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

**Minutes of the TCOP Executive Committee Meeting**

**October 10, 2019**

A regular meeting of the PEMPAL TCOP Executive Commmitte (ExCom) took place on October 10, 2019 in the format of the videoconference (VC).

The meeting was attended by Lyudmila Gurianova (Deputy Chair, MoF, Belarus), Nazim Gasimzade (MoF, Azerbaijan), Alexander Demidov (Federal Treasury, Russia), Mimoza Pilkati (MoF, Albania), Levan Todua (MoF, Georgia), Zaifun Yernazarova (MoF, Kazakhstan), Elena Nikulina (TCOP Coordinator), Elena Slizhevskaya (TCOP Adviser, World Bank), Ekaterina Zaleeva (PEMPAL Secretariat, World Bank). Lyudmila Gurianova, Deputy Chair of the TCOP ExCom, moderated the meeting.

**Summary of Discussion**

1. **Update on COP activity since the previous ExCom meeting**

Lyudmila Gurianova briefed the ExCom members on the VC held by the thematic group (TG) on public sector accounting and reporting on September 25, 2019, where Mark Silins (TCOP Thematic Advisor) presented progress regarding the new knowledge product on optimizing the chart of accounts (CoA) design, including new chapters added to the paper, as well as incorporating clarifications regarding development of some CoA components to reflect feedback from countries obtained during the TG VC on January 31, 2019. Lyudmila Gurianova stressed that participants of the VC held on September 25, 2019, discussed future steps needed to finalize the document and agreed to share their approaches to designing national CoAs at the plenary meeting in Moscow scheduled for October 2019. During the VC participants from Kazakhstan and Tajikistan also suggested to share news regarding public sector accounting and reporting reforms in their countries during the upcoming face-to-face (FTF) meeting.

The second part of the VC on September 25 addressed the preparation of the October meeting which, inter alia, intends to cover new model for the public sector accounting and reporting in Russia. Anton Dubovik, Deputy Head of the Federal Treasury of Russia, together with the TCOP resource team presented the concept and tentative agenda of the event, after which the participants came up with a series of questions that could be addressed during the hosts’ (Russia) presentations regarding the new public accounting and reporting model employed at the federal level.

1. **Discussion of the feedback received after the June Budapest TCOP plenary meeting**

Elena Slizhevskaya shared outcomes of evaluation surveys held after the meeting of the thematic group on the use of IT in treasury operations (June 4-5, 2019) and TCOP plenary meeting (June 5-7, 2019). More than 96 percent of participants responded to the surveys, with the overall satisfaction rate of 4.8 (on a 5-point scale) for each meeting. Regarding the thematic group meeting, 74 percent of respondents indicated that the event fully met their expectations, 22 percent stated that it exceeded their expectations; regarding the plenary meeting the respective responses were 81 and 19 percent. The majority of participants commented that they will be able to apply the new knowledge in practice(88 percent for the thematic group meeting, 94 percent – for the plenary meeting). The TCOP leadership noted positive feedback regarding the practice of organizing a joint day for the plenary and thematic group meeting which enabled a better and more detailed discussion of the event topics by the different functional specialists.

The ExCom members also noted the participants' proposals to arrange study tours to learn from countries that advanced in implementation of certain reforms, as well as the interest to the visits to actual work places of the hosting country’s MoF/Treasury staff in order to have better familiarization with the processes, discussed based on the host country experience.

In addition to discussing the survey feedback, whose members of the leadership team who participated in the TCOP events held in Budapest emphasized the exceptional value of event discussions for reforms implemented in their countries, including:

- the merger of the Pubic Procurement Committee and Treasury Committee in Kazakhstan;

- the launch of the e-procurement system in Azerbaijan and integration of the Procurement Agency and State Treasury Agency data;

- the launch of the state information and analysis system for public procurement in Belarus starting from July 1, 2029 and its ongoing integration with the treasury system, as well as the value of discussions held in Budapest for decisions on the options to integrate the systems.

The ExCom members noted that high level of the participant’s satisfaction with the event held proves that topics had been selected properly (were relevant for participating countries). They also noted that the links between budget execution, public procurement and treasury controls could be revisited during future TCOP events.

1. **TCOP activities scheduled until the end of FY2020**
   1. *Information on the preparation for the meeting of the TCOP thematic group on public sector accounting and reporting (Moscow, Russia, October 23-25, 2019).*

Elena Nikulina informed the ExCom members on the progress with preparing the meeting of the TCOP thematic group on public sector accounting and reporting (to be held in Moscow (Russia) on October 23-25, 2019), and on the readiness of Albania, Kyrgyzstan, Moldova, Tajikistan and Croatia (the latter in remote mode) to present their charts of accounts during relevant session of the event. During the ExCom meeting representatives from Belarus and Georgia also agreed to consider their participation in the session (Georgia in remote mode). Elena Nikulina also informed the ExComm leaders that following their proposal voiced during the TCOP ExCom meeting on June 8, 2019, some sessions of the upcoming Moscow meeting will be recorded; webcasting of the Federal Treasury presentation on the lessons learned from centralization of the public accounting and reporting functions of selected ministries and plans for the future will also be arranged. The ExCom members reiterated their support for this initiative and agreed to discuss the feasibility (including cost efficiency) of such practices at the next ExCom meeting.

* 1. *Overview of the findings from the TCOP thematic survey conducted in June 2019*

Elena Slizhevskaya presented an overview of thematic survey results. The survey showed that the current thematic areas of the TCOP remain relevant for the TCOP members: 8 countries[[1]](#footnote-2) indicated cash management as a priority topic; public accounting and reporting, treasury controls and risk management, as well as the use of IT in treasury oerations received 7 votes each; 5 votes were given to the topic of evolution of the role and functions of the treasury.

The following topics were suggested for discussion during the TCOP 2020 plenary meeting: treasury controls and risk management (11 countries), public accounting and reporting (11 countries), evolution of the role and functions of the treasury (10 countries), cash management (8 countries), and the use of IT in treasury operations (7 countries).

The survey demonstrated an increased contribution of TCOP activities to public finance management reform agenda in TCOP countries (13 of 16 respondents came up with positive responses this year compared to 9 out of 14 last year). The survey participants provided a broad list of examples as to how knowledge sharing under TCOP helped in reforming public finance management systems in their countries. The resource team commented that these examples will be used by the PEMPAL FY2019 Annual Report.

Elena Slizhevskaya noted that the respondents suggested many topics for discussion within the current TCOP thematic areas, and this information will be very useful in preparing future TCOP events. Elena Nikulina explained that the program continues to operate under budget constraints and plans for additional TCOP events can only be considered after the decision (if any) on approval of additional funding for the network for FY20, the decision is expected to be made in November 2019.

* 1. *Discussion on the 2020 TCOP plenary meeting*

In the course of thematic survey held in Budapest Kazakhstan tentatively expressed its readiness to host the next TCOP plenary meeting. Zaifun Ernazarova informed the ExCom members about the appointment of a new Chair of the Treasury Committee and his plans to attend the upcoming Moscow meeting of the thematic group on public accounting and reporting to familiarize himself with the PEMPAL TCOP operation. Elena Nikulina reminded that the costs of the events in Nur-Sultan would be much higher compared to a standard plenary budget, and the decision would depend on whether the hosts contribute to the costs. The members of the ExCom agreed to continue the discussion on the venue for the plenary meeting at the next ExCom VC.

* 1. *Discussion of future VCs of the thematic group on cash management and forecasting*

The ExCom members confirmed their interest in organizing a VC on cash buffer mechanism. The initial proposal to present during the VC came from Ilyas Tufan, and it was agreed that the resource team will clarify the dates for the VC and will proceed with its preparation.

* 1. *Possible topics for thematic VCs*

Mimoza Pilkati suggested to present the experience of Albania in controlling arrears accumulation (control over annual and multi-year commitments) at one of such VCs. The leadership team supported the topic, and Zaifun Ernazarova suggested to also present the experience of Kazakhstan regarding registration of multi-year contracts and public private partnerships contracts. The ExCom members supported the topic and stressed that the next TCOP plenary meeting is likely to address treasury controls and risk management, and the VCs suggested by Albania and Kazakhstan will help in preparing the plenary meeting.

1. **Development of an Induction Kit for new TCOP members**

Elena Nikulina invited members of the leadership team to discuss the format and communication channels for sharing information on PEMPAL network, TCOP activities and knowledge products with new participants. Proposals received included developing a special section of the website, providing contacts of the ExCom members so that the participants could address to them possible questions, furnishing relevant information to participants at the time of registration. Based on the discussion, it was decided to add to the post-event evaluation survey a request for new participants to share their ideas regarding the content and communication channels for such an induction kit. It was agreed to discuss these proposals at the next ExCom meeting.

1. **Preparation for the PEMPAL Steering Committee meeting (November 12, 2019)**

Elena Nikulina briefed the TCOP ExCom members on the tentative agenda for the next Steering Committee (SC) meeting, including planned consideration of the additional funding. The leadership team agreed to submit for the SC consideration the available “high” scenario of the TCOP action plan (which includes a face-to-face meeting of the cash management group or a study visit to one of the countries having advanced cash management practices).

1. **Preparations for the next cross-COP PEMPAL leadership meeting planned for the week of July 6, 2020 (Bern, Switzerland)**

Ludmila Gurianova informed the ExCom members that a meeting of the organizing committee to prepare the July 2020 Bern leadership meeting is scheduled for October 21, 2019. She invited the ExCom members to discuss what aspects of the public finance management and treasury execution of the budget might be interesting to study based on the Swiss experience. The leadership team suggested to look at the Swiss approach for public disclosure of the budget execution and public procurement data focusing on the level of the details provided (some TCOP member countries disclose the transactions up to the level of the individual payments); scope of information disclosure for each stage of the budget cycle (preparation, execution etc.). The ExCom members agreed to include these ideas into a list of topics to be proposed for discussion.

**Key Meeting Outcomes and Decisions Made**

* The resource team shall start the preparation of VCs on cash buffer and arrears management;
* If possible, continue the practice of back-to-back events (days) of the thematic groups or group meetings and plenary meetings;
* During one of the future TCOP events to revisit the discussion on the links between budget execution, public procurement and treasury control processes;
* Submit for November 12, 2019 Steering Committee consideration the revised action plan comprising an additional FTF meeting (study visit) of the thematic group on cash management and forecasting;
* Include into the agenda of the next TCOP ExCom meeting:
  + discussion on efficiency and feasibility to continue the practice of recording event sessions, their broadcasting or organizing remote connects for participants during FTF events;
  + confirmation of the TCOP 2020 plenary meeting location;
  + discussion on the content of the induction kit for new members and communication channels for its dissemination.

1. Hereinafter double count applies, since countries listed more than one priority. [↑](#footnote-ref-2)