**PEMPAL TREASURY COMMUNITY OF PRACTICE (TCOP)**

**Minutes of the PEMPAL TCOP ExCom Meeting**

**March 14, 2019**

A regular meeting of the PEMPAL TCOP Executive Commmitte (ExCom) took place on March 14, 2019 through the videoconference.

The meeting was attended by Angela Voronin (Chair, MoF, Moldova), Mr. Ilyas Tufan (Deputy Chair, MoTF, Turkey), Ms. Lyudmila Guryanova (Deputy Chair, MoF, Belarus), Mr. Alexander Demidov (Federal Treasury, Russia), Ms. Mimoza Pilkati (MoF, Albania), Mr. Levan Todua (MoF, Georgia), Ms. Zaifun Yernazarova (MoF, Kazakhstan).Elena Nikulina (PEMPAL Leader), Elena Slizhevskaya (TCOP Adviser, World Bank), Ekaterina Zaleeva (PEMPAL Secretariat, World Bank).

**Summary of Discussion**

Ms. Voronin started the session during which the ExCom discussed preparation of the TCOP plenary meeting and moderated the discussion during the VC.

1. **Confirming the location for the 2019 TCOP Plenary Meeting**

Ms. Voronin reminded the participants that during the TCOP ExCom meeting on January 22, 2019 the colleagues from the Kazakhstan MoF confirmed their willingness to host the TCOP plenary meeting in the week beginning May 27, 2019. The preliminary estimate of the cost of holding the meeting in Astana turned out to be quite high and even with the possible co-financing from the hosts the available resources would not allow the TCOP to fully implement its Action Plan for FY2019 - they are only sufficient to cover the costs of the annual plenary meeting in Astana and there will be not enough funds to conduct the originally planned meeting of the Thematic Group on the Use of IT in Treasury Operations.

At the same time the ExCom had recently received an invitation from the State Treasury of Hungary to hold the 2019 Plenary Meeting in Budapest (this information was shared with Kazakhstan Treasury and the ExCom members prior to the VC). Hungary was not a member of the TCOP, but opportunities for future TCOP cooperation with Hungarian colleagues were discussed during the meeting that was organized back-to-back with the Cross-COP Executive meeting held in July 2018 in Budapest. The Secretariat prepared quick estimates that showed that holding the plenary in Budapest will cost approximately 25 percent cheaper compared with having the meeting in Astana, even with consideration for co-financing offered by the Kazakhstan MoF. Therefore, holding the plenary in Budapest will allow the TCOP not only to greatly reduce the cost of the plenary, but also to finance a face-to-face meeting of the Thematic Group on the Use of IT in Treasury Operations in FY2019 (back-to-back with the plenary), i.e. fully implement the TCOP Action Plan for FY2019. It was further clarified that during February 27, 2019 meeting of the PEMPAL Steering Committee it was confirmed that COPs budgets for FY2019 remain unchanged, i.e., no additional financing is envisaged before the end of the fiscal year.

Ms. Yernazarova confirmed that the Kazakhstan MoF discussed these new developments and accepts it fully understanding situation with the TCOP budget. Ms. Yernazarova also confirmed their readiness to present relevant Kazakhstan experience during the forthcoming plenary in Budapest.

During the discussion that followed the members of the ExCom agreed that current budget constraints should be treated as a priority and supported the initiative of the Hungarian State Treasury to host the event.

Ms. Guryanova expressed her interest in Kazakhstan experience in public procurement and public accounting and proposed that the plenary agenda accommodates it if possible. Mr. Tufan expressed his appreciation for the preparatory work that was done by the Kazakhstan colleagues and expressed his confidence that these inputs will be useful for agendas of the future TCOP events.

Based on the discussion the TCOP leadership agreed to organize the plenary meeting in Budapest, Hungary, and to conduct the meeting of the Thematic Group on the Use of IT in Treasury Operations back-to-back to the plenary.

1. **Discussion on the concept and agenda of 2019 TCOP Plenary Meeting**

The meeting was attended by Dr. Török Tamás Pál, an official from Hungarian State Treasury and the TCOP leadership confirmed with him suitable dates for the TCOP events, including June 4th for the meeting of the thematic group, and June 5th- 7th as the dates for the plenary meeting.

Dr. Pál informed the TCOP leadership that Hungarian authorities are ready to contribute to the plenary agenda by delivering four presentations on the topics listed below, as well as to contribute to the thematic group meeting as needed:

• Budgetary planning (MoF)

• Execution of the budget (Treasury)

• IT related questions of an IFMIS (Treasury)

• Professional issues of an IFMIS under introduction (Treasury)

It was agreed to set up a separate discussion between the resource team and officials from the Hungarian State Treasury to discuss thematic contribution from the hosts as well as to provide them with additional information on the expected logistical support (planned for the week of March 25, 2019).

Ms. Voronin further continued the VC by summarizing proposals for the plenary agenda that were received from the TCOP leadership in advance of the VC. Ms. Voronin commented that the topics that featured prominently in this feedback included: the link between budget planning and execution of the budget, including integration of the public procurement with treasury execution and integration of respective control mechanisms. It was also noted that various aspects of public accounting continue to also interest the participants.

During the discussion that followed *Ms. Yernazarova* confirmed that Kazakhstan is ready to present their system of budget planning and execution, as well as the public procurement arrangements. *Ms. Pilkati* informed the ExCom of Albania’s interest in learning more about the performance of the cash forecasts and cash management, as well as transition to accrual accounting. *Ms. Guryanova* reiterated Belarus’s interest in integrating treasury processes with public procurement platforms. *Mr. Tufan* suggested to have a deeper look at the Hungarian experience of risk management which could be an interesting and useful area for the TCOP countries. *Mr. Demidov* proposed to compare the trends in optimizing the treasury’s role and functions to have a look what exactly the treasuries are doing to improve performance. Mr. Demidov clarified that any administrative reform is highly dependent and linked to the new technologies that become available. These technologies enable automation of the controls following the risk-based approach and Federal Treasury is ready to share its experience. Mr. Demidov also touched upon the trend with centralization of the public accounting function – such a project was started in Russia (when budget institutions delegate their public accounting to special agencies) and Mr. Demidov suggested that this topic would be worth discussing as well. Another topical issue mentioned by the official was the interaction between public procurement systems and treasury execution one and Mr. Demidov informed that the Federal Treasury of Russia will be ready to share their experience with peers. *Mr. Todua* mentioned Georgia’s interest in learning more about other countries’ practices in accrual accounting for budget receipts. Participants from *Croatia* mentioned their interest in treasury development strategies, including the development of treasury IT systems and new payment processing technologies.

Summarizing the discussion Ms. Nikulina thanked the participants for providing a wide range of interesting proposals that would not only help to shape agenda of the July events, but could also inform agendas of FY2020 meetings of the TCOP. Ms. Nikulina kindly asked Hungarian hosts to cover their approach to risk management in the treasury operations, topics of spending controls and linkages between public procurement and treasury execution in their presentations to respond to the demand from the member countries. It was further noted that the topic of public accounting requires significant time and it would not be possible to cover it properly during the plenary meeting, however it should be possible to organize a meeting of the TCOP public accounting thematic group next fiscal year. It was agreed that the resource team will proceed with preparing the concept notes for the Plenary Meeting and the Meeting of the Thematic Group on the Use of IT in Treasury Operations and will additionally contact the members for their contributions to the meeting agendas.

Ms. Voronin wrapped up the VC and thanked the participants for productive and informative discussions.

**Key Meeting Outcomes and Decisions**

* The ExCom agreed to the proposal of the Hungarian State Treasury to host 2019 TCOP Plenary Meeting and the meeting of the Thematic Group on the Use of IT in Treasury Operations in Budapest during June 4-7, 2019;
* It was agreed to set up a separate discussion between the resource team and officials from the Hungarian State Treasury to discuss thematic contribution from the hosts as well as to provide them with additional information on the expected logistical support (planned for the week of March 25, 2019);
* It was agreed that the resource team will proceed with preparing the concept notes for the Plenary Meeting and the Meeting of the Thematic Group on the Use of IT in Treasury Operations and will additionally contact the members for their contributions to the meeting agendas.