



## MINUTES OF THE STEERING COMMITTEE MEETING, April 21, 2020, Videoconference

### Participating SC Members:

1. Anna Valkova (Ministry of Finance of the Russian Federation, SC Chair)
2. Thomas Stauffer (SECO – Donor)
3. Daniel Boyce (WB - Practice Manager, ECA EAST, Governance Global Practice)
4. Arman Vatyan (WB – PEMPAL Team Leader)
5. Angela Voronin (Ministry of Finance of Moldova – TCOP Chair)
6. Ivan Rakovskiy (Ministry of Finance of the Russian Federation - BCOP Executive Committee member)
7. Petru Babuci (Ministry of Finance of Moldova – IACOP Deputy Chair)
8. Armanai Bekturova (Ministry of Finance of Kazakhstan – IACOP Deputy Chair)
9. Ilyas Tufan (Ministry of Finance of Turkey – TCOP Deputy Chair)
10. Elena Nikulina (WB – TCOP Resource Team Coordinator)

### Observers:

11. Iryna Shcherbyna (WB – BCOP Resource Team Coordinator)
12. Naida Carsimamovic Vukotic (WB – BCOP Resource Team Member)
13. Yelena Slizhevskaya (WB – TCOP Resource Team Member)
14. Diana Grosu-Axenti (WB – IACOP Resource Team Member)
15. Lusine Grigoryan (WB – IACOP Resource Team Member)
16. Galina Kuznetsova (WB – PEMPAL Secretariat Team Coordinator)
17. Deanna Aubrey (WB – PEMPAL Strategic Adviser/BCOP Resource Team Member)
18. Ksenia Malafeeva (WB – PEMPAL Secretariat)
19. Ekaterina Zaleeva (WB – PEMPAL Secretariat)
20. Kristina Zaituna (WB – PEMPAL Secretariat)
21. Alta Folscher (External Evaluators for PEMPAL Strategy Mid-Term Review)

### 1. Opening of the meeting

Ms. Anna Valkova welcomed participants. Meeting Agenda was approved.

### 2. Progress on implementation of 2017-2022 Activity Plan and management of impacts of COVID-19

Mr. Arman Vatyan reported that the Resource Team held meetings since March 2 and regular correspondence since then to manage the COVID-19 impacts on COP activities. Plenary meetings of all three COPs have been postponed to FY21 with minimal or no impact on COP budgets. In parallel, COPs took the initiative to move to VC meetings (through newly procured KUDO platform) for both regular COP topics and to meet members' demands for examining topics related to PFM response to COVID-19 emergency. COPs have developed revised FY20 Action Plans and draft FY21 Action Plans reflecting the adjustments due to COVID.

Mr. Vatyan also reported that all actions agreed at the last SC meeting have been implemented. Preparatory activities for the Cross-COP Leadership meeting were conducted (including the meeting of the Organizational Committee), and the agenda finalized. The second stage of analysis of learning from other networks' financing mechanisms is on track to be finalized and presented to the SC in July 2020. An external evaluator for the MTR has been engaged and the MTR launched. The FY19 PEMPAL Annual Report was finalized and distributed electronically with Thank You letters, noting that the Report is printed and will be distributed via post once the travel restrictions are lifted. A draft template for capturing the in-kind contributions of member and non-member countries has been developed and is currently being discussed by the COPs.

Mr. Thomas Stauffer gave an overview of COVID-19 measures in Switzerland that are relevant for organization of the Cross-COP meeting in Bern originally planned for July 2020. Although organizational and logistical preparations have been advanced, based on the currently planned phased approach of easing emergency measures in Switzerland, it will not be possible to hold the meeting in July 2020. The SC agreed that, considering these circumstances, the meeting needs to be postponed. The decision on the new date is to be made at the next SC meeting planned in July 2020. Depending on the COVID-19 situation and related travelling restrictions, as well as the availability of the COP Executive Committee members, the SC will consider options of scheduling the meeting for Fall 2020, or as a default option in the first half of July 2021, which is acceptable for SECO. COPs expressed interest in organizing thematic VC meetings in June or July 2020 with the respective counterpart Swiss institutions and will send to SECO proposed topics for their consideration.

Ms. Alta Folscher presented the envisaged external evaluation phases and data collection mechanisms and asked for SC's feedback on several specific items. Face to face interviews with COP leadership and SC



members that were envisaged to take place in Bern in July 2020 will be replaced by additional video interviews. The evaluator requested the SC approve the merging of the tracer survey questions into the planned network wide survey which could then free up time to conduct a fourth case study in addition to the three proposed initially. In terms of county case studies, the external evaluator will send to the SC the methodology for the selection of the four countries for their comments, and will consider suggestions by SC members, if countries meet the evaluation methodology. The evaluator also asked approval to replace the proposed survey of high-level officials (as conducted in 2017) with planned phone interviews to ensure more richer and higher quality information. The SC approved the plan and progress of the external evaluation and the MTR, and committed to providing quick comments on the draft methodology for country case selection once received. The SC also requested that any changes to the methodology should be documented to maintain transparency. December 2020 remains the targeted deadline for the MTR report completion, noting that potential extension of up to three months may be needed, if the evaluation team faces any complications due to the COVID-19 lockdown.

### 3. Implementation progress on the COP activities including management of impacts of COVID-19

#### **BCOP**

Mr. Ivan Rakovskiy gave an update on BCOP activities since the last SC meeting, including:

<a href="#">Regular VC meeting of the BCOP Executive Committee, Feb 6, 2020</a>	<a href="#">Emergency VC meeting of the BCOP Executive Committee, Feb 28, 2020</a>	<a href="#">VC meeting on Budget-Related Response to COVID-19 Emergency, Apr 9, 2020</a>
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The BCOP postponed its 2020 annual plenary meeting from March to November 2020, as well as the participation in the OECD SBO CESEE meeting from May 2020 to FY21 (new date to be set by the OECD). The decision was made to adjust the BCOP activities until end FY20 to focus on holding VC events and finalizing the work on two BCOP knowledge products. VC meetings of the working groups are scheduled for May 13 and 28. The previous BCOP Chair announced her departure from the Ministry of Finance of Russia, thus elections for the new BCOP Chair are being conducted.

#### **TCOP**

Ms. Yelena Slizhevskaya gave an update on TCOP FY20 activities since the last SC meeting, including:

<a href="#">VC meeting of the TCOP Thematic Group on Cash Management and Forecasting, Dec 3, 2019</a>	<a href="#">Videoconference of the TCOP Thematic Group on the Evolution of the Role and Functions of the Treasury, Feb 27, 2020</a>	<a href="#">VC meeting of the TCOP Executive Committee, Mar 20, 2020</a>
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The TCOP postponed its plenary meeting from June to September 2020, and a study visit on cash management from FY20 to FY21. TCOP plans to hold three more thematic VC meetings in FY20, including a meeting on COVID-19 response and a meeting to finalize its knowledge product on chart of accounts.

#### **IACOP**

Mr. Petru Babuci gave an update on IACOP FY20 activities since the last SC meeting, including:

<a href="#">IACOP VC on Internal Audit During Covid-19 Pandemic – Smart Interactive Talk (SIT), Apr 20, 2020</a>	VC Meeting of the IACOP Executive Committee, Apr 3, 2020
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IACOP postponed its plenary meeting from March to October 2020. IACOP plans to hold a VC meeting on key performance indicators for internal audit in June 2020 and to advance work on its knowledge products. The three COP Action Plans for FY20 (revised) and for FY21 have been approved by the SC.

### 4. PEMPAL finances and status of funding from the Russian Federation and the EU

Mr. Vatyán reported on PEMPAL resources and estimated spending and savings for FY20, noting that the first tranche of funds from the MOF of the Russian Federation had been received and that overall PEMPAL has sufficient balances currently to operate. Ms. Anna Valkova informed the SC that the second tranche is expected to be disbursed by end April 2020 based on the invoice already received from the World Bank. Mr. Vatyán also reported that negotiations on the framework agreement between the World Bank and the EU are underway. Following signing of the framework agreement, the PEMPAL administrative agreement already agreed between the WB and EU (and unexpectedly put on hold due to the initiation of the new framework agreement) will be reconfirmed and is expected to be signed. Consequently, EU funding is still pending and with some risk, albeit a low one.



Due to delay with EU funding, COP FY20 allocations were reverted to the original lower scenario of US\$250,000 allocation for each COP. It is down from US\$300,000 agreed by the SC during the previous meeting based on confirmed EU funding, which is now delayed. Accordingly, the SC approved COPs' revised FY20 and FY21 budget allocations of US\$250,000 each plus any carried over COP savings from FY20. Going forward, starting with FY22 Action Plans, the decision on allowing the carry-over of COP savings will be revisited based on the reasons for underspending, the pace of activities, and the extent of COPs' ability of catch up with all activities postponed from FY20 to FY21 due to the COVID-19 impact.

### 5. Miscellaneous and closing of the meeting

The next full (semiannual) meeting of the SC is tentatively scheduled for October 2020. The SC will also meet with limited agenda focused on the preliminary results from the MTR in July 2020. In that meeting, the SC will make the final decisions on the date of the Cross-COP Leadership Meeting, and the Cross-COP Network Plenary Meeting. The Network Plenary meeting may be also postponed by a year depending on the EU funding and the date of the Cross-COP Leadership meeting, which was going to be used to prepare for the network event. In addition, the analysis of other networks' financial sustainability mechanisms will be presented to the SC in this meeting, as well as the preliminary findings of the external evaluation within the MTR. The next full meeting of the SC is tentatively scheduled for October 2020.

#### SUMMARY OF ACTIONS ARISING FROM THE MEETING

	Action	Due Date	Responsible
1	<b>Prepare the agenda and materials and organize the next limited SC meeting with focus on MTR.</b>	July 2020	WB, PEMPAL Secretariat
2	<b>Finalize the second stage of analysis of learning from other networks' financing mechanisms.</b>	July 2020 (at SC meeting) or circulated earlier as soon as completed.	WB
3	<b>Finalize the selection of countries for country cases for external evaluation within the MTR.</b> External evaluator to send to the SC members the methodology for selection of the countries for their comments and potential extension of country selection.	Sharing methodology - Done May 6, 2020 - SC turnaround	External evaluator, WB, SC
4	<b>Continue external evaluation and the MTR process and present the initial results.</b>	July 2020 (at SC meeting) December 2020 (original plan for MTR) or March 2021 (if process is affected by COVID-19)	External evaluator, WB
5	<b>Distribute the hard copies of the FY19 Annual Report, when the flights resume.</b>	Upon easing of COVID-related travel restrictions	WB
6	<b>Report on the in-kind contributions from members and non-members.</b>	Regular at full SC meetings.	Secretariat, WB
7	<b>Share the topics of COP interest and potential counterparts to meet virtually on Swiss PFM experience, for SECO to explore arranging virtual events.</b>	May 1, 2020 – COP to share the topics Jun-July 2020 – the period to potentially organize the meetings	COPs, Secretariat, SECO
8	<b>Revisit the travel and accommodation arrangements for the leadership team meeting to avoid any costs with postponing the event.</b>	Immediately	Secretariat



**ANNEXES:**

**1. Minutes of the previous SC meeting in November 2019**



2. FINAL PEMPAL SC  
Minutes Nov 12 201

**2. Status of Activity Plans of the previous SC and OrgCom meetings**



3. Status of Action  
Plans from last SC ar

**3. Strategy Action Plan monitoring**



4.  
Strategy\_Action\_Plar

**4. Draft PEMPAL Leadership Agenda**



5. PEMPAL  
Leadership Meeting

**5. PEMPAL COPs Budget**



6.  
PEMPAL\_COPBudget

**6. COPs Action Plans**



7. All COPs Action Plans FY20 and FY21.zip

**7. PEMPAL program budget**



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