



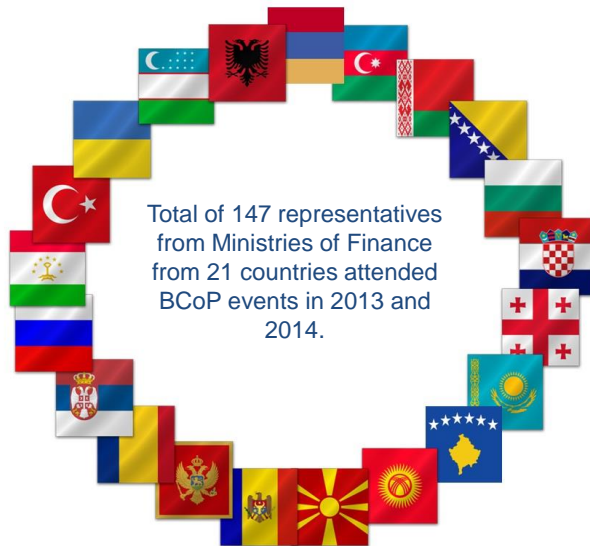
Budget Community of Practice (BCOP)

Update on Activities and Results

Gelardina Prodani, BCOP Chair
Secretary General, Ministry of Finance, Albania



BCOP MEMBERSHIP



Total of 147 representatives
from Ministries of Finance
from 21 countries attended
BCoP events in 2013 and
2014.

BCOP MANAGEMENT

- From February 2013 to March 2014 , there were 12 events (2 plenary meetings, 5 study visits, 1 OECD/PEMPAL working group meeting, 1 cross-COP executive meeting, 1 BCOP executive meeting, 2 VC meetings).
- These were organized by:
 - The **BCOP Executive Committee** who provides strategic oversight (10 people from member countries)
 - The **World Bank Resource Team** who provides content support (Maya Gusarova, Deanna Aubrey and Naida Čaršimamović Vukotić)
 - The **PEMPAL Secretariat** who provides logistical and administrative support (Center of Excellence in Finance, Slovenia, Tamara Maisuradze and Živa Lautar)
- Post-event surveys collect feedback from members to ensure we continue to improve our products and services aimed at supporting PFM reform in member countries

BCOP Executive Committee Members

<p><u>Ms. Gelardina Prođani</u> CHAIR Ministry of Finance Albania</p>	<p><u>Mr. Konstantin Krityan</u> DEPUTY CHAIR Ministry of Finance Armenia</p>
<p><u>Ms. Zeljka Stojic</u> Ministry of Finance of Republika Srpska Bosnia and Herzegovina</p> <p><u>Ms. Mladenka Karačić</u> Ministry of Finance Croatia</p> <p><u>Mr. Hakan Ay</u> Ministry of Finance Turkey</p> <p><u>Mr. Mikhail Prokhorik</u> Ministry of Finance Belarus</p>	<p><u>Ms. Anna Belenchuk</u> Ministry of Finance Russian Federation</p> <p><u>Ms. Elena Zyunina</u> Ministry of Finance Russian Federation</p> <p><u>Mr. Nikolay Begchin</u> Ministry of Finance Russian Federation</p> <p><u>Ms. Nurida Baizakova</u> Ministry of Finance Kyrgyz Republic</p>

BCOP, Antalya Turkey March 2014





REFORMS DISCUSSED SINCE 2013

- All BCOP members met and discussed:
 - **Selected aspects of program budgeting and performance management** in Tirana, Albania, from February 25-28, 2013, attended by 21 countries.
 - **Results-based monitoring and evaluation** in Antalya, Turkey from March 3-6, 2014, attended by 20 countries.

- Smaller study visits for sub-groups of members were conducted to:
 - Georgia on **IT system for budget planning** in Tbilisi from April 15-18, 2013 attended by 6 countries.
 - UK on **education financing reforms** in London from April 23-25, 2013 attended by 6 countries.
 - Ireland for BCOP Executive Committee on **spending reviews** from 11-14 November, 2013 attended by 7 countries.
 - Poland on **program budgeting at the local level**, in Cracow from December 9-12, 2013 attended by 7 countries.
 - Austria on the **role of Austria's Parliament** in budgeting in Vienna from January 30-31 2014 attended by 5 countries.

REFORMS DISCUSSED SINCE 2013 (continued)

- One working group meeting
 - **OECD Budget Practices and Procedures Survey peer review** meeting in Riga on June 26, 2013 attended by 10 countries.

- Other Executive Committee activities:
 - Participation in **OECD Senior Budget Officers meeting** June 27-28, 2013, Latvia to promote knowledge exchange with OECD and OECD accession countries in ECA
 - Cross-COP executive and Steering Committee meeting to plan for this **proposed event for all COPs on fiscal transparency and accountability** (BCOP, TCOP, IACOP executive, July, Bohinj, Slovenia)
 - Two video-conference meetings on **wage bill management** (November 2013, February 2014)



Study visit to Georgian MoF, April 2013



At UK HM Treasury – April 2013



Dublin, Ireland – November 2013



Cracow, Poland – December 2013

KNOWLEDGE PRODUCTS DEVELOPED

- **Benchmarking and expanding internationally available data on PEMPAL countries** budget practices and procedures: Joint collaboration between BCOP and OECD for participation in the OECD Budget Practices and Procedures Survey (allowing benchmarking of 13 PEMPAL member countries with OECD and other countries).
- **Background paper on reforms** to support study visits. After each study visit, the resource team coordinates the preparation of a report that summarizes the presentations and also provides an update of the status of reforms in the countries participating. These are available on the www.pempal.org website (under 'Activities', 'BCOP')
- **Results of thematic surveys (conducted prior to BCOP plenary meetings)** provide snapshots on status of PFM reforms in our member countries. These surveys have been conducted on program budgeting, wage bill management, and on results-based monitoring and evaluation.

KNOWLEDGE PRODUCTS DEVELOPED (Cont)

Translation of technical research and policy papers to support meetings: eg IMF, Role of the Legislature in Budget Processes. Previous translations include Performance-based Budgeting Manual by Marc Robinson, UK Green Book (capital project appraisal). Refer to the PEMPAL library for copies of these papers.

Resource Team research

- Synopsis of **macro-fiscal trends** in PEMPAL countries
- Synopsis of recent research in **fiscal consolidation efforts**
- Continued monitoring and analysis of **BCOP membership quality** (including analysis of organizational structure of PEMPAL countries' Finance Ministries to ensure proper targeting)
- Collation and analysis of available **fiscal transparency and accountability assessments** (distributed as part of the concept note for this cross-COP meeting)
- Collation of **examples of key performance indicators by sector** for distribution at this cross-meeting

EXAMPLE BENCHMARKING RESULTS:

Fig 8.1 Are the economic assumptions underlying the budget and the methodology used to establish them published/publicly available?(Q51a)

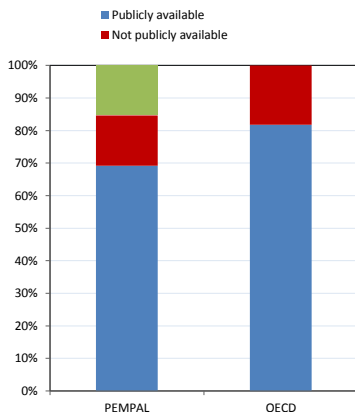


Fig. 8.2 Publicly available budget documents (Q51) : PEMPAL

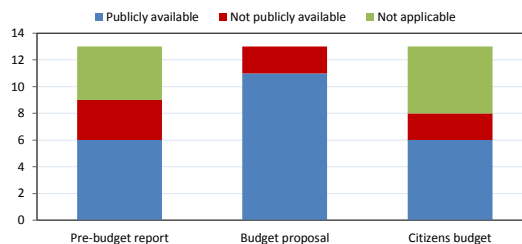
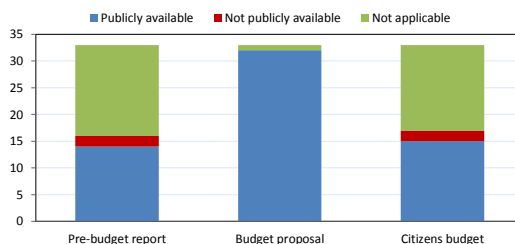


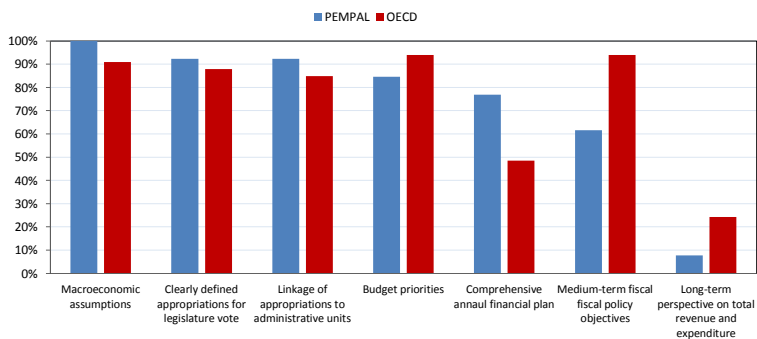
Fig. 8.2 Publicly available budget documents (Q51) : OECD



Note: Draft results from comparison between 13 PEMPAL and 33 OECD countries.

EXAMPLE BENCHMARKING RESULTS:

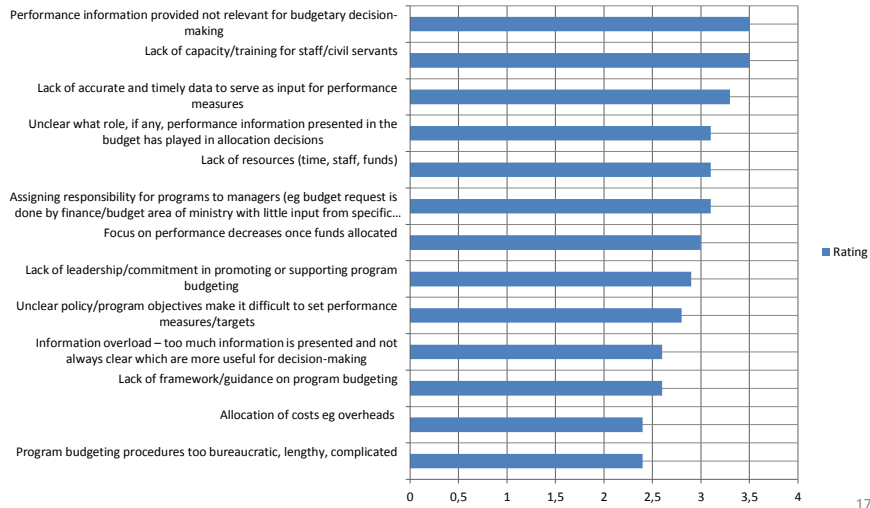
Fig. 8.3 Elements included in the budget document presented to the legislature (Q61)



Note: Percentage of participating 13 PEMPAL and 33 OECD countries. Draft only, results require verification.

EXAMPLE PRE-MEETING SURVEY RESULTS:

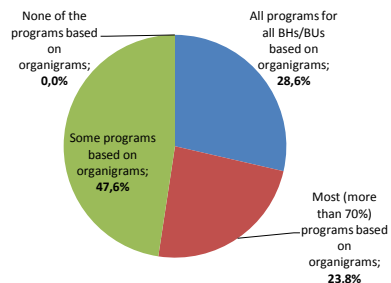
What are the Challenges in Implementing Program Budgeting in PEMPAL countries?



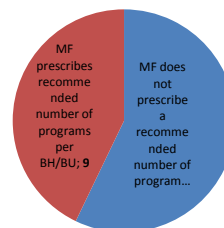
EXAMPLE PRE-MEETING SURVEY RESULTS:

Characteristics of Programs

All of the 21 country responses noted that organizational structure is used for program creation. For 11 responses, more than 70% of programs are based on organizational structure.



12 out of 21 responses note that Ministry of Finance does not prescribe recommended number of programs per BH/BU.

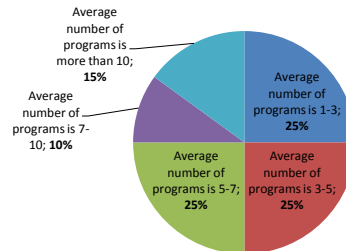


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EXAMPLE PRE-MEETING SURVEY RESULTS

Number of programs

Out of 20 country responses, 10 show that number of programs is up to 5 per Budget Holder/Budget User.



How can programs be changed/eliminated?

13 out of 21 responses show that Government approval is needed for BH/BU to change programs.

11 out of 21 responses show that Government approval is needed for BH/BU to eliminate programs.

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BCOP CHALLENGES

- Involvement in the network impacted negatively by the demands of the budget process – budget calendar:
 - Preference of members for only one plenary a year. Challenge of how to provide effective assistance within this context. Trend to more smaller targeted events being requested. 2012 independent evaluation recommended increased focus on knowledge products to support members' PFM reform work.
- Have intensive need for translation given three languages represented in Executive Committee and network.





BCOP FUTURE

For 2014-15 the Steering Committee has approved a budget of 415,000 USD – funded by Russian Federation and SECO

BCOP action plan – developed from prioritization of member priorities

- Plenary meeting on **fiscal consolidation** 180,000 USD
- Two Study Visits, possible options **EU membership** and **budget transparency** 100,000 USD
- Development of Knowledge Products and Working Groups 90,000 USD - Proposals under discussion include:
 - **Program budgeting methodology** development
 - **PEFA Secretariat Collaboration** (new draft PEFA framework)
 - **OECD Collaboration** (Performance Budgeting Survey or fiscal consolidation survey/research)
 - **Further possible research/knowledge products** undertaken by the BCoP Resource Team based on Executive Committee demand
- Attendance at 2014 **OECD Senior Budget Officers meeting** 45,000 USD
 - OECD Budget Practices and Procedures survey results



HOW DOES WORK OF BCOP CONTRIBUTE TO FISCAL TRANSPARENCY AND ACCOUNTABILITY?

- Several countries expressed interest in **strengthening budget transparency** at March 2014 plenary meeting
 - Exec Comm and Resource Team will explore options to visit high performing country in this area in 2014-15
- **Work to continue on improving budget system, processes, procedures and reports.**
 - OECD benchmarking (preliminary results to be discussed next month in the Hague).
 - Engagement with new PEFA framework
 - BCOP collated examples of Key Performance Indicators by sector and also examples of citizen budget guides (distributed on your USB stick for this meeting)
- **Work to continue on improving allocation of scarce public resources.**
 - Continuing reforms in program budgeting, results-based monitoring and evaluation, and wage bill management (the subject of several meetings in last year).
 - 2015 meeting on fiscal consolidation
- Additional initiatives will be considered as part of the priorities for possible funding in the next BCOP action plan process 2015-16.

Thank you for your attention

