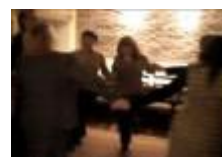


Cash Management Workshop of the Treasury Community of Practice

Ljubljana, Slovenia



The third plenary meeting of PEMPAL Treasury Community of Practice was held in Ljubljana, Slovenia, on November 23 - 26, 2009. The workshop was hosted by the Centre of Excellence in Finance and was devoted to the discussion of cash management practices, as agreed by the TCOP Leadership group during its last meeting in Tirana.

The meeting was attended by the representatives of the Ministries of Finance and Treasuries of 14 countries.

The agenda of the meeting combined comprehensive presentations based on best practices in cash management area with interactive discussions and questions/answers sessions.

A core presentation on Fundamentals of Cash Management was made by Mr. Brian Olden, the IMF Regional Fiscal Advisor, based at CEF. Combining theoretical overview of the concepts and definitions with concrete examples and country cases, this introductory presentation served as a good starting point for in-depth discussions on the topic.

No PEMPAL Workshop is held without addressing the real situation in the member countries, and this one was not an exception. Diagnostic questionnaires on cash management practices was specially prepared for the workshop by Mr. Olden and circulated to all participating countries, as well as to several other countries from Southern and Eastern Europe. 18 countries in total responded to the survey, including all 14 countries represented at the workshop. Presentation of the survey results enriched the discussion with country specific information and comparative analysis. This attempt to diagnose the existing cash management systems of the participant countries made the workshop discussions more relevant and helped attendees to understand better the way forward for improving the existing cash management practices.

An intensive discussion and questions/answers session followed the case study presentations made by the representatives of the Ministry of Finance of Slovenia. Workshop participants received comprehensive information on Slovenian Treasury Single Account (TSA) system, TSA liquidity management, Cash Management System and budget planning.

In addition to an overview presentation, a live demonstration of the Slovenian information system module used for cash management took place. As some of the member countries are in the process of developing their own IT systems for public finance management, this demonstration was highly appreciated by the participants.

An interesting presentation on the Treasury system of the Russian Federation was made and participants received comprehensive information about the structure, legislation, budget classification and Single Treasury Account management in Russia.

Special questions/answers session with Mr. Olden concluded thematic agenda of the workshop.

The final session was devoted to the discussion of TCOP plans for the future based on the results of the special questionnaire prepared by the Leadership group and circulated to all the countries at the beginning of the workshop. Workshop participants made their proposals about the future topics to be discussed, expressed views about the optimal format of discussions and information presented, agreed on the necessity of launching a thematic library and opted for organizing joint workshops with other PEM PAL COPs. All delegations stressed the necessity of inviting to PEMPAL activities new countries, with more advanced PFM systems (especially new EU members).

The main conclusions of the workshop and decisions taken were, as follows:

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- Modern cash management systems should be developed in all member countries, in order to improve public expenditure efficiency;
 - Cash Management topic was well chosen by the leadership group, as all participants expressed their interest and took active part in the debates during the meeting;
 - Timely preparation and dissemination of information materials and questionnaires assured relevant discussions on the topic during the meeting, and also provided valuable ideas for future activities within TCOP;
 - New member countries (Armenia, Azerbaijan) expressed their willingness to join TCOP leadership group;
 - The work in small groups of countries, with the participation of moderators, was considered by the participants as one of the most efficient formats for discussions;
 - Twelve new topics to be discussed within TCOP in the future were proposed. The most popular topics were Budget Classification and Chart of Accounts (4 countries,), Accounting and Reporting (3 countries,) Electronic circulation of documents (3 countries,) Risk Management (3 countries,) Public Debt (3 countries). Also, several topics for potential joint workshops with other PEMPAL COPs were proposed;
 - A virtual thematic library for the member countries' legislation, normative and methodological documentation related to PFM was proposed to be created;
 - Workshop participants expressed the desire to intensify communication between the workshops, using new tools, e.g. WEB Forums. It was decided to try communication through the forum attached to PEMPAL web site in the nearest future;
 - An idea of developing a prototype „Cash forecasting and Monitoring” software based on Slovenian model was launched; such software could be made available to all the interested member countries;
 - TCOP leadership group meeting will be held at the end of January, 2010, in order to discuss the budget and confirm the activity plan for the next year;
 - a Workshop on Budget Classification, Chart of accounts and Financial Reporting will be organized in Dushanbe, Tagikistan, with participation of the interested countries (5 member countries already indicated their interest in the topic);
 - Moldova will examine the possibility of hosting next year a workshop on electronic payment system and will confirm the decision before the January leadership group meeting;
 - The idea of a joint workshop with IA COP on experiences of PIFC implementation was proposed. It was suggested to explore possibilities to invite EU representatives as resource persons to the workshop.
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- TCOP would be interested to take part in the full PEMPAL plenary, in case such plenary is dedicated to the topics of common interest (e.g., PFM strategies) and is planned for the fall of 2010.
 - Azerbaijan delegation indicated an interest to host one of TCOP workshops in the future.
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