**MINUTES OF THE STEERING COMMITTEE MEETING**

**WebEx, February 14, 2018**

**PRESENT AT THE MEETING**

**SC members**

1. Irene Frei (SECO – Donor, Steering Committee Chair)
2. Daria Kirillova on behalf of Anna Valkova (Ministry of Finance of the Russian Federation – Donor)
3. Anna Belenchuk (Ministry of Finance of Russian Federation- BCOP Chair)
4. Angela Voronin(Ministry of Finance of Moldova – TCOP Chair)
5. Edgar Mkrtchyan (Ministry of Finance of Armenia – IACOP Chair)
6. Elena Nikulina (World Bank – PEMPAL Team Leader)
7. Daniel Boyce (World Bank - Practice Manager, Governance Global Practice)

**Observers**

1. Ilyas Tufan (Treasury of Turkey – TCOP Deputy Chair)
2. Ludmila Gurianova (Ministry of Finance of Belarus – TCOP Deputy Chair)
3. Arman Vatyan (World Bank – IACOP Resource Team Coordinator)
4. Maya Gusarova (World Bank – BCOP Resource Team Coordinator)
5. Naida Carsimamovic (World Bank – BCOP Resource Team Member)
6. Ksenia Galantsova (World Bank – PEMPAL Secretariat)
7. Ekaterina Zaleeva (World Bank – PEMPAL Secretariat)
8. Kristina Zaituna (World Bank – PEMPAL Secretariat)
9. Nina Duduchava (World Bank – Survey Specialist)

**AGENDA ITEMS**

* + - 1. **Opening of the meeting -** Ms. Irene Frei, SC Chair, SECO
      2. **Update on the progress in implementation of PEMPAL Strategy Action Plan -** Elena Nikulina, World Bank. *SC to review the progress and decide on issues that require SC decision:  
         coverage of Annual Reports (proposal to switch to fiscal year coverage) and time and location of the next Executive meeting*
      3. **Update on preparation of the Completion Report for PEMPAL Strategy 2012-17. -** Elena Nikulina. *SC to take note of the status*
      4. **Update on the progress of implementation of the FY18 COP action plans –** COP Chairs. *SC to take note of the status*
      5. **PEMPAL finances (Update on the budget outlook for the current fiscal year and** **Budget outlook for FY19 and beyond).** *SC to take note of the budget status, confirm budget allocations for FY18, decide on budget allocations for FY19.* **-** Elena Nikulina and Ekaterina Zaleeva (PEMPAL Secretariat)
      6. **Confirmation of SC Chair for the next annual term**
      7. **Closing of the meeting**

**MINUTES OF THE DISCUSSION**

**1. Opening of the meeting**

Ms. Frei welcomed the members to the PEMPAL Steering Committee meeting and introduced new members and observers, including Mr Daniel Boyce, Governance Practice Manager from the World Bank; the two new TCOP Deputy Chairs, Ms. Ludmila Gurianova and Mr. Ilyas Tufan; Ms. Naida Carsimamovic from the World Bank Resource Team for BCOP; and Ms. Nina Dudachava who administers PEMPAL surveys.

**2**. **Update on the progress in implementation of PEMPAL Strategy Action Plan**

Ms. Frei thanked the World Bank team and the Secretariat for preparing the useful report on the 2017-2022 PEMPAL Strategy Action Plan with the update on implementation status.

Ms. Nikulina gave an overview of the structure of the report, noting that this was the first time such reporting format was used. She explained that progress was noticeable compared to the implementation status discussed in the November 2017 Steering Committee meeting, but that there were a few remaining issues that required attention or the decision of the Steering Committee.

Ms. Nikulina then presented the status on each of the 15 Actions, followed by the discussion of the Steering Committee members.

On Action 2 (*Invite feedback from high levels on impact of PEMPAL on a) PFM practices and b) PFM professionals’ capacities*), the important survey was conducted in 2017 and the first results have been circulated to the Steering Committee ahead of this meeting. Further analysis is planned. Gathering feedback from the senior officials was difficult and in some cases the feedback was provided by officials at levels lower than targeted highest level. Thus, the Steering Committee will in the future need to discuss possible adjustments of data collection methodology if only senior officials’ feedback is sought, possibly to consider conducting face-to-face interviews to increase response rate and gather more information. In terms of survey format, respondents overwhelmingly used electronic version (Survey Monkey) and not the printed copies. Survey findings show that respondents are very familiar with PEMPAL and a large majority has attended PEMPAL events. Thus, progress can be noted in connection to Action 10 (*Attendance by high level officials at events to be collected via regular invitation registration process*). Response in PEMPAL impact is overall quite positive, with no respondents viewing PEMPAL as having low impact and many viewing PEMPAL’s impact as high. The difference by COPs is very small and unnoticeable by the level of respondents. Respondents proposed interesting and useful suggestions and examples of impact, which can be used in the 2012-2017 PEMPAL Strategy Completion Report/2018 annual report. Moreover, we received interesting information on member contributions. Members see value in hosting PEMPAL events, majority is ready to provide in-kind contribution, while only one country provided positive response on financial contribution. Ms Frei noted that survey findings were very interesting and that it would indeed be very important to consider data collection methodology for the next round of gathering feedback from the senior level officials in 2019. Mr Boyce noted that survey findings were generally positive and that the written comments provided valuable information which should be further discussed.

On Action 4 (*Cross-COP Executive Committee meetings to be held annually from mid-2018. Cross-COP meetings of all members to be held FY19 and FY22*), based on the requested expression of interest of COP executive Committee country members to host the 2018 cross-COP Executive meeting sent by the Secretariat, Ms. Nikulina informed that PEMPAL Secretariat received expression of readiness of the Ministry of National Economy and Finance of Hungary to host this event in July 2018, provide thematic presentations based on COPs interest, and provide social and cultural program. Ms Belenchuk noted that BCOP was particularly interested to hear thematic presentation on Hungary, given that Hungary was not a BCOP member. Ms Voronin also noted that TCOP was looking forward to get further information on Hungarian experience. Mr Mkrtchyan and Mr Vatyan informed the Steering Committee that IACOP held an event in Hungary, which was hosted by the Ministry of National Economcy and Finance and was very well organized.

On Actions 5-11, Ms. Nikulina noted that good progress had been achieved. Specifically for Action 12 (*Develop a template to capture member country financial and non-financial contribution*), the analysis of the data for CY2017 shows that the target level of the share of member country contributions has been achieved.

On Action 13 (*Inform member countries who host meetings of requirements to fund dinners and cultural events including providing member government training and accommodation facilities for events (where available)*): for the first part, the Secretariat now informs the hosting countries about the requirements as part of regular event preparation process. For the second part, the Secretariat team looked into the Operational Guidelines and concluded that the need to amend the Guidelines was not obvious. It is proposed that this is also further discussed at the upcoming cross-COP Executive meeting.

On Action 14 (*Communication and marketing plan for new Strategy to be developed, including induction kit for new members*) Ms Nikulina suggested that amendments to this Action should be considered so that the COP Executive Committees participate in kit preparation and that it is clarified whether one induction kit should be prepared for each COP or one joint kit for all COPs. It is proposed that this is also further discussed at the next cross-COP Executive meeting. Following the discussion of the Steering Committee it was also suggested that each Executive Committee discusses it internally before the July cross-COP Executive meeting, at which it will be further discussed to decide how the Action will be reformulated. As IACOP already has some induction materials/processes, they can present it also at the cross-COP Executive meeting to be taken into account on final decision on this Action going further.

Action 15 (*Conduct research on other networks to ascertain how they have implemented strategies to address financial sustainability issues)* was originally proposed by PEMPAL Strategic Adviser, who is no longer with PEMPAL. Following the discussion of the Steering Committee it was suggested that the World Bank prepares draft terms of references for this task to be discussed at the upcoming cross-COP Executive meeting.

Ms. Nikulina also requested the Steering Committee’s decision on whether to move from calendar to fiscal year reporting period for the new strategy reports. She reminded the Steering Committee that this was discussed earlier, at which stage it was decided not to do so in the middle of the implementation period for the former strategy. Given that PEMPAL has entered the new strategy period and the start of the strategy coincides with the start of fiscal year (July 1), this move can easily be implemented and it would enable easier and more accurate financial reporting, as PEMPAL finances follow fiscal year reporting period.

**Conclusions:**

* SC has taken note of the update on the 2017-2022 Activity Plan implementation progress and endorsed the proposed format of the implementation progress reporting.
* SC appreciated and accepted the invitation of the Ministry of National Economy of Hungary to host the cross-COP Executive meeting in Budapest in July 2018. SC expressed gratitude to Ms Edit Nemeth (Ministry for National Economy of Hungary – IACOP Deputy Chair) for exploring the interest of the Ministry of National Economy and will follow up to confirm whether the first or second week of July would be acceptable for the hosts as timing of the meeting. SC confirmed that following the past practice of preparation of similar meetings, the Organizational Committee for the 2018 cross-COP Executive meeting would need to be established, with COP leadership, World Bank team, and Secretariat members taking part, while donor representatives we also welcome to participate if interested. The Secretariat will reach out to COP Chairs to get the information on COP leadership representation in the Organizational Committee and will also send information on the proposed date of the first meeting. The Organization Committee will present the concept for the cross-COP Executive meeting to Steering Committee in the next Steering Committee’s meeting in May 2018.
* The analysis of findings from survey of high-level senior officials will be presented at the cross-COP Executive Committee in July 2018 along with the discussion on how to follow up in terms of specific actions.
* SC will discuss further at the cross COP Executive meeting whether the Operational Guidelines need to be amended to reflect requirements associated with hosting.
* Each COP Executive Committee will discuss induction kit preparation for new members before the cross-COP Executive meeting, at which broader leadership will make decision on format and process of kit preparation and whether one induction kit should be prepared for each COP or one joint kit for all COPs.
* The World Bank team will prepare draft terms of reference for research on other networks to ascertain how they have implemented strategies to address financial sustainability issue and present it in the next Steering Committee meeting for further discussion at cross-COP Executive meeting.
* SC has approved move from calendar to fiscal year reporting period for the new strategy reports. The first annual report for the new strategy will be prepared in the fall of 2018 and cover the period July 2017-June 2018.

**3. Update on preparation of the Completion Report for PEMPAL Strategy 2012-17.**

Ms. Frei reminded that the Steering Committee began discussion of this item in the previous meeting and Ms. Nikulina presented the update.

Ms. Nikulina explained that the Completion Report would be prepared using annual reports for the years of strategy period (which in turn were structured in line with PEMPAL Results Framework) and would broadly follow the structure of the Medium-Term Review of the 2012-2017 PEMPAL Strategy, but would be more concise. The World Bank team has started the review of data since the last Steering Committee meeting and found that the data for 2017 did not include much new additional data compared to previous year, given that 2017 was the closing year of previous strategy and was also marked with financial uncertainties. Moreover, the timing of Completion Report would coincide with the annual report for 2017 (late Spring/Summer 2018). Consequently, it was proposed that instead of having two separate reports (the strategy completion report and one 2017 annual report) only one comprehensive cumulative report would be prepared covering all five years of previous strategy. A survey of all individual PEMPAL members from all COPs will need to be conducted for the completion report, using the questionnaire format used in the Medium-term Review of the 2012-2017 PEMPAL Strategy.

There is also an obligation to prepare completion summary (which should be distinguished from the completion report) for World Bank’s internal procedures, while SECO also has internal requirements in terms of discussions on lessons learnt.

**Conclusions:**

* The SC has taken note of the status of preparation of the 2012-2017 PEMPAL Strategy Completion Report. Based on first review of 2017 data which was conducted by the World Bank, the SC decided that the stand-alone 2017 annual report would not be prepared. Instead SC endorsed preparation of a comprehensive cumulative report covering all five years of previous strategy, where the 2017 data will be shown separately.
* The World Bank team and the Secretariat will conduct the individual member survey in the course of the Completion Report preparation and will include the report findings in the completion report for the past strategy period.

**4. Update on the progress of implementation of the FY18 COP action plans**

**BCOP**

Ms. Anna Belenchuk, BCOP Chair, reported that BCOP was very satisfied with progress on implementation of FY18 Action Plan and presented detailed overview of the main BCOP activities that took place since the last Steering Committee meeting. The key activities included Participation in OECD Performance and Results meeting, continued work of both BCOP Working Groups on knowledge products, BCOP Executive committee meeting via VC, and preparation for the upcoming BCOP Annual Plenary meeting and the PPBWG workshop on performance indicators in Austria.

A small BCOP delegation led by Ms. Belenchuk and including selected members participating in the BCOP Program Budgeting Working Group (PPBWG) from Russia and Turkey and BCOP Resource Team members participated in the annual meeting of OECD Senior Budget Officials’ Network on Performance and Results and had a prominent part in the meeting agenda, as there was a dedicated session on PEMPAL. This was the third meeting of the OECD Network for Performance and Results in which BCOP participated and it was the first time that BCOP was invited to make a presentation at the meeting. BCOP delivered three presentations: introduction on PEMPAL, BCOP, and PPBWG agenda; and the case of program budgeting in the Russian Federation. BCOP’s presentations were well received and enticed lively discussion of the OECD countries, in particular about the Russian country case. Other results of this meeting for BCOP and the WG included familiarization with newest trends in performance budgeting in OECD countries, as well as BCOP's active contribution in discussing and providing suggestions for improvement of OECD’s Draft Best Practices in Performance Budgeting.

Both BCOP Working Groups, PPBWG and the Budget Literacy and Transparency Working Group (BLTWG) made progress in the work on their knowledge products. The PPBWG knowledge product on performance indicators in PEMPAL countries is currently prepared in the format of a set of slides which has been circulated and commented on by the member countries. Summary was presented at the OECD meeting. The Resource Team is currently working on converting the information into a more formal knowledge product in Word report format. The BLTWG is working on a knowledge product on public participation. A background paper to explain the key concepts and definitions has been prepared and since November, the BLTWG has been collecting detailed country cases on public participation from BLTWG countries, based on a template prepared by the WG. The analysis of PEMPAL countries practices in public participation will be presented in the plenary meeting in March.

In terms of upcoming events, BCOP has been preparing for the BCOP Annual Plenary meeting and the PPBWG workshop on performance indicators in Austria, both taking place in Vienna in March. All details for the plenary meeting have been finalized and approved by the Executive Committee in December. Overall topic of the plenary is *Improving Effectiveness and Accountability of Public Expenditure: Trends in Intergovernmental Fiscal Relations, Performance Budgeting, and Budget Participation.* The PPBWG is organizing back to back with the plenary meeting a workshop of the Performance Budgeting Working Group on performance budgeting in Austria in partnership with the Austrian Ministry of Finance and the Federal Chancellery of Austria.

Finally, other activities planned under the Action Plan for this year include possible study visit on public participation in April or May 2018 (Portugal is currently being explored as a possible host, however, if this is not confirmed by early March, BCOP will be considering other locations and may need to move the timing of the study visit) and the participation in the 14th OECD CESEE SBO meeting in Croatia in late May 2018 (in the Executive Committee meeting in Vienna in March, the final approach will be decided in terms of possible invitation of Exec Com countries’ deputy ministers and having a back-to-back session with them).

**TCOP**

Ms. Angela Voronin, TCOP Chair, reported that TCOP has also conducted all of its planned activities. Several activities took place between November and December 2017, including the Executive Committee meeting via VC, VC meeting of the TCOP Thematic Group on Use of Information Technologies in Treasury Operations, TCOP’s participation at the launch of the Public Sector Accounting and Reporting (PULSAR) program, and preparation for the upcoming TCOP events.

At the Executive Committee meeting, the outcomes of the Workshop on Cash and Debt Management, which took place in October 2017 in Moldova, were summarized. The Executive Committee also discussed the upcoming TCOP events scheduled for April, May, and June 2018, as well as logistical issues related to Executive Committee membership.

In December, a VC meeting of the Thematic Group on Use of Information Technologies in Treasury Operations took place, attended by 15 representatives from 6 member countries. This meeting focused on Kazakhstan’s experience on implementation of the 4th level budget in the local authorities. The preparations for the thematic group’s April 2018 meeting in Baku was also discussed.

In addition to TCOP activities planned as per TCOP Action Plan, TCOP also attended an additional event in this period – the launch of the PULSAR program in December 2018 in Vienna. TCOP presented the experience of its thematic groups on public sector accounting and reporting, which was useful for the meeting participants.

The next meeting of TCOP Executive Committee is planned for February 27, 2018, at which TCOP’s upcoming activities will be discussed. The Thematic Group on Use of Information Technologies in Treasury Operations will have a VC meeting on March 1, 2018, at which Georgian experience in automation of accounting will be examined. Furthermore, the group will discuss the planned event in Baku in April 2018. The event in Baku is planned as a joint meeting of TCOP’s two thematic groups: Thematic Group on Use of Information Technologies in Treasury Operations and Thematic Group on Accounting and Reporting in Public Sector. The hosts would present the experience of Azerbaijan on creating the web portal of the State Treasury Agency, issues related to security of the use of IT in public sector, and technology support of the public sector accounting reform using the cloud technology. The event is envisaged as a joint meeting of the two thematic groups, each group would have their thematic sessions, but joint sessions would also take place. The next TCOP annual plenary meeting will take place in May 2018 in Tirana and the topic will be assessment of performance of the treasury functions.

In conclusion, Ms Voronin confirmed that TCOP for this year is planning to implement all activities form their Action Plan and is thus expecting to use the whole originally requested budget allocation of US$330K, subject to the Steering Committee approval.

**IACOP**

Mr. Edgar Mkrtchyan, IACOP Chair, reported IACOP’s activities since November and IACOP’s plans for the rest of the year.

IACOP’s plenary meeting and Audit in Practice Working Group (AIP WG) took place in late October 2017 in Tashkent, Uzbekistan, and this event received good coverage in the media in Uzbekistan. IACOP received a thank you letter for this event from the Government of Uzbekistan.

IACOP is finalizing preparation of the upcoming events in Brussels, Belgium – meetings of the Internal Control Working Group and Audit in Practice Working Group, planned to start on February 27, 2018. The main objective of these events is to examine good practices on implementing and assessing public internal control including managerial accountability and the role of internal auditors and the central harmonization units in EC, Belgium, PEMPAL countries, and beyond. IACOP is also working on review of its public internal control glossary and its translation, which is supported by the Russian Institute of Internal Auditors.

Ministry of Finance of Armenia sent a proposal to IACOP to host the next meeting of IACOP in Yerevan in June 2018 and to cover significant part of the event costs. The following IACOP meeting is planned for October 2018, the exact date and host country are yet to be decided.

Mr. Vatyan explained that the locations of IACOP events were now decided taking into account co-funding options proposed by the potential hosts. This was the case with the IACOP Budapest and Tashkent events, for which the hosts provided both financial and in-kind contribution and will also be the case for the event in Brussels and in Yerevan. For October 2018 event, there are few options, Croatia, Bulgaria, Moldova, and Georgia and IACOP will follow the same approach of taking into account co-financing options when deciding on the location. For the IACOP event in Brussels, several of the high level senior officials will be involved and participate, including the First Vice President of the European Commission, the Minister of Economic Affairs of Belgium (equivalent to the Minister of Finance), as well as other high-level officials, including the leader of the Public Internal Control Task Force of the European Commission and the Director of Internal Audit Service of the EC. Thus, although Belgium is not a formal donor or partner of PEMPAL, they will provide significant financial and in-kind contribution.

Steering Committee also followed up on the discussion from its last Steering Committee on the issue related to sale of IACOP knowledge products by third parties. Mr. Vatyan informed the Steering Committee that the IACOP Executive Committee has identified the country in which this incident took place and ensured that that the product incudes PEMPAL copyright statement and is fully attributed to PEMPAL when used, and that it cannot be sold commercially. He also informed the Steering Committee that IACOP received requests for translation of its knowledge products in Portuguese and Turkish language and has endorsed these requests. He noted that in the future, once the Steering Committee makes decision on possible fee-generating activities of PEMPAL, IACOP can propose specific modalities.

Ms. Nikulina noted that IACOP has made excellent progress in mobilizing additional contribution from host countries and that this is captured in the data circulated to the Steering Committee for Action 12 (*Develop a template to capture member country financial and non-financial contributions*) of the Strategy Activity Plan. IACOP’s approach in considering potential contribution of hosts as a criteria when selecting the event location is interesting, noting that it may also have its disadvantages (including the possibility that we may end up having the events in the countries that are able to contribute financially, but may not necessarily be the countries that would benefit the most from the peer learning advice).

**Conclusions:**

* The SC has taken note of COPs’ good progress on action plans for FY18, including BCOP’s successful session in the meeting of the OECD Network on Performance and Results, TCOP’s useful presentation to the PULSAR program, and IACOP success in mobilizing additional financial and in-kind contribution from the host countries.
* IACOP’s approach in considering potential contribution of hosts as criteria when selecting the event location will be presented at the cross-COP Executive meeting in July 2018, advantages and disadvantages of such approach will be discussed, and it will be decided whether such criteria should be included in the Operational Guidelines as obligatory.

**5. PEMPAL finances (Update on the budget outlook for the current fiscal year and Budget outlook for FY19 and beyond).**

Ms. Nikulina presented an overview of the documents circulated to the Steering Committee –the update of the COP budgets and the overall budget for the program.

The first document shows current status of COP budgets, included amounts that have been spent or committed for the events, as well as the latest estimates for the upcoming events, which were presented by the COP Chairs. Notes are also added on reallocations and deviations from the estimated budgets where they took place, noting that everything is in line with the parameters described in PEMPAL budget guidelines. As Ms. Voronin presented, for TCOP to be able to implement all of its planned activities in this year, TCOP budget needs to be topped up to reach the original request for this fiscal year (US$330K). Proposed revised annual budget allocations for this year are US$330K for BCOP, US$450K for IACOP, and US$330K for TCOP (total of US$1110K), and match the original budget requests.

The second document shows the overall budget for the program, including overview of the past five years (FY2013-2017) and the FY2018-2022 period. For FY2018-2022, amounts in adopted current Strategy are given, along with the actual/latest project costs for FY2018 and FY2019. Within the overview of available resources, Ms. Nikulina announced that SECO have confirmed their decision to allocate new funding and support the new PEMPAL Strategy. SECO and the World Bank team have had extensive discussions in November and December, the administrative agreement for the new Multi-Donor Trust Fund (MDTF) for PEMPAL II has been signed (for total amount of CHF 3000K), and the first installment has already been received (CHF 2000K), with the second and final installment of the remaining SECO funds planned for FY2019. Ms. Nikulina expressed gratitude to Ms. Frei and her management. Available balance on MDTF account as of beginning of the period, net of commitment, is also shown, reflecting significant savings from the previous period. Overall, in the absence of other donor funding, PEMPAL is in good position for the FY2018 and FY2019, but uncertain beyond that. Thus, it is important for the Steering Committee to get updated information from the Ministry of Finance of Russia about their plans and the timing of possible confirmation of the new contribution, as well as to continue working with other potential donors in parallel. Budget spending/estimates for FY2018 are also given, with updated actuals and commitments, as well as the updated estimates of COP budgets, Resource Team, Steering Committee, and Secretariat costs, and the contingency. For FY2019, proposed adjusted plan is presented based on discussions with the SC Chair. Although the initial proposal from the World Bank team was to approve the scenario with US$260K per COP, given the remaining uncertainties, the proposal from SECO is to approve at this stage lower initial budgets for COPs, at 180K per COP, and revisit the budget allocations for FY19 later during the year, as was done for FY2018 (however the COPs would not be limited to use the initial amounts in the first six months of FY2019 only). Additionally, following the past practice, all savings achieved by COPs in FY18, would be transferred to their FY2019 budget. Ms Frei explained that SECO’s rationale for this proposal of a more cautious and staged approach was based on the estimated funding gaps post FY2019, the remaining uncertainties on additional funding from the Ministry of Finance of Russia, and the attempt to avoid the situation in which more than half of SECO’s contribution would be spent in the first two years of the Strategy if no other donors are secured.

Ms. Kirillova informed the Steering Committee that the Minister of Finance of the Russian Federation has approved the funding of the 2017-2012 PEMPAL Strategy in the amount of US$3 million (US$1 million per each of the three calendar years). The proposal is yet to be approved by the Government of the Russian Federation and if approved, the transfer of the contribution for 2018 would be feasible in June or July of the current year.

**Conclusions:**

* The SC has taken note of SECO’s approval of funding of the 2017-2022 PEMPAL Strategy, signing of the administrative agreement for the PEMPAL II MDTF, and the disbursement of the first payment, and thanked Ms. Frei and SECO.
* The SC approved proposed revised annual budget allocations for FY2018: US$330K for BCOP, US$450K for IACOP, and US$330K for TCOP.
* The SC decided to implement staged approach to adoption of FY2019 budget and approved the initial budgets of US$180K for each COP, plus any carried over COP savings from FY2018.
* The World Bank team will update the FY2019 budget table in line with SC decisions from this meeting (and including decreased contingency, which is based on rules allowing COPs to deviate from their planned budgets by 15% without the approval of the SC) and will circulate it along with the meeting minutes.
* The SC has taken note of the approval of the Ministry of Finance of the Russian Federation of funding of the 2017-2022 PEMPAL Strategy and thanked Ms Kirillova and the Ministry of Finance of Russia.
* The World Bank Team will reach out to the Russian Ministry of Finance to discuss the timeline of signing the administrative agreement for the PEMPAL II MDTF with the Ministry of Finance of Russian Federation.
* The Steering Committee will consider adoption of revised FY2019 budget in its next meeting, depending on the progress with the funding from the Ministry of Finance of Russia.

**6. Confirmation of SC Chair for the next annual term**

In line with the PEMPAL Operational Guidelines requirement that the Chair of the Steering Committee is confirmed annually by the Steering Committee members and given the remaining uncertainties with the program funding for the medium-term, the World Bank team and SECO held discussion prior to the Steering Committee meeting and email has been circulated to all Steering Committee announcing the World Bank’s readiness to take over the position of the chair for the next 12 months. Mr. Boyce, the World Bank Governance Practice Manager is proposed as a new Chair. No objections have been received from Steering Committee members. Mr Boyce introduced himself to the Steering Committee members, provided overview of his experience with similar networks, and expressed his enthusiasm about joining and leading PEMPAL Steering Committee.

The SC thanked Ms. Frei for her excellent leadership and cooperation as the Steering Committee Chair in the past two years.

**Conclusions:**

* The SC confirmed the new Steering Committee Chair - Mr. Boyce from the World Bank.
* The next SC is tentatively planned for May 2018, the exact date will be decided over email correspondence.

**Attachments:**

1. **Minutes of the previous SC meeting**

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1. **COPs budget**

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1. **Impact survey results**

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1. **PEMPAL program budget**

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1. **Reporting on Strategy Action Plan**

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