**MINUTES OF BCOP EXECUTIVE COMMITTEE MEETING**

**Wednesday, 21 DECEMBER, 2016, 17.00 Moscow, 15.00 CET**

**Videoconference**

**Participated:**

1. Anna Belenchuk (Chair – Russian Federation)
2. Armen Manukyan (Armenia)
3. Mikhail Prokhorik (Belarus)
4. Kanat Asangulov (Kyrgyz Republic)
5. Nurida Baisakova (Kyrgyz Republic)
6. Mladenka Karacic (Croatia)
7. Maya Gusarova (Resource Team)
8. Naida Carsimamovic (Resource Team)
9. Deanna Aubrey (Resource Team)

**Observers:**

1. Ksenia Galantsova (Secretariat)

**Agenda items:**

1. Welcome and update on key decisions/discussions from November Steering Committee meeting
2. Acceptance of the minutes to the previous BCOP ExCom meeting
3. Updates on BCoP Working Groups:
4. Budget Literacy and Transparency Working Group including update on country case boxes for WG knowledge product
5. Program Budgeting Working Group including update on Paris event and progress with OECD survey
6. Update on BCOP 2017 Plenary Meeting preparations
7. BCOP Action Plan 2016-17 – status of budget execution
8. BCOP Action Plan 2017-18
9. Other business
10. **Welcome and update on key decisions/discussions from November Steering Committee meeting**

Ms Anna Belenchuk welcomed all participants and briefed the Executive Committee members on the discussion held at the PEMPAL Steering Committee, in particular in regards to the discussions about the 2017-2022 PEMPAL Strategy, as well as the Steering Committee’s discussion related specifically to BCOP including Ms. Belenchuk reporting to the Steering Committee on progress in work if the BCoP Working Groups and request for approval of higher than planned budget for the November 2016 BCoP event in Paris (Workshop of the Program and Performance Budgeting Working Group and participation at the 12th meeting of the OECD Senior Budget Officials’ Network on Performance and Results). She also outlined the agenda of today’s Executive Committee meeting and the accompanying circulated materials.

1. **Acceptance of the minutes to the previous BCOP ExCom meeting**

The Minutes of the BCOP Executive Committee meetings held in Ljubljana, Slovenia on June 27, 2016 and in Berne, Switzerland on July 13, 2016 were approved.

1. **Updates on BCoP Working Groups**:
2. **Budget Literacy and Transparency Working Group including update on country case boxes for WG knowledge product**

Ms Anna Belenchuk reported on the progress in preparation of the working knowledge product of the Budget Literacy and Transparency Working Group on Citizens’ Budget, noting that the knowledge product is expected to be completed and translated in time to be presented at the plenary meeting in April 2017.

Ms. Maya Gusarova explained that the draft text box outlining Croatian country case has been prepared and sent to Ms. Mladenka Karacic for final review. The Croatian country case text box is to serve as a template for the format of the text boxes for other PEMPAL country cases. Ms. Karacic confirmed that the format is acceptable, noting that she will send minor revisions and adjustments of the contents of the Croatian text box.

Ms. Belenchuk asked the Resource Team to source potential international country case candidates for additional text boxes.

Conclusions:

Ms. Karacic will send minor revisions and adjustments of the contents of the Croatian text box in January 2017. At the same time, format draft text box on Croatian country case will be used to prepare the additional text boxes for other PEMPAL country cases. Mr. Kanat Asangulov will prepare the draft text box for the Kyrgyz country case, while Ms. Belenchuk will prepare text boxes for the Russian Federation, Armenia, and possibly Kazakhstan. Resource Team will research to source potential international country case candidates for additional text boxes and coordinate further on this with Ms. Belenchuk.

Tentative deadline for finalizing the draft knowledge product is end of January 2017, after which the draft will be sent to the GIFT, OECD, and other international organizations for their comments and inputs.

1. **Program Budgeting Working Group including update on Paris event and progress with OECD survey**

Ms. Naida Carsimamovic briefed the Executive Committee on the November 2016 Workshop of the Program and Performance Budgeting Working Group and participation at the 12th meeting of the OECD Senior Budget Officials’ Network on Performance and Results. She thanked the participants on their very active involvement and reported that overall feedback on the quality of the event based on the post-event survey was very positive, although several participants thought that the workshop was too short. This feedback was expected, as due to high costs in Paris, the workshop has to be limited to one day only. Ms. Carsimamovic informed the Executive Committee that draft event report has been prepared and will be available on PEMPAL website shortly.

Ms. Carsimamovic presented planned next steps for this Working Group. The report on the results of the OECD Performance Budgeting Survey taken by the Working Group member countries will be the first knowledge product of this Group. The Resource Team will draft the report upon receiving the report for the OECD countries from OECD, which is expected in January. A presentation will also be prepared comparing program and performance budgeting approaches in the PEMPAL countries in comparison to those in the OECD countries.

She also reported on the proposal of Mr. Nikolay Begchin, the Working Group Lead to consider preparing an additional knowledge product for this Working Group in the shape of collecting the regulations/methodologies prescribed by the country members for program budgeting (defining the programs and performance indicators) and the actual performance indicators used by the countries.

Ms. Maya Gusarova informed the Executive Committee that the PEMPAL community reached agreement with OECD for mutual cooperation over the next PEMPAL Strategy period. Ms. Gusarova reported that it was also agreed between PEMPAL and OECD that PEMPAL member countries will continue to participate in OECD meetings but at this stage there was no agreement on the number of countries and participants. PEMPAL has also been invited to participate in a future OECD meeting on accounting standards.

Conclusions:

The Resource Team will prepare a presentation comparing program and performance budgeting approaches in the PEMPAL countries in comparison to those in the OECD countries program and present it at the plenary meeting in Bishkek in April 2017. Tentative deadline for the Resource to prepare the full report on the results of the OECD Performance Budgeting Survey taken by the Working Group member countries is also April 2017.

The Working Group will send a request to member countries to sent the regulations/methodologies prescribed by the country members for program budgeting (defining the programs and performance indicators) and the actual performance indicators used by the countries. Depending on the feedback and the received materials, the Working Group will decide whether to post the received materials on BCoP wiki page, translate the received materials, and/or prepare a separate report on this.

1. **Update on BCOP 2017 Plenary Meeting preparations**

The Resource Team summarized the extensive discussions held during the Paris event on the draft Agenda of the BCoP 2017 plenary meeting to be held in Kyrgyz Republic in April 2017, after which the discussions on finalizing the Agenda were finalized.

In terms of revisions of the first draft of the Agenda (which was originally revised to shorten the length of the event due to higher estimated costs), it was proposed to start the plenary meeting after lunch on April 12th and to hold the Executive Committee meeting in the afternoon of April 11th. The after-lunch starting time is planned due to flight schedules, with all participants arriving during the night or very early in the morning.

The Resource Team informed the Executive Committee members that the external speakers for the event have already been contacted.

For the first day of the plenary meeting, Ms. Gelardina Prodani confirmed that the country case of Albania on fiscal risks management will be presented.

For the day of the plenary meeting which will be hosted by the Program and Performance Budgeting Working Group, aside from the presentation of the findings of the OECD Performance Budgeting Survey, the remaining sessions will be devoted to the country case presentations from countries. Kyrgyz Republic, Croatia, Ukraine, Moldova, and Bulgaria all confirmed their presentations.

For the day of the plenary meeting which will be hosted by the Budget Literacy and Transparency Working Group, Ms. Belenchuk, the Working Group Lead advised that the discussions on citizens’ participation in the budget process should be included in the Agenda. Ms. Gusarova suggested that a potential speaker from GIFT could be contacted for this. In terms of the country case presentations, three presentations are planned. Kyrgyz Republic is already confirmed and the Resource Team will invite South Korea, Philippines, or Brazil to also present, depending on advice from GIFT.

Mr. Kanat Asangulov, on behalf of the host Ministry of Finance of Kyrgyz Republic, proposed to move the cultural program from the third day to the second day of the plenary meeting. He also informed the Executive Committee that the social event and one dinner will be paid by the Ministry of Finance of Kyrgyz Republic. In addition, the Ministry of Finance also invites the Executive Committee members to dinner hosted by the Ministry in the evening before the start of the plenary meeting.

He also reported on the visa procedure. While most countries do not need a visa in order to enter Kyrgyz Republic, for those that do (Albania, Bulgaria, Macedonia, Montenegro, Serbia, and Romania), it will be arranged to get their visa upon the arrival to Bishkek airport (at the price of 60 USD). As for Kosovo, he will consult with the Ministry of Foreign Affairs later and inform the Secretariat.

Conclusions:

The planning of the presentations at the plenary meeting will proceed as outlined above. It was also agreed to move the cultural program to the second day of the annual plenary meeting and to hold group discussions on the last day. To facilitate this, the programs planned for the second and third day will be swapped around.

1. **BCOP Action Plan 2016-17 – status of budget execution**

Ms. Ksenia Galantsova presented the update on the BCoP FY2016 budget execution. Preliminary data showed savings of around 13K USD for the Paris event. She also reminded the Executive Committee members that the amount of 170K is allocated for the upcoming plenary meeting in Bishkek. In terms of thematic videoconferences, the Secretariat advised that the actual costs for interpretation for video conferences are higher than the budgeted amounts.

Conclusions:

BCOP will increase allocated amounts to video conferences to 2.5KM in future budgets.

1. **BCOP Action Plan 2017-18** – Deadline for submission to SC is January 15th – discussion of possible activities within preliminary budget of 330,000 USD

Ms. Deanna Aubrey reminded that the Executive Committee needs to submit the list of activities for FY2018-19 within the budget of 330K USD to the Steering Committee by January 15th, 2017. As the financing for the next Strategy is not confirmed yet, COPs have been encouraged by the Steering Committee to find savings in current budgets in order to reallocate any surplus funds to the first year of the new Strategy.

Ms Aubrey proposed two options for allocation of the 330K for FY2017-2018:

* Option 1 - to allocate 180K USD for the Plenary meeting in 2018, 50K to OECD SBO meeting and for 50K each for the two working groups meetings;
* Option 2 –to plan one working group meeting as a joint event with the OECD SBO meeting and allocate 75K to each working group.

Ms. Belenchuk agreed to have a working group meeting back-to-back to OECD SBO meeting, noting that if needed, the plan can be revised at the later stage depending on the theme of discussions at the OECD SBO meeting.

Mr. Mikhail Prokhorik suggested that, based on previous budget execution for the plenary meetings, the plenary meeting could be reduced to 150K USD, allocated the remaining amount for a possible meeting of the Executive Committee members with their Deputy Ministers to a specific country in the form of a study visit. Mr. Asangulov supported Mr. Prokhorik’s idea and suggested to draft the plan and confirm it during the plenary meeting in Bishkek.

Ms. Aubrey noted that the BCoP member countries’ reform priorities for FY2017-2018 will be collected within the pre-meeting survey prior to the plenary meeting and presented at the plenary meeting, as usual. Based on this, an updated BCoP FY2017-2018 Action Plan and Budget could be submitted to the Steering Committee at that point. She also noted that the Steering Committee requested objectives and results for each of the key activities in the plan, so she requested any information to be sent to her.

In terms of additional future topics of interest for BCoP countries, Ms. Carsimamovic informed the Executive Committee, that the Executive Committee member Mr. Alija Aljovic (who had to attend an urgent Ministry meeting and thus had to cancel his participation at his meeting) noted that for Bosnia and Herzegovina, an important reform area government’s management policies and risks related to State-owned enterprises would be of interest. Mr. Armen Manukyan suggested that BCoP also focuses on the ways for the Finance Ministries to address the issue of staff capacities in sector ministries.

Conclusions:

The preliminary Action plan will be developed as follows: 180K USD to be allocated for the 2018 annual plenary meeting with the possibility to reduce the budget to 150K depending on the results of past spending on these events, in which case the 30K remaining are to be allocated to a study visit for the Executive Committee; 75K USD for each of the two working group meetings (one of which will be held jointly with the OECD SBO meeting depending on the theme being addressed).

The Resource Team and the Secretariat will prepare the analyses of the budget execution for the past annual plenary meetings in the previous five years for the discussion of the Executive Committee during the April 2017 meetings in Bishkek.

Any further inputs to the FY2017-2018 Action Plan and Budget should be sent to the Resource Team by the Executive Committee members by January 10th.

During the Bishkek plenary meeting, the speakers in the fiscal risk sessions will be asked to devote some time in their presentation to the risks related to State-owned enterprises. One of the questions for the group discussions at the Bishkek plenary meeting will be on the ways for the Finance Ministries to address the issue of staff capacities in sector ministries.

1. **Other business**

Ms Gusarova and Ms Belenchuk thanked all for a productive meeting. All Executive Committee members exchanged holiday greetings.

**Attachments:**

Minutes of last BCOP Executive Committee meeting

Updated draft of BCOP 2017 plenary meeting concept and agenda