



Steering Committee Meeting

December 9, 2009

Overview of the PEM PAL Network Activities in 2009 and Funding for 2010

1. Reports by the Chairs of the Communities of Practice (COP's) Executive Committees (EC)

Report by Treasury COP (TCOP):

The topic of the November workshop was "Cash Management" and was very well accepted. The Russian and Slovenian Ministry of Finance (MoF) presented their respective country cases. The IMF PFM regional adviser, Mr. Brian Olden prepared a questionnaire being circulated among members beforehand and which was a precondition for attendance as well as helped better design the program.

T COP selected 12 main topics that are in their interest for the future meetings (Budget Classification, Chart of Accounts, Accounting and Reporting).

They would be also interested to attend a plenary meeting in 2010.

Report by Internal Audit COP (IA COP):

- Topics that IA COP included in their 2010 Action plan were CHU, IA standards in practice of public sector, Implementation of IPPF through IA manuals development, IT audits, Inspection towards IA and Relation EA and IA (document attached).
- IA COP is moving towards more practical oriented activities which is in their view a positive trend.

Conclusions:

- IA COP will provide the report after December 11, 2009.
- It is advisable to produce a specific (and short) E-Newsletter after each COP event.

Report by Budget COP (BCOP):

Proposal of topics that BCOP included in 2010 Action plans:

- VC, Study visit, EC meeting, Annual BCOP meeting (document attached)
- Study visit to Scotland (postponed from 2009 Action plan).

Conclusions:

- The SC gave "no objection" to the study tour to Scotland. It was suggested that Georgia will widely share the knowledge gained in Scotland among other B COP members. They will prepare report to be published on the PEM PAL web page and present the case at next B COP meeting.
- Elena Nikulina offered her assistance to B COP until new Community leader takes over.

Follow up: All COPs budgets and action plans for 2010 will be formally approved on the next SC meeting.

2. Welcome of Representatives of the Ministry of Finance of the Russian Federation (RF)



Two representatives (Mr. Andrei Bokarov/Mr. Alexei Lavrov) of the Russian MoF attended the SC meeting via VC as observers and presented their intent for a possible future cooperation:

- Russia is willing to contribute its PFM reforms experience, not only in ECA region but also broader.
- Russian Gvmt is supportive to bilateral and multilateral projects. There is a great possibility that RF will join PEM PAL network as a donor in the near future.
- RF is interested in an active participation in all PEM PAL COPs. They would like to share their experience and also learn from other countries. One of the main topics they are interested in is Budgeting processes.
- RF involvement is expected on a mid to long term perspective. The tentative launch of the program is planned for mid 2010 and could continue through 2013/2014.

Conclusion:

Negotiations between the WB and RF are progressing; the SC will be informed accordingly.

3. Report of Secretariat

Mira Dobovisek presented the report of the Secretariat, which should be considered as an interim report as per November 30, 2009. The final report for 2009 will be prepared until the next SC meeting.

Comments and proposals:

To achieve a better communication between PEM PAL members, the use of the web site should be improved. Interesting information, including summaries of the conclusions from the SC meetings should be put on the web site.

The Secretariat also presented a financial report for 2009 (as per Nov. 30, 2009) with estimated expenditures for T COP and IA COP events in Ljubljana.

- The budget allocation for SC in 2009 DGF was not used and should be reallocated to COPs activities. The Secretariat submitted to the WB a request to postpone the use of 2009 DGF budget in January to May 2010.
- It was also noted that engaging a moderator would help improve results of each event in case that the foreseen facilitator will not be able to perform also as a moderator.
- The Rules of Operations should be revised to incorporate lessons learned after one year of operations.

Questions and answers:

- Q: Why was allocation for SC in DGF budget overestimated? A: Two representatives from each COP should attend the SC meetings. There were not many SC meetings in 2009, and not all invitees attended the meetings.

Conclusions and follow up:

- Final report by Secretariat for 2009 will be prepared until the next SC meeting. The report should comprise also financial contributions that are not booked in CEF accounts and donors' contributions in kind.
- The Secretariat will prepare for the next SC meeting proposals for revision of Rules of operations, especially including the Community Facilitator, the small activities programme, donor support of in-kind contributions as well as participants' attendance to events.



4. Discussion on PEM PAL membership sustainability

Major problems were the constant changes of participants (members) and staff in targeted positions, lack of communication, high workload of members at their work and the language barrier. In the future COPs should have more regular sessions to achieve “good timing” for the majority of members.

Conclusions and follow up:

Members of the SC should amend and prioritize the topics stated in the report and send it together with additional proposals back to Tomislav Micetic by the end of January 2010. Based on these, a proposal will be presented at the SC meeting for decision/ plan of actions and will also be implemented in the Rules of Operation.

5. Report on the status of the PEM PAL Community Facilitator

Request for the expressions of interest for the PEM PAL Community Facilitator was finalized and advertised at WB and PEM PAL web pages. Secretariat will be collecting applications by January 25, 2010 and will prepare the first “screening” of the applications. Fee for the position is not advertised and will depend on position of the person that will be selected.

6. PEM PAL funding outlook

Elena Nikulina presented estimated budget for 2010, which is not sufficient for both, COPs activities as well as a plenary meeting planned for 2010.

- SECO will contribute to the budget for the facilitator which includes an overall package (travel, accommodation, etc).
- DFID is interested to continue its support to PEM PAL network, subject to satisfactory evaluation of the previous work and with vision for the future. DFID's Regional Budget Program ends on December 31, 2010 and in case of a continued support to PEM PAL, the decision should be made as soon as in the first quarter of 2010.
- InWent's contribution to IA COP for 2010 is 100.000 USD. InWent will also need an assessment of IA COP's work by May 2010 to justify a further contribution after 2010.

7. PEM PAL plenary meeting in 2010

Plenary meeting in 2010 solely depends on the funding. Therefore, the final decision will be reached at the next SC meeting in February.

Conclusions and follow up:

- Timing and venue for the 2010 plenary meeting should be decided at the next SC meeting.

8. Next SC meetings

- Next SC meeting is scheduled for end February 2010 and will be confirmed by Email.

Minutes prepared by Natasa Zmrzljak.