**MINUTES OF BCOP EXECUTIVE COMMITTEE MEETING**

**Tuesday, April 11, 2017, 16.00 Bishkek**

**Bishkek, Kyrgyz Republic**

**Participated:**

1. Anna Belenchuk (Chair – Russian Federation)
2. Marina Tikhonovic (Belarus)
3. Edvin Granic (BIH)
4. Kanat Asangulov (Kyrgyz Republic)
5. Mladenka Karacic (Croatia)
6. Maya Gusarova (Resource Team)
7. Naida Carsimamovic (Resource Team)
8. Deanna Aubrey (Resource Team)

**Observers:**

1. Ksenia Galantsova (Secretariat)
2. Kristina Zaituna (Secretariat)

**Agenda items:**

1. **Welcome and update on key decisions/discussions from February 7 Steering Committee meeting** (BCOP Chair, Anna Belenchuk)
2. **Acceptance of the minutes to the previous meetings** held via videoconference 21 December (to be circulated with agenda).
3. **Overview of plenary meeting attendance** – number of participants, from which member countries, which member countries and not attending, international attendance, which Executive Committee members are absent – Maya Gusarova/Ksenia Galantsova
4. **BCOP Action Plan – clarification of events for remainder of FY and current budget position –** Anna Belenchuk/Maya Gusarova/ Ksenia Galantsova – Coming events: Budget Literacy conference and back-to-back meeting of Budget Literacy and Transparency Working Group in Moscow and OECD SBO meeting.
	1. OECD has advised that SBO meeting will likely be moved to July 6-7 in Paris and SC has approved budget transfer to next FY (yet to be included in plan).
5. **BCOP Action Plan –clarification for 2017-18 and beyond** – Deanna Aubrey/All - draft plan provided for review and also member feedback from pre-meeting survey. Steering Committee require final BCOP plan for next two fiscal years by end June.
6. **Other business** – roles in plenary meeting including approach to small group discussions - Naida Carsimamovic/All

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**Minutes:**

1. **Welcome and update on key decisions/discussions from February 7 Steering Committee meeting**

Ms Anna Belenchuk welcomed all participants and presented substitutes of the Executive Committee permanent members: representative from Bosnia and Herzegovina - Mr Edvin Granic, instead of Mr Alija Aljovic, and from Belarus - Ms Marina Tikhonovic, instead of Mr Mikhail Prokhorik.

Ms Belenchuk reported on results of the last Steering Committee meeting that was held on February 7, including the report she made to the Committee on the progress and results of BCOP activities, and she also noted the positive cooperation with international organizations, such as OECD and GIFT, in relation to budget transparency and citizens’ budgets.

1. **Acceptance of the minutes to the previous meetings** **held via videoconference 21 December**.

The Executive Committee accepted the minutes of the previous meeting that was held on December 21, 2016.

1. **Overview of plenary meeting and attendance**

Ms Ksenia Galantsova reported on the number of member countries who will participate in this year’s Plenary meeting (14 countries, including Kyrgyz Republic, Armenia, Azerbaijan, Bosnia and Herzegovina, Belarus, Bulgaria, Croatia, Georgia, Moldova, Montenegro, Romania, Russia, Serbia and Ukraine) and those not attending (Albania, Kazakhstan, Kosovo, Macedonia, Tajikistan, Turkey and Uzbekistan).

Ms Maya Gusarova gave an overview of the Agenda, including participation of international speakers. She noted that the agenda is planned for 2.5 working days. The first day of the plenary is dedicated to the topic of fiscal risks, with presentations by speakers from IMF and WB. As for the country cases, initially it was planned to present two cases, one from a PEMPAL country Albania, and the other from outside the region, Latvia. However, given Albania’s last minute cancelation, Latvia would be the only country case presented on this topic. Budget literacy and transparency is to be discussed on thesecond day of the meeting, focusing on citizens’ budgets and public participation in the budget process. BCOP’s Budget Literacy and Transparency Working Group will present its knowledge product on citizens’ budgets, while the Global Initiative for Fiscal Transparency (GIFT) will present global trends in public participation and the International Budget Partnership (IBP) will present changes in the Open Budget Survey methodology in terms of public participation. The third day is dedicated to program budgeting, focusing on presentation of the results of the PEMPAL and OECD countries in the OECD Performance Budgeting Survey and presentation of country cases on progress in program/performance budgeting and spending review reforms from several PEMPAL countries.

Each day will be facilitated by one representative from the BCOP Executive Committee and one representative from the BCOP Resource Team and it was agreed that informal feedback will be gathered through placing pens and paper at the back of the room, and encouraging members to provide feedback during the plenary meeting.

1. **BCOP Action Plan – clarification of events for remainder of FY and current budget position**

Ms Ksenia Galantsova reported on progress with the BCOP budget. There were savings of approximately 15,000 USD for the Paris event, and BCOP may have some further savings from the 170,000 USD budget allocated for the Bishkek Plenary meeting.

Ms Gusarova reported on coming events. The budget literacy conference is planned for June 22, 2017 to be held in Moscow with a back-to-back meeting of the Budget Literacy and Transparency Working Group to be held on June 23. Ms Belenchuk noted that this conference will be dedicated to discussions of two questions: interaction of budget openness and budget literacy and citizens’ participation in the budget process. It was proposed to include PEMPAL country cases on participation.

The Budget Literacy and Transparency Working Group next discussed which speakers/topics should be included in the agenda for the Working Group meeting on June 23. Discussed options included presentation by the OECD representatives on their final Budget Transparency Toolkit or presentations by GIFT or IBP. Ms Belenchuk concluded that inviting OECD representatives would be the best option, given that GIFT and IBP are already presenting to BCOP in the coming days. She also noted it would be useful to invite the World Bank representatives and representatives from the municipalities in Russia who are working on participatory budgeting.

Ms Gusarova confirmed that the OECD CESEE SBO meeting will take place on July 6-7, in Paris. The Steering Committee has been informed that the allocated budget for this event will be transferred to the next fiscal year (which will be approved given the earlier advice from the SC that COPs can transfer savings to the next fiscal year, due to being in transition phase to the new strategy).

**Conclusions:**

All savings for 2016-17 will be transferred to the following fiscal year, as approved by the SC. Planning for coming events will commence shortly (Budget Literacy Conference and Budget Literacy and Transparency Working Group meeting June 22-23; and OECD CESEE SBO meeting July 6-7).

1. **BCOP Action Plan –clarification for 2017-18 and beyond**

MsDeanna Aubrey presented the draft BCOP Action Plan for the next year, which was previously circulated to the Executive Committee members for their review. She noted the Committee’s previous decisions to allocate the 330K USD approved by the SC for 2017-2018 as follows: 150K USD for the plenary meeting, 50K USD for each of the two BCOP Working Groups, and 50K USD to Executive Committee, with an additional 30K USD for the meeting of Deputy Ministers. The draft BCOP Action Plan was submitted to the SC and BCOP received positive feedback from SECO on its format. The final Action Plan for two years, including 2018-19, should be submitted to SC by the end of June, including more details on specific topics to be addressed.

Ms Aubrey reported feedback from the pre-meeting survey that indicated potential offers to host the next plenary meeting from Albania and Belarus, and Austria was also raised as a possible option. The Ministry of Finance of Austria is interested in PEMPAL and would like to be involved in some way in the future. Another possible option is Russia, Moscow, as the Secretariat is located there. Ms Marina Tikhonovic advised the Committee that Belarus is also ready to host the plenary meeting again.

Ms Aubrey reported on the progress of finalization of the new PEMPAL Strategy. She noted that no Cross-COP Executive Committee meeting is being held this year, due to funding uncertainty with the start of the new Strategy. At the next Cross-COP Executive Committee meeting planned for mid-2018, the per diem initiative will be piloted, whereby no meals will be supplied by PEMPAL, in line with the new PEMPAL Strategy agreed in Switzerland by all COP Executive Committees last year. Other discussed new requirements under the new Strategy include: capturing quotes and comments of high level officials from opening meetings or cultural programs; surveying high level officials at Minister/Deputy Minister level to gather their views on the impact of PEMPAL on their PFM systems and on the capacities of their staff; capturing any promotion by countries of PEMPAL on MoF websites or in other local publications; as well as gathering more formal documentation of country level priorities in terms of public financial management reforms within the COP Action Plan development (which has already started to be implemented by BCOP within its recent pre-plenary meeting survey).

Ms Aubrey also reported that TCOP had suggested a cross-COP task force should be formed to develop the survey of high level officials (to be issued in September). This taskforce could also work together to develop a standardized survey to measure the usefulness of COP knowledge products (another activity required under the new strategy). This taskforce will be established at the next SC meeting, will meet through the videoconference, and should consist of 2-3 members from each COP.

Ms Carsimamovic reported on the Resource Team’s analysis of the results of the pre-event survey related to BCOP member countries’ PFM priorities as inputs into the BCOP 2017/2018 Action Plan. She advised that to get the most comprehensive picture of countries’ priorities and to facilitate easier overview of the results of the pre-plenary meeting survey, the BCOP Resource Team had gone through all countries’ answers on the questions on the plenary topic, Program and Performance Budgeting Working Group topic, and Budget Literacy and Transparency Working Group and the suggested questions for the program budgeting discussion groups in Bishkek. She explained that countries’ answers had been coded to find common themes and then the most frequent countries’ priorities formulated within the following broader themes:

1.      **Assessing effectiveness of spending based on performance information**(and related tools - spending reviews, evaluations, value for money) – 12 out of 18 countries mention this

2.      **Defining good performance indicators**(methodology, examples, best practice, including Key National Indicators) – 8 countries mention this

3.      **Participatory budgeting with citizens' inputs** - 6 countries mention this

4.      **Relations of central government with other parts of general government on budget issues** (regional and local government and EBFs) - 5 countries mention this

5.      **Financial Information Management Systems/IT systems for budgeting** - 3 countries mention this

6.      **Capital budgeting** - 3 countries mention this

Based on these results, the Executive Committee concluded that there is an overwhelming priority interest in the areas which fall under BCOP’s two Working Groups (also noting that the Program and Performance Budgeting Working Group is planning to produce a knowledge product on topic 2). Thus, the Executive Committee decided to apply the same approach being applied in this year’s plenary meeting to the next year’s plenary meeting – having one day of the plenary meeting to each of the Working Groups, while introducing a new topic for the first day of the plenary meeting.

If this approach is to be adopted, the plenary meeting topics for the next year could be:

1.       Program and Performance Budgeting Working Group DAY: Assessing effectiveness of spending based on performance information (and related tools - spending reviews, evaluations, value for money).

2.       Budget Literacy and Transparency Working Group DAY: Participatory budgeting with citizens' inputs

3.       NEW TOPIC HALF DAY: Intergovernmental fiscal relations

Ms Marina Tikhonovic advised that Belarus has 65% financing for local government budgets and would be happy to share knowledge on intergovernmental relations and transfers from Belarus experience during the next year’s plenary meeting.

**Conclusions:**

It was decided that BCOP representatives to join the cross-COP taskforce to develop the survey of high level officials would be Ms Anna Belenchuk, Ms Mladenka Karacic, and Mr Kanat Asangulov. Ms Naida Carsimamovic also offered her assistance, including preparing a first draft for their consideration, to take as ideas to the first meeting. She noted that both the content of such a survey needs to be considered, as well as the process, given cabinet protocols in each country.

The BCOP Executive Committee noted the country priorities received from members through the pre-plenary meeting survey. Given that most of the priorities chosen fall within the scope of the two working groups, the Committee agreed that the plenary meeting format should be similar for next year (one day for new topic, and one day for each for the two thematic working groups).

Plenary meetings would be held around February/March each year given feedback that if held any later, attendance is impeded due to budget process demands.

It was agreed that the topics would be as outlined above in 1. 2. 3. Members of the Executive Committee will consult with their relevant Ministries’ colleagues who deal with inter-budgetary transfers and intergovernmental fiscal issues and then at the next Executive Committee meeting in Paris, they define the specific issues to be addressed within this topic. Potential topics could be intergovernmental transfers, financing methodologies, general government expenditure consolidation, or extrabudgetary funds.

The location of the next plenary meeting still needs to be decided. Given that BCOP has recently had events held in Belarus and Albania, it was decided that Ms Ksenia Galantsova will advise the Committee on the costs of other COP events recently held in Austria.

1. **Other business**

Within other business, Executive Committee discussed possible expansion of the BCOP Executive Committee and introduction of policies to ensure active contribution to the work of Executive Committee by all country members.

**Conclusions:**

The Executive Committee decided to implement a new policy by which in the case when an Executive Committee member cannot attend a BCOP Executive Committee meeting, his/her BCOP Executive Committee member country must send a replacement Executive Committee member to the Executive Committee meeting. If an Executive Committee member country does not send any representatives to two BCOP Executive Committee meetings, that country’s Executive Committee membership will be revoked.

Based on his recent significant contribution to the work of the BCOP (including during get current plenary meeting), the Executive Committee extended an invitation to Emil Nurgaliev of the Ministry of Finance of Bulgaria to join the BCOP Executive Committee. Mr Nurgaliev accepted the nomination and was officially presented as the new Executive Committee member at the closing of the plenary meeting.