**PEMPAL BCOP Participation in the Meeting of the OECD Senior Budget Officials’ Network on Performance and Results – November 26-27, 2018, Paris, France**

1. On November 26-27, 2018, a small delegation of the PEMPAL Budget Community of Practice (BCOP) from the BCOP Program and Performance Budgeting Working Group (PPBWG) traveled to Paris, France to attend the annual meeting of the Organization for Economic Development and Cooperation (OECD) Senior Budget Officials’ Network on Performance and Results. Four BCOP members from the two countries that lead the work of the PPWBG – Russian Federation and Bulgaria attended the meeting. The delegation was accompanied by BCOP Resource Team including Iryna Shcherbyna, Senior Public Sector Specialist and Naida Carsimamovic Vukotic, Consultant and BCOP Resource Team member.
2. OECD’s Network on Performance and Results meets on annual basis and its objective is to improve the effectiveness and efficiency of resource allocation and management in the public sector by assisting OECD member countries to design and implement performance- and results-based budgeting and management reforms. This Network provides an important platform for BCOP Program and Performance Budgeting Working Group (PPBWG), providing PEMPAL countries with an opportunity to share and benchmark their progress in program and performance budgeting with OECD countries and to learn and discuss the newest trends in program and performance budgeting.
3. BCOP’s participation in this meeting reflects the continuation of PPBWG’s cooperation with the Organization for Economic Development and Cooperation (OECD), which represents an important content resource on program and performance budgeting. Specifically, the objective of PPBWG’s participation in this meeting was to learn about the current state of affairs and plans of OECD countries in performance budgeting and to present on the status and trends in of performance budgeting in PEMPAL member countries.
4. The meeting’s sessions were devoted to i) international trends in performance budgeting (with presentations by the OECD and PEMPAL), ii) spending reviews (with presentations by the Ministries of Finance of New Zealand, Estonia, Netherlands, and Germany); iii) using performance information for management (with presentations by the OECD and Ministries of Finance of Norway, Estonia, and New Zealand); and iv) improving the quality and impact of annual reporting (with the presentations by the Treasury Board Secretariat of Canada, HM Treasury of UK, and the State Audit Office of Latvia). Moreover, discussion groups were held within the session on using performance information for management. Finally, the OECD Performance Budgeting Best Practices were launched during this event. BCOP representatives contributed to this document in the discussions held in the last year’s meeting of this OECD Network.
5. PPBWG contributed to this year’s agenda of this OECD Network with a presentation on preliminary results of the PEMPAL countries on the OECD’s 2018 Performance Budgeting Survey, which was facilitated in 2018 for PEMPAL countries through PEMPAL BCOP for the second time, after the 2016 Survey edition. This was the fourth time PPBWG participated in the annual meetings of this OECD Network and the second time BCOP was invited to deliver a presentation in the meeting (after presentation on PPBWG’s knowledge product on performance indicators in PEMPAL countries in the 2017 meeting).
6. PPBWG Lead, Mr. Nikolay Begchin from the Ministry of Finance of Russian Federation and Ms. Naida Carsimamovic Vukotic from the BCOP Resource Team delivered the presentation within the session on international trends in performance budgeting. This session also included the presentation of the results of the OECD countries in the 2018 Performance Budgeting Survey delivered by the Budgeting and Public Expenditure Division of the OECD.
7. BCOP’s presentation opened with the brief overview about PEMPAL and BCOP and their priorities and activities. A brief summary and update on BCOP’s cooperation with the OECD was also given. Presenters explained that a long-standing valuable relationship has formed, primarily through BCOP’s participation in the meetings of the OECD Senior Budget Officials’ Network for Central, Eastern, and South-Eastern European countries (CESEE), while the work of the OECD Performance and Results Network is an important content source for the work of PPBWG.
8. Total of 14 PEMPAL took part in the Performance Budgeting Survey this year (Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kazakhstan, Kosovo, Kyrgyz Republic, Moldova, Russia, Serbia, Ukraine, and Uzbekistan). Thirteen of these countries also took part of the 2016 Performance Budgeting Survey. Taking part in this Survey, which was simultaneously in the same format being taken by all OECD countries, contributes to one of the three BCOP priorities in this PEMPAL Strategy period – expanding internationally available data on PEMPAL countries. Specifically, results of this Survey allow for regional and international benchmarking, as well as identification of innovations and good practices in performance and program informed budgeting. Moreover, for PEMPAL countries that took part in the previous iteration of this Survey in 2016, it is possible to track the recent progress and trends.
9. The presentation highlighted the key trends and differences in OECD and PEMPAL countries, as well as the key trends in PEMPAL countries in 2018 compared to 2016. Among the findings of the 2018 Survey, it was noted that almost all PEMPAL countries now have compulsory performance budgeting frameworks, which represents a wider and more uniform coverage of frameworks in PEMPAL countries compared to OECD countries, in which a trend towards the compulsory comprehensive frameworks have also been recorded. However, PEMPAL countries most frequently describe their performance budgeting practices as a presentational approach, compared to performance-informed approach in OECD countries. Responsibility for setting performance targets in both PEMPAL and OECD countries is mostly with the line ministries/agencies, however a more frequent and stronger role of the Chief Executive and Ministry of Economy/Planning is noted in PEMPAL countries.
10. There are mixed trends in number of programs and indicators in both OECD and PEMPAL countries, with a more frequent trend of a decrease in number of indicators in PEMPAL countries. Similarly, there are mixed trends in usage of performance information, with somewhat more frequent trend of increased usage by program managers, ministers/senior civil servants, and especially parliament in OECD compared to PEMPAL countries. Transparency of program objectives is the most improved aspect of budgetary management resulting from performance budgeting practices in both PEMPAL and OECD countries.
11. Challenges to performance budgeting implementation are perceived higher in PEMPAL countries compared to OECD countries, in particular those associated with the earlier stages of performance budgeting implementation. Compared to 2016, PEMPAL countries are more aware of challenges related to leadership/commitment and formulation of indicators/targets. Top five challenges identified in PEMPAL countries include: lack of culture of performance, lack of leadership/commitment, poorly formulated indicators and targets, lack of adequate and timely data, and lack of resources.
12. Spending reviews and evaluation are more frequently conducted and used in budget decisions in OECD countries than in PEMPAL countries. These tools are increasingly used and are continuously further evolving and developing in OECD countries. Most PEMPAL countries are also planning to introduce these tools and/or improve them and use more in budget decision-making process. In particular, the topic of spending reviews is chosen by the PBBWG as the main topic of focus for the next period. PPBWG’s plans include a potential learning visit to a country with developed and applicable practices in spending reviews, as well as development of a possible knowledge product with recommendations on spending review practices for PEMPAL countries.
13. BCOP’s presentation was well received and BCOP representatives engaged in discussions with OECD delegates after the presentation, as well as throughout the remaining of the meeting and in discussion groups.
14. All materials are available at https://www.pempal.org/events/bcop-participation-oecd-senior-budget-officials-performance-and-results-network-meeting-0 and <http://www.oecd.org/gov/budgeting/14thannualmeetingoftheoecdseniorbudgetofficialsperformanceresultsnetworkoecdparis26-27november2018.htm>