<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BCOP</td>
<td>Budget Community of Practice</td>
</tr>
<tr>
<td>CHU</td>
<td>Central Harmonization Unit</td>
</tr>
<tr>
<td>COP</td>
<td>Community of Practice</td>
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<tr>
<td>EC</td>
<td>European Commission</td>
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<tr>
<td>ECA</td>
<td>Europe and Central Asia Region</td>
</tr>
<tr>
<td>ExCom</td>
<td>Executive Committee</td>
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<tr>
<td>FY</td>
<td>Fiscal Year</td>
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<tr>
<td>GIFT</td>
<td>Global Initiative on Fiscal Transparency</td>
</tr>
<tr>
<td>IACOP</td>
<td>Internal Audit Community of Practice</td>
</tr>
<tr>
<td>IBP</td>
<td>International Budget Partnership</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communication Technologies</td>
</tr>
<tr>
<td>IPSAS</td>
<td>International Public Sector Accounting Standards</td>
</tr>
<tr>
<td>IT</td>
<td>Information Technologies</td>
</tr>
<tr>
<td>MDTF</td>
<td>Multi-Donor Trust Fund</td>
</tr>
<tr>
<td>MTR</td>
<td>Mid-Term Review</td>
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<tr>
<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
</tr>
<tr>
<td>PEMPAL</td>
<td>Public Expenditure Management Peer Assisted Learning</td>
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<td>PFM</td>
<td>Public Finance Management</td>
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<tr>
<td>SECO</td>
<td>Swiss State Secretariat of Economic Affairs</td>
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<tr>
<td>TCOP</td>
<td>Treasury Community of Practice</td>
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<tr>
<td>VC</td>
<td>Videoconference</td>
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<tr>
<td>WB</td>
<td>World Bank</td>
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<tr>
<td>WG</td>
<td>Working Group</td>
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</table>
It is an honour and pleasure to present to our stakeholders and the public at large the Annual Report of the Public Expenditure Management Peer Assisted Learning (PEMPAL) network for fiscal year 2021.

Looking back on a second year of the pandemic, I can only marvel at the resilience of our network and express my gratitude to all those that have contributed to keeping PEMPAL vibrant, relevant and a place of effective peer learning, despite the restrictions and extra work. I also want to highlight the results of last year’s third evaluation, whose findings and conclusions confirm the appreciation of PEMPAL by its members and supporters: The network continues to be relevant by acknowledging commonalities between countries as well as diversity, and by responding in a timely manner to changes in the context, including COVID-19. As a well-functioning professional peer learning platform, it strengthens and leverages capacities for public financial management reform in the European and Central Asian region.

Looking forward, as part of its mid-term review and the extension of the current strategy to the end of fiscal year 2025, the Steering Committee had to adjust only slightly PEMPAL’s results framework and the risk assessment; during the next three years we will thus focus on finding a new, post-pandemic normal and on further consolidating the network. However, as evidenced by the evaluation, the long-term financial sustainability of the PEMPAL network requires sustained attention, despite the substantial new donor commitment at the end of the previous year. I’m confident that members do recognize PEMPAL as a common asset and over time will diversify and where possible extend their support to the network.

When reading this report and taking note of the many results achieved in terms of capacities strengthened as well as knowledge created and shared, let us recognize the ownership and effort by each and every member of the PEMPAL network; on behalf of the PEMPAL Steering Committee, I’d like to extend my heartfelt gratitude to all of them. In particular I would like to thank the Communities of Practice leaderships, which have managed successfully the COVID-19 situation, as well as the PEMPAL Resource Team and Secretariat, whose commitment have been even more crucial this year. Still, we all hope to return to face-to-face events as soon as possible, while making full use of the know-how in on-line events acquired during the pandemic.

I am looking forward to the joint meeting of the Communities of Practice Executive Committees to be hosted by Switzerland in June 2022, if conditions permit, and wishing you a good reading of this report.

Thomas Stauffer
Chair, PEMPAL Steering Committee
State Secretariat for Economic Affairs SECO, Switzerland
EXECUTIVE SUMMARY
PEMPAL facilitates the exchange of professional experience among public finance management (PFM) practitioners across governments of 23 countries in the Europe and Central Asia (ECA) region. The PEMPAL goal is for member country governments to use public resources more efficiently and effectively. PEMPAL members come from Ministries of Finance and national Treasuries, and its activities are organized around three thematic communities of practice (COPs) on budget (BCOP), treasury (TCOP), and internal audit (IACOP).

The Fiscal Year (FY) 2021 was the first year in which all activities were carried out online due to global COVID-19 restrictions on travel and conferences. While COVID-19 has affected the network’s operating environment and poses a risk to functionality, it also enabled PEMPAL to demonstrate its relevance to members. The rapid work by the network leadership to set up events that address the impact of COVID-19 on countries’ PFM systems and public finances were seen by many members as a good example of why participation in PEMPAL is relevant to countries. The upside of the online format is that it allows many more participants, including from other regions to join events at no extra cost. The online format also facilitated a much broader outreach in member countries, allowing a bigger participation of officials from relevant government units in the events, especially bilateral ones. As a result, over a thousand participants joined various events throughout the year, including several hundred tuning in for the annual plenary meetings of all three COPs. This is the highest number of participants ever recorded.

The BCOP continued to support member countries’ ministries of finance in sharpening tools for effective and results-based budgeting and in strengthening budget openness and it also continued to grow internationally available data on budgeting in PEMPAL countries. Five BCOP virtual events were organized in FY21, including a two-day plenary meeting, two working group (WG) workshops, and one joint workshop of the two WGs. BCOP attended and contributed to four additional events of its partner international organizations, the Organization for Economic Cooperation and Development (OECD) and the International Budget Partnership (IBP), and one event organized by a member country Ministry of Finance (Uzbekistan). Key themes were: i) collecting survey data on spending reviews; ii) formulating recommendations for conducting rapid spending reviews to alleviate budget deficit in a crisis environment; iii) formulating recommendations on mechanisms to facilitate participatory budgeting; iv) formulating recommendations on mechanisms for engaging youth in participatory budgeting; v) examining lessons learned and implications from budget-related responses to COVID-19; and vi) examining climate change budget tagging. The BCOP worked on four knowledge products in FY21, of which three were finalized in FY21 and one will be finalized in FY22.

The TCOP continued to support national treasuries’ sharing of experiences, reforms, and trends and discussion of challenges faced by member countries and practical solutions to overcome them. There were ten virtual events organized by the TCOP in FY21, four of them being part of the plenary meeting. This was held online for the first time and provided an opportunity for TCOP members to share operational experiences from the COVID-19 pandemic period. Key themes during FY21 were i) recent treasury reforms and the measures to ensure business continuity of the treasuries’ operations during and after the COVID-19 pandemic; ii) interoperability of treasury information systems with other PFM and wider government systems (including the role of the unified chart of accounts in underpinning these links), as well as information and communication technologies (ICT) developments, accelerating as a result of the COVID-19 pandemic; iii) internationally recognized sound practices in cash management and liquidity planning and implications of the pandemic on these processes; and iv) public sector accounting and financial reporting reforms, including the role of the unified chart of accounts in ensuring transparency and accountability of COVID-19 responses. During FY21 the TCOP finalized its knowledge product on optimization of the chart of accounts design and launched work on the new knowledge product on treasury single account and cash management in member countries (to be published in FY22).
The IACOP continued supporting members to ensure that internal auditors in their countries could implement effective internal audit systems and contribute to the improvement of the internal control framework, adapted to the new environment of the COVID-19 pandemic. In FY21, the IACOP organized eight virtual events (including a two-day plenary). In response to the needs of its members, the focus was on topics relevant during the pandemic period and larger professional audiences were invited to the events. IACOP also jointly organized six events with member countries’ ministries of finance. Key topics discussed during these events included those relevant to IACOP WGs as well as new ones related to the new COVID-19 reality: i) central harmonization unit monitoring of internal audit activity; ii) IT audit; iii) internal control during the COVID-19 pandemic; and iv) internal audit recovery after the pandemic: consulting and advisory audits and audit committees. During FY21, the IACOP developed two knowledge products – Public Sector Internal Audit and Internal Control Frameworks: Swiss Experience and Guidance on Monitoring of the Internal Audit Function by the Central Harmonization Unit and is finalizing one more for publication in FY22 – IT Audit: Practical Guidance for Internal Auditors in the Public.

An external evaluation of PEMPAL completed in FY21 concluded that PEMPAL is a valuable regional platform that connects countries’ PFM practitioners and that the current network model is functional and creates value for member countries, the region, and regional PFM donors at relatively low cost. The external evaluation was commissioned by the PEMPAL Steering Committee in FY20, to feed into the mid-term review (MTR) of the PEMPAL 2017-2022 strategy completed in FY21. The evaluation found that PEMPAL was relevant to members and their reform priorities. Participation strengthens PFM reform capacities, and the activities contribute to improvements in the PFM systems of member countries and support the successful implementation of other multilateral and bilateral PFM/governance programs. PEMPAL COPs allow members to connect and learn from each other and produce high-quality contextualized materials and knowledge products that are used and appreciated. The adjustments made by the COPs to cover topics related to public financial management in the COVID-19 pandemic were highly relevant to members. Overall, the evaluation concluded that the network’s basic model works successfully, because it has good leadership, high caliber technical and secretarial support, and key elements of the operations function well.

The MTR of the PEMPAL 2017-2022 Strategy found that the program achieved significant results despite budget and COVID-19 related limitations. The MTR was informed by the external evaluation report findings and recommendations as well as regular PEMPAL monitoring. The MTR found that the delay in donor funding, identified as a risk in the strategy, was a major factor affecting implementation of the strategy during FY18-20. Other risks foreseen in the strategy did not materialize during FY18-20, but a new unforeseen risk of a global pandemic did. Nevertheless, PEMPAL responded quickly to the challenges of COVID-19 on its operating environment. The MTR concluded that the results framework and objectives of the current PEMPAL strategy remain valid. It recognized the financial sustainability risks and encouraged the network to explore member countries’ in-kind and financial contributions to supplement donor financing.

The PEMPAL current strategy was endorsed by the Steering Committee to be extended to the end of FY25 in order to achieve the strategy objectives and make the best use of the available funding. Lower expenditure, as a result of all activities being virtual during the pandemic, will allow PEMPAL to extend its activities for an additional three years. A revised Strategy Implementation Activity Plan for FY22-25 updates and replaces the previous activity plan and reflects and operationalizes strategy amendments. Results framework indicators have been adjusted to specify final targets more precisely and one indicator has been replaced. The risk assessment has been adjusted to include the addition of newly emerged risks and planned mitigation activities. The Decision Meeting by the World Bank endorsed the extension of the program and the World Bank’s continued involvement in the program through that period.
PEMPAL continued to benefit from significant support from its development partners in FY21, including the World Bank, the Swiss State Secretariat for Economic Affairs SECO, the Ministry of Finance of the Russian Federation, The European Commission, the OECD, and the National Academy for Finance and Economics under the Ministry of Finance of the Netherlands. The program continued to be funded through a Multi-Donor Trust Fund (MDTF) administered by the World Bank and financed by contributions from Swiss State Secretariat for Economic Affairs SECO and the Ministry of Finance of the Russian Federation with the European Commission joining the MDTF as the third main donor in FY21. Close cooperation is maintained with other relevant international institutions including the Global Initiative for Fiscal Transparency and the Institute of Internal Auditors.

PEMPAL would like to thank all member countries, development partners, and donors for their support and continued collaboration to strengthen PFM reforms across the ECA region. PEMPAL is proud of its achievements in FY21, including its ability to adapt quickly to the COVID-19 pandemic and recording the highest ever number of participants to its knowledge sharing events. The feedback from the external evaluation was extremely positive, and the MTR proposal to extend the current strategy period to fully achieve the strategy objectives and make the best use of the available funding has been agreed.

PEMPAL looks forward to a productive FY22 and hopefully the resumption of some face-to-face activities as soon as circumstances allow. PEMPAL is successful in particular because of its highly motivated and committed members. They continue to work together to advance PFM in the network, despite all the challenges of the pandemic. However, interviews with members as part of the external evaluation indicate that while the move to virtual events during the pandemic was understood and appreciated, videoconferencing has limits. The effectiveness of a virtual event depends to some extent on the stock of social or relationship capital that has previously been built up between members at face-to-face events. There is concern among members that network density and the informal network will start deteriorating without regular opportunities to meet and engage face-to-face. This finding is further supported by the post-event evaluation surveys across all three COPs, which showed lower ratings in FY21 compared to previous years. This demonstrates some fatigue from the online only format of events over the past 15 months and could begin to impact the network should COVID-19 restrictions remain in place. As soon as feasible, the network will move to a hybrid mode of operations, with a combination of face-to-face and virtual events.
1. Background and Scope

BACKGROUND AND SCOPE
The PEMPAL network facilitates the exchange of professional experience and knowledge transfer among PFM practitioners across countries in the ECA region. The network, launched in 2006 with the support of several development partners, aims to contribute to strengthening PFM in participating countries through sharing, developing, and disseminating information on good PFM practices and their application.

PEMPAL members are government officials from ministries of finance, national treasuries, and other related central agencies of 23 ECA countries, including Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic,1 Georgia, Hungary,2 Kazakhstan, Kosovo, the Kyrgyz Republic, Moldova, Montenegro, North Macedonia, Romania, the Russian Federation, Serbia, Tajikistan, Turkey, Ukraine, and Uzbekistan. Members’ responsibilities include government budget planning, preparation, execution and monitoring, and coordination/harmonization of the internal audit and internal control function.

Peer-to-peer learning is the main instrument used by PEMPAL. This is a proven powerful approach to increase individual and organizational capacities. Participants work together in person and virtually to share knowledge and develop approaches to solving common PFM challenges. Sharing of information and discussion of common problems and solutions are facilitated through relationships built over time between individual members and countries through regular interactions, promoted and supported by PEMPAL. In contrast with traditional training approaches, PEMPAL participants formulate their own action plans and take on the role of experts within the peer groups, so they both provide and receive technical assistance according to their strengths and needs.

PEMPAL is organized around three thematic COPs focusing on budget, treasury, and internal audit issues. Each has its own membership, and activities are driven by an overarching PEMPAL strategy as well as member-led COP action plans that address key PFM priorities of member countries. COP action plans include the sharing and creation of knowledge through face-to-face and virtual meetings, knowledge exchange visits, and the development of knowledge products. Information is shared via a public website in the three official languages of the network: English, Russian, and Bosnian-Croatian-Serbian.

The current PEMPAL strategy came into force in July 2017 and defines PEMPAL’s strategic framework for the period 2017-22.3 In conformity with this framework, the high-level goal of PEMPAL for the current period is that:

- Governments of PEMPAL member countries use public resources more efficiently and effectively as a result of applying good and improved PFM practices developed, promoted, or shared within the PEMPAL network.

The expected outcome of the on-going PEMPAL strategy is:

- A well-functioning professional peer learning platform through which public finance practitioners from the member countries strengthen their capacities and are able to create and share knowledge and benchmarking.

PEMPAL’s strategic framework has three results areas to ensure PEMPAL meets its goal and outcome objectives. These are summarized in Figure 1.

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1 Partial membership in one community of practice only (IACOP).
2 Partial membership in one community of practice only (IACOP).
3 The current strategy was extended following the MTR findings, please refer to paragraph 20.
PEMPAL's progress in implementing its strategy for the period FY18-FY20 (i.e., up to end June 2020) was assessed with an MTR in FY21. The MTR was a requirement under the Strategy Action Plan and is an important source of data to assess progress in the implementation of the Strategy Result Framework. The MTR’s purpose was to analyze progress in the implementation of the PEMPAL Strategy 2017-22 and to assess whether the program objectives remained achievable within the original timeframe and existing resource envelope. The MTR was informed by an independent external evaluation covering FY18-20 (endorsed by the PEMPAL Steering Committee) and network monitoring data, including data published in PEMPAL Annual Reports.

The MTR concluded that PEMPAL was achieving significant results, despite budget and COVID-19 related limitations, and that no significant revision of its strategy was required. Intermediate targets were achieved for eight out of eleven indicators. Limitations on face-to-face events, due to budget and COVID-19 related traveling restrictions, resulted in intermediate targets for two indicators being only partially achieved and an intermediate target for one indicator not being met. The delay in donor funding, identified as a risk in the strategy, was a major factor affecting implementation of the strategy during FY18-20. Other risks identified in the strategy did not materialize during FY18-20; instead, a new and unforeseen risk of a global pandemic happened, but was successfully mitigated.

Based on MTR findings, the Steering Committee endorsed an extension of the current strategy to end FY25 in order to achieve the strategy objectives and make the best use of the available funding. The results framework and objectives of the current PEMPAL strategy remain valid. Results framework indicators were slightly adjusted to specify final targets more precisely and one indicator was replaced. A Strategy Addendum was adopted,
including some amendments: updated sections on the financial framework, risks and mitigation activities, and indicators and final targets. A revised Strategy Implementation Activity Plan for FY22-25 updates and replaces the previous activity plan and reflects and operationalizes strategy amendments laid out in this MTR. The risk assessment has been adjusted to include the addition of newly emerged risks and planned mitigation activities.

PEMPAL has a functional and effective governance structure. This is outlined in Figure 2 and comprises:

- Three thematic COPs – on budget (BCOP), internal audit (IACOP), and treasury (TCOP) – each led by an Executive Committee (ExCom) of volunteer members from PEMPAL countries who drive and steer the network on behalf of members;

- A Steering Committee including COP chairs/deputy chairs and donor representatives that provides strategic oversight and direction;

- Technical resource teams provided by the World Bank and other donors that assist the COP ExComs with development and implementation of member-led action plans which are approved by the Steering Committee; and

- A secretariat that provides administrative and logistical support for PEMPAL.

Figure 2: PEMPAL Governance Structure

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4 Attachment 2 lists ExCom members as of end-June 2021.
5 Attachment 3 lists Steering Committee members as of end-June 2021.
PEMPAL continues to benefit from significant support from its development partners, including the World Bank, Swiss State Secretariat for Economic Affairs SECO, the Ministry of Finance of the Russian Federation, the European Commission, the OECD, and the National Academy for Finance and Economics under the Ministry of Finance of the Netherlands. Funding of the program continued in FY21 through an MDTF administered by the World Bank and financed by contributions from the three main donors: Swiss State Secretariat for Economic Affairs SECO, the Ministry of Finance of the Russian Federation, and the European Commission.

PEMPAL is accountable for the use of donor funds, so it must ensure it meets the needs of all its key stakeholders and executes its budget at minimum cost with maximum impact while complying with its approved fiduciary framework. To ensure accountability, PEMPAL continues to use a range of tools and processes for monitoring, measuring, and evaluating its performance and relevance. For example, the Steering Committee reviews and approves COP action plans and budgets and monitors their implementation through regular meetings, with minutes publicly available on the PEMPAL website. Periodic internal reviews and external evaluations supervised by the Steering Committee are also conducted (such as MTRs in 2015 and 2021).

This report is part of PEMPAL’s accountability framework. It is the fourth annual report produced for the new strategy period. In line with the PEMPAL Steering Committee decision to report on a fiscal year basis, the period covered is defined as FY21 (July 2020 – June 2021). The structure of the report follows the logic of the strategic framework presented above. Sources of data include COP program impact surveys, event evaluation surveys, and administrative and other relevant data collected by the PEMPAL secretariat during FY21, as well as external evaluation findings and MTR 2021 conclusions. Comparisons with earlier data are provided where feasible and relevant.


7 The World Bank FY is used as it administers the main source of program funding and reporting on the use of funds follows WB trust fund rules.
2

PEMPAL IMPACT ON PFM PRACTICES IN MEMBER COUNTRIES AND THE PROFESSIONAL CAPACITY OF PFM SPECIALISTS
The external evaluation carried out in 2020-2021 provided comprehensive new evidence of PEMPAL impact on member country PFM systems. The evaluation was commissioned by the PEMPAL Steering Committee, to feed into the PEMPAL 2017-2022 strategy MTR. It was the third external evaluation of the PEMPAL network, the first was completed in 2008 and the second in 2011. It aimed to evaluate PEMPAL program performance from July 2017 to June 2020 (the first three years of the current strategy) and to provide recommendations on adjustments to the strategy and the results framework, implementation arrangements, and the implementation timeframe.

The external evaluation was also tasked to assess how well PEMPAL responded to the impact of COVID-19 and how risks identified in the strategy had been addressed. The scope of the evaluation was adjusted to include the last six months of the 2019/20 strategy year, given the changes to network operations as a result of COVID-19 lockdowns and travel bans. It was also tasked to analyze the adequacy and effectiveness of addressing the risks identified in the 2017-2022 PEMPAL Strategy, especially the funding risk.

The external evaluation used existing PEMPAL data, documentation and analysis; interviews; case studies; and a survey. The evaluation assessed PEMPAL using criteria of relevance, efficiency, effectiveness, impact and sustainability, as requested in the terms of reference. It drew on existing material and additionally conducted interviews with senior officials from PEMPAL countries; interviews with the PEMPAL Resource Teams, Secretariat and donors; and interviews with the ExCom members of the three COPs. Mini-country case studies were undertaken in five countries (Belarus, Georgia, the Kyrgyz Republic, Moldova, and Uzbekistan) to investigate the impact of network activities on countries’ PFM systems and capacities of officials in context. Case studies involved interviews with PEMPAL participants in the focus COPs for that country, as well as interviews with senior officials. A survey of network members was undertaken, sent to all PEMPAL country participants. 135 responses were received, equaling an overall response rate of 63%, a relatively high rate for online surveys.

The external evaluation provided overwhelming evidence of member countries affirming PEMPAL’s impact on PFM practices and on the professional capacities of the PFM professionals participating in the network. Members from all surveyed countries (17 countries for BCOP, 13 for TCOP, and 20 for IACOP) assessed PEMPAL’s impact on their country’s PFM and on members’ capacities as medium or significant. Respondents could also select “I don’t know” – such answers are not included in the figure below.

PEMPAL is a unique, stable, and solid platform, bringing together different countries from the region. Practitioners share knowledge and expertise. We face the same topics, challenges, and issues. PEMPAL enables us to replicate each other’s approaches in our respective countries. We can learn about each other’s mistakes. This is the most helpful part of the network.

TCOP Senior Official, external evaluation

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8 These are five of the six OECD DAC evaluation criteria. The sixth criterion of coherence was added by OECD after the evaluation TOR had been finalized and thus was not included. As aspects of coherence is covered under relevance and effectiveness, and it would have been difficult to clearly distinguish between these criteria in the context of PEMPAL, the evaluator did not propose to include this sixth criterion for the evaluation.

9 “I don’t know” answers were discarded because they do not provide a definitive indication of either impact or no impact. Of the total number of responses for each COP, the average “don’t know” response equaled 12% (BCOP), 7% (IACOP), and 18% (TCOP).
**Figure 3:** Member survey respondents’ views on the impact of PEMPAL on country PFM system reforms

<table>
<thead>
<tr>
<th>Source</th>
<th>System, policies, procedures</th>
<th>Institutional structures</th>
<th>Training</th>
<th>Overall, on the system as a whole</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BCOP</strong></td>
<td>3%</td>
<td>6%</td>
<td>16%</td>
<td>17%</td>
</tr>
<tr>
<td><strong>IACOP</strong></td>
<td>2%</td>
<td>23%</td>
<td>21%</td>
<td>2%</td>
</tr>
<tr>
<td><strong>TCOP</strong></td>
<td>9%</td>
<td>11%</td>
<td>16%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Overall, on the system as a whole: 17%, Low impact: 40%, Medium impact: 43%

Training: No impact: 16%, Low impact: 41%, Medium impact: 43%

Institutional structures: No impact: 6%, Low impact: 31%, Medium impact: 42%

Systems, policies, procedures: No impact: 3%, Low impact: 24%, Medium impact: 34%

Reform plans: No impact: 3%, Low impact: 9%, Medium impact: 43%

Source: External Evaluation of PEMPAL, 2021
Senior officials from 12 member countries, interviewed for the evaluation, assessed PEMPAL’s impact on their country’s PFM and on their PFM professionals as either moderate or significant. On a scale from 0 to 3, where three signaled a significant contribution and zero no contribution, 75% of officials interviewed selected 3. Some senior officials remarked that they would give PEMPAL a 4! The rating for the BCOP was 2.78, the IACOP 2.64, and the TCOP 2.75. In 2017, 60% of senior officials selected the highest category. Generally, senior officials who believed their country was advanced in modernizing its systems, and therefore saw limited scope for PEMPAL to contribute, gave lower ratings. While the evidence collected on impact indicators is overwhelmingly positive and includes specific documented examples of how knowledge gained through PEMPAL is used, there are data limitations given that a rigorous impact methodology cannot be used to estimate the attributable impact of a learning and knowledge exchange network.

We live in a global world, and the patterns and practices are global in nature. PEMPAL allows us to learn from each other and be on the same page.

TCOP Senior Official, external evaluation

The interviews with senior officials documented numerous concrete examples of impact and impact channels. Evidence collected on impact indicators was overwhelmingly positive and included specific documented examples of how knowledge gained through PEMPAL is used. The evaluation concluded that the interviews indicated many examples of direct PEMPAL influence, including where countries improved their systems because they learned about improvements other countries had made and adjusted their reform plans and examples of using PEMPAL materials to develop legal frameworks and training programs for staff, etc. The evaluation further concluded that the evident direct results of PEMPAL were only a part of its overall impact on PFM systems in the region; PEMPAL influenced the development of systems over time through many pathways, and its effects were cumulative. Finally, the evaluation noted that the interviewed regional PFM experts and representatives from PEMPAL’s technical partners agreed that PEMPAL has a significant influence on reforms, because it enables the sharing of concrete peer experiences on what works, and the possible pitfalls of different reform paths.

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10 It is important to note, however, that results from the surveys are not fully comparable. The 2017 survey was sent to all identified senior officials, while the results in 2020 are only from those senior officials interviewed as part of the evaluation.

11 There are data limitations given that a rigorous impact methodology cannot be used to estimate the attributable impact of a learning and knowledge exchange network.
**Figure 4**: Share of respondents by COP who agreed or strongly agreed with statements on why PEMPAL and the COP was relevant to their country’s PFM reforms

<table>
<thead>
<tr>
<th>Statement</th>
<th>TCOP</th>
<th>IACOP</th>
<th>BCOP</th>
</tr>
</thead>
<tbody>
<tr>
<td>PEMPAL can equip officials to design, lead or manage reforms</td>
<td>74%</td>
<td>87%</td>
<td>90%</td>
</tr>
<tr>
<td>We can use the COP’s knowledge products to guide our reforms</td>
<td>98%</td>
<td>98%</td>
<td>90%</td>
</tr>
<tr>
<td>We are interested in learning from other countries</td>
<td>96%</td>
<td>100%</td>
<td>90%</td>
</tr>
<tr>
<td>We can benchmark our progress against regional progress</td>
<td>91%</td>
<td>89%</td>
<td>90%</td>
</tr>
<tr>
<td>We are interested to learn about international experience and best practices that relate directly and indirectly to COP reform areas</td>
<td>96%</td>
<td>96%</td>
<td>98%</td>
</tr>
<tr>
<td>The WG topics are specifically topical to improvements my country is making (average by COP for all WGs)</td>
<td>96%</td>
<td>93%</td>
<td>88%</td>
</tr>
</tbody>
</table>

Source: External Evaluation of PEMPAL, 2021

PEMPAL was helping build capacity among participants who value network learning and cooperation. Most survey respondents to the external evaluation thought that PEMPAL had high impact on the capacities of officials in member countries. Altogether 95% of BCOP survey respondents thought the impact was medium or significant (55% significant), 100% of IACOP respondents (56% significant), and 95% of TCOP respondents (46% significant). The mini-case studies were rich in information on the various ways in which members’ capacities are built (please see Attachment 1 for more details).

It is very difficult for a country to be on top of all areas of PFM – in some aspects it would be ahead, in others it can learn. This is a two-way process. You acquire knowledge and sometimes you share your knowledge.

BCOP Senior Official, external evaluation
PEMPAL country members were satisfied with adjustments to the work program due to COVID-19 travel restrictions and very few reported any dissatisfaction that events had to be converted to videoconferencing events or had to be postponed. COVID-19 affected the network’s operating environment by curtailing face-to-face events. The evaluation found that the COP Resource Teams and Secretariat acted fast to manage the risk of financial loss due to travel restrictions. Event bookings were cancelled in time, and events were swiftly moved on-line. Immediate financial risk to the network was mitigated. The functionality risk was also managed. PEMPAL country members were satisfied with how the COPs communicated these adjustments to the work program due to travel restrictions and, with a few exceptions, did not report any dissatisfaction that events had to be converted to videoconferencing events or had to be postponed. However, some survey comments and interview data clearly indicate that members do not think videoconference events on their own will be sustainable. Members expressed a strong desire to return to face-to-face events, because this is where the vital inter-personal relationships are built. In addition, members also value the ability to focus on reforms in face-to-face events, away from everyday pressures in the office.

Figure 5: Member’s perception of PEMPAL after COVID-19 adjustments and satisfaction with adjustments made

<table>
<thead>
<tr>
<th>Satisfaction with coverage in events of topics to support members given the impact of COVID-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dissatisfied (0%)</td>
</tr>
<tr>
<td>Very dissatisfied (0%)</td>
</tr>
<tr>
<td>Satisfied</td>
</tr>
<tr>
<td>Very satisfied (34%)</td>
</tr>
<tr>
<td>Neither</td>
</tr>
<tr>
<td>8%</td>
</tr>
<tr>
<td>12%</td>
</tr>
<tr>
<td>3%</td>
</tr>
<tr>
<td>10%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Members who participated in COP events in 2020: value attached to network post-COVID-19 adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dissatisfied (0%)</td>
</tr>
<tr>
<td>Very dissatisfied (100%)</td>
</tr>
<tr>
<td>Satisfied</td>
</tr>
<tr>
<td>Very satisfied (76%)</td>
</tr>
<tr>
<td>Neither</td>
</tr>
<tr>
<td>8%</td>
</tr>
<tr>
<td>0%</td>
</tr>
<tr>
<td>8%</td>
</tr>
<tr>
<td>17%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>I attach</th>
<th>value to my participation in COP events as before</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td></td>
</tr>
<tr>
<td>TCOP</td>
<td></td>
</tr>
<tr>
<td>IACOP</td>
<td></td>
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<tr>
<td>BCOP</td>
<td></td>
</tr>
</tbody>
</table>

Source: External Evaluation of PEMPAL, 2021
Data collected by COPs further acknowledge PEMPAL’s contribution to improving participants’ professional knowledge and skills across all three COPs. COPs send standardized online surveys after most events. Figure 6 shows ratings for the ability to apply knowledge obtained at events to daily work. The rating is high, though somewhat lower than in previous years. Responses in FY21 included many positive written comments on the impact of events on professional knowledge and skills (see Attachment 1). The results of the surveys, together with additional information on the methodology used, is summarized in Attachment 4.
3

PEMPAL RESULTS: ADDRESSING THE PFM PRIORITIES OF MEMBER COUNTRIES
PEMPAL COPs continued to work throughout FY21 on priority topics directly related to the PFM reform agendas of member countries. All events took place virtually due to COVID-19 restrictions. Although this created significant limitations, the online format enabled COPs to explore opportunities to reach out to a wider number of partners in member countries or other networks for bilateral events at no extra cost. Thus, there were 35 events in total in FY21 - the most ever held in a year. Figure 7 below shows FY21 events by COP. Figure 8 shows the number and types of events across the years. Figure 9 provides details on events in FY21. A feature this year were a number of bilateral events (marked with the ⚫ symbol), most organized by IACOP, that were able to reach a very broad audience of internal auditors in respective countries. Such interest demonstrated increasing awareness of the IACOP value among public sector internal auditors in PEMPAL countries and the relevance of the topics and format of the virtual events.

Figure 7: FY21 Events at a Glance

- **IACOP Events**
  - July 2020: Virtual study visit: Public sector internal audit and internal control framework: Learning from the Swiss experience
  - October 2020: Smart Interactive Talk of the Central Harmonization Unit Challenges Working Group - Monitoring Internal Audit Activity: Sharing Experience Among PEMPAL Countries (Day 2)
  - November 2020: Meeting of the Working Group on Use of Information Technologies in Treasury Operations to learn from Albanian AFMIS experience
  - BCOP Events
  - September 2020: Participation of Budget Literacy and Transparency Working Group in the IBP workshop
  - October 2020: Program and Performance Budgeting Working Group Workshop on Conducting Rapid Spending Review
  - November 2020: Meeting on Information Technology Audit: From Theory to Practice
  - TCOP Events
  - July 2020: Meeting of the Working Group on Evolution of the Role and Functions of the Treasury to learn from Kazakhstan Treasury experience (joined by other TCOP members)
  - October 2020: Joint event with Moldova Ministry of Finance - Workshop: Internal Audit during the COVID-19 Pandemic
  - November 2020: Participation of Program and Performance Budgeting Working Group leadership and small delegation at the OECD Network on Performance and Results meeting
  - IACOP Events
  - Joint event with Kazakhstan Ministry of Finance, Workshop on Improvement of Public Sector Internal Audit

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3. PEMPAL Results: Addressing the PFM Priorities of Member Countries
### 3. PEMPAL Results: Addressing the PFM Priorities of Member Countries

#### December 2020
- **BCOP**
  - Working meeting of the Program and Performance Budgeting Working Group leadership with the OECD

#### February 2021
- **BCOP**
  - Participation in Participatory Budgeting Workshop for Uzbekistan Authorities

#### March 2021
- **IACOP**
  - Meeting of the Internal Control Working Group on progress achieved and the way forward in the context of the pandemic

#### April 2021
- **BCOP**
  - Joint Program and Performance Budgeting and Budget Literacy and Transparency Working Groups Workshop

#### May 2021
- **TCOP**
  - Meeting of the Audit Working Group on internal audit: update on the progress, challenges, and plans

#### June 2021
- **TCOP**
  - Plenary Meeting Day 2: How the Pandemic Affected Cash Management and Forecasting (Cash Management Working Group)

#### July 2021
- **IACOP**
  - Plenary Meeting: Internal Audit in the post Pandemic Recovery with Focus on Advisory Services, Agile Auditing and audit Committees (Day 1)

#### August 2021
- **TCOP**

#### September 2021
- **TCOP**
  - Plenary Meeting Day 4: Pandemic as an Opportunity to Improve Public Sector Accounting and Financial Reporting (Working Group on Public Sector Accounting and Reporting)

#### October 2021
- **IACOP**
  - Plenary Meeting: How to be an efficient internal auditor during COVID-19

#### November 2021
- **BCOP**
  - Meeting of the Cash Management Working Group to discuss sound practice of cash management and forecasting and to launch the new Treasury Single Account and cash management survey

#### December 2021
- **IACOP**
  - Participation at annual OECD Central, Eastern and South-Eastern European Senior Budget Officials (CESEE SBO) meeting

#### January 2022
- **TCOP**
  - Workshop with the Ministry of Finance of Georgia: How to be an efficient internal auditor during COVID-19

#### February 2022
- **IACOP**
  - Joint event with Uzbekistan - The development of internal audit in Uzbekistan and learning about PEMPAL IACOP experience
Figure 8: PEMPAL events by type since 2014

Figure 9: Type of online events in FY21

Source: Standardized online surveys administered after each significant event
At least 1,221 participants from member countries attended events in FY21 (Figures 10 and 11). As verification of the number of participants at virtual events is much harder than for face-to-face events (there is usually no prior registration, several participants may connect through a single connection address, and some participants do not provide details making them impossible to identify) the number 1,221 can be considered a conservative estimate. Some events were held across several days (all plenary meetings and the virtual training on IT audit), so the number of participants was calculated “by event” and “by agenda”.

The external evaluation found that while some members expressed a desire for more cross-COP work, this is a lower priority for members compared to COP work. Consequently, the evaluation recommended to replace the previous indicator on cross-COP work with the indicator on members’ satisfaction with the COP processes to canvass and address PFM thematic priorities. Within the MTR process this evaluation recommendation was implemented and the indicator was replaced. However, the network leadership confirmed the commitment to continue to conduct cross-COP work, including a large whole of network plenary meeting of members from all the COPs planned for FY23. The leadership believes that relatively low priority given by the members to cross-COP work likely stems from the fact that the cross-COP work throughout FY18, FY19 and FY20 was very limited, due to the savings mode of operations in those years, given that the Strategy was not fully funded until the European Commission contribution was officially committed in FY21. The topics for cross-COP work will be planned based on members’ input to ensure relevance.

The following sections provide more details on the activities of each of the COPs in FY21.

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Some events took place concurrently at the same location. The head count “by location” counts each participant only once regardless of the number of events attended at the location. The head count “by agenda” is the number at each event, participants who attended different events at the same location are counted for each event separately.
3.1 BUDGET COMMUNITY OF PRACTICE (BCOP)

The BCOP aims to strengthen budget methodology, planning, and transparency in PEMPAL member countries. The thematic focus of BCOP in FY21 was on:

- participatory budgeting,
- spending reviews,
- climate budget tagging, and
- budget-related response to COVID-19 crisis.

FY21 was a very active year for BCOP. There were many contributions from member countries in terms of collecting data and information on different aspects of budgeting practices, and for the development of the BCOP’s knowledge products. BCOP members maintained their interest and active contribution to BCOP activities in FY21 even in the context of working fully virtually and an increased workload for budget planning officials related to COVID-19 response. This is a clear indication that PEMPAL and BCOP remain highly relevant to members. The pandemic has increased demand for timely and high-quality capacity building for the development of PFM policy responses and for post-pandemic recovery through practical peer learning and learning from international experience. BCOP is uniquely well positioned to address this demand.

The BCOP organized and/or attended eight events in FY21, all in virtual format due to COVID-19 restrictions. These included the BCOP FY21 plenary meeting, two WG workshops (one for each of the BCOP’s two WGs: Budget Literacy and Transparency Working Group – BLTWG and Program and Performance Budgeting Working Group - PPBWG) and one joint workshop of the two WGs. In addition to these BCOP events, BCOP representatives attended three events of its partner international organizations – two OECD events and one IBP event. Finally, BCOP participated in an international workshop organized by the Ministry of Finance of Uzbekistan and UNDP Uzbekistan in February 2021, at which the BLTWG thematic consultant presented the BLTWG’s experience and recommendations on how to facilitate participatory budgeting in PEMPAL countries.

Figure 12: Membership of the BCOP WGs

<table>
<thead>
<tr>
<th>Budget Literacy and Transparency Working Group</th>
<th>The Program and Performance Budgeting Working Group</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Established</strong> 2015</td>
<td><strong>Established</strong> 2016</td>
</tr>
<tr>
<td><strong>Member countries</strong></td>
<td><strong>Member countries</strong></td>
</tr>
<tr>
<td>Albania, Armenia, Azerbaijan, Belarus, Croatia, Kazakhstan, Kosovo, Kyrgyz Republic, Moldova, North Macedonia, Romania, Russian Federation, Serbia, Tajikistan, Turkey, Ukraine, and Uzbekistan.</td>
<td>Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kosovo, Kyrgyz Republic, Moldova, North Macedonia, Russian Federation, Serbia, Turkey, Ukraine, and Uzbekistan.</td>
</tr>
</tbody>
</table>

BCOP action plans can be found at https://www.pempal.org/about/action-plans/bcop
The BCOP continued to participate in meetings of the OECD’s Senior Budget Officials’ Network in FY21. This gives PEMPAL countries opportunities to share and benchmark their progress in program and performance budgeting with OECD countries and to learn and discuss new trends in program and performance budgeting in OECD countries. BCOP’s attendance in FY21 allowed members to learn about the current state and reform plans of OECD countries on budgeting for performance and results in the context of the COVID 19-related crisis, and on linking performance budgeting with the strategic priorities of government; review the OECD’s draft Best Practices in Spending Reviews publication; and receive the results of spending review surveys in OECD countries and PEMPAL countries conducted in late 2020/early 2021.

BCOP FY21 plenary meeting in May 2021, attended by around 70 participants, focused on spending reviews; participatory budgeting; climate change budget tagging, and budgeting and public participation trends post COVID-19. The meeting provided the opportunity for BCOP member countries to examine and discuss approaches and trends in members’ priority budgeting topics and new emerging topics, to examine knowledge products developed by the BCOP working groups, and to plan for BCOP’s FY22 activities. The format of the meeting comprised two virtual sessions held over two consecutive days. The event content broadly followed the format of previous BCOP plenary meetings, with parts of the agenda devoted to results-based budgeting and budget openness, as core priority topics, hosted by the two working groups. Within each of those topics, part of the agenda was devoted to the potential impacts of the COVID-19 pandemic and new trends in budgeting and fiscal policy aspects, including climate change budget tagging. Parts of the agenda were also devoted to updating the broad membership on BCOP activities in FY20 and FY21 and planning of the FY22 activities. In addition to presentations of the BCOP’s working groups’ knowledge products, presentations were delivered by the representatives from the World Bank, OECD, and International Budget Partnership, while a part of the agenda was devoted to interactive discussions.

BCOP Working Groups in FY21 focused on analytical work aimed at creating new knowledge products. The BLTWG developed two knowledge products, both related to participatory budgeting. These publications built on the FY20 BLTGWG knowledge product, which provided a broad technical resource on public participation. The focus in FY21 was a deeper dive approach on participatory budgeting from the perspective of national Ministries of Finance and participatory budgeting targeted at youth. The PPBWG continued its work on the topic of spending reviews, working on two knowledge products (one finalized and the other one to be finalized in FY22).

3.1.1. BCOP FY21 KNOWLEDGE PRODUCTS

Participatory Budgeting – Public Participation Mechanisms for National Ministries of Finance

Participatory budgeting is a mechanism or a process through which people make decisions on the destination of all or part of the available public resources. It is the highest level of budget participation, which is marked by full citizen participation, in contrast with lower levels of budget participation that include listening, informing, and consulting with the citizens, as well as some limited participation. Participatory budgeting has rapidly spread across the globe and now exists at all levels of government around the world, with over 11,000 participatory budgeting experiences recorded worldwide. This publication identifies and discusses seven types of Ministries of Finance-led national arrangements that facilitate implementation and scaling up participatory budgeting at national and subnational levels, including specific recommendation on design, awareness and public support, legislation and regulation, financial resources, human capacity building, infrastructure, and monitoring and evaluation. Information from 17 BCOP countries informed this publication, including, inter alia, through BCOP’s internal mini surveys and through collecting members’ feedback in virtual workshops.
### Figure 13: Six-Step Participatory Budgeting Process

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Convene public meeting</td>
<td>Inform</td>
<td>Citizens Propose</td>
</tr>
<tr>
<td>Decide on amount of budget</td>
<td>Train</td>
<td>Government and citizens delegates review</td>
</tr>
<tr>
<td>Set principles, rules, timetable</td>
<td>Debate</td>
<td></td>
</tr>
</tbody>
</table>

#### BUDGET FORMULATION
The budget is drafted by the executive, decisions are made about expenditure priorities.

#### BUDGET OVERSIGHT
The budget accounts are audited and audit findings are reviewed by the legislature, which requires action to be taken by the executive to address audit findings.

#### BUDGET APPROVAL
The legislature deliberates, reviews, amends, and passes into law.

#### BUDGET IMPLEMENTATION
Revenue is collected and funds are released by treasury to the spending units as per the allocations made in the budget law.

#### BUDGET CYCLE

Source: Participatory Budgeting – Public Participation Mechanisms for National Ministries of Finance
Participatory Budgeting – Mechanisms for Youth Participatory Budgeting

This publication focuses on participatory budgeting targeted at youth, given its importance and specificities. Youth can be a positive force for development and a great potential source of social and economic energy for their countries. At the same time, youth priorities and needs often do not align with priorities of adult citizens. Moreover, young people generally less interested to participate in adult-focused practices. Participatory budgeting offers an inclusive opportunity to enhance youth’s interest in public engagement. This publication provides good practice parameters for youth participatory budgeting set by young people, outlines specific benefits of youth participatory budgeting, and provides recommendations to governments on designing and implementing such initiatives aimed at youth, with proposed checklists.

Conducting Rapid Spending reviews to Identify Measures for Budget Balancing

Given the global budgetary pressures stemming from both reduced revenues and increased certain expenditure needs resulting from COVID-19 pandemic, most governments globally needed to define budget balancing measures on expenditure side. This PPBWG publication aims to help PEMPAL countries develop concrete methodologies and tools for the implementation of rapid spending reviews as a rapid response to the COVID-19 and similar crises. It provides case studies of accelerated spending reviews from New Zealand and the United Kingdom, drawing conclusions on the process of rapid spending reviews that could potentially be considered by PEMPAL countries. Numerous templates and checklists for the process of rapid spending reviews are provided, as well as specific recommendations regarding i) the tools and processes of rapid spending reviews and ii) expenditure areas on which to focus. Members from 15 BCOP countries contributed to the product, including through an internal survey and feedback in virtual workshops. Methodology and data sources included desk research supported with interviews with experts and selected country officials.

Trends in Spending Reviews in PEMPAL Countries Benchmarked to Trends in OECD Countries

The PPBWG worked on this knowledge product in FY21 that aims to take stock of the current practices, challenges, and plans in spending reviews. It benchmarks PEMPAL countries with OECD countries and monitors changes over time. The PPBWG organized a questionnaire, broadly based on the questionnaire used by the OECD but adjusted and expanded to reflect specificities in systems/practices in PEMPAL countries and to collect additional information for peer-learning purposes. PEMPAL data includes 17 BCOP countries. After data collection, data cleaning was conducted, and preliminary results were presented to the BCOP plenary meeting in May 2021. The paper will be finalized in FY22, once the full OECD survey dataset becomes available.
Figure 14: Questionnaire for Testing the Relevance and Necessity of Policy Interventions

**Alignment to Government Priorities and Public Need**

1. Does the policy intervention contribute to the revised government priorities and in what way?
2. Where would the policy intervention fit in if all interventions were displayed in order of importance?
3. Does the intervention serve a public interest? Is public demand for it increasing, decreasing or stable?

**Impact of External Pressures and Possible Expenditure Revisions**

4. Does the change in environment and/or government priorities increase or reduce expenditure pressures for the delivery of policy intervention?
5. What would be the consequences of funding cuts for the policy intervention:
   a. What would happen if the policy intervention were not provided at all?
   b. What would happen if the funds for the policy intervention were reduced by 5%-20%?
   c. Would the benefits be greater if a portion of the funds spent were used instead for other policy interventions?

**Effectiveness**

6. How well does the program meet the policy objectives?
7. Can specific steps be taken to improve cost effectiveness?
8. Are there other means to achieving these objectives?
9. Can the program be better targeted?

**Efficiency**

10. Is there overlap or duplication with other government programs? Is there scope for rationalization?
11. Are there other less costly and more effective ways to deliver the intervention? Consider:
   a. Simplifying administrative arrangements
   b. Altering service delivery channels or mechanisms
   c. Delegation to other levels of government/private sector (in part or as a whole)
   d. Increased use of digital tools
   e. Consolidating service delivery channels or outlets (electronic delivery, one-window shops, etc.)

   *Note that these solutions would require short-term increases in expenditure outlays for medium to long term benefits. Ask whether these benefits would be great enough to justify the additional costs.*

12. Is there scope to introduce (or increase) user-charges or co-contributions?

Source: Conducting Rapid Spending reviews to Identify Measures for Budget Balancing
The TCOP aims to strengthen the treasury function of government through supporting reforms of national treasury activities; building and enhancing a highly professional community of treasury experts; and offering high quality resources and knowledge services on topics of priority professional interest to TCOP members. The focus in FY21 was on:

- **Evolution of the role and functions of national treasury institutions** – recent treasury reforms and the measures to ensure business continuity of treasury operations during and after COVID-19 outbreak;

- **Cash management** – sound cash management and forecasting practices and implications that the pandemic has on these processes;

- **Use of information technologies in treasury operations** – interoperability of the treasury information systems with other PFM and wider government systems (including the role of the Unified Chart of Accounts in underpinning these links), as well as ICT developments accelerating as a result of the COVID-19 pandemic;

- **Public sector accounting and reporting** – public sector accounting and financial reporting reforms, including the role of the Unified Chart of Accounts in ensuring transparency and accountability of COVID-19 responses.

TCOP members demonstrated their commitment and engagement throughout FY21, and especially when confronted by the continued challenges caused by the COVID-19 pandemic. Treasury COP had a very full activity plan in FY21. Ten virtual thematic events were organized, four of them under the umbrella of the plenary meeting which was held online for the first time and provided an opportunity for TCOP members to share operational experiences from the COVID-19 pandemic period, identify lessons learnt, and discuss the implications for the further development of treasury systems and processes. TCOP members provided significant thematic contributions for agendas of COP events, including the virtual annual plenary. The vast experience of conducting videoconference meetings accumulated by TCOP over the years helped the COP to respond to the members’ demand for knowledge sharing events which increased during the COVID-19 pandemic. Members demonstrated real commitment to TCOP activities through active

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I would like to especially thank the resource team for the choice of thematic topics and presenters. All my colleagues agree that this plenary meeting was very informative and satisfied our “hunger for knowledge”. We are all busy with our everyday problems and often try to find solutions without knowing what our neighbors are doing. Therefore, having this opportunity to learn from peers is very precious, as well as the satisfaction that comes from the opportunities to share your own approaches and lessons learned.

*Ludmila Gurianova, TCOP Chair, Plenary 2021*

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14 TCOP strategic and action plans can be found at https://www.pempal.org/about/action-plans/tcop
participation in videoconference meetings despite all the complications associated with the emergency mode of operation introduced in the majority of countries. Treasuries across PEMPAL countries faced multiple challenges to ensure business continuity of their operations and to operationalize emergency arrangements, so the COP members appreciated the opportunity provided by TCOP events to share the operational challenges and practical solutions developed to overcome them during this difficult period.

### 3.2.1. TCOP Working Groups

TCOP continues to operate four working groups allowing sub-sets of members to meet more regularly to discuss and solve common problems.

### Working Group on Use of Information Technologies in Treasury Operations

**Established:** 2013

**Member countries:** Albania, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, the Russian Federation, Tajikistan, Turkey, and Ukraine.

### Cash Management Working Group

**Established:** 2015

**Member countries:** Armenia, Albania, Azerbaijan, Belarus, Croatia, Georgia, Kazakhstan, Kosovo, Kyrgyzstan, Moldova, Montenegro, North Macedonia, the Russian Federation, Tajikistan, Turkey, and Ukraine.

### Working Group on Public Sector Accounting and Reporting

**Established:** 2013

**Member countries:** Albania, Azerbaijan, Belarus, Croatia, Georgia, Kazakhstan, Kyrgyzstan, North Macedonia, Moldova, the Russian Federation, Tajikistan, Turkey, Montenegro, and Ukraine.

### Working Group on Evolution of the Role and Functions of the Treasury

**Established:** 2015

**Member countries:** Albania, Azerbaijan, Armenia, Belarus, Bulgaria, Croatia, Georgia, Kazakhstan, Kyrgyzstan, Kosovo, Moldova, the Russian Federation, Serbia, Tajikistan, Turkey, and Ukraine.

Following the transition of the network to the virtual mode of operation the TCOP moved beyond the initial membership in the groups opening participation for all interested COP members.

### Working Group on Evolution of the Role and Functions of the Treasury

The Working Group on Evolution of the Role and Functions of the Treasury continued supporting member countries in their discussions and plans for the changing role of treasuries in their countries in FY21. A Working Group videoconference meeting in September 2020 looked at operation of the Treasury Committee of Kazakhstan. Participants learned about organizational set up of the Kazakhstan Treasury, its role, functions, and key areas of recent Treasury reforms in Kazakhstan, such as: i) the move to a performance management framework to compare performance of different Treasury offices and key processes and...
functions; ii) the evolution of the Kazakhstan Treasury-client information system to a new model which is interoperable with other public entities’ accounting systems and ensures that information and data is shared seamlessly to and from the central Treasury system; iii) the transition to manage public private partnerships on the Treasury books as liabilities providing better coverage of fiscal risks and control over emerging debt issues; iv) accelerated adoption of e-signature in 2021 to ensure business continuity during COVID-19 pandemic. During the June 1, 2021 session of the virtual plenary meeting the senior management of the member treasuries discussed the challenges posed by the pandemic on management of public funds and response to those challenges by the national treasury institutions. The discussion showed that certain institutional factors allowed some countries to be better placed to respond to the COVID-19 challenges. Those were: (i) the countries that had recently upgraded their systems and were therefore able to move fully to electronic transactions and messaging; and (ii) those countries that had legal and IT frameworks that could support home-based work and allow more rapid procurements. At the same time, some of the countries had gone through a very difficult initial period during the pandemic as they were forced to introduce rapid adjustments from a lower base. The discussion highlighted the importance of business continuity plans and the need to underpin them by risk analysis.

**Cash Management Working Group**

The Cash Management Working Group continued in FY21 to address liquidity management challenges and moving from passive to more active cash management practices. A videoconference meeting in February 2021 focused on the World Bank paper by M. Coskun Cangoz and Leandro Secunho “Cash Management - How Do Countries Perform Sound Practices?” The outcomes of the event included the importance of i) understanding that cash flow forecasts should support more than the budget execution processes (in particular financing strategies and the calculations underlying the cash buffer), and forecast errors should be analyzed to ensure accurate policy responses and to learn lessons for the future; ii) a close interaction between debt and cash managers, both in relation to financing transactions and the scope for cash flow matching and liability management operations to smooth cash flows; as well as iii) the extent to which some countries borrow from other parts of government (central government, subnational governments, or from state-owned enterprises) – this option offers flexibility but must be used with caution to avoid distorting decision-making (particularly of commercially-oriented enterprises) and possible damage to money market development. During the June 3, 2021 session of the 2021 TCOP Virtual Plenary Meeting participants looked at how the pandemic affected cash management and forecasting. World Bank and IMF speakers advised the participants on the importance of (i) widening the Treasury Single Account coverage, (ii) developing cash flow forecasts, (iii) establishing/maintaining sufficient cash flow buffer, and (iv) establishing safety nets to access new cash resources. Advice was also provided on what cash managers could do to utilize all available sources of liquidity in the best way in emergency circumstances. Albania, Hungary, Turkey, and the Russian Federation shared their individual experiences during the pandemic - some of the common responses included increased attention to short-term cash flow forecasts and the need to access wider cash pools; borrowing plans had to be revised, with more attention given to domestic markets, as external markets were effectively closed in the early months of the pandemic; greater short-term issuance; reported actions included borrowing from state-owned enterprises, drawing down foreign exchange (FX) balances and launching

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We were able to discuss our experience with COVID in PEMPAL meetings: what are challenges; what were measures taken to cope with challenges in circumstances; and what were different approaches taken by countries. This was a very important discussion and learning and very effective.

*TCOP member and senior official, external evaluation*
new instruments. The WG initiated work on a new knowledge product on treasury single account and cash management in PEMPAL countries – the survey was conducted in the second half of FY21, results are expected to be finalized and disseminated in FY22.

Working Group on Use of Information Technologies in Treasury Operations

The main thematic focus of the Working Group on Use of Information Technologies in Treasury Operations in FY21 was on sharing experiences with developing treasury information systems, especially expanding functionality, creating integrated financial management information systems, and ensuring business continuity of the treasury operation during the pandemic.

WG events throughout FY21 provided opportunities for discussions and learning:

- **October 2020** WG exchanges on country developments in the area of ICT, especially accelerations as a result of the COVID-19 pandemic.
- **November 2020** videoconference presentation of the Albanian Integrated Financial Management Information System (AFMIS). Discussion of its overall architecture, core functionality and integration links. It was concluded that the AFMIS could serve as a guide for an integrated approach of PFM system in many other ECA countries since the AFMIS is a managerial system which allows to manage budget funds starting from the budget planning (strategic) phase to the budget execution, monitoring and accounting/reporting, and, once fully rolled-out, the capacity of its PFM Data Warehouse will enable the AFMIS to support all kinds of information needed by the different entities of the whole Albanian government.
Figure 17: Integrated Planning System (IPS 2) in Albania

Source: PEMPAL TCOP Working Group on Use of Information Technologies in Treasury Operations event, November 2020
3. PEMPAL Results: Addressing the PFM Priorities of Member Countries

- December 2020 videoconference presenting the new TCOP knowledge product on *Optimizing the Unified Chart of Accounts Design* to members of the World Bank’s Financial Management Information Systems Community of Practice and GovTech Global Solutions Group. Participants learned about (i) the importance of an integrated chart of accounts for modern system inter-operability; (ii) how this approach supports the metadata requirements for government reporting through data warehousing; and (iii) the key role of ICT officials in “connecting the dots” for the functional departments, who are sometimes operating in silos when considering system needs and chart of accounts redesign.

- June 2021 TCOP Virtual Plenary Meeting session focused on the key role of information technologies for the treasury response to the COVID-19 pandemic. Country cases presented by Azerbaijan, Belarus, and North Macedonia illustrated how the countries maximize digitalization and maintain business continuity of operations, particularly given the need for remote access to systems and key processes necessitated by the pandemic. The group concluded that innovative use of digital technology is key for integration of PFM functions to produce better outcomes for clients/citizens and that the need to ensure business continuity during COVID-19 had driven and accelerated innovations in this area. Recognizing that the evolution of treasury functions is largely informed by the new ICT available and that treasury functions cannot be viewed or separated from IT support, the TCOP leadership continued to invite treasury IT staff to participate in all other working group meetings.

### Working Group on Public Sector Accounting and Reporting

The Working Group on Public Sector Accounting and Reporting continued its focus on addressing the challenges of public sector accounting reforms in FY21.

- April 2021 videoconference to learn from different approaches taken in sequencing the public sector accounting and financial reporting reforms in Kazakhstan and Belarus. Kazakhstan initiated International Public Sector Accounting Standards (IPSAS) reforms, including the consolidation of financial statements, before the redesign of its unified chart of accounts, while Belarus began with developing its unified chart of accounts and has been working on the national standards compliant with IPSAS in parallel. The common theme from both countries is the importance of proper testing (piloting) major reforms where possible to ensure the systems and processes are working well before larger roll out.

- June 2021 TCOP Virtual Plenary Meeting session considered developments in public sector accounting and reporting during the pandemic. The IMF presented on the international experience and how to ensure transparency and accountability of COVID-19 responses, including approaches for tracking, accounting, and reporting of emergency measures. The results of the meeting confirmed the important role of the unified chart of accounts in supporting reporting for cross-cutting purposes such as the COVID-19 pandemic. The way a country’s decision data elements are structured for managing and reporting across government drives the government’s ability to respond to emergencies and maintain business continuity, since the latter depends on quality timely information for decision making, as does cash management.

### 3.2.2. TCOP FY21 KNOWLEDGE PRODUCTS

In FY21, the TCOP finalized its new major knowledge product - *Optimizing the Unified Chart of Accounts Design: Tips for Public Financial Management Practitioners*. Designed to be a practical tool, the paper was prepared at the request of the members of the PEMPAL TCOP Public Sector Accounting Working Group and informed by actual country experiences among PEMPAL member countries and beyond, as well as by inputs from World Bank experts working with the TCOP. It includes examples and tips which officials can utilize when redeveloping the government’s public financial management reporting framework.
3. INTERNAL AUDIT COMMUNITY OF PRACTICE (IACOP)

The IACOP continues offering support to its member countries in the new COVID-19 environment towards establishing a modern and effective internal audit system that meets international standards and good practices, key for good governance and accountability in the public sector. The focus in FY21 was:

- Improving the value and impact of internal audit.
- Identifying factors to increase the effectiveness of internal audit in the public sector and ways in which internal auditors can demonstrate the impact and value.
- Practical implementation of the audit cycle and different types and operational models of audits, including IT solutions (Audit in Practice Working Group).
- Public internal control - the role of central harmonization units and internal auditors (Internal Control Working Group).
- Central harmonization units - challenges and functions at different stages of reform. Their role in public sector reform coordination.
- IACOP knowledge products - further development of IACOP knowledge products.

IACOP members continued their proactive engagement in activities throughout FY21. The pandemic impacted the work of internal auditors in many different ways, including the need to quickly adopt lean and agile ways of working and reporting to speed up the delivery of audits of emergency responses by the public sector; changes to be made to internal audit plans and work programs, etc. IACOP reacted quickly through virtual events and knowledge products to guide internal auditors in those difficult times.

IACOP utilized the pandemic enforced restrictions to innovate new virtual events. IACOP had twelve virtual events in FY21. IACOP members adapted to the new context related to the COVID-19 restrictions by diversifying the types of virtual events, including a virtual study visit, smart interactive talks, breakfast talks, virtual training, etc. The duration of the events also differed, with some short ones up to 2 hours and others longer – up to 8 hours organized over two days. Events included:

- An innovative first virtual study visit to Switzerland enabled members to learn from the Swiss experience and approach in organizing public sector internal audit and internal control frameworks. The event was organized with the support of the Swiss State Secretariat for Economic Affairs. Key topics included the specifics of centralized and decentralized systems, the operation of a subnational supreme audit institution, the functioning of the audit committees, collaboration of public sector internal audit and financial control bodies, the practical methods used by internal auditors to evaluate internal control, the experience and lessons learned during COVID-19.

- A series of joint events with national stakeholders helped IACOP draw closer to its member countries despite travel restrictions. Thus, five joint events were organized with in-kind support of respective ministries of finance (Georgia, Kazakhstan, Moldova and Uzbekistan). All the events were attended by the majority of public sector internal auditors from those countries as well as by their peers from COP and were opened by high-level officials. This demonstrates political support of internal audit reform as well as the recognition of the value of IACOP expertise.
IT audit skills and knowledge became a must in the new normal environment. As a response to the strong demand from the IACOP members, two events were organized on information technology. During the first meeting in November 2020, 100 key internal audit practitioners met to learn about the theory and share practical solutions and examples of resources, tools and technics in public sector IT audit. They approached the rationale of IT audit and International Standards for Professional Practice of Internal Audit (ISSPPIA), explored the new technologies used by internal auditors, and presented practical solutions on how to deal with the challenges of IT audit. Following a specific request from Croatian peers and great interest from other IACOP country representatives, IACOP organized a two-day virtual training on IT audit. More than 200 participants from 20+ countries enhanced knowledge of how to perform IT audits and how to be a strategic advisor for senior management in the digital era. Training materials were developed to be used by central harmonization units in IACOP member countries for training internal auditors. As an outcome of the training, a knowledge product has been developed on IT Audit: Practical Guidance for Internal Auditors in the Public Sector, which will be published shortly.

3.3.1. IACOP WORKING GROUPS

Each of the three IACOP working groups met in 2021 and enabled members to engage more deeply with the topics and to learn from each other and from the global experts.

**Figure 18: Membership of the IACOP WGs**

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<th>Working Group on Internal Control</th>
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3. PEMPAL Results: Addressing the PFM Priorities of Member Countries

Working Group on Central Harmonization Unit (CHU) Challenges

This new WG met twice in 2021 in the format of smart interactive talks and undertook a survey on how monitoring is performed in PEMPAL member countries and beyond, which underlined the importance of the monitoring function performed by the Central Harmonization Unit (CHU). During WG meetings, participants reflected on the links between International Standards for Professional Practice of Internal Audit (ISPPIA) and key performance indicators, quality assurance and improvement programs, and the role of CHU monitoring of internal audit in the public sector. They learned from different countries’ challenges and solutions. The WG concluded that there is a need to revisit the role of CHU from baseline and policy level activities towards an operationally focused role in which the CHU works more as a coach and a center of excellence in support of front line public sector internal auditors. As a result, a new knowledge product on Guidance on Monitoring of the Internal Audit Function by the Central Harmonization Unit was developed and published.

Audit in Practice Working Group

The Audit in Practice Working Group further progressed work updating the progress, challenges, and plans for advancing public sector internal audit reforms and strengthening internal audit in the pandemic environment. In a smart interactive talk format, over 50 key internal audit and internal control officials openly discussed and shared good practices. Participants found the main challenges for strengthening internal audit in the member countries are the lack of capacities, skills, and resources, and insufficient management commitment to and understanding of internal audit value. Thus, participants concluded the importance of audit committees and the role of the CHU to promote as well as guide internal auditors. Following members’ demand and expectations, those topics were further explored during the IACOP Plenary meeting.

3.3.2. IACOP FY21 KNOWLEDGE PRODUCTS

Public Sector Internal Audit and Internal Control Frameworks: Swiss Experience

This publication outlines the Swiss approach to the implementation of public sector internal audit and internal control frameworks, based on the materials and discussions from the IACOP virtual study visit to the Swiss State Secretariat for Economic Affairs on July 1, 2020.

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15 Committee of Sponsoring Organizations of the Treadway Commission Internal Control — Integrated Framework
https://www.coso.org/pages/ic.aspx
Guidance on Monitoring of the Internal Audit Function by the Central Harmonization Unit

This publication was developed by the IACOP to capture the main findings of the first two meetings of the CHU Challenges Working Group. CHU monitoring is a core and essential role of the CHU with two distinct perspectives: compliance with standards/regulations/methodology and quality/added value. Monitoring provides the basis for determining how well IA is functioning in the public sector and the results should be reported annually to the government.

IT Audit: Practical Guidance for Internal Auditors in the Public Sector

This publication uses materials and discussions from an IACOP Smart Interactive Talk with country auditor members, including IT auditors, to offer practical guidance on the concept and approach of IT audit and related areas of focus and concerns: including, for example, IT annual risk assessments; the IT audit universe; IT audit engagement planning, execution, reporting, and follow-up; strategic IT risk management in the public sector; IT Governance audit in the public sector; critical business application system controls and the supporting IT general controls; business continuity management audit; as well as how to be a strategic adviser to senior management in the digital era. It is being finalized, for publication in FY22.
4

PEMPAL RESULTS: HIGH QUALITY AND RELEVANT SERVICES AND RESOURCES PROVIDED TO MEMBERS
The pandemic has increased demand for timely and high-quality capacity building in the development of PFM policy responses and for post-pandemic recovery through practical peer learning and learning from international experience. PEMPAL is uniquely well positioned to address this demand.

The 2021 external evaluation confirmed that PEMPAL continues to be relevant to members and their reform priorities. Participation strengthens PFM reform capacities, and the activities contribute to improvements in the PFM systems of member countries and support the successful implementation of other multilateral and bilateral PFM/governance programs. PEMPAL COPs allow members to connect and learn from each other and produce high-quality contextualized materials and knowledge products that are used and appreciated. Overall, the evaluation concluded that the network’s basic model works because it has good leadership, high caliber technical and secretariat support, and key elements of the operations function well.

The MTR concluded that, post-pandemic, the network is expected to move to a hybrid mode of operations, with a combination of face-to-face and virtual events, recognizing the necessity of face-to-face meetings given that an important part of knowledge exchange occurs under such circumstances (whether formally within the events or informally “on the sidelines”).

4.1 QUALITY AND RELEVANCE OF EVENTS AND MATERIALS

Resource Teams and ExComs understand that selecting the right topics to focus on within the broad WG reform areas is critical to the relevance of the COPs. A key service provided by PEMPAL is organization of thematic events focusing on issues of priority interest for members. The external evaluation found that each of the COPs had developed robust mechanisms to gather information on members’ interests and preferences. Survey data from the external evaluation shows that these mechanisms are effective, with a large proportion of respondents saying they are satisfied with processes. Altogether 93% of BCOP, 98% of IACOP, and 92% of TCOP respondents were satisfied or highly satisfied that they were able to express their views.

The COPs are constantly reviewing event formats and learning from one another to improve members’ experience and learning opportunities. Each COP has devised different means to improve members’ participation in events, ensure the relevance of discussions, and facilitate peer exchange and learning. Interview and survey data from the external evaluation confirm PEMPAL’s own data on satisfaction with events, which shows that event satisfaction ratings on average across the COPs were at a very high level, that events mostly met or exceeded the participants’ expectations, that agendas were well-prepared, that important topics were covered, that speakers were of quality, and that events were pitched at the right level.
Members appreciate the continuation of PEMPAL events despite the global pandemic, however, stressed the importance of returning to face-to-face events as soon as possible. The evaluation interview data suggests members value face-to-face events for in-depth discussions. Members agreed that the COPs coped well with making adjustments to event formats in order to continue despite travel bans, but noted that the quality of their own participation was compromised. They were not away from their desks and were interrupted during sessions. It was acknowledged, however, that the virtual formats allowed more participants per country.

PEMPAL post event evaluation surveys show that average satisfaction ratings remained at a high level in FY21 (Figure 19) and that events met expectations for a majority of participants and exceeded expectations for many of them (Figure 20). Participants rated positively the appropriateness of event content (Figure 21), but rated the relevance of issues important to their work addressed in the events slightly lower than in previous years (Figure 22). All ratings exceeding 4.5 are considered highly satisfactory with slight variations between years being normal. At the same time, it is challenging to meet the expectations bar, which has been raised very high over the years, especially in a current virtual environment. Attachment 4 provides data on other indicators of PEMPAL quality monitored through event evaluation surveys. The surveys also provide a rich set of written feedback from participants on PEMPAL events, including practical suggestions for further improvements (see Attachment 1).
PEMPAL resources available to members include knowledge products, event reports, event presentations, background materials for events, and country PFM system documentation (such as PFM laws). The external evaluation survey indicated that a significant proportion of members in all three COPs used PEMPAL resources, about 80% had used different types of COP resources at least once or more frequently between July 2017 and July 2020. In all three resource categories (event background materials, event reports, and knowledge products) more than 90% of respondents rated the resources as good or high quality.
Knowledge products, including glossaries, handbooks, and guidelines with case studies, tools, and methodologies, were found by the external evaluation to be of good quality and were appreciated and used. Recognizing the long lead times for knowledge products, members expressed interest in more frequent, smaller, timely knowledge products, such as blogs, or short pieces on current developments to supplement events as learning opportunities. COPs and Resource Teams were addressing this, for example, the BCOP had changed its approach in FY21 so that working groups develop multiple smaller knowledge notes on more narrowly targeted subtopics that can be developed faster.

PEMPAL members confirmed that COP knowledge products were used to support PFM reform processes in their countries. Knowledge products were being used, for example, by IACOP members to draft regulations and other country texts and to research possible reforms. They were also used to draft in-country training materials, BCOP products, for example, provide differentiated advice for different PEMPAL member countries. The particular value of PEMPAL knowledge products for members was that they draw on existing global good practices and advice but adapted to the context of PEMPAL countries. Some PEMPAL knowledge products – particularly IACOP’s series of guides on the internal audit function, had reached beyond the region, having been translated and used elsewhere to support internal audit reforms.

4.2 QUALITY OF CONTENT SUPPORT BY THE COP RESOURCE TEAMS

Resource teams are key to providing support on the technical content required to address the identified PFM priorities and to ensure the network meets the expectations of its members and donors. These teams support the ExComs in designing agendas and surveys, sourcing technical materials and experts, facilitating working and discussion groups, developing and managing COP budgets, and implementing network improvement initiatives. The resource teams also include thematic experts, engaged according to the technical needs of the topic under discussion. Other international experts are engaged as speakers or for technical short-term support, depending on the content requirements of the COP action plans.

The Resource Team is instrumental. The leadership offered is important. When we are planning, we feel we are building on something and are supported. The COP has an informal ambience, but it is serious and professional. There is a seriousness about how it gets done.

ExCom member, external evaluation
The core resource teams provided by the World Bank in FY21 included Elena Nikulina (TCOP Lead Coordinator), Yelena Slizhevskaya (TCOP Resource Person), Galina Kuznetsova (TCOP Resource Person), Iryna Shcherbyna (BCOP Lead Coordinator), Naida Čaršimamović Vukotić (BCOP Resource Person), Arman Vatyan (PEMPAL Task Team Leader/IACOP Lead Coordinator), Diana Grosu-Axenti (IACOP Resource Person), Lusine Grigoryan (IACOP Resource Person), Nina Duduchava continued to provide support for implementation of the program surveys. The experts mobilized by the World Bank included Mark Silins and Mike Williams for TCOP; Richard Allen, Ivor Beazley, Tatiana Vinogradova, and Nina Hajoyan for BCOP, and Jean-Pierre Garitte and Richard Maggs for IACOP. The Ministry of Finance of the Netherlands, through its National Academy for Finance and Economics, kindly provided the expertise of Manfred van Kesteren and Ruslana Rudnitska. Within the cooperation with BCOP, the OECD Secretariat kindly provided the expertise of their staff led by Axel Mathot, while IBP provided the expertise led by Elena Mondo.

The external evaluation confirmed that the Resource Teams and Secretariat were essential for the network's functioning. Members, partners, and donors had high praise for the technical and secretariat support provided to the network by the teams. ExCom members and ordinary members interviewed felt very strongly that the professionalism, expertise, and skills of the Resource Teams were highly important elements in PEMPAL's success.

The external evaluation found that resource team and ExCom roles were complementary. Both ExCom members and Resource Teams saw their roles as complementary, and mutually reinforcing in the functioning of the COPs, plotting a course, designing events, and developing COP knowledge products. All ExCom members recognized that resource team support and expertise were critical, and that they provided high caliber advice, including on experts and speakers, without seeking to impose their views on the ExComs.
Experts were assessed as adding value to countries’ peer exchanges. Interview respondents often mentioned expert contributions as a key factor in their learning and COP progress, and why membership of PEMPAL was relevant for their countries. The Resource Teams emphasized the important role of experts in supporting the production of high-quality knowledge products. While the WGs developed the materials, the experts supported the Resource Teams in turning these (sometimes oral) member inputs into documents. Experts are also brought in to support events.

The quality of services provided to the COPs was highly rated by participants in post event surveys in FY21. Event evaluation surveys asked about the quality of services provided by ExComs, resource teams, and event speakers. These showed very high ratings across all three COPs (Figures 24, 25, and 26).

4.3 QUALITY OF LOGISTICAL AND ADMINISTRATIVE SUPPORT – PEMPAL SECRETARIAT

The administrative and logistical support services provided by the PEMPAL Secretariat are also key to achieving strategy results. Secretariat functions include: organizing events e.g. distributing event invitations, arranging event links and simultaneous interpretation; providing background materials for PEMPAL Steering Committee discussions, e.g. amendments to internal regulation, updates on the COPs’ budgets; monitoring performance based on a comprehensive set of indicators; preparing progress and annual reports; maintaining and editing the PEMPAL website and newsletter; maintaining records of PEMPAL events and the virtual library; and organizing online meetings. In March 2020, through a competitive selection process, the Secretariat chose the platform KUDO, which enables online events with the simultaneous translation into the PEMPAL languages. This platform was used for all CoP events requiring simultaneous interpretation starting from April 2020. The Secretariat also facilitated the work of the external evaluator, including organization and logistical support to interview members, translation of materials, etc.
The external evaluation noted that the high quality of Secretariat services was confirmed by all interview respondents, often noted as a strength of the network. PEMPAL participants, including senior officials familiar with the network, as well as partner respondents noted that the logistics of PEMPAL events are consistently well organized. Many compared PEMPAL events to others they participate in and thought PEMPAL events better organized. COP ExCom and Steering Committee members also recognized the quality of the Secretariat team. Survey responses were aligned with the interview responses, with more than 95% of members in all three COPs indicating their satisfaction with Secretariat services, and not a single respondent signaling dissatisfaction.

Surveyed members also indicated their satisfaction with the logistics quality of both face-to-face and video conferencing events. Interview data and the evaluation survey confirms data from event exit surveys on members’ satisfaction with the organization of events. A slightly lower share of BCOP and IACOP members were satisfied with the organization of video-conference events than face-to-face events, but the satisfaction is still at a very high level (90% and over). Interview data suggest this may be because members generally prefer face-to-face events. TCOP members however were as frequently satisfied with videoconferencing events. This may reflect that TCOP was using videoconferencing events more frequently before the pandemic.

The Secretariat continues to be located in the World Bank Moscow office. The Secretariat includes Galina S. Kuznetsova (Lead coordinator), Ksenia Malafeeva (BCOP Coordinator), Ekaterina Zaleeva (TCOP Coordinator), and Kristina Zaituna (IACOP Coordinator).

Secretariat services continue to be ranked highly by members. Data from post event evaluation surveys in FY21 indicate that the quality of services provided by the Secretariat remained at a high level in FY21, even though slightly lower than when events were held face-to-face (Figure 27). The online event organization through the KUDO platform received very high ratings (Figure 28).
One of the Secretariat’s responsibilities is to maintain the PEMPAL website, which is the main storage platform for information on all program activities. It became even more important during the pandemic as the main source of information repository. Event materials are made publicly available on the site in the three official languages of PEMPAL. In line with the greening initiative, no printed materials have been provided at events or distributed to participants in hard copy since 2017 but are instead posted on the website in advance of events. This paper free practice made the switch to online only mode of operations much easier during the pandemic. The PEMPAL virtual library, attached to the website, provides an efficient and cost-effective storage facility for event materials as well as country documents shared by participants, including laws, regulations, analytical products, etc. The external evaluation found that 91% of the 135 survey respondents thought that the PEMPAL website overall was good or high quality. No respondent thought it was low quality.

Data on web traffic shows a huge increase in all the dimensions (users, visits, and page views).

The monitoring tool, based on google statistics, demonstrates further significantly increased traffic in FY21 (Figure 29) following the switch to fully online. It follows efforts in previous years to consolidate all documents and knowledge products on the PEMPAL website, including event announcements, event materials, and translated presentations, added by some COPs before events as requested by members.

Real-time conferencing through World Bank supported videoconferencing facilities and online communication tools (e.g., Skype, WebEx, SurveyMonkey, KUDO, Zoom) are widely used by PEMPAL. They have been successfully used for COP ExCom meetings and Steering Committee meetings, and also by COPs. The SurveyMonkey instrument is used to administer electronic surveys for post-event survey feedback and event registration. Use of the KUDO platform since April 2020 for events requiring simultaneous translation has proven to be effective and efficient, enabling quick and easy-to-organize knowledge exchange and allowing PEMPAL to continue its work despite the pandemic related stringent limitations on meetings and travel in all member countries.

Figure 29: PEMPAL website traffic
5

PEMPAL RESULTS: A VIABLE NETWORK SUPPORTED BY COMMITTED PFM PROFESSIONALS, MEMBER COUNTRIES, AND DEVELOPMENT PARTNERS
Committed membership and leadership are key assets of the PEMPAL network. The evaluation concluded that the PEMPAL network as it stands is viable, being supported by donors, a range of technical partners, and member countries who value the network. The findings established that the PEMPAL network and the COPs, as well as the topics on which the COPs focus, are relevant to members and to their countries’ reforms. There is also good evidence that the network structures are functioning well, that network direction is determined by members and articulated through member leadership groups, and that the network has strong technical and secretariat support. This has resulted in events that are rated high quality by members and stakeholders, and resource materials that are used, to a significant extent, and are well regarded by members and partners. The PEMPAL network has secured commitments to fully fund the strategy period.

The network continued to benefit from the strong support of member countries and individual members in FY21 through different channels, despite the severe limitations caused by the pandemic. The evaluation confirmed that country members see PEMPAL as a unique professional engagement platform and value it highly. The three COPs exhibit much larger and more dense networks of connections than eight years ago. Members connect frequently outside of formal events, to exchange information with and ask for advice from their peers.

The COPs had committed members and good levels of participation. The external evaluation found that there was enough interest in the network from member countries, and strong historical and current coalescing factors, to make it sustainable from a membership and quality of participation perspective. Overall, and over the years, the COPs have improved membership and event strategies and there was evident progress in raising the quality of COP participation. The three COPs differed in profile in terms of the number of unique participants and how many core participants they had, but all three benefit from having some consistency of participation and the right level of participants. At the same time, it was important to attract some new members in relevant positions to facilitate consistency of membership given staff turn-over in participating countries.

5.1 COMMITTED MEMBERSHIP AND LEADERSHIP

The ExCom is like the conductor, so that the goals and objectives are correctly identified by the IACOP ExCom and meet the needs of countries.

IACOP member, external evaluation
The external evaluation noted that ExComs and the Steering Committee were effective decision-making forums to ensure the COPs and the network were well governed. The institutional arrangements for the network were well established and functioned smoothly. PEMPAL members were satisfied with the performance of the ExComs and thought their views and professional interests were presented well by these structures.

ExComs, the driving force of the network, include volunteers from member countries who invest significant time in network activities. Most ExCom members have served on the respective committees for several years. As many concurrently hold senior positions in their home institutions, such dedication indicates strong commitment to the PEMPAL network. Three members of the TCOP ExCom in FY21, for example, were senior managers of member countries’ national treasuries (Executive Secretary of Ministry of Finance of Kazakhstan, and Deputy Heads of the Treasuries of Belarus and the Russian Federation). The Head of the Sector for State Accounting of the State Treasury of the Ministry of Finance of Croatia served as a Deputy Chair of the BCOP ExCom, and the Assistant Minister for Budget of the Federal Ministry of Finance of Bosnia and Herzegovina continued to serve as a member of the BCOP ExCom.

In FY21, 16 of the 23 member countries were represented on at least one of the COP ExComs. Composition of the committees is limited by the program operational guidelines to nine country representatives. Each of the COPs has its own internal process for identification of the candidates for ExCom membership and electing the leadership, however, is required under the operational guidelines to hold annual elections for the chair (see Attachment 2 for lists of ExCom members).

The online format of events delivery throughout FY21 made it more difficult to attract high-level involvement from member countries. However, despite no face-to-face meetings in host countries, there were still meetings organized by member countries, which were opened at a senior level and attended by high-level officials in addition to regular meetings with senior level officials’ participation. Overall, 47 senior officials from member countries attended PEMPAL events in FY21 (8 from BCOP, 22 from TCOP, and 17 from IACOP).

I think that PEMPAL’s biggest strength is not about the meetings. Its biggest strength is its members – we are peers at the same level. There are no barriers to our communication. I can drop an email to any PEMPAL peer for a regulation or a clarification. Our peer-to-peer connections go beyond current PEMPAL members, I remain in contact former colleagues from long ago.

*BCOP ExCom member and senior official, external evaluation*
The active engagement of members in the preparation and delivery of COP events is an important success factor of PEMPAL activities. Member country representatives actively developed and delivered the event agendas in FY21. According to data collected by the PEMPAL Secretariat, at FY21 events COP members prepared and delivered 48 presentations. The level of participation remained comparable with that during face-to-face events. COP members also actively contributed to work on knowledge products.

PEMPAL keeps stakeholders informed of activities to help maintain strong support for the program. Quarterly newsletters and the Annual Report are distributed to stakeholders. Members actively promote the value of PEMPAL in their countries. Traditionally, this has focused on face-to-face events in hosting countries, including reports in the media, interviews, and press releases on Ministry of Finance and Treasury websites. In the absence of the face-to-face events, members continued to share the information about events, often taking advantage of their virtual nature to reach out as broadly as possible. IACOP was particularly active in reaching out. It amended its standard invitation to make events more inclusive by encouraging recipients to share the link and materials more broadly. Moldovan members invited internal auditors using email lists and a Facebook group. North Macedonian colleagues invited internal auditors using email lists and the Ministry of Finance website publicized the event for all stakeholders. The Georgian Ministry of Finance used internal mailing lists to forward invitations to IACOP events to internal auditors. Individual IACOP members shared event invitations using Facebook and Instagram. Some other examples of members’ efforts to promote COP activities are in Box 1 below.

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The advantage of face-to-face is that we can interact with colleagues, we can speak to speakers, we are in a position to think over and then ask additional questions later. We can go much deeper into products and discussions and present our views better.

BCOP member, external evaluation

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Box 1: Examples of PEMPAL promotion activities by members in FY21

Post event surveys from FY21 showed participants were using a range of ways to promote PEMPAL and share information about events:

I am often a lecturer at seminars for employees of other state bodies and budget users at the state and local levels. It is an opportunity to talk about PEMPAL and use the knowledge gained at PEMPAL events.

— BCOP member

We regularly use event materials in the development of legal documents, substantiation of analytics.

— IACOP member

We make short notes from the event and share these with colleagues.

— TCOP member

As I teach financial professional development students I will push them] to use the presentation materials and prepare their own presentation based on the example of our country.

— TCOP member

Colleagues made a report on the video internal weekly meeting within the CHU.

— IACOP member
5.2 STRONG DONOR SUPPORT AND OVERSIGHT

PEMPAL donors play a critical role in sustaining the benefits of the network for member countries. In addition to providing financing for the program through the PEMPAL MDTF, donor partners provide significant content support for the activities of the COPs and play a key role in providing strategic oversight of network operations through their involvement in the Steering Committee. A summary of PEMPAL Steering Committee activities is in Box 2 below.

The main source of program funding through the PEMPAL MDTF in FY21 came from long-standing development partners Swiss State Secretariat for Economic Affairs SECO and the Ministry of Finance of the Russian Federation, now joined by the European Commission. Both Swiss State Secretariat for Economic Affairs SECO and the Ministry of Finance of the Russian Federation have already paid in their contributions in accordance with the respective administrative agreements, with the European Commission making the first contribution in FY21 upon signing. All donors are represented on the PEMPAL Steering Committee, which is chaired on an informal rotating basis between them and the World Bank.19

The World Bank continued its support for PEMPAL in FY21. The MTR confirmed that this support facilitated the broad dissemination of knowledge on PFM topics and helped maintain a professional dialogue on practical aspects of its application in

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19 Thomas Stauffer, SECO, was selected as the next chair at the July 2020 meeting.
The PEMPAL Steering Committee, as PEMPAL’s oversight body, met four times in FY21, all by videoconference. The Steering Committee monitored implementation of the PEMPAL Strategy and the 2017-22 Activity Plan, including management of the impact of COVID-19. COP FY21 action plans were revised as it became clear that face-to-face events would not be possible. Chairs and Deputy Chairs of COP ExComs on the Steering Committee provided regular updates on COP activities. The execution of current year budgets was reviewed regularly. The budget allocations for COPs for FY22 and COPs FY22 action plans were approved. The Secretariat presented an internal paper on the in-depth review of the financial sustainability of key similar networks.

The Steering Committee reviewed and approved the external evaluation report and discussed the outcomes of the MTR implementation progress of the PEMPAL strategy. The revised results framework indicators and revised risk mitigation activities are included in the new PEMPAL Strategy Implementation Activity Plan FY22-25 approved by the Steering Committee. It will be reported on from November 2021.

Annual thank you letters to the Ministers of Finance of member countries, support countries, and the management of beneficiary institutions were distributed electronically under the signature of the Steering Committee Chair together with the “PEMPAL FY20 Annual Report”. Hard copies were distributed where feasible in spring and summer 2021.

The composition of the PEMPAL Steering Committee as of end-June 2021 is provided in Attachment 3.

Minutes of all PEMPAL Steering Committee meetings are publicly available at www.pempal.org/event/sc_meetings
5.3 ENSURING A FINANCIALLY VIABLE NETWORK — KEY INDICATORS

The external evaluation concluded that the PEMPAL network as it stands is viable, supported by donors, a range of technical partners, and member countries who value the network. This was not the case at the start of the new Strategy period, when uncertainty over funding meant that the network operated in a savings mode. With the welcome addition of the European Commission as a PEMPAL donor in late 2020, the Strategy became fully funded.

The external evaluation found that network resilience remained strong. The measures implemented up to March 2020 seemed not to have materially impacted network effectiveness. However, any further cost cutting could begin to affect network functionality. The switch to only virtual contacts, as a result of the COVID-19 restrictions, was found to have had an effect on participation and the core membership of the IACOP and the BCOP. Interestingly, this was not the case for the TCOP, which had been undertaking many more videoconferences than the IACOP and the BCOP in the previous two years, so the impact may have been less severe on its members.

The MTR decision meeting recognized the financial sustainability risks. The network would continue to depend primarily on the donors. It would also explore possibilities for additional funding from member countries’ in-kind and financial contributions. Enhanced promotion of the services and benefits of the network, aimed at policy makers in member countries, would support the potential introduction of membership fee mechanisms in the next strategy period.

The PEMPAL MDTF administered by the World Bank remained the main source of program funding in FY21. Actual spending from the MDTF in FY21 was USD 968,217. This was USD 651,783 below the amount projected in the PEMPAL Strategy 2017-22 for this year (see Table 1), because of the absence of any face-to-face events throughout the year.

Partners commonly confirmed that they place high value on their cooperation with PEMPAL, which they see as mutually beneficial, and intend to continue the working relationship. The external evaluation conducted interviews with a number of partners. Some, such as GIFT and the IBP, derive benefit from cooperation because of agenda compatibility and because the network gives them effective access to finance ministries from the region. For others, there is alignment with their work programs with the same set of institutions and individuals, with the result that coordination is beneficial to member countries and individual members. This includes the National Academy for Finance and Economics of the Netherlands and the OECD. Countries outside of the region see value in the cooperation because of the mutual learning that occurs. Across the board partners interviewed saw the PEMPAL network as an effective peer learning mechanism that delivers quality resources and events.

For their part, PEMPAL members appreciated the engagement of institutions and countries outside of the region, and the connections into global technical network in their professional areas.
During the external evaluation, member countries signaled high support for PEMPAL in 2018, providing contributions in excess of the strategy target and equal to the target in 2019, however, their ability to contribute is closely linked to face-to-face events. Due to fewer such events in 2019 and 2020 (especially with COVID-19) the value of country contributions more than halved (in FY20 compared to FY18) and was well below target by 2020 as a share of costs. While on an annual basis in FY20, the Strategy target could not be met, it was met for the period FY18-FY20.

The switch to 100% online format throughout the whole of FY21 meant that there were no financial contributions from either member countries or third parties. At the same time, in-kind contributions from member countries increased significantly in FY21. The scope of in-kind contributions was broadened to include member countries work on knowledge products, as well as preparation for and participation in ExCom and Steering Committee meetings. The PEMPAL Strategy 2017-22 set a target of 14% for total member contributions in FY21 and 11% was achieved (Figure 30). If this trend continues, the target of 11% for the whole Strategy period (combined financial and in-kind contributions) could be achievable by the end of the Strategy period.

About 3% of total program spending was covered by in-kind contributions from other parties. These were non-PEMPAL members who presented at events. The level is roughly the same as in the previous year.

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Table 1: PEMPAL Expenses, FY21

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Projected under PEMPAL Strategy 2017-22</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>USD</td>
<td>% of total</td>
</tr>
<tr>
<td>Total expenses</td>
<td>2,080,000</td>
<td>100.0</td>
</tr>
<tr>
<td>Expenses financed from PEMPAL MDTF</td>
<td>1,620,000</td>
<td>80.9</td>
</tr>
</tbody>
</table>

\(^{20}\) This figure includes financial and in-kind contributions from member countries and third parties of USD 156,400.
COP expenditure on virtual events mostly represents connection fees, interpretation, and translation of materials, and is therefore much lower than expenditure for face-to-face events (as shown in Figure 31). The Steering Committee meeting on March 2, 2021 approved use of up to 30% of each COP annual budget to engage additional experts for knowledge product development. Similar provision (up to USD 60,000) is included in the FY22 budget allocations for each COP. The original budget approved at the beginning of FY21 included savings from FY20, and it was expected at the time that face-to-face events may resume in FY21. However, it became clear later that face-to-face events would not be possible until 2022.

Event expenses, always the biggest spending category for PEMPAL, decreased dramatically in FY21 even though the number of participants increased significantly. Costs for online events are only a fraction of those for face-to-face meetings. Figure 32 shows two of the indicators used to monitor event expenses – average administrative and logistical expenses per participant\(^{21}\) in net and gross terms.\(^{22}\) Both indicators show the sharp decline as activities became virtual.

The significant savings made with the start of the COVID-19 pandemic as well as the arrival of the third donor and remaining limitations on travel mean that the available funding could not be spent by the end of the current Strategy period. Consequently, the Steering Committee endorsed the extension of the current Strategy by three years in order to achieve the strategy objectives and make the best use of the available funding. Please refer to Attachment 5 for the revised financial framework under the extended strategy.

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\(^{21}\) Calculations made for member country participants by location including videoconferences.

\(^{22}\) Administrative expenses in gross terms include Secretariat costs and other administrative expenses not attributable to individual events.
CONCLUSION
FY21 was the first year of fully virtual mode of operation for PEMPAL, including plenary meetings of all COPs. While it is a very challenging format for the knowledge sharing program, PEMPAL proved its relevance and resilience by attracting a record number of participants and recording a highest ever number of events. The virtual model actually helped with the knowledge outreach beyond the key representatives in member countries, as bilateral events facilitated a much broader (often country-wide) coverage, which couldn’t be possible in face-to-face events. The virtual model also helped strengthening the spillover effects to other regions. FY 21 also welcomed the European Commission as the third donor to the MDTF, thus making the Strategy program fully funded. The external evaluation completed in FY21 concluded that PEMPAL is a valuable regional platform that connects countries’ PFM practitioners and that the current network model is functional and creates value for member countries, the region, and regional PFM donors. The network’s basic model works because it has good leadership, high caliber technical and Secretariat support, and key elements of the operations function well. However, the evaluation also found clear evidence that, looking ahead, the network thrives on interpersonal contacts and would not be sustainable only virtually. Face-to-face communication and work are seen as essential for retaining the network’s vital social capital. Even if videoconferences can be successful without being complemented by face-to-face events, it is likely that network density and diameter of the informal network will start deteriorating without regular opportunities to engage face-to-face. This raises issues for the impact on the network should COVID-19 restrictions remain in place for an extended period of time.
Attachment 1. Impact of PEMPAL PFM Practices and Professional Capacity of PFM Specialists
The external evaluation found that PEMPAL can have a direct and indirect effect on the capacities available to government. The direct effect is enabled when participating members’ knowledge, understanding, and skills are built in a technical area through direct exposure to PEMPAL discussions and the experiences of other countries and access to PEMPAL knowledge products as a reference source. Indirect effects are when PEMPAL products or members contribute to building the capacities and skills of other colleagues, who are not part of the network. PEMPAL can enable members to find and share solutions. While there are often other country-specific support programs in place, PEMPAL members can participate in discussions with those working in these programs as equals. This is likely to contribute to reforms that are better tailored to the specific context. PEMPAL contributes to the skills available for reforms in countries through influence on national training programs, and by efforts of participating members to diffuse the knowledge into their organizations. Finally, and importantly, because PEMPAL has been operating for 15 years, officials who attended events as mid-level professionals five, ten, or more years ago, are now in senior decision-making and management positions, carrying the knowledge/understanding from PEMPAL through.

The external evaluation also confirmed the success of the network’s transfer to virtual work, its ongoing value to members, and the high relevance of the adjustments made to cover topics related to PFM in the COVID-19 environment. However, the evaluation found clear evidence that the network thrives on interpersonal contacts and, looking ahead, would not be sustainable only virtually. Face-to-face communication and work are seen as essential for retaining the network’s vital social capital. Even if videoconferences can be successful without being complemented by face-to-face events, it is likely that network density and diameter of the informal network will start deteriorating without regular opportunities to engage face-to-face. This raises issues for the impact on the network should COVID-19 restrictions remain in place for an extended period of time.

**EXAMPLES OF IMPACT IN FY21**

**BUDGET COMMUNITY OF PRACTICE**

I will be able to use the knowledge and ideas on rapid spending reviews to identify budget balancing measures in my daily methodological work on regulatory documents and changes in our draft documents on spending reviews.

— BCOP Program and Performance Budgeting Working Group VC workshop, November 2020

The analysis of international experience in implementation of spending reviews is useful for our development of a regulatory framework and methodology.

— BCOP Program and Performance Budgeting Working Group VC workshop, November 2020

I will use the knowledge acquired at this and the other PEMPAL events in budgeting instructions that we prepare in the Ministry of Finance, in educating employees working on the budget at the national and local level, and in answering the inquiries I receive every day.

— BCOP Program and Performance Budgeting Working Group VC workshop, November 2020

23 From the first pilot event in 2006.
I will use the knowledge on public participation in budgeting and fiscal policy gained at this event the most when educating employees at the local level.

— BCOP Budget Literacy and Transparency Working Group VC workshop, November 2020

I am often a lecturer at seminars for employees of other state bodies and budget users at the state and local levels. It is an opportunity to talk about PEMPAL and use the knowledge gained at PEMPAL events.

— BCOP Budget Literacy and Transparency Working Group VC workshop, November 2020

This will be useful for us in the process of making changes to the methodological base and in formulating the regulatory framework on public participation, promoting the reform of public finances in the country.

— BCOP Budget Literacy and Transparency Working Group VC workshop, November 2020

All PEMPAL events deal with issues that I encounter in my daily work, and this is a great benefit to me.

— Joint VC meeting of BCOP’s working groups, March 2021

Provided materials will be used in our budget process.

— FY21 BCOP Virtual Plenary Meeting, May 2021

I will have the opportunity to apply the new knowledge in our future budgeting reform activities.

— FY21 BCOP Virtual Plenary Meeting, May 2021

Positive practical budgeting experience and lessons learned from other countries can be used to improve our own work.

— FY21 BCOP Virtual Plenary Meeting, May 2021

The experience of presented countries about their institutional arrangements will be useful for us since we are now in process of introducing cash management, which means establishing institutional arrangements as well.

— TCOP Cash Management Working Group, February 2021

At the moment, we are developing a draft instruction on the execution of revenues and expenditures of the state budget and reporting in the treasury system, so we will use the experience and knowledge gained for its development.

— TCOP Cash Management Working Group, February 2021

Take into account the experience of other countries when reforming of accounting and reporting.

— TCOP Working Group on Public Sector Accounting and Reporting (joined by Working Group on Use of Information Technologies in Treasury Operations), April 2021

I find it easier to understand the issues related to the accounting situations caused by the COVID-19 pandemic.

— TCOP Plenary, June 2021

Make proposals to management to improve our treasury information system.

— TCOP Working Group on Evolution of the Role and Functions of the Treasury, September 2020

**INTERNAL AUDIT COMMUNITY OF PRACTICE**

As Director of CHU IA, I will use knowledge and experience earned when improving our standards and practice in Albania.

— IACOP Plenary, June 2021

Presentations were excellently prepared. Presenter was great. The whole event was excellent. We gained knowledge on specific risks in IT, controls, how to these controls. We gained overall knowledge on IT concept and auditing. We received checklists to facilitate our audit.

— IACOP Training on IT Audit, April 2021

**TREASURY COMMUNITY OF PRACTICE**

We will take into consideration everything that was presented when creating IFMIS for our country.

— TCOP Working Group on Use of Information Technologies in Treasury Operations, November 2020
I can mainly use the information to train my team members.

— IACOP Internal Control Working Group, February 2021

(I will use the information) to take into account during the review of draft strategic documents. For example, while working on the draft PFM Strategy.

— IACOP Plenary, May 2021

We will improve our knowledge through continuous training, daily communication with internal auditors, and when introducing changes to the methodology of IA work.

— IACOP Plenary, May 2021

This was an excellent opportunity to verify the system in place in my country.

— IACOP Working Group - Monitoring Internal Audit Activity, October 2020

I will try to incorporate the example of ranking risks into our methodology.

— IACOP Training on IT Audit, April 2021

The presentation provided us with important guidelines for conducting an IT audit, which areas to focus on, how to analyze a process.

— IACOP Training on IT Audit, April 2021

I will use the workshop materials in IT audits.

— IACOP Training on IT Audit, April 2021

**CONTENT AND FORMAT**

Everything was great: Very important topic, trainers, their experience, the PEMPAL Secretariat’s and the Leadership’s organization was good, the notifications on the event and reminders were sent on time and the highest level of dedication and devotion to this event as well as to each previous one...

— IACOP Training on IT Audit, April 2021

The slides’ format was very organized, which gives the good knowledge on the topics; comprehensive information helps participants to understand in detail the organizational structure, role and functions of the Treasury Committee of Kazakhstan, its information systems and the approach used to measure treasury units’ performance.

— TCOP Working Group on Evolution of the Role and Functions of the Treasury, September 2020

The opportunity to discuss issues of interest in small groups was very useful. This made it possible not only to listen to the speakers, but also to clarify individual issues in more detail.

— TCOP Working Group on Public Sector Accounting and Reporting (joined by Working Group on Use of Information Technologies in Treasury Operations), April 2021

Very interesting and useful presentations, moderation was very helpful for constructive work.

— BCOP Plenary, May 2021
**TECHNICAL SUPPORT**

The leadership and management of this event, as well as all the previous ones, was at the highest level, which is a precondition for achieving its objective. I would like to express my gratitude to both the administration team and the management team. Bravo!!!!

— IACOP Plenary, May 2021

The speaker highlighted a wide range of themes related to the work of the treasury, and she answered numerous questions in various areas with expertise and sufficient depth. Thank her very much for her openness and professionalism.

— TCOP Working Group on Evolution of the Role and Functions of the Treasury, September 2020

The trainer was excellent, he knows the topic perfectly well and he has a very good way of presenting. The team was really well prepared.

— IACOP Training on IT Audit, April 2021

All speakers were excellently prepared and showed a high level of expertise.

— TCOP Plenary, June 2021

**LOGISTICAL AND ADMINISTRATIVE SUPPORT**

The quality of the administration of the event was high.

— IACOP Information Technology Audit, November 2020

We had an opportunity to ask questions via the chat. It was very convenient.

— TCOP Plenary, June 2021

KUDO platform requires high-speed Internet and when the speed decreases, the ability to connect and operate the platform becomes difficult.

— IACOP Internal Control Working Group, February 2021

**SUGGESTIONS FOR IMPROVEMENT**

More actual examples, detailed case studies.

— TCOP Cash Management Working Group, February 2021

It would be good to continue to have active discussions in small groups.

— TCOP Working Group on Public Sector Accounting and Reporting (joined by Working Group on Use of Information Technologies in Treasury Operations), April 2021

Involve more experts from the different countries.

— TCOP Plenary, June 2021

It would be better to have more practical examples in event materials.

— IACOP Audit in Practice Working Group, March 2021

I propose to define more clearly the range of issues that will be discussed at a meeting. This suggestion only applies to the last meeting and future meetings on organizational matters.

— BCOP Program and Performance Budgeting and Budget Literacy and Transparency Working Groups Workshop, March 2021
Attachment 2

COMPOSITION OF PEMPAL COP EXECUTIVE COMMITTEES DURING FY21
**BCOP ExCom Members**

Marina Tikhonovich  
Deputy Head, Budget Process Methodology Department, Ministry of Finance (Chair until June 2021)

Aynura Bakaybayeva  
Lead Economist, Department of State Budget, Ministry of Finance (Chair since June 2021)

Mladenka Karačić  
Head, State Accounting and Non-Profit Organizations Accounting Service, Ministry of Finance

Nikolay Begchin  
Head, Program Planning and Efficiency of Budget Expenditures Department, Ministry of Finance

Ruzanna Gabrielyan  
Deputy Head, Budgetary Management Department, Ministry of Finance

Alija Alijović  
Assistant to the Minister, Federal Ministry of Finance

Emil Nurgaliev  
Senior Expert, Budget Methodology Division of Budget Directorate, Ministry of Finance

Vasile Botica  
Head, Sector Budget Policies Department, Ministry of Finance

Ivan Rakovskiy  
Referent, Program Planning and Efficiency of Budget Expenditures Department, Ministry of Finance

**TCOP ExCom Members**

The Late Angela Voronin  
Head, State Treasury, Ministry of Finance (Chair until September 2020)

Liudmila Gurianova  
Deputy Head, State Treasury, Ministry of Finance (Chair since October 2020)

Ilyas Tufan  
Deputy Director General, Directorate General of Debt Office, Ministry of Treasury and Finance

Mimoza Pilkati  
Director, Treasury Operations Department, General Directorate of Treasury, Ministry of Finance

Nazim Gasimzade  
Chief, Information Technology Department, State Treasury Agency, Ministry of Finance

Levan Todua  
Head, State Loans and Deposit Operation Department, State Treasury, Ministry of Finance

Aidyn Ashuev  
Executive Secretary, Ministry of Finance (member until January 2021)

Alexander Demidov  
Deputy Head, Federal Treasury

Anuar Dzhumadildev  
Chair of the Treasury Committee, Ministry of Finance (member from April 2021)

**IACOP ExCom Members**

Ljerka Crnković  
Senior advisor-specialist, Central Harmonization Unit, Ministry of Finance (Chair until July 2021)

Petru Babuci  
Senior Consultant, Public Internal Financial Control Policy Division, Ministry of Finance

Arman Bekturova  
Director, Department of Methodology of Financial Accounting and Audit, Ministry of Finance

Amela Muftić  
Assistant Minister, Head of Central Unit for Internal Audit of Bosnia and Herzegovina Institutions, Ministry of Finance (member until April 2021)

Grigor Aramyan  
Head, Internal Audit Department, Ministry of Defense (member since May 2021)

Giuli Chkuaseli  
Head, Public Internal Control Department, Ministry of Finance

Tatjana Trajkovska  
Assistant to the Head of the Financial Inspection Department in the Public Sector and Coordination for Combating Fraud Against EU Funds - Deputy Chief Inspector, Cabinet of the Minister, Ministry of Finance

Mioara Diaconescu  
Director, Central Harmonization Unit for Public Internal Audit, Ministry of Public Finance

Stanislav Bychkov  
Deputy Director, Department of Budget Methodology, Ministry of Finance

Irma Gelantia-Akhvlediani  
Deputy Head, Internal Audit Department at Central Harmonization Unit, Ministry of Finance

Lyudmila Muromtseva  
Head, Audit Oversight Department, Treasury of Russia

Andrea Vrbová Vuongová  
Deputy Head, Internal Audit Department at Central Harmonization Unit, Ministry of Finance (member since January 2021)

**Legend**

- **Chair**
- **Deputy Chair**
- **Member**

*Note: The role of Deputy Chair was rotated during the time period with two Deputies supporting the Chair at any given time. Members served on the committee for the entire period unless otherwise stated.*
Attachment 3

PEMPAL STEERING COMMITTEE MEMBERS, FY21
**Table 2:** Composition of the PEMPAL Steering Committee in FY21 and as of June 30, 2021

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
<th>Country</th>
<th>Role</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thomas Stauffer</td>
<td>SECO</td>
<td>Switzerland</td>
<td>Donor</td>
<td>Chair of the Steering Committee</td>
</tr>
<tr>
<td>Anna Valkova</td>
<td>MOF</td>
<td>Russian Federation</td>
<td>Donor</td>
<td>Member</td>
</tr>
<tr>
<td>Daria Kirillova</td>
<td>MOF</td>
<td>Russian Federation</td>
<td>Donor</td>
<td>Member</td>
</tr>
<tr>
<td>Vincent Bigot</td>
<td>EC</td>
<td>EU</td>
<td>Donor</td>
<td>Member</td>
</tr>
<tr>
<td>Lucia Lorenzo-Perez</td>
<td>EC</td>
<td>EU</td>
<td>Donor</td>
<td>Member</td>
</tr>
<tr>
<td>Daniel Boyce</td>
<td>WB</td>
<td></td>
<td>Practice Manager</td>
<td>Member</td>
</tr>
<tr>
<td>Arman Vatyan</td>
<td>WB</td>
<td></td>
<td>PEMPAL Team Leader / IACOP Resource Team (Lead)</td>
<td>Member</td>
</tr>
<tr>
<td>Marina Tikhonovich</td>
<td>MOF</td>
<td>Belarus</td>
<td>Chair of BCOP ExCom (until June 2021)</td>
<td>Member</td>
</tr>
<tr>
<td>Mladenka Karacic</td>
<td>MOF</td>
<td>Croatia</td>
<td>Deputy Chair of BCOP ExCom</td>
<td>Member</td>
</tr>
<tr>
<td>Aynura Bakaybayeva</td>
<td>MOF</td>
<td>Uzbekistan</td>
<td>Chair of BCOP ExCom (since June 2021)</td>
<td>Member</td>
</tr>
<tr>
<td>Ljerka Crnkovic</td>
<td>MOF</td>
<td>Croatia</td>
<td>Chair of IACOP ExCom</td>
<td>Member</td>
</tr>
<tr>
<td>Arman Bekturova</td>
<td>MOF</td>
<td>Kazakhstan</td>
<td>Deputy Chair of IACOP ExCom</td>
<td>Member</td>
</tr>
<tr>
<td>Petru Babuci</td>
<td>MOF</td>
<td>Moldova</td>
<td>Deputy Chair of IACOP ExCom</td>
<td>Member</td>
</tr>
<tr>
<td>The Late Angela Voronin</td>
<td>MOF</td>
<td>Moldova</td>
<td>Chair of TCOP ExCom (until September 2020)</td>
<td>Member</td>
</tr>
<tr>
<td>Ludmila Gurianova</td>
<td>MOF</td>
<td>Belarus</td>
<td>Chair of TCOP ExCom (since October 2020)</td>
<td>Member</td>
</tr>
<tr>
<td>Ilyas Tufan</td>
<td>MOTF</td>
<td>Turkey</td>
<td>Deputy Chair of TCOP ExCom</td>
<td>Member</td>
</tr>
<tr>
<td>Name</td>
<td>Organization</td>
<td>Country</td>
<td>Role</td>
<td>Position</td>
</tr>
<tr>
<td>--------------------------</td>
<td>--------------</td>
<td>---------</td>
<td>-------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Naida Carsimamovic Vukotic</td>
<td>WB</td>
<td>WB</td>
<td>BCOP Resource Team</td>
<td>Permanent observer</td>
</tr>
<tr>
<td>Iryna Shcherbyna</td>
<td>WB</td>
<td>WB</td>
<td>BCOP Resource Team (Lead)</td>
<td>Permanent observer</td>
</tr>
<tr>
<td>Lusine Grigoryan</td>
<td>WB</td>
<td>WB</td>
<td>IACOP Resource Team</td>
<td>Permanent observer</td>
</tr>
<tr>
<td>Elena Nikulina</td>
<td>WB</td>
<td>WB</td>
<td>TCOP Resource Team (Lead)</td>
<td>Permanent observer</td>
</tr>
<tr>
<td>Galina Kuznetsova</td>
<td>WB</td>
<td>WB</td>
<td>Secretariat Supervisor, TCOP</td>
<td>Permanent observer</td>
</tr>
<tr>
<td>Yelena Slizhevskaia</td>
<td>WB</td>
<td>WB</td>
<td>TCOP Resource Team</td>
<td>Permanent observer</td>
</tr>
<tr>
<td>Ekaterina Zaleeva</td>
<td>WB</td>
<td>WB</td>
<td>PEMPAL Secretariat (TCOP)</td>
<td>Permanent observer</td>
</tr>
<tr>
<td>Ksenia Malafeeva</td>
<td>WB</td>
<td>WB</td>
<td>PEMPAL Secretariat (BCOP)</td>
<td>Permanent observer</td>
</tr>
<tr>
<td>Kristina Zaituna</td>
<td>WB</td>
<td>WB</td>
<td>PEMPAL Secretariat (IACOP)</td>
<td>Permanent observer</td>
</tr>
</tbody>
</table>
Attachment 4

SUMMARY OF RESPONSES TO PEMPAL EVENT EVALUATION SURVEYS
Participants are asked to complete a standardized anonymous online questionnaire after most events organized by the PEMPAL Secretariat. These include a number of standard questions answered using a response scale. They also give participants an opportunity to provide written comments.

Data from 17 surveys is available for FY21 (all videoconferences). Post event surveys were not previously issued after videoconference meetings, but in the new environment of online meetings only the COPs introduced post event surveys for virtual meetings (not including bilateral events).

The following table provides simple averages of responses for all the standard questions from the current survey template. If not indicated otherwise, the response scale used is 1 to 5, where 5 is the maximum possible (best) rating.

The highlighted responses are based on BCOP data only.

### Table 3: Summary of Responses to the Standard Questions from the PEMPAL Event Evaluation Surveys

<table>
<thead>
<tr>
<th>Question</th>
<th>FY20 average response rating</th>
<th>FY21 average response rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Was this your first participation in a PEMPAL event? (Yes, %)</td>
<td>23.6%</td>
<td>19.3%</td>
</tr>
<tr>
<td>How do you rate your participation in this event? (Active, %)</td>
<td>45%</td>
<td>30.9%</td>
</tr>
<tr>
<td>How do you rate the event duration overall? (About right, %)</td>
<td>89.3%</td>
<td>90.8%</td>
</tr>
<tr>
<td>The level of the event was appropriate for a person with my experience and knowledge</td>
<td>4.7</td>
<td>4.5</td>
</tr>
<tr>
<td>The event agenda was properly planned</td>
<td>4.8</td>
<td>4.6</td>
</tr>
<tr>
<td>The content of the event was properly prepared</td>
<td>4.9</td>
<td>4.7</td>
</tr>
<tr>
<td>The event addressed issues important to my work</td>
<td>4.7</td>
<td>4.5</td>
</tr>
<tr>
<td>The event covered a right number of topics for the amount of time available</td>
<td>4.7</td>
<td>4.4</td>
</tr>
<tr>
<td>Presentations made during the event were relevant and useful</td>
<td>4.8</td>
<td>4.5</td>
</tr>
<tr>
<td>Enough time was reserved for questions to speakers</td>
<td>4.7</td>
<td>4.6</td>
</tr>
<tr>
<td>Objectives of the event achieved</td>
<td>4.7</td>
<td>4.6</td>
</tr>
<tr>
<td>Quality of services by COP ExCom</td>
<td>4.9</td>
<td>4.8</td>
</tr>
<tr>
<td>Quality of services by resource team</td>
<td>4.9</td>
<td>4.8</td>
</tr>
<tr>
<td>Quality of services by event speakers</td>
<td>4.9</td>
<td>4.7</td>
</tr>
<tr>
<td>Question</td>
<td>FY20 average response rating</td>
<td>FY21 average response rating</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>-------------------------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>Secretariat</td>
<td></td>
<td></td>
</tr>
<tr>
<td>■ staff responsiveness&lt;sup&gt;24&lt;/sup&gt;</td>
<td></td>
<td>4.8</td>
</tr>
<tr>
<td>■ written communication</td>
<td>4.9</td>
<td>4.8</td>
</tr>
<tr>
<td>■ registration</td>
<td>4.9</td>
<td>4.8</td>
</tr>
<tr>
<td>Administration&lt;sup&gt;25&lt;/sup&gt;</td>
<td></td>
<td>4.8</td>
</tr>
<tr>
<td>Was the guidance provided in the event announcement message sufficient for you to prepare for the event? (Yes, %)</td>
<td>100%</td>
<td>98.6%</td>
</tr>
<tr>
<td>Were the guidance materials on the videoconference tool (KUDO) sufficiently clear? (Yes, %)</td>
<td>99.4%</td>
<td>99%</td>
</tr>
<tr>
<td>Did you experience any problems with using the videoconference tool (KUDO)? (No, %)</td>
<td>68.7%</td>
<td>83%</td>
</tr>
<tr>
<td>Are you satisfied with the quality of simultaneous&lt;sup&gt;26&lt;/sup&gt; interpretation provided during the event?</td>
<td>4.8</td>
<td>4.7</td>
</tr>
<tr>
<td>Are you satisfied with the quality of written translation of event materials?</td>
<td>4.8</td>
<td>4.6</td>
</tr>
<tr>
<td>Did the event disappoint, meet, or exceed your expectations? (Exceed, %)</td>
<td>30.6%</td>
<td>15.9%</td>
</tr>
<tr>
<td>I will be able to apply the knowledge acquired at this event to my work</td>
<td>4.4</td>
<td>4.2</td>
</tr>
<tr>
<td>Do you plan to brief your colleagues on this event? (Yes, %)</td>
<td>96.3%</td>
<td>96.5%</td>
</tr>
<tr>
<td>Overall, my satisfaction with the event was...</td>
<td>4.8</td>
<td>4.6</td>
</tr>
</tbody>
</table>

<sup>24</sup>Appeared in FY21 for surveys after VCs
<sup>25</sup>Appeared in FY21 for surveys after V: for TCOP – direct data, for other two COPs – calculated according to the results of three previous questions
<sup>26</sup>Or consecutive interpretation for some events.
Attachment 5

UPDATED FINANCIAL FRAMEWORK AND STRATEGY PERIOD
### Table 4: PEMPAL Expenditure (in '000 USD)

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>COP Activities</td>
<td>1,041</td>
<td>805</td>
<td>570</td>
<td>439</td>
<td>720</td>
<td>720</td>
<td>1,100</td>
<td>950</td>
<td>6,345</td>
</tr>
<tr>
<td>including from MDTF</td>
<td>863</td>
<td>677</td>
<td>489</td>
<td>359</td>
<td>600</td>
<td>600</td>
<td>900</td>
<td>750</td>
<td>5,238</td>
</tr>
<tr>
<td>Cross COP Activities</td>
<td>-</td>
<td>90</td>
<td>-</td>
<td>90</td>
<td>800</td>
<td>27</td>
<td>90</td>
<td>-</td>
<td>1,070</td>
</tr>
<tr>
<td>Resource Teams</td>
<td>396</td>
<td>477</td>
<td>423</td>
<td>475</td>
<td>480</td>
<td>550</td>
<td>500</td>
<td>502</td>
<td>3,803</td>
</tr>
<tr>
<td>and Experts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Steering Committee</td>
<td>0</td>
<td>41</td>
<td>32</td>
<td>34</td>
<td>34</td>
<td>34</td>
<td>34</td>
<td>34</td>
<td>243</td>
</tr>
<tr>
<td>Secretariat</td>
<td>179</td>
<td>211</td>
<td>233</td>
<td>230</td>
<td>240</td>
<td>240</td>
<td>240</td>
<td>240</td>
<td>1,813</td>
</tr>
<tr>
<td>(including translation and communication costs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External evaluation/MTR</td>
<td>-</td>
<td>-</td>
<td>45</td>
<td>50</td>
<td>0</td>
<td>0</td>
<td>-</td>
<td>-</td>
<td>95</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>1,616</td>
<td>1,625</td>
<td>1,302</td>
<td>1,228</td>
<td>1,564</td>
<td>2,344</td>
<td>1,964</td>
<td>1,726</td>
<td>13,368</td>
</tr>
</tbody>
</table>

This includes a planned large cross-COP plenary meeting of all members.

### Table 5: PEMPAL Funding Revenues (in '000 USD)

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main PEMPAL donors</td>
<td>2,138</td>
<td>1,002</td>
<td>2,000</td>
<td>2,824</td>
<td>-</td>
<td>1,217</td>
<td>609</td>
<td>-</td>
<td>9,790</td>
</tr>
<tr>
<td>Other donors/non-members</td>
<td>67</td>
<td>65</td>
<td>39</td>
<td>25</td>
<td>30</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>376</td>
</tr>
<tr>
<td>Members</td>
<td>178</td>
<td>128</td>
<td>81</td>
<td>80</td>
<td>120</td>
<td>220</td>
<td>200</td>
<td>200</td>
<td>1,207</td>
</tr>
<tr>
<td>Savings carried over from the previous strategy</td>
<td>1,715</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,715</td>
</tr>
<tr>
<td>Investment income</td>
<td>-</td>
<td>-</td>
<td>130</td>
<td>40</td>
<td>40</td>
<td>30</td>
<td>25</td>
<td>15</td>
<td>280</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>4,098</td>
<td>1,195</td>
<td>2,250</td>
<td>2,969</td>
<td>190</td>
<td>1,517</td>
<td>884</td>
<td>265</td>
<td>13,368</td>
</tr>
</tbody>
</table>