



# PEMPAL – Facilitating Practical Solutions in PFM across ECA

Study Visit to CABRI, South Africa, March 2015  
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## PRESENTATION OUTLINE

- Objectives of study visit
- What is PEMPAL?
- Important Design Elements
- Institutional Structure
- PEMPAL Strategy
- Results Produced
- COP Priorities 2013-15
- Monitoring and Evaluation
- Questions to CABRI



## OBJECTIVE OF VISIT

- To meet with representatives from the Collaborative Africa Reform Initiative (CABRI) with objective to discuss and exchange information on peer learning approaches.
- To meet this objective, this presentation will outline PEMPAL approach and results, which will be followed by a more in-depth look at the operations of BCOP.



### WHAT IS PEMPAL:

Public Expenditure Management Peer Assisted Learning network

**Target practitioners:** middle level managers and technical specialists from Ministries of Finance and/or PFM central coordinating agencies in the Europe and Central Asia region.

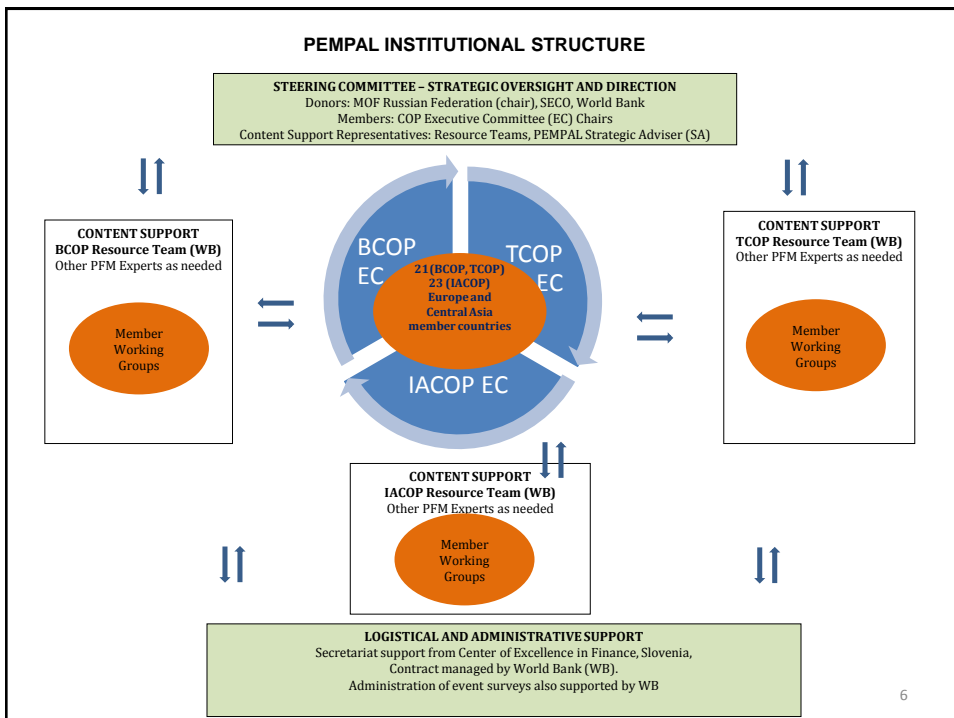
**Three separate but inter-related networks:** Budget, Treasury and Internal Audit (BCOP, TCOP, IACOP)



## IMPORTANT DESIGN ELEMENTS

- Strong governance structure
- Support for work program implementation - Technical donor funded resource teams (PFM experts)
- Support for logistical and administrative needs - Secretariat
- Use of professional facilitators where needed
- To overcome language barrier
  - Three official languages – expert translation team
  - Glossary of Terms
- Dependent on external financing although some trends of member country contributions evident

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## PEMPAL Strategy 2012-17



## WHAT ARE WE AIMING TO ACHIEVE?

**PEMPAL Strategy 2012-17 Outcome Objective:** A sustainable, professional public financial management platform through which individual members are networked to strengthen their capacities and enable them to share learnings and benchmarking between countries

### IMPACT

- Objective 4: Awareness of benefits and value of PEMPAL is raised within higher government and political levels

### QUALITY

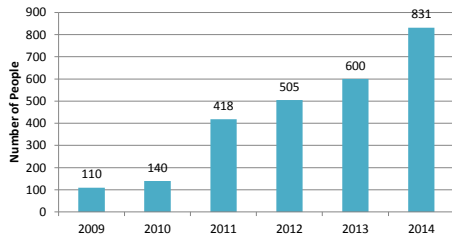
- Objective 3: A financially viable network of PFM professionals is built and maintained
- Objective 2: Quality resources and network services are provided to members

### DEPTH AND RELEVANCE

- Objective 1: PFM priorities of member governments are addressed by the PFM network platform

## RESULTS PRODUCED: SNAPSHOT

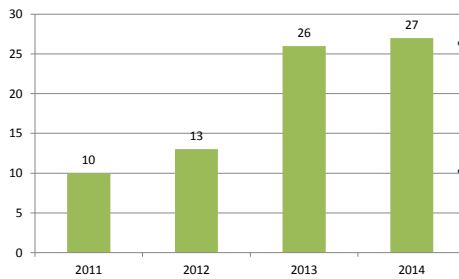
Total Participation - per year



- In 2014, PEMPAL brought together **831 PEMPAL participants and 135 international experts at 27 events** taking place in 13 different countries.

- Eight videoconferences were held**, which brought together 167 PEMPAL participants and 25 international experts.

Number of Events



- PEMPAL post-event surveys: PFM practitioners **high overall satisfaction** with events (average for 2014, 4.76 on a 1-5 scale).

- 2012 independent evaluation results found out of 20 member countries at the time, 13 to 15 indicated that activities of PEMPAL had **directly influenced their PFM systems**.

## RESULTS PRODUCED: ACTIVITIES 2014

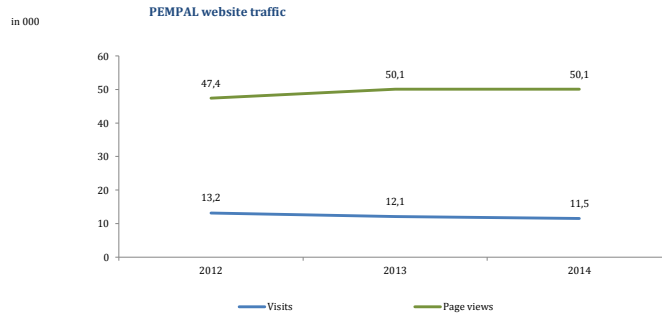
In 2014, PEMPAL events took place in thirteen different countries, including seven PEMPAL countries who agreed to host meetings to promote PFM reforms.

Note: \* COP Plenary (A); Small group meeting (B); Study visit (C); Video Conference: (VC), F-t-F – face-to-face meeting

	Jan	Feb	Mar	May	Jun	Jul	Sep	Oct	Nov	Dec
BCOP	Austria (C)	(VC)	Turkey (A)	Russian Federation (B)	The Netherlands (B+B)		(VC)	Estonia (C) – type B	Slovenia (C)	
IACOP	South Africa (C)		Montenegro (B+B)	Russian Federation (B)	Hungary (C)		Kazakhstan (B)			Romania (A+B)
TCOP		Georgia (B)		Russian Federation (A) (VC)	(VC)	(VC)	(VC) (VC)	Belarus (B) (VC)	Montenegro (B)	
Cross-COP				Russian Federation (A)						
Steering Com	(VC)			Russian Federation (F-t-F)				(VC)		



## RESULTS PRODUCED: SNAPSHOT



- **410+** documents in **virtual library** (1,166 available language versions of these items in Russian and BCS). <http://www.pempal.org/library/>
- **Network cost:** Approx 2 million USD a year with action plans 300,000-400,000 USD a year per COP (funded by Russian Federation MoF and SECO, managed through World Bank trust fund)

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## RESULTS PRODUCED

- **Member driven action plans** developed (rolling two year basis) that address key PFM priority areas
- **Info on PFM reforms** through presentations prepared by members and pre-meeting surveys (i.e. benchmarking of reform status), translated technical reports
- **Sub-groups established** to work on developing guidelines, manuals, common PFM issues – knowledge products
- **Communiqués and reports developed** by members on agreed principles, approaches to reform
- **Countries and individuals learning from each other** that is having a positive impact on public finance management systems

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*Geladina Prodani, General Secretary (Head) of Ministry of Finance of Albania, former Chair of the BCOP Executive Committee for 2 years and current Deputy Chair:*

*“Discussing common public finance issues with my peers has been a tremendous benefit to me both professionally and personally. It helps my work to identify and share good practices not only from BCOP member countries, but OECD and other Ministries of Finance from around the world”.*

*(Source: Quote collected for purpose of BCOP promotional video script used at 2014 Cross-COP meeting).*

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### **BCOP priorities during 2013 – 2015**

- Program budgeting including results based monitoring and evaluation
- Wage bill management (working group)
- Fiscal Consolidation and tools
- Fiscal Rules and long term budgeting
- Fiscal Risks
- Joint collaboration between BCOP and OECD for benchmarking and expanding internationally available data on PEMPAL countries budget practices and procedures
- Knowledge exchange between OECD member and accession countries in ECA at SBO annual meetings
- Fiscal transparency and accountability including budget literacy working group from 2015

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### **TCOP priorities for 2013 – 2015**

- Public sector accounting and financial reporting, with a particular focus on:
  - Financial reporting consolidation
  - Accounting of public assets
  - Introduction of public sector accounting standards
- Use of information technologies in treasury operations
- Cash management
- Financial management and treasury control issues
- Knowledge resource initiatives: contribute treasury related country documents to the PEMPAL virtual library, further develop TCOP wiki and use the opportunities offered by TCOP cooperation established with international PFM organizations (CIPFA, IFAC, IPSASB).

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### **IACOP priorities for 2013 - 2015**

- Finalizing Internal Audit body of knowledge product.
- Progress in developing guides of good practices in Risk assessment and Quality Assurance.
- Launch and progress a new working group: Internal audit relationship with External Audits and Financial Inspection.
- Elevating the mandate and visibility of the IACOP in the ECA region to obtain stronger political support to advance reforms in all the 22 IACOP member countries.
- Expand to internal control in Public Finance Management, including in the common field with other 2 PEMPAL COPs.

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*“Reform areas identified by PEMPAL are aligned as much as possible with Government priority areas. This is due to an annual consultation process whereby all country members get an opportunity to express their preferences.*

*Not all preferences can be accommodated given the limited budget and time available to participate, but we have found that most countries are working hard on the same reforms.*

*Those reforms are chosen as topics to be addressed in the annual plenary meeting of all members. Other priorities common to a subset of member countries are then accommodated by smaller study visits or working groups.”*

Konstantin Krityan  
Chair of BCOP Executive Committee  
Ministry of Finance  
Armenia

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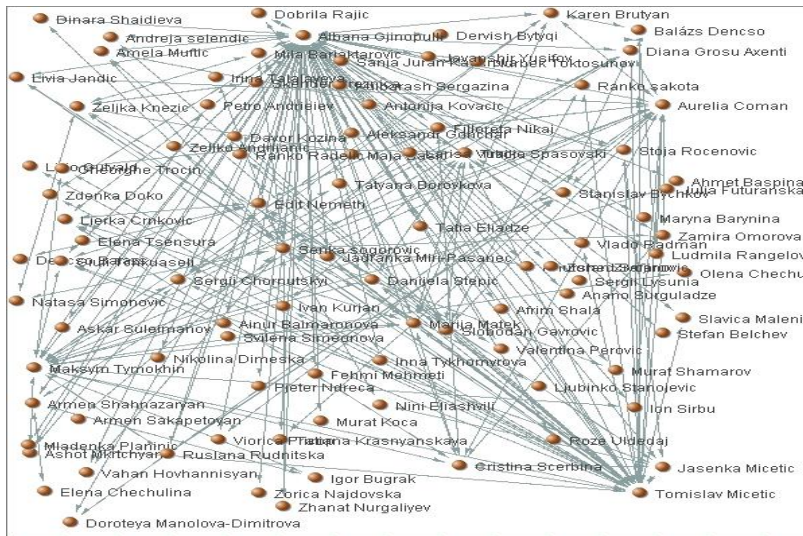


## MONITORING AND EVALUATION

- Post meeting evaluations - through standardized on-line survey - always conducted
- Independent evaluations done periodically
- Information on various performance indicators to demonstrate results and performance regularly collected and reported (Annual and Quarterly Reports, Member Newsletters)
  - Knowledge managed through website, wikis, library, reports and newsletters

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## Example of a Network Analysis Map



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### 2012 Independent evaluation recommended:

- More top down input – engage political level
- Explore sustainability options – eg member country contributions
- Improve membership quality – membership definition, strategies
- More knowledge products – engage between meetings
- Increased and more dependable, longer term sources of financing
- Secretariat – setup was changed given network growth
- A stronger shared vision – acknowledge value of fostering individual professional competency - PEMPAL Strategy developed as response and COP strategies established or under development

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**THANK YOU**  
**[www.pempal.org](http://www.pempal.org)**  
**QUESTIONS?**

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