscal Network**

**OECD countries follow various models, however wealthier countries tend to be more decentralised. There are four types of PFM system across OECD countries:**

* High decentralised spending and high tax revenues (Canada, Denmark, Sweden, Finland, Germany, US, Japan, Spain, Switzerland, Austria, Belgium)
* Medium decentralised spending and medium tax revenues (Slovenia, France, Czech rep, Italy, Norway, Poland, Korea, Latvia, Iceland, Australia);
* Medium decentralised spending and low tax revenues Estonia, UK, Netherlands, Mexico, Austria);
* Low decentralised spending and low tax revenues (Greece, New Zealand, Ireland, Chile, Turkey, Portugal, Slovakia, Hungary, Luxemburg, Israel).

Policy areas more decentralised than others are: *education, social protection, health, public transport,* and *housing.*

**Decentralisation helps to promote SNGs’ performance and enhance public sector productivity, therefore performance measurement mechanisms should be applied.** Composite indicatorsare easy to interpret; however, they should be accompanied by the more detailed information, sensitivity analysis, and the techniques used. As quality assurance systems, external inspections and self-assessments are useful, especially when used together – the results are more likely to be ‘owned’ by the provider but can also provide distance and challenge assumptions. Consumer experience and satisfaction surveys can help broadly identify the quality of services. Better consumer satisfaction is also linked to better consumer outcomes (especially in health sector).

Based on a recent synthesis of reviews it is recommended to better align sub-central spending with own-source revenue; delineate responsibilities and functions clearly; raise sub-central spending power and tax autonomy and reduce the scope of earmarked grants; maintain and strengthen internal markets; devolve some responsibilities to private-sector service providers; and strengthen intergovernmental information and co-ordination systems.

**Fiscal equalization is a “natural” companion of decentralisation,** seeking to correct disparities from sub-national autonomy. It is widely used - across the OECD, fiscal equalisation amounts to 2.5% of GDP; 5% of government spending, and 50% of inter-governmental grants. While it can correct regional disparities, it does not correct household-level ones, thus caution is appropriate.

### **Intergovernmental Fiscal Relations: The Austrian Experience**

**Core responsibilities are distributed among three levels of Government in Austria** – the Federal Government, 9 State Governments and 2.098 Local Governments. Share of the central government’s expenditures in total public spending in 2015 was 35%, the share of states was 24%, and the share of local governments was 8% (the remaining shares ate 32% of social security authorities and 1% of chambers).

**The main goal of the fiscal federalism policy is to ensure fiscal equity.** The legal framework consists of the constitutional charter, the 1948 Fiscal Constitutional Law, and Intergovernmental Fiscal Relations Act (IFRA). The constitutional charter outlines the competencies of federal, state, and local governments. The Fiscal Constitutional Law establishes basic rules for fiscal competences of the federal level, the states, and municipalities (taxing, tax sharing, cost bearing, and transfer rules being the most important ones). IFRA details on intergovernmental fiscal relations. It is task oriented, supports tax autonomy of the states, provides maximum ceiling for public guarantees for all levels of governments, and establishes a new instrument to support administrative reforms (the system of benchmarks and spending reviews).

**One of the key objectives of Fiscal Governance is to ensure sustainable budgets.** The Fiscal Governance is the Internal Stability Pact for Austria, meant to coordinate the budget policies of different levels of government in Austria. It is an open-ended treaty (previous were of limited length of 4-6 years), and in addition to budget coordination, it focuses on medium-term orientation of budget policy and regulates the nationwide Fiscal Council, as well as the system of multiple fiscal rules and sanctions. The Pact targets ambitious deficit, converging towards a balanced Maastricht-budgetary position of general government in 2016. It provides structural balance rules for all levels of government on limit of general government structural deficit of - 0.45% of GDP in line with the medium-term objective (-0.35% for central government and -0.1% for states and municipalities). According to the Pact’s Expenditure Rule, annual expenditure growth of all governments must not exceed a rate below a reference medium-term rate of potential GDP growth.

# **Day Two – Hosted by the Program and Performance Budgeting Working Group (PPBWG), with the Focus on Performance Indicators**

**The PPBWG Lead, Nikolay Begchin, provided an overview of the progress of the Group and its future plans.** After briefly reminding the participants about the 2016 activities of the PPBWG, he focused on activities since last plenary meeting.The Group presented the findings of the 2016 OECD-PEMPAL Performance Budgeting Survey at the OECD CESEE SBO meeting in Paris in July 2017, participated at the OECD CESEE SBO sessions on spending reviews and on draft *OECD Best Practices for Performance Budgeting*, and decided to work on knowledge resource on performance indicators. Consequently, in Summer 2017, the Group collected and analyzed comprehensive full sets/examples of performance indicators from nine PPBWG countries. In September 2017, a video working session was held at which the Group agreed on the 10 criteria for review of PIs in PEMPAL countries, each country presented against these 10 criteria, and discussion was held on initial summary findings. Moreover, the Group decided to also further focus the review on PIs in the sectors of health and education. In October-November 2017, performance indicators (PIs) in the sectors of health and education were collected and analyzed and a comprehensive presentation on PI review based on 10 criteria and more detailed review of health and education PIs and solicited comments from PPBWG was prepared. A small BCOP delegation attended the meeting of the OECD’s Network for Performance and Results in November 2017. The Group presented summary findings of the PI review, as well as the country case of Russian Federation, and also participated and contributed to Network’s working sessions to provide inputs on OECD’s Best Practices in Performance Budgeting. In Winter of 2017/2018, the Group prepared the draft formal version of the PPBWG’s knowledge product – report on *Performance Indicators in PEMPAL Countries: Trends and Challenges*, which is circulated as background material for this meeting. Mr. Begchin also briefed the BCOP membership about the PPBWG workshop to examine performance budgeting in Austria with the Austrian Ministry of Finance and the Federal Chancellery of Austria that took place on March 13, 2018 (a separate report for that event is available on PEMPAL website). Finally, he presented the PPBWG’s decisions for its future work - the PPBWG decided that its focus of work for the next period will be on the topic of spending reviews. As the first step, the Resource Team and the PPBWG Lead will prepare a background paper on spending reviews, which will be presented at a PPBWG VC meeting in Fall 2019, based on which a template for collecting the information on challenges in conducting spending reviews in PEMPAL countries, which will then serve as a potential new PPBWG knowledge product on considerations that should be taken into account when conducing spending reviews in PEMPAL countries.

**Naida Carsimamovic Vukotic, BCOP World Bank Resource Team member, presented the PPBWG’s draft knowledge product on *Performance Indicators in PEMPAL Countries: Trends and Challenges*.** This knowledge product takes stock of main characteristics of the indicators collected in budget planning processes in PEMPAL countries and identifies main challenges of PEMPAL countries related to performance indicators. It comprises of two parts: general PI review based on 10 criteria & detailed review of PIs in health and education. Both parts provide the summary joint analysis and information per each country. It is supplemented by the sets of PIs or examples of PIs collected from ten PPBWG countries, which have been circulated to PPBWG member countries. This knowledge product is meant to be used as a benchmarking tool, as well as a resource od specific PIs used in other countries.

The findings of the general review of PIs included: i) existence of two levels of results in most PEMPAL countries (programs and activities or sub-programs or policy areas and programs) and indicators were defined in most cases at both result levels (higher-level outcomes at first level and lower-level outcomes and outputs at second level); ii) there was a great variation in number of indicators in most of countries as well as among programs in each country, with rough averages of around 10 to 80 indicators per program, however scope of a program varied, from whole sectors to much smaller scope at a level of one department in one agency/Ministry; iii) in most cases two third of indicators were output indicators and remaining were outcome indicators, iv) most common challenges included variation of quality of performance indicators among programs, existence of too many indicators, lack of defined key national indicators and/or highest level national strategy with standard indicators later connected to budget programs and their indicators; overall weak connection with overall government strategic planning in most cases; existence of some not quantifiable indicators; existence of some very low output level indicators (e.g. Number of meetings or Yes/No indicators related to legislation/regulation being developed); weak or non-existent program and performance budgeting at the subnational government level not connected to the national level programs/performance indicators; challenges for setting and tracking indicators for inter-agency programs, difficulties in targeting indicator values, and overall need for strengthening performance-based mindset. In terms of the findings of the analysis of health and education indicators, they included: i) countries on average had around 140 indicators in education and around 80 in health, noting again that comparison was not entirely applicable, as scope of a program varies among countries; ii) in majority of cases indicators were properly defined (they were quantifiable and precise, it was clear what they measured, what was the unit of measure, and they were neutral in their name), however, there were some exceptions, iii) in most cases, very low output level indicators were used, and iv) in most cases, highest outcome level long-term indicators (usually based in internationally comparable measurements) were included–e.g. student PISA scores, population covered by education levels, investment in R&D, life expectancy, mortality related to different disease types, vaccination coverage). Further comments on this draft product, prepared based on detailed data and information collected from ten PEMPAL countries) were sought from the broader BCOP membership at this event, which will be used to finalize the product.

**Ivor Beazley, OECD Senior Policy Analyst, presented the draft *OECD Best Practices in Performance Budgeting***. The Best Practices are a product of the OECD Network on Performance and Results, which has discussed performance budgeting since 2006. This document is intended to distil experience using research evidence and case studies, as well as to offer advice and options relevant for both the countries that are updating their performance budgeting approaches and those that are only starting to implement it. Performance budgeting can be defined as the process of linking budget allocation and reporting to the achievement of results. OECD identifies 4 types of performance budgeting: presentational performance budgeting, performance informed budgeting, managerial performance budgeting, and direct/formula-based performance budgeting. The following seven best practices have been defined and presented in detail along with the sub-recommendations within each:

1. setting clear and realistic objectives for performance budgeting
2. linking the performance budget to the strategic goals of government
3. adapting performance budgeting to the complex, varying needs of policy-making
4. managing performance information
5. creating the infrastructure to support performance budgeting
6. ensuring systematic evaluation and oversight of performance
7. incentivizing performance-oriented behavior and learning

The current version of the *OECD Best Practices in Performance Budgeting* was circulated to BCOP members as background material for this plenary meeting in English. It is expected that the OECD will finalize the document in mid 2018, after which BCOP will translate it to PEMPAL language and circulate to all members.

**Next, Russian Federation and Serbia, which were identified as having the most useful lessons learnt and progress to share with other countries based on data collected recently for the PPBWG knowledge product, reported on their progress with design, implementation, and readjustment of program budgeting reforms with focus on performance indicators.**

**Nikolay Begchin, Deputy Director of the Department of Budget Policy and Strategic Planning, Ministry of Finance of the Russian Federation, and PPBWG Lead presented the case of program budgeting in the Russian Federation.** His detailed presentation included overview of: i) history and general context of program budgeting in Russia, ii) the current program budgeting framework, iii) initial lessons and outcomes of implementation of government programs, and iv) ideas for future work. Russia’s positive outcomes of program budgeting implementation so far include increased transparency and simplified composition of budget expenditures, improved discipline and understanding of the need to achieve specific outcomes, broader opportunities for analysis (with previously unnoticed issues now coming to light through program and performance information), and possibility to formalize the relationship between activities of the central and subnational government. As in all countries, including the OECD countries, not all of expectations from program and performance budgeting have been realized – remaining challenges include using performance/program information for better prioritization of activities, using performance/program information more in budget allocation decision, and need to further increase quality of goal-setting and of performance indicators (including need to establish top level indicators at highest level, rationalize number of indicators and order them in a more hierarchal way so that outcome indicators are not lumped together with lowest-level technical output indicators, improve connection with subnational and local programs, and improve approach dealing with cross-functional indicators). Finally, several ideas for further enhancement of the approach were identified and launched in 2017 in pilot government programs, including developing a goal-setting system for government programs, streamlining program format, consolidating within a program all budget appropriations related to a specific sector and expected outcomes, introducing mechanisms to coordinate government programs and action programs, clarifying approached to building budget classification, expanding the authority of program managers in terms of input management, developing a single information system, and assigning government programs the status of the main instrument for planning and reporting outcomes of the executive.

**Mirjana Cojbasic, State Secretary, Budget Department, Ministry of Finance of Serbia, presented recent program and performance budgeting reforms in Serbia with focus on performance indicators**. Serbia first introduced program budgeting in 2005, with five pilot ministries. In recent years, intensive work was done on designing methodology for program budgeting, taking into consideration the experience of pilot users. The process is led by the Ministry of Finance. In cooperation with the budget users, program structures were developed and objectives and indicators formulated. Special attention was given to establishing connection with strategic documents. Since 2015, budget planning, approval and execution is on program basis at all government levels. Program structure us three-tiered: programs, activities, and projects. Specific types of program activities have been defined (regulating competencies, inspections, provision of public service, administrative operations, subsidies, grants, transfers, administration and management, and budget reserve). A project is a budget user’s business venture with a set deadline whose implementation enables the achievement of goals which contribute to the achievement of program goals. Special project types are capital projects and IPA projects. The following was used to define program structure of a budget user: key responsibilities, organizational structure, budget execution from the previous year, and medium-terms plans and sectoral strategies. Ministry of Finance’s guidance includes: 3-7 programs per ministry and 1-3 per other budget users/agencies; value of budget funds being balanced by programs and programs of value below 5% of total budget of a budget user is not recommended; 2-10 activities and/or projects per program, 2-3 objectives per program, activities, and project; and maximum 2 indicators per objective. In addition to three-tiered program structure, sectoral level is added as the highest level, with indicators also being defined at that level. In terms of formulating indicators, the Ministry of Finance prepared instructions for the preparation of program budgeting and conducted training for budget users. There are certified instructors for program budgeting and intense training of training of analysts within the budget sector was conducted. This process was based on internal capacities with the help of consultants. Indicators defined in strategic documents and action plans were used as the basis, where they existed. Insisting on connection with strategic planning proved to be a key success factor and defining indicators in program budgeting has led to the improvement of quality in defining indicators in strategic documents. Ms Cojbasic next presented in details types and examples of performance indicators for different sectors/budget users, as well as the general characteristics of indicators. The quality of indicators depends on the area; in areas such as education, transport and healthcare, it is easier to define good indicators. There is still room for further improvement of indicator quality. The most common issues related to defining indicators are: measuring and measuring costs, quality of verification source and identification of baseline value. Indicators with gender component are also introduced. Serbian main lessons learned include that: it is necessary to include all relevant strategic level staff from each budget user in defining indicators, as opposed to working only with the budget staff; introduction of monitoring and reporting on the program performance increased the quality of and the commitment to defining indicators; training, cooperation and continuous communication of analysts with budget users represent a material factor which has contributed to the increase in indicator quality; and based on the practical experience, instructions for the preparation of program budgeting are continuously improved – program activities were defined for which it was not necessary to define indicators.

**In the afternoon on Day 2, discussion groups were organized for the participants to discuss types of indicators and process of developing indicators, as well as their monitoring and evaluation.** The participants recognized the importance of Finance Ministries’ role in leading the process to ensure overall comparability and standardization, however the ultimate responsibility should be with the line ministries/agencies. Possible distinguishing among several types of indicators based on levels were discussed, such as indicators at highest outcome level for policies/sectors, outcome indicators at program level, and output indicators at sub-program/activity/project level. As the level of control of government differs at these three levels, the accountability level should also be differentiated, noting that for the highest outcome level it is not possible to directly link allocations. At the same time, it is important that the Ministry of Finance or some other central agency plays a role of quality assurance to ensure the balance between lowest level output results and outcome results to avoid tracking of only process level indicators. Different levels and types of spending are not equally suitable for defining and monitoring of indicators, in particular for administrative functions, and this needs to be taken into account. While complete standardization is not possible, the exceptions should be kept at minimum. Special attention should be devoted to indicators which measure final influence on citizens. Monitoring and evaluation are generally weak in PEMPAL countries, but most countries have current plans/strategies to strengthen these. While line ministries/agencies should be in charge of regular monitoring and reporting, an external verification process should exist as well. Evaluations and spending reviews will be in focus in PEMPAL countries in future, as is the case in OECD countries. Mixed teams should be conducting these, including relevant line ministry/agency staff, Ministry of Finance staff, government strategic office staff (where relevant), as well as external independent experts.

# **Day Three – Hosted by the Budget Literacy and Transparency Working Group (BLTWG), with the Focus on Public Participation in Fiscal Policy and Budget Process**

**The BLTWG Lead, Anna Belenchuk, provided an overview of the progress of the Group.** The Group held 5 face-to-face meetings, 3 videoconferences, and one learning visit since May 2015 and also conducted a thematic survey of members in 2015. The work focused on two knowledge products: *Overcoming Barriers in Citizen’s Budget Preparation in PEMPAL Member States* (2016-2017) and *Public Participation in the Fiscal Policy and Budget Process*: *How to Create and/or Strengthen the Mechanisms in PEMPAL Countries* (2017-2018) – in progress. The main subtopics included budget transparency and access, including citizens’ budgets; budget literacy; and public participation in budget process. Within budget transparency and access, the Group tackled issues of how to make the government budget easier–to-understand for citizens by means of adopting a ‘citizens’ budget’, developing information portals, projects for students and basic learning programs for schools. Intense discussions and background research on best global practices were conducted on addressing 10 challenges related to the development of the citizens’ budget, encountered by the WG member states. In addition, experiences were exchanged on drivers of success facilitating improved budget transparency, using country case-studies of Romania, Russia and Kyrgyz Republic. Additionally, a learning visit to Croatia was held in 2016. Within budget literacy, the Group reviewed international practices related to budget literacy based on the World Bank’s survey of over 30 countries and reviewed outcomes of the World Bank’s and the MoF of Russia’s Project ‘Budget Literacy for High-Grade Students’ in 2017. Finally, within public participation, the Group reviewed the new Principles of Public Participation in Fiscal Policy developed by GIFT and changes to the IBP public participation assessment methodology; exchanged countries’ practices in the area of public participation in the budget process in Brazil and Kyrgyz Republic; and has worked on formulating the concept of a knowledge product that would be instrumental in further reforms in the area of public participation. Ms. Belenchuk stressed that the BLTWG’s knowledge product on the citizens’ budgets, containing proposals (options) for addressing 10 challenges encountered by the WG member states based on the members’ recommendations and international experience, has been highly appraised by international organizations, including the OECD, IBP, GIFT, and Public Finance Institute from Croatia. The BLTWG’s objective now is to expand its activity on the basis of what has already been achieved and use citizens budgets as a tool promoting more active public participation in the budget process. Further comments on this draft product, prepared based on detailed data and information collected from ten PEMPAL countries) were sought from the broader BCOP membership at this event, which will be used to finalize the product

**Harika Masud, Social Development Specialist, World Bank, presented the BLTWG’s progress towards the knowledge product on public participation in fiscal policy and budget process.**  In her presentation she focused on discussing the 2017 PEMPAL survey findings for 6 participating countries (Belarus, Croatia, Kyrgyz Republic, Russian Federation, Serbia and Uzbekistan), against the backdrop of international standards on public participation established by the IMF, the OECD, GIFT, IBP and others.  The PEMPAL survey findings focused on both supply and demand aspects to foster public engagement on fiscal issues.  On the supply side, only 2 of the 6 countries specified that they have procedural measures in place to ensure accountability for responding to feedback during public consultations. Online/written petitions and budget hearings/consultations are the mechanisms being used by most of the 6 countries. The survey also found that much of the efforts to engage with the public are concentrated during the budget preparation stage, and tend to dwindle during the execution and audit stages of the budget cycle. On the demand side, the survey found that although no groups are excluded from participating in the fiscal process, it is unclear whether vulnerable or under-represented groups have opportunities to be represented. While CSOs use various mechanisms to participate in the budget process, there are no systematic efforts to organize trainings for NGOs, journalists, and media on budget related issues. Based on the Survey’s findings, some of the key recommendations for the Budget Literacy and Transparency Working Group included encouraging line ministries and SAIs to utilize interactive public participation mechanisms during the stages of budget execution and audit; increasing outreach and engagement with vulnerable and marginalized groups; issuing guidelines to specify the role of citizens in the budget process and the steps required to address their feedback in a timely manner, particularly in contexts where overarching legislative frameworks do not provide detailed advice; and exploring arrangements for public entities to organize regular budget literacy trainings in collaboration with NGOs, academics, development partners, and other stakeholders. Further comments on this draft product, prepared based on detailed information collected from six PEMPAL countries) were sought from the broader BCOP membership at this event, which will be used to finalize the product.

**Sally Torbert, Program Officer from IBP, presented the public participation results of the 2017 IBP’s Open Budget Survey (OBS)**. The OBS measures transparency (109 indicators used to construct the Open Budget Index), oversight (18 revised questions examine formal oversight institutions), and public participation (18 new questions examine opportunities for public participation in national budget decision-making and oversight). The 2017 OBS results indicate that governments overall fail to make sufficient information available to the public to understand, debate, and participate in budget decisions. Global score is 42/100. On average, PEMPAL countries provide limited budget information, based on 18 PEMPAL countries included in the 2017 OBS, scoring an average 54/100, while OECD countries score an average of 68/100. When it comes to budget documents, 78% of documents are publically available on average, while more than half of publically unavailable documents are actually internally available, thus PEMPAL countries can easily increase the score by publishing these documents. Another finding of the 2017 OBS is that the progress toward greater transparency globally has stalled for the first time since IBP began measuring it over a decade ago. However, for PEMPAL region, the average OBI increased from 52 to 53 for the 17 comparable countries. Within PEMPAL region, Georgia stands out for experiencing substantial gains over the last decade. Problems associated with a lack of budget transparency are compounded by limited oversight and few opportunities for public participation in budgeting, as evidenced by the 2017 OBS. In terms of oversight, it is scored as adequate across PEMPAL region, with the average score of 67/100 compared to global score of 53/100 and OECD average of 72/100. Audit practices are better than the legislative oversight and independent fiscal institutions are scarce in PEMPAL countries compared to OECD countries. Scores on participation are low, with global and PEMPAL average of 12/100, and OECD average of 22/100. Ms. Torbert also discussed the examples of participation mechanisms based on information gathered for the 2017 OBS, including the Budget Partnership Agreements in the Philippines in which agencies negotiate their budget demands with the finance ministries through partnerships with citizens and the Waste Reporting Center in South Korea that saved significant funds for the government over the last 16 years. In PEMPAL region, examples include expert budget hearings in Ukraine; Economic and Social Council in Croatia; Online Consultation on Budget Priorities and a coordination council in the Ministry of Finance in Georgia; and the open invitation budget hearings in the Kyrgyz Republic. Across all three OBS pillars of accountability system, no countries score above 61, however six PEMPAL– Albania, Georgia, Kyrgyz Republic, Russia, Tajikistan, and Ukraine – score above 61 on transparency and oversight. IBP’s overall recommendations for the governments are to increase transparency by simply publishing online all budget documents and to establish formal mechanisms for public participation in budgeting. Oversight institutions should be strengthened to ensure implementation of budget decisions and should expand and improve public participation. Civil society should continue to advocate for greater transparency and engage in the budget process as much as possible, while donors should work with the civil society and oversight institutions to push for sustainable transparency and participation reforms.

**Juan Pablo Guerrero, GIFT Network Director, presented the GIFT takeaways and insights on the OBS 2017 results on public participation and new cases recently identified in the Guide on Public Participation.** He presented developments related to international codes and standards in public participation since the High-Level Principles were developed b GIFT in 2012, including the IMF Fiscal Transparency Code, OECD Principles on Budgetary Governance, PEFA, OBS, OECD Budget Transparency Toolkit, and BCOP BLTWG’s current work. PEMPAL is the first network of practitioners to engage systematically on the public participation issues. He presented the main lessons from the BLTWG’s Background Paper on Public Participation (which was circulated to all participants within the background materials for this plenary meeting), highlighting that public participation seeks feedback for improvements and needs to include relevant and diverse inputs and that information technologies are a game changer for public participation. Mr. Guerrero explained how specific questions from the OBS are linked to GIFT Principles and how the 2017 OBS improved from 2015 OBS in the public participation dimensions. This includes focus on wider scope covered in consultations, reaching a wide public as opposed to selecting groups or individuals for feedback, as well as more meaningful engagement between the government and the citizens as opposed to only collecting citizens’ inputs. On the other hand, OBS caveats are that measures may overestimate the quality of participation processes and undervalue informal participation mechanisms; that some countries have limited national opportunities but is robust local budget participation while the OBS capture national level only; and that line ministries are commonly more in contact with the public (service delivery), while the OBC captures the budget process only. In his review of the OBS public participation results he stressed that global results are low with considerable variation among countries and that public engagement takes place more during the budget preparation than during budget implementation and more when the budget is approved by the legislature than when the legislature considers the Audit Report. Few countries engage the public across the budget cycle, but 94 out of 115 countries have some form of participatory mechanism. Most countries do not make efforts to engage diverse set of citizens and interests and do not provide feedback to the public on how their inputs were considered and used. Mr Guerrero also presented the examples of public participation mechanisms from the 2017 OBS, including in the pre-budget hearings in Kyrgyzstan and Ukraine, in pre-budget consultations in Russia and Georgia, in pre-budget submissions in UK and Georgia, in public councils, in policy consultations on specific issues in Moldova, Croatia, Czech Republic and Bulgaria, in sector working groups in Kazakhstan and Russia, in online reporting mechanisms in Georgia and Mexico and in bottom-up consultations approach in the Philippines. He then gave a word to participants from Kyrgyzstan, Bulgaria, and Moldova. The presentation concluded with an example from UK, on a strong dialogue for budget formulation including tax policy decisions. At the end of a consultation, a summary of responses is published, including a listing of those who made submissions.

**Next, Georgia and Croatia, which were identified as two of countries with some of the best practices in public participation by IBP and/or GIFT, reported on their public participation mechanisms.**

I**nga Gurgenidze, Head of the State and Consolidated Budget Formation Division, Budget Department, Ministry of Finance of Georgia, gave a presentation on public participation mechanisms in Georgia**. Georgia implemented reforms that improved the country’s position in the OBS from 34 points in 2006 to 82 points in 2017, putting Georgia in the fifth place on OBS. Improvements were made across the key areas of public availability of budget documents; comprehensiveness, usefulness, and transparency of budget documents; as well as budget process transparency and accessibility (such as free admissions to budget hearings, live broadcasting of hearings, and citizens’ budgets being drafted at both preparation and adoption stages, available online disseminated, and discussed on television). Improvements were made in engagements and communication as well, including the PFM Coordination Council with civil society representation and meetings with the public and local governments. In budget reporting, semi-annual budget report is now drafted along with a half-year budget review. The state audit service has designed an innovative interactive Budget Monitor web-platform (budgetmonitor.ge). The webpage targets citizens, NGOs, and the media. Users are able to compare various data, process them, and make forecasts. This platform received several global awards, including from GIFT. Ms. Gurgenidze presented in detailed the online platform to the participants interactively and showcased how it provides a two-way communications channel and interface enable data input in a visually appealing user-friendly way and include both financial information and performance indicators. The platform is four-tiered, with parts on Government Budget, Municipal Budgets, Audit, and Citizens’ Page. The Citizens’ Page has over 8,500 unique users and includes three modules: Plan with Us (engaging citizens in audit plan exercise through citizens’ petitions), Fight Corruption, and Vote for Priority (taking into account citizens’ interests when identifying audit priorities).

**Mladenka Karacic, Head of Sector, State Treasury Department, Ministry of Finance of Croatia, presented on public participation mechanisms in Croatia**. While transparency provisions are included in the existing budget legislative framework in Croatia, this is not yet the case for the public participation. Nevertheless, in budget instructions the Ministry of Finance includes recommendations to include the public. The work on amending the budget legislation in underway however and the public participation provisions will be included. Public participation is more developed at the local compared to national level and there are several excellent examples in the cities in Croatia. Legislation on right of access to information stipulates the obligation of public authorities to publish information on their web-site in an easily searchable and machine-readable format all legislation and regulation relevant for their scope of activities, registers and databases, information on provided public services, financial information, and information on subsidies, grants, donations, and other support they provide. It also stipulates that the public should be consulted in the adoption of laws and by-laws, and in the adoption of general legislation, i.e. other strategic and planning documents, if these have an impact on the citizens’ and legal persons’ interests. State administration bodies consult the public through the central online portal for public consultations, whereas other state bodies, local and regional self-government units and legal persons with public authority do it through the web-site or the central state online portal for public consultations, by publishing drafts of legislation, general legislation or other documents, explaining the rationale and objectives that are being aimed at through the adoption of the legislation, by-laws or other documents and by inviting the public to submit their proposals and opinions. the Ministry of Finance publishes all information and documentation relevant to the public. Citizens’ budgets are also published and there is a manual for citizens with budgets of the local and regional local self-governance units. At local level, public participation has developed considerably, although citizens are still not sufficiently familiar with their rights and access they have. In some cases, budget hearings that are open to public are rarely attended. The Association of Cities in Croatia has recognized the importance of public participation in local decision-making processes. The *Manual on Local Budget and Its Budget Through Public Participation* is aimed at contributing to the creation of an environment which will stimulate local governments to include citizens in the process of local budget adoption. Ms. Karacic presented the good examples of public participation from five local government units in Croatia – Pazin (with citizens suggestion communal actions and vote on them on public hearings) Rijeka (with small communal actions, local partnership program, and educational online budget game), Crikvenica (with e-consultations), Knin (with e-referendum though which the city administration will pose general questions, mostly connected to identifying the main developmental guidelines, which will be followed by questions on the structure and organization of certain city systems, specific events etc.), and Zminj (with e-referendum and program to focus on older citizens and social excluded groups).

**In the afternoon on Day 3, discussion groups were organized for the participants to discuss experiences, challenges, and potential measures related to motivation of citizens to participate in the budget process and motivation of government authorities to involve citizens. In addition, the groups discussed the IT applications that facilitate and support public participation in the budget process.** The participants acknowledged that in PEMPAL countries there is an overall low level of public motivation, with motivation in most countries being stronger at the local level, as the spending at that level is more directly or closely related to citizens. At the same time, those who are more familiar with budget issues, such as researchers and students, display a higher level of interest. NGOs are more motivated than private citizens. In order to increase public motivation, budget literacy must be improved, and it is important to use interactive tools and make information easy to understand and compelling. On the side of government, motivation is currently in PEMPAL countries increasing and is mostly spearheaded by the Finance Ministries. Political will of too government officials is a key. Some of the measures used to increase public participation are fostering competitions among government authorities to engage citizens, providing financial assistance to subnational government for participation initiatives, participating and improving rankings in international benchmarking measures (such as OBS), and exchanging knowledge among governments by participating in international conferences and events. Specific public engagement tools were discussed, including publishing citizens’ budgets at different stages of the budget process, holding budget hearings, creating portals to vote on projects, holding TV shows and debates, and using budget literacy tools such as budget days, curricula, and trainings. It was stressed that it is important to give participants a voice during budget hearing and provide them feedback on decisions made. In terms of IT portals, many PEMPAL countries have open budget portals (both at central and local level), some of which allow interactive participation of citizens in terms of voting on different projects to be financed for example. Georgian example presented in the workshop was praised by participants and based on their requests, Georgian representatives will share technical specifications of this portal with their PEMPAL colleagues.

***This Event Report can be accessed on the PEMPAL public website together with all materials*** *from the plenary meeting in the network languages of English, Russian and Bosnian-Croatian-Serbian:* [*https://www.pempal.org/events/bcop-plenary-meeting*](https://www.pempal.org/events/bcop-plenary-meeting)

# **Annex: Event Agenda**

**AGENDA**

**PEMPAL PLENARY MEETING OF BCOP**

**Improving Effectiveness and Accountability of Public Expenditures:**

**Trends in Intergovernmental Fiscal Relations, Performance Budgeting and Budget Participation**

**MARCH 14-16, 2018**

**VIENNA, AUSTRIA**

**Objectives**

**The key objectives of the meeting** are to:

* Provide the opportunity for BCOP member countries ***to review approaches and trends in intergovernmental fiscal relations*,** familiarize with developments in OECD countriesand discuss possible approaches and options for PEMPAL countries
* Provide the opportunity for broad BCOP membership to review practices and approaches on the issues of BCOP Working Groups’ focus in the past year - ***use of performance indicators in performance budgeting*** and ***public participation*.** Get feedback from BCOP members on the BCOP Working Groups’ most recent work on knowledge products:
  1. Performance Indicators in PEMPAL Countries: Trends and Challenges (by BCOP Program and Performance Budgeting Working Group)
  2. Public Participation in Fiscal Policy and the Budget Process – How to establish and/or strengthen mechanisms in PEMPAL countries (by BCOP Budget Transparency and Literacy Working Group).
* Update members on BCOP progress since the last plenary meeting and to report back on countries’ priorities gathered in the pre-meeting survey to inform the development of the BCOP Action Plan 2018-19.

**Day Zero, Tuesday, March 13 – Executive Committee**

Arrivals BCOP Executive Committee and Resource Team

12.30-14.00 **Lunch in Hotel**

18.00 **Meeting of technical** **Resource Team**

19.00 **Dinner for BCOP Executive Committee with guests from the Ministry of Finance of Austria**

**March 14, Wednesday**

10.30 **Meeting of** **BCOP Executive Committee**

**Day One - Intergovernmental Fiscal Relations**

Moderators: Alija Aljovic (BCOP Executive Committee, Assistant minister for Budget, Federal Ministry of Finance in Bosnia and Herzegovina), Maya Gusarova (Lead Coordinator of BCOP Resource Team, Senior Public Sector Specialist, World Bank)

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| Time | Activity |
|  | **Arrivals BCOP members** |
| 12.00-13.00 | **Lunch** |
| 13.00-13.30 | **Registrations** |
| 13.30-14.00 | **Welcome** and opening:   * [Linda Van Gelder](http://isearch.worldbank.org/skillfinder/ppl_profile_new/000022550), Country Director, Europe Western Balkans, Work Bank * Dan Boyce, Chair of PEMPAL Steering Committee and Practice Manager, Governance – ECA East, World Bank * Anna Belenchuk, BCOP Chair, Ministry of Finance, Russian Federation * Table introductions (10-15 minutes) including introductions of any newcomers |
| 14.00-14.15 | **Presentation 1: BCOP Executive Committee - Update on BCOP activities including development of BCOP Action Plan 2018-19** Kanat Asangulov, BCOP Executive Committee, Head of Budget Policy Department, Kyrgyz Republic, Ministry of Finance |
| 14.15-14.45 | **Presentation 2: World Bank - Overview of Intergovernmental Fiscal Relations and Results of the Pre-event Survey of PEMPAL Countries.** Iryna Shcherbyna, Public Sector Specialist, World Bank |
| 14.45-15.15 | **Presentation 3: PEFA Secretariat –Intergovernmental Fiscal Relations in Public Expenditure and Financial Accountability (PEFA) Framework,** Jens Kromann Kristensen, Acting Head of PEFA Secretariat |
| 15.15-15.45 | Group Photo and Coffee Break |
| 15.45-16.15 | **Presentation 4: OECD – Fiscal Decentralization in OECD Countries,** Sean Dougherty, Fiscal Decentralization Network, Public Expenditure Division, Public Governance Directorate, OECD |
| 16.15-16.45 | **Presentation 5: International Country Case study – Intergovernmental Fiscal Relations in Austria -** Gerlinde Zimmer, 2nd Deputy Head, Intergovernmental Fiscal Relations Department, Philipp Päcklar, Advisor, Intergovernmental Fiscal Relations Department, Ministry of Finance of Austria |
| 16.45-17.45 | **Questions to the Panel of speakers** |
| 19.30- | Welcome Dinner in hotel |

**Day Two – Thursday, March 15 – Use of Performance Indicators in Budgeting - Hosted by the BCOP Program and Performance Budgeting Working Group**

Moderators: Nicolay Begchin (BCOP Executive Committee, Ministry of Finance, Russian Federation), Naida Čaršimamović Vukotić (Public Finance Management Consultant, BCOP Resource Team, World Bank).

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| Time | Activity |
| 8.30-9.00 | **Introduction to Day’s Agenda**  **Presentation 6: PPBWG - Update on Progress of the Program and Performance Budgeting Working Group and Future Plans,** Nicolay Begchin, BCOP Executive Committee, Deputy Director, Department of Budget Methodology and Financial Reporting. Ministry of Finance, Russian Federation |
| 9.00-9.30 | **Presentation 7: PPBWG - Presentation on Program and Performance Budgeting Working Group’s Draft Knowledge Product on Performance Indicators in PEMPAL Countries: Trends and Challenges** –Naida Čaršimamović Vukotić, Public Finance Management Consultant, BCOP Resource Team, World Bank |
| 9.30-10.00 | **Presentation 8: OECD - OECD Best Practices for Performance Budgeting,** Ivor Beazley, Senior Policy Analyst, Public Governance and Territorial Development Directorate, Budgeting and Public Expenditures Division, OECD |
| 10.00-10.30 | **Questions to the panel of speakers** |
| 10.30-11.00 | Coffee Break |
| 11.00-12.30 | **Presentations 9 and 10: PEMPAL Country Case Studies:**  **Performance indicators in Russia -** Nicolay Begchin, Deputy Director, Department of Budget Methodology and Financial Reporting. Ministry of Finance, Russian Federation  **Performance indicators in Serbia –** Mirjana Cojbasic, State Secretary, Budget Department, Ministry of Finance of Serbia |
| 12.30-13.00 | **Questions to the panel of speakers** |
| 13.00-14.30 | Lunch at Hotel |
| 14.30-16.30 | **Reform Issues and Challenges discussion** (parallel discussions on topics as proposed by the participants, in language-based groups where possible)   * **Two questions to be addressed**: Participants will break into language-based groups to discuss 2 questions (to be circulated by email a few days before the meeting based on member feedback from pre-meeting survey). A scribe and presenter should be appointed at the beginning of the discussions.   **Coffee served from 15.30 (in or near discussion rooms)** |
| 16.30-17.00 | **PEMPAL member group presentations** from Groups 1, 2, and 3 (5-8 minutes each) |
| 19.00 | Dinner in the hotel |

**Day Three – Friday, March 16 – Public Participation - Hosted by the BCOP Budget Literacy and Transparency Working Group**

Moderators: Anna Belenchuk (BCOP Chair, Ministry of Finance, Russian Federation), Maya Gusarova (Lead Coordinator of BCOP Resource Team, Senior Public Sector Specialist, World Bank)

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| Time | Activity |
| 8.30-9.00 | **Presentation 11: BLTWG - Introduction to Day’s Agenda and overview of Working Group on Budget Literacy and Transparency** – Anna Belenchuk, BCOP Executive Committee, Head of Unit of Budget Analysis and Development, Department of Budget Methodology and Financial Reporting, Ministry of Finance, Russian Federation |
| 9.00-9.30 | **Presentation 12: BLTWG - Presentation on Budget Literacy and Transparency Working Group’s progress towards the Knowledge Product on Public Participation in Fiscal Policy and the Budget Process**: **How to Establish and/or Strengthen Mechanisms in PEMPAL countries** – Harika Masud, Social Development Specialist, World Bank |
| 9.30-10.00 | **Presentation 13: IBP - Public Participation Results of Open Budget Survey, International Budget Partnership** – Sally Torbert, Program Officer, IBP |
| 10.00-10.30 | **Questions to the panel of speakers** |
| 10.30-11.00 | Coffee Break |
| 11.00-11.20 | **Presentation 14: GIFT - GIFT Takeaways and Insights on the OBS 2017 Results on Public Participation, and New Cases Recently Identified in the Guide on Public Participation** - Juan Pablo Guerrero, GIFT Network Director |
| 11.20-12.30 | **Presentations 15 and 16: PEMPAL Country Case Studies:**  **Public participation Mechanisms in Georgia -** Inga Gurgenidze, Head of the State and Consolidated Budget Formation Division, Budget Department, Ministry of Finance of Georgia  **Public participation Mechanisms in Croatia** - Mladenka Karacic, Head of Sector, State Treasury Department, Ministry of Finance of Croatia |
| 12.30-13.00 | **Questions to the panel of speakers** |
| 13.00-14.30 | Lunch at Hotel |
| 14.30-16.30 | **Reform Issues and Challenges discussion** (parallel discussions on topics as proposed by the participants, in language-based groups where possible)   * **Two questions to be addressed**: Participants will break into language-based groups to discuss 2 questions (to be circulated by email a few days before the meeting based on member feedback from pre-meeting survey). A scribe and presenter should be appointed at the beginning of the discussions.   **Coffee served from 15**.**30 (in or near discussion rooms)** |
| 16.30-17.00 | **PEMPAL member group presentations** from Groups 1, 2, and 3 (5-8 minutes each) |
| 17.00-18.00 | **Community Building.** Moderated and led by the BCOP Executive Committee.  **- Learnings related to content of meeting**: Tables to be given 10 minutes to provide their learnings and to give feedback on how we can improve PEMPAL BCOP meetings  **- Social report on meeting and certificate/picture distribution**, PEMPAL Secretariat |
| 19.00 | Dinner in the hotel |

**Saturday March 17 Departures**