



PEMPAL
Steering Committee Meeting
October 02, 2014, at 14:30 CET (16:30 MSK)
via VC

MINUTES

Present (last names in alphabetic order)

Members (8): Vugar Abdullayev (TCOP Chair, MoF Azerbaijan), Marius Koen (World Bank), Olga Korolyova (Donor, MoF Russian Federation), Edit Nemeth (IACOP Chair, MoF Hungary), Elena Nikulina (PEMPAL Task Team Leader TTL, World Bank), Gelardina Prodani (BCOP Chair, MoF Albania), Rosemarie Schlup (Donor, SECO) and Anna Valkova (Donor, MoF Russian Federation).

Permanent Observers (2): Deanna Aubrey (PEMPAL Strategic Advisor/BCOP Adviser), Gašper Pleško (Head of PEMPAL Secretariat).

Observers (4): Ion Chicu (TCOP Advisor, World Bank), Maya Gusarova (BCOP Lead Coordinator, World Bank Country Office, Russia), Matija Milotič (PEMPAL Secretariat) and Arman Vatyan (IACOP Advisor, World Bank).

1. Opening of the meeting and welcome of new members

Ms. Valkova (Chair, Russian Federation) welcomed everyone attending and confirmed the agenda of the meeting and extended her welcome and congratulations to Mr. Vugar Abdullayev, who was recently appointed as Chair of the TCOP Executive Committee.

2. Mid-term review of PEMPAL Strategy implementation

Ms. Elena Nikulina (PEMPAL Task Team Leader, The World Bank) gave a brief introduction on the mid-term review (MTR) where she explained that the mid-term review is a standard activity for the majority of operations financed by the World Bank, and although PEMPAL is not a typical WB operation, it would be good to apply the same approach and review the program at the midterm of the PEMPAL Strategy period. The process will be conducted internally, the timeline is proposed, as well as the content and the methodology. Ms. Nikulina also mentioned that the PEMPAL does not have sufficient funding for the final year of the strategy implementation and one of the objectives of the MTR should be to look into the implementation scenarios for the next years taking into account the shortage of funding.

Ms. Deanna Aubrey (PEMPAL Strategic Advisor) added that a key output of the review will be a report that will identify progress and achievements as well as issues and recommendations. This will be discussed in a face-to-face meeting proposed for July

next year. She mentioned that an outstanding issue is whether to include the performance of the Steering Committee and COP's Executive Committees within the scope of the review, and if so, to determine how this will be measured.

Ms. Schlup (Donor, SECO) commented that the concept note is very useful and emphasized the importance of looking into financial sustainability of the program as well as providing suggestions for dealing with the funding gap and suggested to interview donors as well. She also mentioned that although ceasing the activities was one of the options proposed in the draft TORs, for SECO this was clearly not a feasible option and the focus should therefore be on providing specific recommendations to carry on with the program. She is also of the opinion that the performance of the Steering Committee and governance in general should be evaluated externally.

Ms. Nikulina (PEMPAL TTL, WB) agreed with Ms. Schlup that financial sustainability is indeed one of the key issues and an important aspect to be looked into as part of the mid-term review. Regarding the list of scenarios, Ms. Nikulina explained that the cease of activities is a theoretical possibility, but not something that the WB has in mind.

Ms. Valkova (Donor, MoF Russian Federation) said that the concept note is a good base for further discussion and agreed with SECO representative that donors' role needs to be evaluated in the mid-term review. MoF of Russia would be glad to participate in this process in order to understand better the lessons learned and the possibilities of the network. She agreed also that financial sustainability of PEMPAL is very important for participants and donors. Ms. Valkova also brought up the question on the impact of ongoing WB internal reforms on the program and the network it is supporting; will it influence the trust fund and in which way and to which extent?

To this Ms. Nikulina (PEMPAL TTL, WB) replied that the WB is open and flexible on these issues but a clear timeline for incorporation of the comments is needed. Ms. Valkova suggested setting the deadline for submission of written comments for the end of the week Oct 6-12, to which Ms. Nikulina agreed.

Ms. Nikulina also asked if the timeline for the final activity of the mid-term review (joint workshop of the Steering Committee and the COPs' Executive Committees) set preliminarily in July 2015, which is the next fiscal year, is acceptable for everyone.

Ms. Valkova (Donor, MoF Russian Federation) responded that she is comfortable with the timeline, as is also Ms. Schlup (Donor, SECO) who added that it would be good to start working as early as possible in the direction of getting additional funding for the program.

Conclusions:

- Financial sustainability is an important aspect to be looked into as part of the mid-term review.
- Donors' role in the mid-term review needs to be evaluated (through interviewing).
- The WB is open and flexible about incorporating comments in the concept note, deadline for submission of written comments is the end of the week Oct 6-12.

- Final activity of the mid-term review: a joint workshop of the Steering Committee and the COPs' Executive Committees will take place in July 2015.

3. PEMPAL Newsletter

Mr. Pleško (PEMPAL Secretariat) explained that the draft newsletter was circulated just a day before the meeting. The initial draft was prepared by the Secretariat and further developed with inputs from the WB resource team. To which Ms. Nikulina (PEMPAL TTL, WB) added that a different format of the newsletter already existed in the past, but it was decided to revisit it. From now on the newsletter will be distributed on a quarterly basis. From her side she would suggest to improve the flow of the presentation and move the knowledge products upwards.

Ms. Schlup (Donor, SECO) suggested to also have budget information removed from the newsletter and to use more creativity in presenting results of meetings, to which Mr. Vatyán (IACOP Advisor, WB) explained that reports are produced at the end of each event, which include summaries of key points discussed. Ms. Nikulina suggested replacing the link to the event page, with the link to the event report, while on presenting the information about the budget, she agreed that it is not the usual practice to include budget information in this type of the newsletter. Ms. Valkova (Donor, MoF Russian Federation) agreed that there is no need to show budget information in the newsletter and stressed that it would be useful to have a unified approach to the presentation of upcoming events.

Ms. Edit Nemeth (IACOP Chair) will send her suggestions on the newsletter by October 1, 2014.

On the distribution list for the newsletter Ms. Nikulina suggested to use the membership database which is administered by the Secretariat as the distribution list. She stressed that the Secretariat needs to make sure to include addresses of ministries of finance used for invitation letters, and also include donors.

Ms. Schlup (Donor, SECO) agreed that the newsletter is a useful tool for communication, and that they would also share it with their field offices.

Ms. Valkova concluded that the newsletter should be distributed in the start of the week Oct 6-12.

Conclusions:

- The section on knowledge products is to be moved up closer to the top of the newsletter, just after the section on results.
- The end section on upcoming events is to be standardized (dates should be inserted for IACOP events).
- Budget information should be removed.
- Links should be added to event reports, rather than general event website location.
- The newsletter should be distributed in the start of the week Oct 6-12.

4. PEMPAL finances

a. Overview of PEMPAL budget, by Ms. Elena Nikulina

Ms. Nikulina (PEMPAL TTL, WB) briefed the SC on the PEMPAL budget. Financially, PEMPAL is in a good shape and has a stable position for two years. There have been some positive developments, such as the actual figures for the plenary, which are lower than was budgeted. There have been no changes in donor contributions; final contribution from SECO is expected in February 2015. The information on balance and projection is now revised, as actual spending for the past fiscal year is now available. There is enough funding for the current fiscal year and sufficient funding for the next one, while the financing gap for FY17 has reduced. There have been significant savings in the past year, especially from the plenary, where savings were made due to lower attendance than expected and also due to the fact that some unit costs proved to be lower than expected (travel). In addition, some of the translation and interpretation costs were also paid directly through the WB. All in all, the total actual spending in FY14 was USD 500k lower than planned.

Ms. Valkova (Donor, MoF Russian Federation) added that the plenary meeting was from their perspective very successful, they could see real interest from member countries and that the network is becoming a knowledge hub, therefore they believe it is important to continue the activities of PEMPAL in the region and thus they are ready to discuss the possibility to increase their funding to close the financing gap.

Ms. Nikulina also stated that PEMPAL is now at a peak of its activities, as FY 14 was expected to be the year of peak spending, and the actual spending is at the moment somewhat different from what was envisaged in the strategy. Spending last year was above the projected levels and the plan for this FY is also above the projected levels. Ms. Nikulina also welcomed the prospect of additional funding, but still suggests that limits for COPs' budget for the next FY should be within the projections envisaged under PEMPAL strategy and treated as hard limits.

Ms. Valkova agreed with the proposed by Ms. Nikulina.

b. Overview of COP budgets, by Mr. Gašper Pleško

Mr. Pleško (PEMPAL Secretariat) gave a brief overview of the COP budgets, which included also the final figures of the Cross-COP plenary meeting.

Ms. Gusarova (BCOP Advisor) directed the attention to the representation of videoconferences in the budgets, since some of them were not charged through the Secretariat but directly through the WB, which means that there is a need to reconsider how to reflect direct costs of the WB in the budgets. Ms. Nikulina (PEMPAL TTL, WB) suggested putting an additional footnote (WB will suggest the text) to indicate what costs are paid through the WB or the Secretariat.

Ms. Schlup (Donor, SECO) asked why are there no activities for BCOP in Table 3, to which Mr. Pleško explained that a Study Visit to Ljubljana is envisaged in November,

and the funds will be presented as 'committed' as soon as the Purchase Order is submitted.

Mr. Koen (WB) suggested taking out the last sentence of the paragraph on IACOP budget reallocation in order to improve the flow of the text.

Ms. Nikulina (PEMPAL TTL, WB) stressed that reallocations within the COP budgets should be based on the general understanding that if the budget is exceeded for one event, COP might need to save on other events to stay within the budget rules. Mr. Vatsyan (IACOP Adviser, WB) confirmed that this is understood.

Ms. Nikulina further explained that there is a need to issue the limits for the next FY budget for orientation of the COPs in order to give them time to prepare plans for FY 16. To contain the overall program costs and stay within the spending limits projected in PEMPAL Strategy, it was suggested to determine these limits based on actual spending for FY 13. The total spending on COP activities that year was around USD 990k, which translates into USD 330k limit per COP and is significantly lower in comparison to the current year COP budgets. COPs should stick to this amount and consider USD 330k as a hard limit for their FY16 planning purposes. All three COP Chairs agreed to observe this hard ceiling when planning for the next year.

c. Overview of virtual decisions taken on COP budgets since the last SC meeting, by Mr. Gašper Pleško

Mr. Pleško gave an overview of the virtual decisions taken on COP budgets since the last SC meeting, increase of the budget for the IACOP Astana event and a Type B study visit of Ukraine to Estonia. A decision on increasing the budget for IACOP plenary meeting in Bucharest is still pending.

Mr. Koen (WB) asked that IACOP identifies the source of the saving, to which Mr. Vatsyan (IACOP Adviser, WB) responded that the saving will be made out of the study visit to the Netherlands, which is planned for USD 70k, but a smaller amount will be sufficient.

Ms. Valkova (MoF Russian Federation) is in general supportive to the changes, but she stressed that the source of saving needs to be identified. Ms. Schlup agreed with Ms. Valkova and added that she would appreciate if such information could be delivered to the SC in a timely manner in the future.

Conclusions:

- An additional footnote should be inserted in the PEMPAL budget table to indicate what costs are paid through the WB or the Secretariat (as for example, when it comes to the video conferences). The WB will suggest the text for the footnote.
- The last sentence of the paragraph on IACOP budget reallocation should be removed in order to improve the flow of the text.
- Hard budget limit for FY16 will be USD 330k per COP. COPs have to observe it when planning for the next year.

- The SC is supportive to the increase of budget for the IACOP Bucharest event, with an understanding that the COP identifies a source of funding for reallocation.

5. PEMPAL Operational Guidelines Revision and Policy on Social Program

Mr. Pleško (PEMPAL Secretariat) introduced the Policy on Social Program and the revisions made to the Operational Guidelines. Ms. Nemeth (IACOP Chair) asked how many social events can be held in cases of combining two sub-events in one event (as it is a frequent practice in IACOP to combine meetings of two working groups). It was explained by Mr. Pleško that all sub-events count as one event. Ms. Nikulina (PEMPAL TTL, WB) added that one of the purposes of the Policy on Social Program is also to encourage the hosts to contribute. Mr. Koen (WB) stressed the need to define clearly what falls under the category of the social program, and suggested to specify that only 'festive dinners' are counted as social events (while standard dinners present meals).

Ms. Nikulina then briefly commented on the Operational Guidelines, which underwent a major revision, for which she praised the good job from the Secretariat. Ms. Schlup (Donor, SECO) added that it is indeed an improved document, and that she is fine with the text. Ms. Valkova (Donor, MoF Russian Federation) agreed with Ms. Schlup.

Conclusions:

- Combination of several events counts as one event for the purposes of social policy and the general rule of PEMPAL sponsoring one social activity per event is applied.
- Only 'festive' dinners are counted as social events. Standard dinners are part of the meals arrangements taken care of by the Secretariat.
- Subject to incorporation of the clarifications discussed during the meeting, SC agrees with the Operational Guidelines revision as well as with the introduction of the Policy on Social program.

6. Other Business

a. Discussion on Representation of BiH Central Harmonization Units at PEMPAL events

Mr. Pleško explained that the Secretariat was approached several times by Bosnia and Herzegovina's representatives from IACOP, explaining reasons why BiH should be considered as special case when inviting participants (complex administrative and political system).

Mr. Koen (WB) elaborated that the SC already considered this request, and decided that BiH is welcome to send three participants, but according to the budget rules, PEMPAL can sponsor participation in the COP plenary meetings of only two representatives per country and BiH can sponsor the third one. Ms. Nikulina (PEMPAL TTL, WB) added that this issue was already discussed and there is no need to discuss it again. Ms. Schlup fully concurred with Ms. Nikulina on this issue.

b. Possible involvement of Czech Republic in IACOP

Mr. Vatyán (IACOP Adviser) informed the SC that Czech Republic wants to become a member of IACOP, same as Hungary did, and that they will submit a formal request shortly. Ms. Nikulina (PEMPAL TTL, WB) welcomed this news, and added they are expected to contribute in content as a resource. Ms. Schlup (Donor, SECO) said they were not aware of Hungarian membership, and that the financing of the participation of EU member countries from the PEMPAL budget (i.e. SECO contribution) was not compatible with the Swiss legal framework. She was curious about more information on what would be the scope of their participation and suggested that the issue would be discussed as a matter of principle once more information about the intended participation of the Czech Republic was available. Ms. Valková (MoF Russian Federation, Donor) agreed with Ms. Schlup and expects additional information and clarification concerning new members of IACOP.

Conclusions:

- Decision remains that PEMPAL can sponsor only two participants from BiH for plenary events.
- Czech Republic has to produce a note with more information on what would be the scope of their participation before the SC decides on whether they should join IACOP.

7. Closing of the meeting

a. Tentative agreement on the next meeting

Next meeting of the SC is preliminarily set on January 15, 2015.

Annexes:

1: PEMPAL budget – as of September 2014



PEMPAL_budget_Sep
t2014 ENG.xls



PEMPAL_budget_Sep
t2014 RUS.xls

(English/Russian Version)

2. COPs Budgets Overview



COPs Budgets
Ovderview_FINAL_ENO



COPs Budgets
Ovderview_FINAL_RI

(English/Russian Version)

3. Overview of the virtual decisions taken by the SC



PEMPAL -Overview
of SC Decisions since



PEMPAL -Overview
of SC Decisions since

(English/Russian Version)

4. Social Policy - Approved by the SC



PEMPAL Social
Policy_FINAL- ENG.pc



PEMPAL Social Policy
- FINAL - RUS.pdf

(English/Russian Version)

5. Guidelines for the PEMPAL events – Approved by the SC



GUIDELINES FOR
THE PEMPAL EVENTS



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