

PEMPAL TREASURY COMMUNITY OF PRACTICE (TCOP)

Minutes of the Executive Committee Meeting January 23, 2020

A regular meeting of the PEMPAL TCOP Executive Committee (ExCom) took place on January 23, 2020 in the format of the videoconference (VC).

The meeting was attended by Angela Voronin (TCOP Chair, Ministry of Finance (MoF), Moldova), Ilyas Tufan (Deputy Chair, Ministry of Treasury and Finance, Turkey), Nazim Gasimzade (MoF, Azerbaijan), Mimoza Pilkati (MoF, Albania), Levan Todua (MoF, Georgia), and Aidyn Ashuev, candidate for ExCom membership (Treasury Committee, Kazakhstan). Alexander Demidov (Federal Treasury, Russia) was represented at the VC by Anna Alekseeva. The World Bank was represented by Elena Nikulina (TCOP Coordinator), Yelena Slizhevskaya (TCOP Adviser), Galina Kuznetsova (Secretariat Coordinator) and Ekaterina Zaleeva (PEMPAL Secretariat). The meeting was co-chaired by Angela Voronin and Yelena Slizhevskaya. The deputy chairs of the Kazakhstan Treasury Committee, as well as the representatives from its subdivisions attended the ExCom as observers.

Summary of Discussion

1. Update on the TCOP activities held since the last ExCom meeting

1.1. Meeting of the TCOP thematic group on public sector accounting and reporting (October 23-25, 2019, Moscow, Russia)

Yelena Slizhevskaya informed the ExCom members about the Moscow meeting of the thematic group and the post-event survey outcomes. The respondents expressed high degree of satisfaction with the event (with the average score of 4,96 on a 5-point scale), 52% of respondents indicated that the event fully met their expectations, and 48% stated that their expectations were exceeded. The predominant majority of the respondents (91%) reported that they will be able to apply new knowledge in practice. They also noted relevance of the session where pros and cons of the new accounting and reporting model implemented in Russia at the federal level were jointly discussed by the Ministry of Finance, Federal Treasury and Ministry of Higher Education and Science of Russia. Many respondents commented that the events agendas need to have more time for discussions in small groups.

The ExCom members also discussed the relevance and feasibility of the recording and web-streaming of the events (or selected sessions) and concluded that the recordings of the key sessions would be very useful for participants. This would allow them to look back and consider the discussions in more detail, including with colleagues who had not attended the event. The TCOP Leadership agreed with the opinion presented by Aidyn Ashuev, Chair of the Treasury Committee of Kazakhstan, that the web-streaming would have a lesser impact due to the time differences in PEMPAL countries and the work schedules of the TCOP members that are likely

to limit the opportunities for participation. Elena Nikulina drew the attention of the ExCom to the fact that possibility to record (stream) sessions was tested in one language only. Producing recordings in two or three languages would mean additional costs, and therefore the feasibility of these options should be considered on a case-by-case basis. The meeting participants agreed that the ExCom members will shortly test the links and access to video recordings that had been put to a cloud storage by the resource team. After that the Secretariat will share the link to the archive with Russian-speaking members of the thematic group on public sector accounting and reporting.

1.2. VC of the TCOP cash management thematic group (December 3, 2019)

Ilyas Tufan informed the ExCom about videoconference held on December 3, 2019, when he made a presentation on liquidity buffer, calculation of its components, target band management, and shared the Turkish experience in using the liquidity buffer. The VC was attended by 29 specialists from 12 countries, as well as by representatives of the PEMNA network. Ilyas Tufan informed the ExCom members that the participants of that VC discussed potential future activities of the cash management thematic group and proposed the list of topics of their interest (the summary was shared with the TCOP leadership prior to the ExCom meeting). The ExCom members took note of this information.

2. Preparation for 2020 TCOP plenary meeting – discussion on the hosting country, ideas for the concept, potential thematic country inputs

Aidyn Ashuev informed the ExCom that the Ministry of Finance of Kazakhstan is ready to host the TCOP plenary meeting on June 3-5, 2020, and to share the costs by covering the conference package, rent of the necessary equipment, local transportation costs, a dinner and social program (respective estimates had been submitted to the PEMPAL Secretariat). The Treasury Committee of Kazakhstan also submitted to the ExCom the proposal for Kazakhstan thematic contribution to the event agenda¹. The ExCom endorsed Kazakhstan's proposal to host the plenary meeting. During the discussion that followed Ilyas Tufan advised the hosts to structure their presentations so that they include the following parts: overview of the topical issues, outline of the current situation and Kazakhstan's vision for possible solution(s); Mimoza Pilkati strongly supported the topic of risks management in treasury operations as very relevant for Albania; Nazim Gasimzade suggested that both, functional and information technology, aspects should be covered in the presentations; Angela Voronin noted that the topics proposed by Kazakhstan cover a broad range of issues, and suggested to devote one day of the plenary agenda to cash management and another one – to risk management. Elena Nikulina summarized the discussion, thanked the participants for their active participation, and noted that the resource team will start developing the concept of the plenary meeting. It was also agreed that the resource team and the Treasury Committee of

¹ Topics proposed by the Treasury Committee: trends in the treasury reforms (*treasury support to public procurement in construction, registration and recording of commitments under public private partnership and concession contracts, introduction of the 4th tier of the budget, consolidated financial reporting of the national budget, centralization of public procurement of the central government bodies and their regional offices to ensure efficient use of public money – a pilot*), cash management (*the role of the National Fund of the Republic of Kazakhstan, management of budget funds*), treasury risks management (*a concept to introduce risk management system in treasury bodies – to be developed in 2020*).

Kazakhstan will schedule another videoconference in February to discuss the details of the upcoming event.

3. TCOP activities to be held before the end of FY2020

3.1. Videoconference of the TCOP thematic group on the evolution of the role and functions of the treasury to discuss the plenary meeting preparation

The resource team and the ExCom members agreed to hold this preparatory videoconference on March 26, 2020 to discuss the concept and draft agenda of the plenary meeting.

During the previous ExCom meeting Mimoza Pilkati proposed to present during one of the VCs the experience of Albania in arrears management (controls over annual and multiyear commitments), and participants of this ExCom agreed to schedule such VC for the end of February. The resource team agreed to share its comments on the draft presentations in early February.

3.2. Meeting / videoconference of the thematic group on cash management

Elena Nikulina informed the ExCom about delays with additional funding for the PEMPAL program and Steering Committee's recommendation to suspend preparation of the additional COPs events. The ExCom members took note of this information and agreed to continue the work of the cash management thematic group in the VC mode and to suspend the face-to-face meeting of the group for FY2021.

3.3. Work on the knowledge products, including finalization of the paper on optimization of the chart of accounts (CoA) design

Elena Nikulina informed the ExCom that the next English version of the knowledge product on optimization of the CoA design will be ready by the end of February. The TCOP leadership agreed that the thematic group VC to discuss the paper could be scheduled for the end of April 2020.

4. Update on the preparation of the cross-COP leadership meeting, July 6-8, 2020 (Bern, Switzerland)

Yelena Slizhevskaya informed the TCOP leadership about the progress with preparation of the cross-COP PEMPAL leadership meeting in Bern (Switzerland). The main objective of the meeting is to review the outcomes of the two and a half years of PEMPAL 2017-2022 Strategy implementation, including the preliminary results of the program's mid-term review (commenced from the beginning of 2020 by the external evaluation expert) as well as plans for a cross-COP plenary meeting tentatively scheduled for 2021. It was mentioned that the first day of the meeting will include an overview of the Switzerland public finance management system and a meeting with the Swiss Federal Treasury representatives. The latter is expected to have high practical interest for the TCOP members. Yelena Slizhevskaya also advised the ExCom that the inputs required for the Bern meeting (the TCOP report for the past year, draft agenda of the July ExCom meeting and proposals for the topics of the cross-COP plenary meeting) should be submitted to the organizers by June 10, 2020. The ExCom members took note of the deadline.

5. Update on progress with preparing inception guide for new TCOP members

Elena Nikulina informed the TCOP leadership about the progress on inception guides for new PEMPAL TCOP members and explained that the draft document will be shared with the ExCom members for their review and comments in the first half of February. The meeting participants also agreed to include into the document the contacts of the ExCom members.

6. Other issues

Yelena Slizhevskaya briefed the TCOP leadership on the interest expressed by the PEMNA TCOP to delegate one of their members (namely the PEMNA TCOP Chair) to attend face-to-face PEMPAL TCOP events, as well as the readiness of the PEMNA colleagues to invite PEMPAL representative to attend their events. The TCOP ExCom supported the proposal while noting that decisions regarding PEMPAL TCOP candidates to attend PEMNA event(s) will have to be made on a case-by-case basis. This is due to the busy schedules of the TCOP leadership and the need to take into account their professional profiles. The ExCom advised the resource team to contact PEMNA colleagues to discuss further arrangements.

Representatives of Kazakhstan informed the ExCom about the decision by the leadership of the Ministry of Finance of Kazakhstan to replace Zaifun Ernazarova (Head of the Budget Legislation Department) with Aidyn Ashuev (Chair of the Treasury Committee) in the leadership of the TCOP. The ExCom took note of the request and agreed to put it for voting during the next face-to-face meeting of the ExCom (scheduled for June 2020).

The Secretariat, the resource team and the ExCom members agreed to set up a chat using a messenger to allow quick communication on routine TCOP issues as needed. The messages will be sent both in Russian and English to the extent possible.

Key Meeting Outcomes and Decisions

1. TCOP plenary meeting

- 1.1. The TCOP ExCom endorsed the proposal by the Treasury Committee of Kazakhstan to host the next TCOP plenary meeting during June 3-5, 2020, in Nur-Sultan (Kazakhstan);
- 1.2. To hold the VC of the resource team and representatives of the Treasury Committee of Kazakhstan to discuss the plenary meeting preparation arrangements – February 2020;
- 1.3. The Resource Team will commence work on the draft concept and agenda of the plenary meeting and will share it for discussion at the VC of the thematic group on the evolution of the role and functions of the treasury. The VC will be held on March 26, 2020;
- 1.4. To allow sufficient time for small groups discussions in the plenary meeting agenda;
- 1.5. To include into the agenda of the June face-to-face ExCom meeting vote on Aidyn Ashuev's membership in the TCOP leadership group.

2. Event sessions recordings

- 2.1. Russian-speaking ExCom members agreed to test access to the archive containing video recordings of selected sessions of the Moscow meeting of the thematic group on public sector accounting and reporting and provide their feedback to Ekaterina Zaleeva;

- 2.2. The ExCom agreed to consider feasibility of recording TCOP events on a case-by-case basis with due account of relevant costs and topics discussed;
3. The resource team to commence preparation of the VC on Albanian experience of arrears management. The VC to be held at the end of February 2020;
4. To schedule the VC of the thematic group on public sector accounting and reporting to discuss the next version of the knowledge product on optimization of the CoA design for late April 2020;
5. To reschedule the face-to-face meeting (study visit) of the cash management thematic group for FY2021 and to continue current operation of the group in the VC format;
6. The resource team and the TCOP leadership should prepare and submit to the PEMPAL Secretariat the inputs required for the cross-COP meeting (by June 10, 2020);
7. The Secretariat to set up the messenger chat for the ExCom and resource team members.