**MINUTES OF BCOP EXECUTIVE COMMITTEE MEETING**

**Wednesday, May 23, 2018, 10.30**

**Zagreb, Croatia**

**Participated:**

1. Anna Belenchuk (Chair – Russian Federation)
2. Vahagn Arshakyan (Armenia)
3. Elena Pechan (Belarus)
4. Yury Seliverstov (Belarus)
5. Alija Aljovic (Bosnia and Herzegovina)
6. Emil Nurgaliev (Bulgaria)
7. Mladenka Karacic (Croatia)
8. Kanat Asangulov (Kyrgyz Republic)
9. Almaz Baketaev (Kyrgyz republic)
10. Maya Gusarova (Resource Team), *remotely via video link*
11. Naida Carsimamovic (Resource Team)

**Observers:**

1. Ksenia Galantsova (Secretariat)

**Agenda items:**

1. **Welcome and overview of the Agenda**
2. **Acceptance of the minutes to the previous meeting held in March 2018**
3. **Update on Working Groups:**
	* **Budget Literacy and Transparency Working Group** – update on the work, knowledge resources, and future plans
	* **Program and Performance Budgeting Working Group** – update on the work, knowledge resources, and future plans
4. **BCOP Action Plan–** update on FY2018 budget execution, discussion upcoming events, and decision on update of the FY2019 Plan to be submitted to Steering Committee
5. **Preparation for the Cross-COP leadership meeting to be held in July 2018** – update on plans and discussion of any feedback needed from BCOP
6. **Other business**

**Minutes:**

1. **Welcome and overview the Agenda**

Ms. Anna Belenchuk welcomed all participants and gave a short overview of the meeting agenda.

Ms. Naida Carsimamovic additionally welcomed Deputy Ministers of Finance, Mr Yury Seliverstov (Belarus) and Mr Almaz Baketaev (Kyrgyz Republic) who kindly agreed to take part in the meeting.

1. **Acceptance of the minutes of the previous meetings** held in March 2018

Ms. Carsimamovic reminded the participants that after the draft minutes were circulated via e-mail, Mr. Kanat Asangulov suggested to include the discussion Executive Committee had about potential extension of Executive Committee membership to an additional country. This is now included in the minutes to the version circulated ahead of this meeting.

***Conclusion:***

* The Executive Committee accepted the minutes of the previous meeting held on March 14, 2018 in Vienna, Austria.
1. **Update on Working Groups:**

**Budget Literacy and Transparency Working Group (BLTWG)**

Ms. Belenchuk reported that BLTWG is currently working on drafting its knowledge product on Public Participation in Fiscal Policy and the Budget Process, with assistance from Haruka Masud from the World Bank. Thematic focus of the BLTWG for the next period will be moving towards involvement of citizens and merging of topics of budget literacy and public participation.

In terms of other planned activities, Ms. Belenchuk informed the Executive Committee members that a learning visit on public participation at national and local level is confirmed for the week of October 15th, 2018 and will be organized with GIFT. In terms of budget resources, this event is the priority for BLTWG in FY2019. Ms. Gusarova additionally explained that two days will be dedicated to the PEMPAL-GIFT meeting and additional day to a field visit to the Cascais municipality.

Additionally, BLTWG delegation (size of which will depend on budget – *see discussions under the next agenda item below*) will attend the Moscow Financial Forum’s conference on Citizen Engagement as a Resource for Development: Russian and International Experience with Participatory Budgeting, taking place on September 7, 2018. Ms. Belenchuk noted that some separate funding may be available from the Moscow Financial Forum under a quote for Ministries of Finance of Eurasia Economic Union countries (Armenia, Republic of Belarus, Kazakhstan and Kyrgyz Republic). She also noted that the interpretation will be arranged only into Russian and English languages, which needs to be taken into account when deciding on participants.

**Program and Performance Budgeting Working Group (PPBWG)**

Ms. Carsimamovic reported that PPBWG’s draft knowledge product on Performance Indicators in PEMPAL Countries: Trends and Challenges is currently being translated. Thematic focus of the BLTWG for the next period will be spending reviews.

In terms of planned activities, she explained that the PPBWG has been in contact with the OECD and has received some materials and information from OECD related to topic of spending reviews, which is in focus of the PPBWG for the next period. The material is being reviewed currently, to be used as background for PPBWG’s knowledge product on spending reviews and to identify current best practice country case applicable to PEMPAL countries as a potential PPBWG learning visit host.

Correspondence is also ongoing with the OECD regarding PPBWG’s attendance at the next meeting of the OECD Network on Performance and Results.

Additional focus of the PPBWG in FY2019 will be on participation of PPBWG countries in the 2018 OECD Performance Budgeting Survey. Currently, the survey and accompanying glossary received from OECD is being translated.

***Conclusion:***

* The Executive Committee took note of the progress and plans of BLTWG and PPBWG.
1. **BCOP Action Plan–** update on FY2018 budget execution, discussion upcoming events, and decision on update of the FY2019 Plan to be submitted to Steering Committee

Ms. Carsimamovic reminded the Executive Committee members that, due to remaining uncertainties/delays in donor funding, each COP will need to submit to the PEMPAL Steering Committee two budget scenarios – one for currently initially approved COP budget of US$180K plus COP’s FY18 savings and one for the maximum possible COP budget of US$300K plus COP’s FY18 savings. Two documents related to this agenda item were circulated to the Executive Committee members for this meeting – table with the FY2018 budget execution and two tables with proposed FY2019 budget scenarios drafted by the Resource Team and the WG leads based on discussion from the previous Executive Committee meeting. Current estimates of BCOP savings for FY2018 are around US$56.5K, mostly as a result of moving BLTWG learning visit from FY2018 to FY2019. BCOP made savings in all of its budget lines, with the exception of translations, which was a result of numerous documents and inputs that needed to be translated for working groups’ knowledge products (country cases and performance indicators).

Ms Carsimamovic presented the proposed FY2019 scenarios. Table below shows planned activities under potential COP budget of US$300K plus carried over FY2018 savings (which are approximately US$56,5K for BCOP). Budget scenario under COP budget of US$180K plus carried over FY2018 savings would exclude items 5 and 6 and instead would include a one-day PPBWG workshop back-to-back with the plenary meeting and additional VC meetings. Moreover, the scope of events (in length and/or number of participants) under 1, 2, and 4 would be somewhat smaller to fit into the lower budget.

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| **1** | **Participation at the Moscow Finance Forum's session on budget literacy by part of the BLTWG**  | September, 2018 | Moscow, Russia |
| **2** | **Learning visit on public participation at national and local level in Portugal by BLTWG, co-organized with GIFT + ExCom meeting** | October 2018 (moved from FY2018) | Cascais/ Lisbon, Portugal |
| **3** | **Participation at the OECD Performance Network by a small delegation of PPBWG leadership**  | November 2018 | Tallinn, Estonia |
| **4** | **Plenary meeting of all BCOP members + ExCom meeting**  | March 2019 | Tashkent, Uzbekistan |
| **5** | **Learning visit on spending reviews to an advanced country by PPBWG** | April 2019 | TBD |
| **6** | **Participation of the Executive Committee at the OECD CESEE SBO meeting + ExCom meeting** | May/June 2019 (TBC) | Minks, Belarus (TBC) |
| **7** | **VC meeting of PPBWG**  | Fall 2019 |   |
| **8** | **VC meeting of BLTWG**  | Spring 2019 |

Executive Committee held a general discussion on each event and potential scope, while the exact estimates for number of participants for items 1, 2, 3 need to be made for each budget scenario. In particular, depending on budget scope, in the cases where not all members countries can be invited to small working group meetings, member countries that most actively participate in the WG activities (e.g. those that provided data/information to serve as country cases in the knowledge products) will be invited.

In its last meeting in March 2018, the Executive Committee analyzed the priorities collected from member countries and the format and topics of BCOP 2019 annual plenary meeting (to be held in Uzbekistan). Based on collected country priorities, the Executive Committee decided to apply the same approach as applied for the 2017 and 2018 plenary meetings to the 2019 plenary meeting: one day of the plenary meeting to each of the Working Groups, while introducing a new topic or exploring further previously discussed topic which is outside of the scope of working groups’ topics in the first day of the plenary meeting. Thus, the Executive Committee in this meeting continued its discussion on the topic outside of the scope of working groups’ topics, to be covered in the first day/half day of the meeting. Extensive discussion was held with each member providing their input and various topics and approached were suggested.

***Conclusions:***

* + Executive Committee made decisions on the FY2019 budget scenarios, to be put into an BCOP Action Plan format and submitted to the Steering Committee. PEMPAL Secretariat will prepare the exact estimates for number of participants for each budget scenario for small group meetings. In the cases where not all members countries can be invited to small working group meetings, member countries that most actively participate in the WG activities will be invited.
	+ BCOP 2019 annual plenary meeting will include one day of the plenary meeting to each of the Working Groups, while a new topic of integrating capital budgeting in budget planning will be introduced s in the first day of the plenary meeting, with focus on specific subtopics of assessing effectiveness and prioritizing capital expenditure; role of independent fiscal institutions in capital budgeting context; fiscal risk management related to capital budgeting (including role of private sector); and role of rainy funds/sovereign funds in capital budgeting.
1. **Preparation for the Cross-COP leadership meeting to be held in July 2018**– update on plans and discussion of any feedback needed from BCOP

Ms. Carsimamovic reported that the cross-COP Executive meeting will take place on July 4-6, 2018 in Budapest, during which each COP needs to hold a short presentation on the update of COP work and future plans. Ms. Belenchuk informed the participants that she will not be present in Budapest (although she will attend the planned BCOP Executive Committee on July 6th via video link). Ms. Asangulov and Ms. Karacic expressed their willingness to share this responsibility and present together.

The Executive Committee next discussed the following issues related to the Strategy 2017-22 Action Plan planned for the group discussion on the second day of the cross-COP Executive meeting in Budapest:

1. formalizing requirements for the hosting countries to financially contribute to PEMPAL event,
2. savings initiatives, and
3. financial sustainability.

As these issues are interrelated, members discussed it in parallel.

Ms. Asangolov, Mr. Seliverstov, and Mr. Aljovic reminded of the discussions on these topics held by the Executive Committee back in the process when the PEMPAL 2017-2022 Strategy was discussed, highlighting that ad hoc financial payments of host countries for specific events are very difficult and practically impossible in terms of practical administrative budgetary payment mechanism, as these could not be planned timely in adopted budget of the host ministry. Thus, the most practically implementable and transparent way for countries to financially contribute to PEMPAL is through paying fees for official membership in international organizations. However, for this to take place, PEMPAL would have to be a formally registered organization. Members in particular added that if this approach is to be taken, it needs to be taken in account that procedures for countries to approve membership in international organization are in some cases lengthy as this requires parliamentary approval. In terms of requiring host countries to financial contribute, BCOP Executive Committee is of opinion that financial contributions should be encouraged and taken into account when deciding on host countries, but that it should not be an eliminatory factor, as countries which cannot make the financial contribution, either due to administrative budgetary payment obstacles as described above or due to lack of funds, should not be excluded from potentially hosting events as they may be able to provide very valuable non-financial and content contribution.

In terms of savings initiatives, Ms. Belenchuk and Mr. Seliverstov reminded of previous BCOP’s proposals to consider using national training facilities to host PEMPAL events, in which case the hosts could partly finance or facilitate lower prices for the conference room renting, coffee breaks, and equipment. BCOP attempted to use this approach for one of its previous plenary meetings, however, it could not be implemented due to World Bank procedures and rules in terms of event facilities, thus those would need to be adjusted if such approached were to be implemented.

In terms of collecting information on use of knowledge products, BCOP Executive Committee noted that information on this should be collected via existing pre-event COP surveys, as opposed to introducing a new PEMPAL survey.

***Conclusions:***

* BCOP Deputy Chairs will hold a presentation on behalf of BCOP at the cross-COP Executive meeting in Budapest on July 6, 2018.
* BCOP Executive Committee will brief about its discussion on the issues related to the Strategy 2017-22 Action Plan planned for the group discussion on the second day of the cross-COP Executive meeting in Budapest.
1. **Other business**

***Conclusions:***

* Next meeting of the BCOP Executive Committee meeting will take place in Budapest on July 6, 2018.
* As Wiki is closing in July 2018, BCOP Secretariat and Resource Team have moved all of the BCOP’s internal materials to One Drive and will reorganize the materials by main BCOP topics, after which all BCOP members will be invited to access this One Drive folder.
* PEFA Secretariat has asked BCOP leadership to circulate information on PEFA’s workshop taking place in June, 2018 in Vienna to BCOP members. This will be forwarded to all BCOP members by the Secretariat, noting that PEMPAL is not covering any of the costs of this event.