**MINUTES OF BCOP EXECUTIVE COMMITTEE MEETING**

**27 JUNE, 2016, 14.00-16.00**

**LJUBLJANA, SLOVENIA**

**AND**

**13 JULY 2016, 14:00-16:00**

**BERNE, SWITZERLAND**

**Participated:**

1. Anna Belenchuk (Chair – Russian Federation)
2. Armen Manukyan (Armenia)
3. Mikhail Prokhorik (Belarus)
4. Kanat Asangulov (Kyrgyz Republic)
5. Mladenka Karacic (Croatia)
6. Nicolay Begchin (Russian Federation), *present in Ljubljana meeting only*
7. Hakan Ay (Turkey) *present in Ljubljana meeting only*
8. Maya Gusarova (Resource Team), *present in Berne meeting only*
9. Naida Carsimamovic (Resource Team)
10. Deanna Aubrey (Resource Team)

**Observers:**

1. Nevenka Brkic (Croatia), *present in Ljubljana meeting only*
2. Ksenia Galantsova (Secretariat)
3. Kristina Zaituna (Secretariat), *present in Ljubljana meeting only*

**Agenda items:**

1. Welcome by the Chair, update on key decisions/discussions from May 2016 PEMPAL Steering Committee meeting (*discussed* *in Ljubljana*), and update on Cross-COP leadership meeting in SECO (*discussed* *in Berne*)
2. Acceptance of the Minutes to the previous BCOP Executive Committee meetings held in Minsk
3. Announcement of Deputy Chair roles by the Chair of the BCOP Executive Committee
4. Preparation requirements for the Cross-COP leadership meeting scheduled for July 2016 in Switzerland on the 2017-2022 PEMPAL Strategy
5. Review of Draft Strategy (*discussed* *in Ljubljana*)
6. Review of Draft BCOP presentation slides for Berne meeting (*discussed* *in Ljubljana*)
7. Approaches to strengthen success story identification, collection and reporting and election of BCOP representative to deliver 3-5 minute verbal presentation in Cross-COP meeting (*discussed* *in Berne*)
8. Approaches to increase member contributions in case of insufficient funds being secured from donors for next strategy, preparation for the group discussions in Cross-COP meeting (*discussed* *in Berne*)
9. BCOP FY 2017 Action Plan and Budget and update on BCOP FY 2016 Budget Execution
10. Other business
11. **Welcome by the Chair, update on key decisions/discussions from May 2016 PEMPAL Steering Committee meeting (*in Ljubljana*), and update on Cross-COP leadership meeting in SECO (*in Berne*)**

Ms. Anna Belenchuk welcomed all participants and outlined the agenda of the Executive Committee meetings and the accompanying circulated materials.

In the Executive Committee meeting held in Ljubljana, Ms. Belenchuk presented the discussions and conclusions from the last Steering Committee (SC) meeting (held on May 25th, 2016) to BCOP Executive Committee members, noting that PEMPAL’s Annual Report was approved and that members held discussions on the new 2017-2022 PEMPAL Strategy. SC also discussed preparations for the Cross-COP meeting of PEMPAL leadership scheduled for July, 2016 in Berne, Switzerland, as well as progress with COP Action Plan implementation for FY 2016 and proposed COPs’ Action Plans for the FY 2017.

The SC approved the request by the BCOP for reallocation of savings from BCOP’s FY16 budget to BCOP’s FY17 budget in the amount of 50,000 USD, which is planned to be spent on future knowledge products of BCOP’s two active Working Groups (Budget Literacy and Transparency Working Group and Program and Performance Budgeting Working Group).

In the Executive Committee meeting held in Berne, Ms. Belenchuk briefed the Executive Committee members on the meeting held earlier that day in Berne between the smaller group of Cross-CoP leadership and SECO.

1. **Acceptance of the minutes to the previous meetings held in Minsk**

The Minutes of the BCOP Executive Committee meetings held in Minsk in February of 2017 were approved, subject to the spelling mistake in the name of Mr. Prokhorik being corrected.

To follow up on the conclusions of those Minutes, the Executive Committee held a discussion on the Executive Committee’s decision to allow for alternate Executive Committee members to replace the main Executive Committee members when needed in the meetings. After discussion and consideration of options, the Executive Committee decided that each Executive Committee member should assign one or two colleagues from their Ministries who would replace the Executive Committee members in the cases where attendance of the Executive Committee member is not possible. Alternative members would have voting rights in the Executive Committee, noting that for each voting process within the Executive Committee, only one vote per Executive Committee member country is allowed.

Conclusions:

Minutes were approved and adopted of the BCOP Executive Committee meetings held in Minsk 2016.

Each Executive Committee member (except for the Russian Federation, which already has two members, Ms. Belenchuk and Mr. Begchin) should assign one or two alternative Executive Committee members from their Ministries. In Switzerland Kyrgyz Republic and Belarus members of the Executive Committee informed the other members that they had already assigned their alternates – Ms. Nurida Baizakova for Kyrgyz Republic and Ms. Tatyana Dekhterenok for Belarus. The remaining members of the Executive should send their alternates via email.

1. **Announcement of Deputy Chair roles**

Ms Belenchuk appointed Mr. Mikhail Prokhorik and Ms. Gelardina Prodani for her Deputy Chairs of the BCOP Executive Committee.

1. **Preparation requirements for the Cross-COP leadership meeting scheduled for July 2016 in Switzerland on the 2017-2022 PEMPAL Strategy**

* 1. Review of Draft Strategy (*discussed* *in Ljubljana*)

Ms Belenchuk explained to the Executive Committee members the mechanisms organized by the SC for the work related to drafting of the 2017-2022 PEMPAL Strategy and accompanying materials. The two Working Groups were formed within the SC and Resource Team for the tasks of drafting the Strategy Results Framework (Working Group members: Ms. Elena Nikulina, Ms. Deanna Aubrey, Ms. Nino Tcheleshvili, Ms, Naida Carsimamovic,) and Costing Options and Funding Scenarios (Working Group members: Ms. Elena Nikulina, Ms. Irene Frei, Mr Marius Koen, and Ms. Deanna Aubrey) with it being noted that Ms Anna Belenchuk served as a representative for BCOP in the wider Strategy Development Working.

In terms of Strategy Results Framework, the Executive Committees of COPs were tasked with reviewing the draft document and sending their written comments to the SC. In line with this, the BCOP Executive Committee jointly reviewed the document and held extensive discussion and proposed adjustments as outlined below.

Ms. Aubrey presented the document noting the decision to combine results of 3 and 4 of strategic objectives; the proposed change in the results framework format; and the progress with cutting down number of indicators from 26 to 12. She noted that other COPs (TCOP and IACOP) had supported the idea to merge the results 3 and 4 although SECO prefers the split approach. The SD working group will consider the comments from each COP after the Berne meeting and will progress the document accordingly.

In terms of results,TABLE 1:

For the Goal/impact Mr Ay proposed to change wording “public monies” to “public resources”. Results 1 and 2 were approved as they are. Members also supported the idea to combine results 3 and 4 but in Russian interpretation the para of the result 3 should be reworded in order to underline the meaning of the “*sustainable network of professionals*” as current translation infers a financially independent network.

In terms of indicators, TABLE 2:

For the first indicator (for Goal/impact level), Ms Aubrey and Ms Belenchuk reminded that at the Berne Cross-COP meeting each COP should present its ideas on how to strengthen success story methodology and reporting. For the second indicator (for Outcome level), the Executive Committee noted that it liked the IACOP approach of having a periodic survey to show impact of COP activities on country level reforms. In terms of indicator 3 (independent verification of member country priorities), The Committee noted that the body who should be doing the independent verification be identified. It was clarified that it would most probably be the Steering Committee. Ms Carsimamovic concluded that the current approach by BCOP to identifying member country priorities, which is conducted at the Annual Plenary meeting, meets PEMPAL network expectations and would not need to be changed. For Indicator 4 (cross-COP collaborations) this will be further developed after COP presentations in Berne as all COPs have been asked to include their ideas on how to strengthen cross-COP collaborations in their presentations. The ideas presented in the BCOP presentation were supported. As for 5.a. (on high quality network services to measured through post event surveys), the Committee noted their support of these surveys given they were a good tool to track satisfaction of members and did not take too much time to complete. Ms Aubrey noted that although these surveys were standardized, if the Executive Committee was interested in a specific theme/question the post event surveys could be modified. For 6, (use and quality of PEMPAL resources), Ms Belenchuk noted that her working group would assess the usefulness of the knowledge product on citizens budgets, once it was finalized, and the learnings from this process could be applied to other products. She also proposed to review all materials of the BCOP and combine all of them into the one Knowledge Product. Ms Belenchuk and the Committee concluded that other draft indicators 7-12 are supported. The Committee also expressed their willingness to promote PEMPAL to higher levels when needed, in support of indicator 12 (improved promotion and value of benefits of PEMPAL).

Conclusions:

Ms Aubrey will provide the comments of the ExCom members on the strategic objectives and results document to the Strategy Development Working Group for consideration.

1. Review of BCOP presentation slides for Berne meeting (*discussed* *in Ljubljana*)

Ms Belenchuk thanked Ms. Aubrey for drafting the BCOP presentation slides on BCOP 2012-2016 results and 2017-2022 priorities and plans, to be presented by Ms. Belenchuk at the Berne Cross-COP leadership meetings. Ms Aubrey noted concerns were expressed over the length of the presentation and whether it could be delivered in the allocated time in the agenda. Thus she suggested that some of the slides could be edited or removed. Ms Belenchuk advised that she wanted the presentation to remain at its current length and she would focus on the future priorities and not present some of the past results slides, to ensure she remained within the allocated time.

In terms of additional ideas for Cross-COP Collaborations, Ms Aubrey noted that in the process of preparing the presentations, she was advised by Ms Nikulina that TCOP was interested in the topic of budget transparency and thus a future joint VC or meeting with BCOP could be a possibility. She also advised that there was little interest in such a joint event for accounting and reporting given that TCOP had been discussing this topic for some time and was currently focusing on other priorities. However, Ms. Mladenka Karacic clarified that the earlier proposed joint BCOP-TCOP event on accounting and reporting could be redefined with a focus on how to link budgeting and reporting through ESA, GFS and national accounting requirements.

Within this Agenda item, Executive Committee discussed possibility of making the two current Working Groups standing (permanent) Working Groups of the BCOP (similarly to practice of IACOP), given that BCOP membership continuously provides feedback that these topics are priority.

Conclusions:

Adjustment of the idea for Cross-COP Collaborations proposed by Ms. Karacic will be incorporated in the draft BCOP presentation for Berne Cross-COP meeting.

BCOP will continue discussions on making the two current Working Groups standing (permanent) Working Groups of the BCOP.

1. Approaches to strengthen success story identification, collection and reporting and election of BCOP representative to deliver 3-5 minute verbal presentation in Cross-COP meeting (*discussed* *in Berne*)

Executive Committee discussed several options of collecting success stories in future. Ad hoc collection by country, as has been done up to now, was discussed and the Executive Committee concluded that such option, although time-consuming, is valuable as it provides a comprehensive stock-taking and as such should be continued in future for mid-term and final Strategy reviews.

In addition to this approach, a more systematic and regular approaches were discussed and suggested by the Executive Committee.

Firstly, post-events surveys for each event could include a relevant question on success stories. Secondly, the role of Value Detectives (as implemented in IACOP) should be established with the purpose of collecting inputs for success stories during each event by interviewing the participants (this approach was implemented during the BCOP’s past events, such as the Study Visit to South Africa which was brought up by the Executive Committee members as a good example). Thirdly, during plenary meetings, a questionnaire could be handed out to each country to ask for success stories on PEMPAL usefulness and practical application of PEMPAL knowledge (along with the country priority identification questionnaire). Fourthly, during the last day of all non-plenary events, a round table on specific country plans for knowledge application should be held (this approach was implemented during the BCOP’s past events, such as the Study Visit to Ireland which was brought up by the Executive Committee members as a good example). Information collected regularly in such ways from PEMPAL participants would be supplemented/verified with period surveys of Finance Ministry’s management, similar to those done by IACOP, whereby member countries will be asked to assess the overall impact of BCOP activities on reforms and also by thematic areas being addressed by the BCOP working groups.

Moreover, BCOP will also continue with its practice of capturing key discussions and decisions for major events in ‘Event Reports’ prepared by the BCOP Resource Team.

Mikhail Prokhorik, Deputy BCOP Chair, was selected to present these BCOP’s discussions on collecting success stories in Cross-COP meeting.

1. Approaches to increase member contributions in case of insufficient funds being secured from donors for next strategy, preparation for the group discussions in Cross-COP meeting (*discussed* *in Berne*)

Executive Committee discussed the feasibility of the options in terms of funding approaches for the next Strategy:

1. Change in membership policy for donors to fund only one person, per COP, per member country with other required attendance to be met by member countries.
2. Requesting member country payment for required attendance for some events. For example at annual plenaries or for the large cross-COP meetings planned for FY19 and FY22, member countries to fund part or half of attendance (eg donors fund one person per country, for each COP, and the member countries to fund the second for these events);
3. Source additional funding from in-kind and other partners that currently assist the COPs with their activities;
4. Switch some activities to virtual mode of operation (ie increased use of videoconference);
5. Charge a fee for the external use of some knowledge products;
6. Charge a fee for attendance at some major COP events (ie plenaries);
7. Provide a schedule of contribution to dinners at specific face-to-face events so all countries will pay for at least one dinner or cultural event during the strategy period.
8. Provide hosting country contribution packages ranging from minimum contribution of a) payment by member country of one dinner and/or cultural program through to b) payment of full costs of event, with incentive packages for each level (eg gold award for meeting full costs of event comprising award plaque and small ceremony after event).

The Executive Committee concluded that options 1, 2, and 6 are not realistic given financial constraints of most of the countries, as well as the fact that such selective approach may potentially cause internal difficulties for the Ministers to decide on participation, which would likely result in Ministries sending a different participant to different PEMPAL events, thus causing the loss of core membership, as they would not be able to finance additional participant. Finally, such approaches would technically be hard to implement from governments’ budget perspective, as in order to plan funding of participation where possible, Ministries would need to information on planned events, locations, and costs very early on, in the stages of preparation of budgets for upcoming years.

In terms of the third option, the Executive Committee noted that all of the speakers from the international organizations at BCOP events cover their costs and thus represent in-kind funding. In addition, BCOP also benefits from OECD’s invitations to participate in their meetings, which also represents in-kind funding.

BCOP already increasingly uses VCs (fourth option) and if need be can further increase its usage, however, for a meaningful community of practice to exist, at least two face to face annual meetings must be held (e.g. one plenary meeting in combination with a working group meeting and another working group meeting in combination with the OECD CESEE SBO meeting).

Option 5 is not applicable to BCOP, as Finance Ministries are the only users of BCOP products/services, thus products could not be sold to private sector.

In Option 7 Executive Committee discussed that it is important to distinguish between countries being able to pay some costs in their own countries when they host PEMPAL events versus countries being able to fund part of the events in other countries. The latter is technically not implementable from the perspective of governments’ budgets.

In terms of option 8, the Executive Committee noted that the first example of payment by member country of one dinner and/or cultural program is feasible and is already being implemented by BCOP, while the example of payment of full costs of event is not feasible due to countries’ financial constraints.

The Executive Committee discussed multiple other options not mentioned above, concluding that the option of PEMPAL membership fee that would be fixed per year and set taking into account country GDP may be the most feasible option for financial contribution of member countries, however for this option to be implemented an appropriate legal framework would need to exist, including PEMPAL’s official registration.

Additional options for PEMPAL Strategy fundraising proposed by BCOP are exploring options of other members becoming donors and fundraising with other external donors such as the European Commission.

Finally, the Executive Committee also discussed options for cost-cutting if needed, including “going green” to stop printing materials for events and having participants cover their lunch/dinner costs.

1. **BCOP FY 2017 Action Plan and Budget and update on BCOP FY 2016 Budget Execution**

Ms. Ksenia Galantsova presented updated BCOP FY 2016 Budget execution. Preliminary data for FY 2016 Budget execution showed savings of around 120K USD (out of which 50K USD were reallocated to FY17 as per SC’s May 2016 approval). Some of the net savings were realized as follows: 5K USD was saved for Study Visit to Zagreb, Croatia; 60K USD was saved for the back-to back plenary meeting and Budget Literacy and Transparency Working Group workshop held in Minsk, Belarus; approximately 20K USD is estimated as savings for the back-to-back OECD CESEE SBO meeting and the Program and Performance Budgeting Working Group workshop in Ljubljana, Slovenia; and 25K USD is saved due to cancellation of the originally planned joint event with TCOP.

Ms. Carsimamovic presented the Draft BCOP Action Plan and Budget for FY17, reminding the members that in meantime additional 50K USD was approved for BCOP by the SC (above mentioned partial transfer of BCOP’s FY 2016 savings).

Ms. Aubrey noted that BCOP Executive Committee participation in the face-to-face Cross-COP leadership meeting scheduled for July 2016 will be financed from the general PEMPAL budget and not from the COPs’ budgets.

Ms. Belenchuk reported that the thematic videoconference of Budget Literacy and Transparency Working Group on knowledge product development is already scheduled for September 23, 2016.

In line with discussions initiated during the Executive Committee meetings in Minsk in February 2016, Ms. Carsimamovic suggested that both of the active BCOP Working Groups in FY 2017 hold larger Working group meetings instead of typical Study Visits, given the high interest for the topics of the Working Groups expressed by many BCOP countries. In addition, it was suggested that both Working Groups can hold meetings back-to-back with other events. In the case of the Budget Literacy and Transparency Working Group, this can be held with the Budget Literacy Conference in Moscow in Spring 2017, as previously planned. In the case of the Program and Performance Budgeting Working Group, this can be held with the OECD’s meeting of the Network on Performance and Results scheduled for November 2016 in Paris (as per initial discussions held by the BCOP Resource Team and Executive Committee with the OECD) to use opportunity to hear presentations on advanced country cases on program/performance budgeting from the senior budget officials of a couple of OECD countries who will be present in Paris for the OECD meeting. All of these suggestions were approved by the Executive Committee, with the note that the Executive Committee suggest that French case of program/performance budgeting is presented at the Program and Performance Budgeting Working Group meeting in Paris, as well as one additional country case from an OECD country that will attend the OECD meeting of the Network on Performance and Results as well. It was also concluded that a couple of BCOP countries could possibly also present their country cases during the OECD’s meeting of Network on Performance and Results if needed, such as the Russian Federation, Kyrgyz Republic, or Croatia.

The Executive Committee held an extensive discussion on the topic of the BCOP 2017 plenary meeting to be held in Kyrgyz Republic in April 2017. It was decided that the general topic should remain as defined in Minsk - Tools for Fiscal Accountability, Sustainability/Stability, and Transparency. As both of the Working Group topics will be covered within the plenary meeting, there is no need for additional back-to-back Working Group meetings in Bishkek, but rather the length of the plenary meeting should be extended for a half of day to three full days, so that on the first day of event (starting in the afternoon), half of the day can be devoted to fiscal risks and accountability (including issues of stability, such as the risks associated with the extra-budgetary funds, state owned enterprises, and other sub-national general government units, as well as risks associated with commodity revenues), with no group discussions taking place on this subject. On day 2 of the event, morning session should be devoted to the topics of the Budget Literacy and Transparency Working Group with group discussions taking place in the afternoon. On day 3 of the event, the morning session should be devoted to the topics of the Program and Performance Budgeting Working Group with group discussions taking place in the afternoon. On day 4 of the event, the program should include half a day (as usual in the BCOP plenary meetings) for wrap up presentations and collection of country PFM priorities for FY 2018.

In terms of the back-to-back meeting to be held with the May/June 2017 OECD CESEE SBO meeting, the Executive Committee agreed to decide which of the two Working Groups would meet there at a later point, depending on budget execution, progress of the work of the Groups, and their needs.

Conclusions:

Based on the discussions of the Executive Committee meetings held in Ljubljana and Berne, the BCOP FY 2017 Budget was revised as shown below:

|  |  |  |  |
| --- | --- | --- | --- |
| # | **Event** | **Planned time**  | **Budget** |
|   |  **Events for July 2016- June 2017** |   | USD |
| 1 | BCOP Executive Committee participation in face-to-face Cross-COP Executive workshop to progress PEMPAL Strategy 2017-22 + BCOP Exec Com meeting | July, 2016 | **N/A** |
| 2 | Video conference Executive Committee meeting[[1]](#footnote-1) | September, 2016 | **1,000** |
| 3 | Thematic videoconference of Budget Literacy and Transparency Working Group on knowledge product development | September, 2016 | **1,000** |
| 4 | Program Budgeting Working Group meeting + back to back meeting with the OECD Performance Network + Executive Committee meetings | Paris, November, 2016 | **80,000** |
| 5 | Thematic video-conference for Program Budgeting Working Group  | Spring, 2017  | **1,000** |
| 6 | Plenary meeting + BCOP Executive Committee meetings | April, 2017 | **170,000** |
| 7 | Small group meeting of OECD SBO + BCOP Executive Committee meeting– Location TBC | TBD, June, 2017 | **40,000** |
| 8 | Budget Literacy Conference + Back-to-Back Meeting of Budget Literacy and Transparency Working Group - Moscow | Moscow, May 2017 | **70,000** |
| 9 | Translation |   | **17,000** |
|   |   |   | **380,000** |

The Resource Team will contact the relevant World Bank staff to inquire about the planned date of the Budget Literacy Conference to be held in Moscow. The Resource Team will also contact OECD to follow up on the possibility of attendance of the Program and Performance Budgeting Working Group members at the meeting of the OECD Network on Performance and Results in Paris in November, including the maximum number of PEMPAL participants that can attend this OECD meeting. In addition, OECD’s assistance will be sought on reaching out to relevant senior budget official(s) from the French Ministry of Finance in addition to OECD’s advice on selecting more advanced country cases to prepare presentations during the separate meeting of the Program and Performance Budgeting Working Group to be held before the OECD’s meeting in Paris.

The Resource Team will draft the Concept Note for the 2017 BCOP plenary meeting based on the discussion held at this and last Executive Committee meetings.

1. **Other business**

Ms Belenchuk thanked all Executive Committee members for their participation.

Ms. Aubrey thanked Ms. Belenchuk for her active participation in the development of the 2017-2012 PEMPAL Strategy.

1. It is now planned that this VC be converted to a face-to-face meeting to be held back-to-back with the Paris meetings in November. The budget will be added to that event. [↑](#footnote-ref-1)