



PEMPAL BCOP JOINT WORKING GROUPS'

ANALYTICAL AND ADMINISTRATIVE MEETING



PEMPAL Budget Community of Practice (BCOP)
Videoconference Discussion Outcomes
March 25, 2021

MARCH 2021

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**Analytical and Administrative Meeting of BCOP’s Working Groups on
Program and Performance Budgeting (PPBWG) and Budget Literacy and
Transparency (BLTWG)
Summary Meeting’s Outcomes**



Meeting Objectives and Participants

This VC meeting was held to examine the progress and to steer the future work of BCOP’s two working groups. The working groups took stock of the current tasks conducted and planned upcoming activities. Specifically, the meeting objectives were:

- i. **to update the members on the finalization of two analytical BCOP FY21 knowledge products (KPs)** – PPBWG KP on *Conducting Rapid Spending Review to Identify Measures for Budget Balancing* and BLTWG KP on *Mechanisms for the National Ministries of Finance (MoFs) to Facilitate Subnational Participatory Budgeting and to Design National Initiatives*
- ii. **to discuss outlines of two new BCOP FY21 KPs** – PPBWG KP on *Results of the Spending Review Survey based on the OECD survey* and BLTWG KP on *Mechanisms for Engaging Children/Youth in Participatory Budgeting*,
- iii. **to agree the May 2021 BCOP annual plenary meeting’s format and agenda**
- iv. **to gather initial feedback on BCOP member countries’ priority topics for BCOP’s FY22 Action Plan**

A total of 35 participants attended the meeting, of which 31 representatives from 15 BCOP member countries (Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Kazakhstan, Kyrgyz R., Kosovo, North Macedonia, Russian Federation, Serbia, Tajikistan, Turkey, Ukraine, and Uzbekistan). The meeting was moderated by Iryna Shcherbyna, WB Senior Public Sector Specialist and BCOP Resource Team Coordinator, and Naida Carsimamovic, BCOP Resource Team member.

Update on Progress and Steps to Finalize the First Two BCOP FY21 Knowledge Products

Marina Tikhonovich from the Ministry of Finance of Belarus, BCOP Chair and BLTWG Lead, presented the status of the BLTWG KP on *Mechanisms for the National MoFs to Facilitate Participatory Budgeting at Subnational Level and Design Initiatives at the National Level*. This KP's topic was selected by the working group members last summer and BLTWG thematic consultant Tatiana Vinogradova has assisted with its drafting. Information was collected from the WG members and from publicly available information of PEMPAL countries. In total, information from 17 BCOP countries informed this KP. In the BLTWG workshop held on November 12, 2020, the first draft was presented and extensively discussed. The draft KP was next adjusted and expanded based on received comments from the members and the Resource Team. Comments were also received from Ivan Shulga from the World Bank. Draft KP was translated to Russian and BCS. Currently, the translated draft KP is being reviewed for translation quality assurance and will be sent to all BLTWG members for their comments in the week of March 29, 2021, with a three-week deadline for comments. The KP will be finalized to address the received comments. The final KP will be presented to the whole BCOP membership during the BCOP virtual plenary meeting in May 2021.

Ivan Rakovskiy from the Ministry of Finance of the Russian Federation, BCOP Executive Committee member, and PPBWG Co-Lead, presented the status of the PPBWG KP on *Conducting Rapid Spending Review to Identify Measures for Budget Balancing*. The topic of this KP was also selected by the working group members last summer and PPBWG thematic consultant Nina Hajoyan assisted with its drafting. PPBWG conducted internal surveys and collected information from 15 PPBWG countries. In the PPBWG workshop held on November 5, 2020, the first draft was extensively discussed, and decisions were made on additions and adjustments. The draft KP was next improved based on comments from the members and the Resource Team. Comments were also received from Ivor Beazley from the World Bank and Axel Mathot from the OECD. Draft KP was translated to Russian and BCS and the Resource Team conducted translation quality assurance. The Draft KP was sent to all PPBWG members for their comments on March 4. The KP will be finalized to address the received comments and will be presented during the BCOP virtual plenary meeting in May 2021.

The working group members took note of the progress and current status in the development of these two KPs and endorsed the next steps to finalize them.

Discussion on Outlines of the Two New BCOP FY21 Knowledge Products

Naida Carsimamovic, BCOP Resource Team member, presented the status and proposed outline of the new PPBWG KP on *New Trends in Spending Reviews in PEMPAL Countries Benchmarked to Trends in OECD Countries*.

The objective of this KP is to take stock of the practices in general spending reviews (SRs) to gain a better understanding of the design, implementation, and challenges as of end-2020. This KP is envisaged as a brief stock-taking and benchmarking report. PPBWG Survey on Spending Reviews was conducted among PEMPAL countries in Feb/Mar 2021, broadly based on the questionnaire used by the OECD Secretariat for collecting data for OECD countries; however, with the adjustments and expansions made by the PPBWG leads and the Resource Team to reflect the specificities in systems/practices in PEMPAL countries, as well as interests of PPBWG to collect additional information for peer-learning purposes. A total of 16 BCOP countries have filled out the survey so far. The next steps include data cleaning in April 2021, during which the Resource Team will contact the survey responders to clarify any potential unclear/incomplete answers and to ask for additional information where needed. Next, the survey results for PEMPAL countries and the OECD countries (in cooperation with the OECD Secretariat) will be presented in the BCOP May 2021 plenary meeting and feedback will be gathered from BCOP members. The final KP will next be developed and presented at the virtual OECD CESEE SBO meeting tentatively scheduled for June 2021 to which BCOP will be invited to participate and contribute. **The outline of this KP, endorsed by the members in this meeting, is given in Exhibit 1.**

Exhibit 1: Outline of the PPBWG KP on *New Trends in Spending Reviews in PEMPAL Countries Benchmarked to Trends in OECD Countries*

- 1. KP Objectives, Methodology and Limitations**
- 2. General Information on Status of SRs** (number of SRs per country, size, scope, and expenditure types/topics reviewed)
- 3. Regulatory and Methodological Framework for SRs**
- 4. Processes and Roles in Designing, Conducting, Implementing and Monitoring**
- 5. Intended and Realized Results and Uses of SRs**
- 6. Challenges and Plans**
- 7. Impact of Covid on SRs**
- 8. Conclusions** (summary trends)

Annex 1: Summary Dataset for PEMPAL Countries

Annex 2: Links of SR Material Shared by PEMPAL Countries

Tatiana Vinogradova, BLTWH Thematic Consultant Resource Team member, presented the proposed methodology and scope of the new BLTWG KP on *Mechanisms for the National Ministries of Finance of the PEMPAL Countries to Introduce Youth Participatory Budgeting*. The objective of this KP is to give an up-to-date overview of mechanisms to engage the young people in participatory budgeting to support PEMPAL countries in developing contextualized and adapted methodologies and tools for the youth public participation implementation. Desk research will be conducted to collect data from trusted participatory budgeting hubs, international organizations' reports, and reliable research results. The approach is based on the World Bank's principle of social inclusion. The draft KP will be developed and presented in the BCOP May 2021 plenary meeting and feedback will be gathered from BCOP members. **The scope of this KP, endorsed by the members in this meeting, is given in Exhibit 2.**

Exhibit 2: Scope of the BLTWG KP on *Mechanisms for the National Ministries of Finance of the PEMPAL Countries to Introduce Youth Participatory Budgeting*

- **Introduction** (explaining rationale for engaging youth in PB)
- **Youth PB Main Models** (examples from Argentina, Finland, France, Portugal, Russia, South Korea, and USA)
 - Independent Youth PB Process
 - Youth Participation as Part of Adult PB Process
 - School PB
- **Youth PB Success Criteria**
- **Basic Principles, Values, and Parameters**
- **Risks in Youth PB** (and how to mitigate them)
- **Implementation of Youth PB** (detailed profile based on synthesized good practice)
- **Impacts and Benefits Youth PB Can Bring**
- **Recommendations** (including a Checklist)
- **References**

Preparation for the BCOP 2021 Plenary Meeting

Ms. Carsimamovic and Ms. Shcherbyna presented the draft Concept and Agenda of the BCOP's virtual plenary meeting planned for May 19 and 20, 2021, which was also circulated to the meeting participants before this meeting. The proposed format of the 2021 BCOP Annual Plenary Meeting comprises two virtual sessions held over two consecutive days, each around three hours in length. The event content will broadly follow the format of previous BCOP plenary meetings, with parts of the agenda devoting to broad topics of the two BCOP's working groups. Within each of that topics, part of the agenda will be devoted to the potential impacts of the COVID-19 pandemic on PFM, and to new trends in budgeting and fiscal policy aspects. The key objective of this plenary

meeting is to provide the opportunity for BCOP member countries to examine and discuss approaches and trends in members' priority budgeting topics, including knowledge products developed by the BCOP working groups, budget-related responses to COVID-19 crises, some new trends in public finance management, as well as to plan for the FY22 activities. Speakers from partnering organizations World Bank, EC, OECD, and IBP will also be invited to deliver presentations.

The part of the agenda related to results-based budgeting will include presentations on the two FY21 PPBWG KPs and a session on new trends in results-based budgeting. A presentation of the final PPBWG KP on *Conducting Rapid Spending Review to Identify Measures for Budget Balancing*, as well as the presentations of spending review survey results for PEMPAL countries and OECD countries for the second FY21 PPBWG KP on *New Trends in Spending Reviews in PEMPAL Countries Benchmarked to Trends in OECD Countries*. A session on new trends will include a presentation on the updated EU approach to fiscal policy response to Covid-19 and a presentation on climate change budget tagging. Country-by-country updates on program and performance budgeting and spending reviews will be also be provided by the participants.

The part of the agenda related to budget openness will include presentations on the two FY21 BLTWG KPs and a session on the impact of Covid-19 on transparency and public participation. A presentation of the final BLTWG KP on *Mechanisms for the National MoFs to Facilitate Participatory Budgeting at Subnational Level and Design Initiatives at the National Level*, as well as the presentations of spending review survey results for PEMPAL countries and OECD countries for the second FY21 BLTWG KP on *Mechanisms for Engaging Youth in Participatory Budgeting*. A session on new trends will include a presentation on budget transparency and public participation in budgeting post-Covid-19. Country-by-country updates on budget transparency and public participation will be also be provided by the participants.

Parts of the agenda will also be devoted to updating the broad members on BCOP activities in FY20 and FY21 and to the planning of the FY22 activities. Brief remarks of participants to give country-by-country proposed budgeting topics for BCOP examination in FY22.


The participants held a discussion on the content and format of the plenary meeting and endorsed the proposed approach. Although different potential options on adjusting the format to include virtual parallel group discussions or social interactions during the plenary meeting were considered, it was decided to keep the format as proposed, with panel discussions of all members and without breaking into virtual rooms.

Initial Discussion on Planning BCOP's FY22 Activities

The final session of the meeting was devoted to gathering initial feedback from the BCOP member countries on their suggested priority topics for BCOP's FY22 Action Plan. Working groups' thematic consultants also provided some initial suggestions. Numerous potential topics were discussed, including: i) lessons from Covid-19 on fiscal rules and escape clauses; ii) climate change and green budgeting; iii) joint examination of the two BCOP's working groups on the impact of new development challenges on program budgeting and citizen engagement, such as budgeting for SDGs, balancing of rural and urban development, and digitalization; iv) newest developments in general budget methodology and mid- and long-term budgeting; v) support measures for engaging vulnerable groups in participatory budgeting; vi) deeper dive into program budgeting classification and considerations for balancing flexibility and discipline in program budgeting; and vii) linkages between program and performance budgeting, zero-based and mid-term budgeting and how fiscal management contributed to performance measures.

It was concluded that the discussion on FY22 BCOP thematic priorities will be continued in the plenary meeting. After the plenary meeting, an online survey will be conducted for countries to vote on priority topics and the final decisions on FY22 thematic priorities and approach to KP development in FY22 will be made by BCOP Executive Committee after the plenary meeting, based on the BCOP budget and members' votes.

This event report has been developed by PEMPAL and is available in English, Russian, and Bosnian-Croatian-Serbian languages. Permission to use, reproduce, or translate this report or information included in this report can be sought by the project's Team Leader Arman Vatyán at avatyán@worldbank.org. Technical questions can be sent to Naida Carsimamovic Vukotic at naidacar@gmail.com and Iryna Shcherbyna at ishcherbyna@worldbank.org. For more information on PEMPAL, BCOP, and PPBWG, see the program's website at www.pempal.org.

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