

PEMPAL TCOP Workshop Concept

Location: Tbilisi, Georgia

Dates: February 10-12, 2014

Background

The main objective of the PEMPAL program is to strengthen the professional skills of public finance specialists in member countries and support them in implementing various aspects of reforms in their national PFM systems. The primary tools used by the program to achieve this objective are the exchange of experiences and knowledge transfer among the practitioners.

Public sector accounting and reporting reforms continue to be priority themes for discussion at TCOP events. The Ministry of Finance of Georgia kindly offered to host a plenary meeting in Tbilisi, Georgia from 10-12 February 2014 which was accepted by the TCOP Leadership Group at its meeting held on November 6th, 2013. It was agreed that accounting and reporting will be the primary focus for the event which will have a strong practical component. Thus the title agreed for this event is “Practical Issues in Relation to Accounting and Reporting in the Public Sector”.

Various aspects of public sector accounting and reporting reforms have already been discussed at several past TCOP events. Approaches to integration of the budget classification and chart of accounts were the main theme of the small group meeting in Dushanbe in October 2010. In April 2011, TCOP held a thematic meeting on transition to IPSAS combined with the regional conference on the same topic. This issue was further explored in Baku, Azerbaijan in November 2012 along with issues with consolidation of reporting.

In Azerbaijan an important development occurred in the modality of work of the TCOP. At that event a thematic group was formed to examine the issue of integration of the chart of accounts and budget classification in member countries. The group¹ first met in Tallinn, Estonia, and subsequently conducted a video conference, before convening for a final time after the plenary workshop in Kiev Ukraine, in April 2013. The thematic group had a very practical focus of providing feedback to Ukraine on its draft CoA. Ukraine subsequently indicated that this feedback resulted in significant changes to the draft CoA based on member country experience. The key findings of the group have also been summarized in a paper, describing the critical reasons and

¹ Initially the group comprised Azerbaijan, Georgia and Ukraine. Subsequently Moldova and Russia also joined.

steps for integration and examples of “good practice” gleaned from the discussions of the group. The paper will be formally submitted to the plenary group in Tbilisi.

In continuation of the success from the CoA thematic group, a further three themes were identified by TCOP members in Kiev: Accounting Standards in the Public Sector; Accounting of Public Assets; and Consolidation of Financial Reporting. These groups had their first meetings in Skopje, Macedonia in September 2013. All the groups have developed and approved specific activity plans², in some cases extending to the end of 2014. It is proposed that each thematic group also meet as part of the workshop in Tbilisi, where activities for the period November 2013 to April 2014 will be reviewed, including the results of surveys undertaken for two of the groups (consolidation and assets). Each group will also review its activity plans and agree on any further issues to be considered. Specific countries will also be invited to present on their experiences.

It has also become a tradition to conduct TCOP meetings in member countries and combine them with presentations on the experience of the hosting country in public financial management reforms. Over recent years, TCOP events have been successfully organized in Albania, Moldova, Tajikistan, Kazakhstan, Georgia, Russia, Azerbaijan, Ukraine and Macedonia. The agendas of the last six events included presentations by the hosting countries on their progress in implementing PFM reforms. These presentations have been very well received by participants.

The Tbilisi event will build on the excellent interaction by participants at earlier events to deepen understanding of ongoing reforms in member countries and identify good practice cases within the ECA region in accounting and reporting.

Objectives

The general objective of the Tbilisi event is to offer an opportunity for TCOP members to exchange experiences in implementing and improving accounting and reporting in member countries. The event is expected to deepen understanding among participants of the conceptual and operational challenges associated with implementation of such reforms. At the same time, a goal will also be to identify examples of good practice in this area among member countries, and internationally, that could be of use as models for other TCOP members. The workshop will also provide an opportunity for participants to become familiar with the latest progress of the hosting country, Georgia, in relation to its general PFM reform, along with the specific reforms it has undertaken in relation to the treasury function, accounting and reporting.

² <http://tcopempal.wikispaces.com/>

As mentioned previously, the conference will also have three sub-themes, reflecting the thematic groups which were established in Macedonia: Accounting Standards in the Public Sector; Accounting of Public Assets; and Consolidation of Financial Reporting.

Content

Based on discussions within the TCOP Leadership Group, together with the suggestions made by the host country, the agenda of the workshop will open with an update on the progress of Georgia in relation to its PFM reforms, with the main focus on recent developments in public sector accounting and reporting.

Georgia has been embarking on a significant reform program which was introduced to the majority of TCOP members during the thematic meeting on integration of donor funding in treasury operations held in February 2012. The reform includes steps towards upgrading to a new IFMIS, reforms in their budget classification and chart of accounts, and transition to adopting accrual accounting. The event will provide an excellent opportunity for members to become familiar with the latest progress achieved by the host country in the relevant reform areas. The Ministry of Finance of Georgia is preparing detailed presentations with a focus on aspects of accounting and reporting reforms that are of particular interest for TCOP members. Following the presentations by the hosts, the plenary group will spend time considering the key lessons learnt from the Georgian experiences and how this could be applied in their countries.

There is also a recommendation from the TCOP leadership group to include presentations from other countries outside the TCOP group. The TCOP resource team has contacted a number of countries and is hopeful that relevant speakers will be available for this event with responses from invited countries pending.

International experts will also be invited to provide comments and conclusions on the topics discussed during the workshop. The expert team will also present the summary results of two thematic surveys that will be undertaken among TCOP members before the event.

Along with the host country presentations, TCOP member countries will also be delivering presentations during the workshop, within the (three) thematic group sessions. Several countries are actively reforming in each of the three areas and this provides a useful opportunity for each group to hear about both successes and issues from countries that are actively undertaking reforms.

Taking into account the successful format of events, the agenda of the Tbilisi workshop will allocate a significant proportion of time for small group discussions. A list of questions to be discussed during these sessions will be defined, based on

community members' proposals expressed during consultations in preparation of the event.

Representatives of all TCOP countries will be invited to the workshop. The total number of participants expected is around 60, including experts and around 10 representatives of the hosting country. The format of the workshop will be very informal and aimed at stimulating debate and encouraging optimal participation by country representatives. The working languages for the event will be Russian, English and Bosnian/Croatian/Serbian (BCS), using simultaneous interpretation.

In addition to the main agenda of the workshop, the members of the TCOP Leadership Group will convene a separate meeting in Tbilisi to discuss various issues related to further activity of the Treasury Community, including updating the TCOP activity plan.

The event preparation and implementation will be facilitated by the World Bank resource team working with the TCOP, including Elena Nikulina, Team Leader for the PEMPAL program, Ion Chicu, TCOP Leadership Adviser, and Mark Silins and Michael Parry, TCOP Thematic Advisors.

PRELIMINARY AGENDA OF THE TBLISI WORKSHOP

February 9, 2014

TCOP Executive Committee meeting

February 10, 2014

Day 1, morning

Session 1.

Introduction, welcome, etc.

Session 2.

Presentation by host country on experience with PFM reforms, including specific details on treasury reforms

Question & Answer Session

Day 1, afternoon

Session 3.

Hosting country presentation “The Georgian Accounting and Reporting Framework – current status and planned reforms”

Session 4.

Small Group discussion on Georgian Experience

Feedback and Discussion

February 11, 2014

Day 2, morning

Session 5.

Experts’ presentations on the main topic of the workshop

Presentations by invited country representatives external to TCOP(tbc)

Questions & Answers session

Session 6.

Day 2, afternoon

Concurrent Thematic group meetings:

Key note presentations by participating countries within thematic groups

Presentations on the findings of the surveys along with results of specific activities since September 2013 including video conferences.

General Discussions and planning within thematic groups

Preparation of group reports for presentation and discussion in the plenary group and updating of activity plans

February 12, 2014

Day 3, morning

Session 7.

Continuation of Concurrent Thematic group meetings

Session 8

Reports on the result of thematic group discussions

Questions & Answers session

Day 3, afternoon

Session 9.

Plenary session discussing key themes from the workshop and possible next steps to operationalize the learning.

Workshop closure