**MINUTES OF BCOP EXECUTIVE COMMITTEE MEETING**

**Thursday, October 10, 2019**

**Videoconference**

**Participated:**

1. Anna Belenchuk (Chair, Russian Federation)
2. Mladenka Karacic (Deputy Chair, Croatia)
3. Ruzanna Gabrielyan (Armenia)
4. Alija Aljovic (Bosnia and Herzegovina)
5. Emil Nurgaliev (Bulgaria)
6. Vasile Botica (Moldova)
7. Ivan Rakovskiy on behalf of Nikolay Begchin (Russian Federation)
8. Naida Carsimamovic (BCOP Resource Team)
9. Iryna Shcherbyna (BCOP Resource Team)
10. Deanna Aubrey (BCOP Resource Team)

**Observers:**

1. Ksenia Galantsova (Secretariat)

**Agenda items:**

1. **Welcome and Agenda Overview**
2. **Acceptance of the minutes to the previous meetings**
3. **Announcement of the Upcoming Annual Executive Committee Chair Elections**
4. **Revised BCOP FY20 Action Plan and Budget**
5. **Update on preparations and the budget for the joint workshop of the PPBWG and BLTWG and participation at the OECD P&R meeting in November 2019 in Paris**
6. **Brief update on Working Groups:**
   * **Budget Literacy and Transparency Working Group**
   * **Program and Performance Budgeting Working Group**
7. **BCOP FY20 Plenary Meeting preparations**
8. **Update and Preparation for Cross-COP Meetings**

**Minutes:**

1. **Welcome and Agenda Overview**

Ms. Anna Belenchuk welcomed participants and gave an overview of the meeting agenda.

1. **Acceptance of the minutes to the previous meetings** **held in May 2019**

***Conclusion:***

* The Executive Committee accepted the minutes of previous meetings held on May 14, 2019 via videoconference.

1. **Announcement of the Upcoming Annual Executive Committee Chair Elections**

Ms. Iryna Shcherbyna reminded that according to the PEMPAL Operational Guidelines, the COP Chair is elected each year and it is now time for elections of BCOP Chair. She explained that each country participating in the Executive Committee has one vote and that any of the current members of the BCOP Executive Committee can be nominated.

***Conclusion:***

* Executive Committee instructed the Secretariat to organize confidential BCOP Executive Committee Chair elections electronically.

1. **Revised BCOP FY20 Action Plan and Budget**

Ms. Naida Carsimamovic explained that the Executive Committee needs to approve revised BCOP FY20 Action Plan and Budget, specifically, the adjustments to the previously approved budget in terms of the update of actual cost for July 2019 event and the merging of events of two working groups, as well as distribution of potential additional COP allocations for FY20 expected to be considered by the PEMPAL SC in its next meeting in November 2019, given the expected additional donor contribution to PEMPAL MDTF.

Ms. Carsimamovic gave an overview of proposed revised BCOP FY20 Action Plan and Budget which was circulated to the Executive Committee members prior to this meeting (and which includes presentation of the previously approved lower budget scenario of 250,000 USD with FY19 BCOP savings of 54,000 USD and of the new higher budget scenario of 300,000 USD with the FY19 BCOP savings), explaining the differences compared to the previous version. The main difference under the lower budget scenario merging of the two planned small workshops of each of the two BCOP WGs into one joint workshop in the Fall, as per previous decision of the BCOP Executive Committee. Proposed higher budget scenario distributes the potential additional 50,000USD of COP allocation on top of the lower budget scenario by planning for another joint workshop of two BCOP WGs planned back-to-back with the OECD SBO CESEE meeting in May/June 2020 in Sofia, Bulgaria, as well as increasing planned resources for translation and design of knowledge products. Executive Committee members held a discussion on the proposed revised BCOP FY20 Action Plan and Budget.

***Conclusion:***

* BCOP Executive Committee approved the revised BCOP FY20 Action Plan and Budget.

1. **Update on preparations and the budget for the joint workshop of the PPBWG and BLTWG and participation at the OECD P&R meeting in November 2019 in Paris**

Ms Carsimamovic gave a short update of the upcoming BCOP joint working group workshop taking place on November 5-6 in Paris and the subsequent participation of a small BCOP delegation in the meeting of the OECD Performance and Results network on November 7-8. The objective of BCOP’s two-day joint workshop is to examine good practices from advanced countries and assess potential application to PEMPAL countries in two subtopics: i) capturing citizens’ satisfaction, perceptions, and engagement in performance indicators used for budgeting and ii) technical methodology and process for spending reviews in advanced countries. Working groups will also hold discussions to reflect on lessons learned from advanced countries on the examined subtopics, share updates on the developments in working group countries, and decide on the future activities of the groups. In particular, the groups will advance their work on development of knowledge products.

She gave an overview of agenda and status of the sourcing of speakers for the BCOP workshop, highlighting that thanks to the BCOP’s cooperation with the OECD, speakers from OECD Budget and Public Expenditure Division from the Ministry of Finance of Belgium and OECD delegates from the Ministries of Finance of France, Canada, Italy, and Ireland were sourced as speakers in the BCOP workshop free of charge.

***Conclusion:***

* BCOP Executive Committee took note of the status of preparations of the BCOP joint working group workshop taking place on November 5-6 in Paris and the subsequent participation of a small BCOP delegation in the meeting of the OECD Performance and Results network on November 7-8.

1. **Brief update on Working Groups:**
2. **Program and Performance Budgeting Working Group (PPBWG)**

Mr. Ivan Rakovskiy apologized on behalf of Mr. Nikolay Begchin, who could not attend this meeting due to private obligations. He gave an update of activities taken by the PPBWG. He explained that the PPBWG has been focused on developing formal knowledge product *Performance Budgeting and Spending Reviews in PEMPAL Countries: Current Practices, Challenges, and Recommendations* and on preparation of the BCOP workshop in Paris. Mr. Rakovskiy also noted that the Ministry of Finance of Russian Federation organized Moscow Financial Forum in September 2019, within which a session on performance budgeting and spending reviews was successfully held. He noted that the Ministry of Finance of Russian Federation will share all of the materials from this session with BCOP PPBWG.

Ms. Carsimamovic thanked all active members who provided very useful comments and suggestions in the process of developing the PPBWG knowledge product *Performance Budgeting and Spending Reviews in PEMPAL Countries: Current Practices, Challenges, and Recommendations*. She also explained that planned activities for PPBWG in the second half of FY20 include initiation of work on the next knowledge product, planned to be devoted to spending reviews, in which detailed recommendations for conducting spending reviews in PEMPAL countries will be given.

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

Ms. Belenchuk explained that the BLTWG has been working on developing its formal knowledge product *Public Participation in Fiscal Policy and the Budget Process – Establishing and/or Strengthening Mechanisms in PEMPAL Countries*. She noted that knowledge product will also be sent to GIFT and OECD for their comments.

Ms. Deanna Aubrey thanked Ms. Belenchuk and all members for all the work that have been done under the working group for the past two years. She explained that the draft knowledge product report will be sent out to the participants of the BCOP workshop in Paris prior to the event and will be discussed during the event.

***Conclusion:***

* The Executive Committee noted the progress and plans of the two BCOP working groups.

1. **BCOP FY20 Plenary Meeting preparations**

Ms. Shcherbyna reminded that the BCOP Resource Team has circulated draft concept note and agenda overview for the BCOP FY20 plenary meeting prior to this meeting, which was prepared by the BCOP Resource Team based on the discussions of the Executive Committee members in the previous Executive Committee meetings and the member countries’ priorities collected in early 2019. She reported that the location for the next year plenary meeting has not been confirmed yet. BCOP Resource Team has circulated the request for expression of interest to host this meeting to several countries, however, no positive answer has been received yet. A response is pending from Kazakhstan, and in the case of their negative answer, potential back-up options could be Brussels or Vienna. The Executive Committee members next held discussions on the hosting options, noting that Kazakhstan would have interesting progress to show in BLTWG topics, while Brussels would be a good opportunity to get speakers from the European Commission.

Ms. Carsimamovic gave an overview of proposed draft agenda of the BCOP FY20 plenary meeting. The format of the 2020 BCOP Annual Plenary Meeting will comprise 2.5 full working days of meeting agenda, in addition to BCOP Executive Committee and BCOP Resource Team meetings that will take place prior to the plenary meeting. Days 2 and 3 will be devoted to the topics of the two BCOP working groups, with morning part of the agenda being devoted to the updates of the WG activities and presentations and reflections on the WG knowledge products being finalized in FY20 (*Performance Budgeting and Spending Reviews in PEMPAL Countries: Current Practices, Challenges, and Recommendations* on PPBWG day and *Public Participation in Fiscal Policy and the Budget Process – Establishing and/or Strengthening Mechanisms in PEMPAL Countries*.on BLTWG day). The afternoons will be devoted to work on the new knowledge products (on spending reviews on PPBWG day and on participatory budgeting at local level on BLTWG day).

The first day of the plenary meeting will be devoted to the new topic for BCOP – costing methodologies. In the BCOP survey in early 2019, BCOP countries listed issues of interest related to the costing methodology including different costing methodologies for different sectors and types of expenditures, and mid- and long-term costing of direct and indirect costs of different reforms. Three sessions on this topic are proposed: the World Bank practices and recommendations on costing methodologies, specific examples of costing methodologies used for particular reforms/sectors (either by the World Bank OR as a specific country case presentation from an advanced country), and methodologies and recommendations from the European Commission on costing of structural reforms in the European Union (EU). Following these sessions, a panel discussion and group work are proposed.

The Executive Committee next held extensive discussions on the contents of the plenary meeting day on the new topic of costing methodology, noting issues of interest such as ways to analyze and validate mid-term expenditure forecasts of line ministries, forecasting baseline versus new proposed spending initiatives, estimating costs of newly proposed legal acts and policies submitted to government (called fiscal impact assessment in some countries), estimating costs of large structural reforms, and automated models for forecasting costs.

***Conclusions:***

* Executive Committee approved the format and overall topics planned for the BCOP FY20 plenary meeting. Specific agenda planned for BTLWG and PPBWG days were approved, while for the day on the new topic of costing methodologies, the Executive Committee instructed the BCOP Resource Team to do additional research and sourcing of the speakers and to propose detailed information on the content of the proposed presentations on this topic, given different perspectives and interests of different PEMPAL countries within this particular topic.
* the Resource Team will inform the BCOP Executive Committee when the decision on location of the BCOP FY20 plenary meeting is made.

1. **Update and Preparation for Cross-COP Meetings**

Ms. Aubrey reported that the SC established Organizational Committee for Cross-COP Leadership Meeting, in which Ms. Anna Belenchuk, Ms. Marina Tikhanovich, and Ms, Mladenka Karacic will represent BCOP, as per previous decision of the BCOP Executive Committee. She explained that the first meeting of the Organizational Committee is planned for October 21, 2019, via videoconference, in which the draft agenda for the cross-COP meeting will be discussed. She also reminded that the Cross-COP Leadership Meeting has been scheduled for the week of July 6, 2020 in Switzerland, hosted by SECO. The first day of the Cross-COP leadership meeting is envisaged to be devoted to presentations from the hosts on the practices in Switzerland in the thematic areas of PEMPAL COPs. Each COP will need to send the list of specific topics they are interested to hear from the hosts. The second day will be devoted to PEMPAL Mid-term Review and the discussions on PEMPAL Strategy Implementation, while the third day will be devoted to parallel meetings of the COP Executive Committees and the SC meeting.

Ms. Carsimamovic reminded that during the last cross-COP meeting in Bern in 2016, topics presented by the Swiss hosts were fiscal rules and accrual accounting and proposed that BCOP for the 2020 meeting suggests the topics of the two BCOP working groups to be presented by the hosts. Executive Committee members next held the discussion, during which the topic of inter-governmental relationships in Switzerland was also proposed as an interesting topic for hosts ‘presentation, given complex administrative structure in Switzerland.

***Conclusion:***

* Executive Committee took note of the plans for the Cross-COP Leadership Meeting and decided that initial BCOP’s proposals for hosts’ presentation in Switzerland should include the topics of the two BCOP working groups and the topic of inter-governmental relationships.