PEMPAL in 2012-17

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**FOREWARD**

It is with great pleasure that we present the report that summarizes the progress and achievements of PEMPAL network over the period of implementation of its first strategy 2012-17. As representatives of the donors that supported PEMPAL during the strategy period, we have had the opportunity to see the benefits of PEMPAL directly. During our close involvement with PEMPAL as the Chairs of PEMPAL Steering Committee, we have personally seen how it provides a valuable platform through which public finance specialists connect and discuss public financial management (PFM) reform issues.

This closing report attests that PEMPAL has been successful in achieving the objectives that were formulated in the strategy 2012-2017. Mechanisms developed by PEMPAL to target PFM priorities of member governments worked well over the strategy period. Member countries report that knowledge obtained through PEMPAL is used to design PFM reform strategies and implementation plans, improve legal frameworks, modernize business processes, methodologies and information systems, and develop training capacity and skills. There is considerable evidence of new and improved knowledge in PFM practices attributable to PEMPAL. Individual members express high and rising levels of satisfaction with the opportunities for knowledge sharing and learning as well as the quality of resources and services provided by the network. Institutional commitment to the network is also increasing, as signaled by the seniority and depth of participation as well as growing in-kind and financial contributions to the program by the member countries.

The PEMPAL Strategy 2012-17 proved an effective tool to strengthen the network, with the COP Executive Committees leading its development and implementation thus facilitating member government ownership and commitment. The strategy’s MTR also set a clear path for the next strategy, providing valuable information from implementation experience, and identifying risk factors to address in the final years of the strategy, and beyond with a continued focus on efforts to strengthen sustainability. As indicated from feedback from high-level officials and government members, and stakeholders, PEMPAL remains an effective and valuable tool for member governments from the ECA region to more efficiently and effectively use public monies resulting from applying new PFM practices.

On behalf of the Steering Committee we would like to take this opportunity to thank the member countries and all the key stakeholders for their continued support and valuable contribution. Learning from international and regional good practices and sharing information between countries is a key tool that underlies the peer-learning approach used by PEMPAL. Regional collaborations between central government agencies leads to improvements in PFM systems and strengthened regional relationships which is of significant value to the Europe and Central Asia region and beyond.

The past year has also marked the start of the new strategy period for PEMPAL. The enthusiasm of the member countries, and their willingness to think of innovative approaches to continue to be involved in this valuable platform, has led to a clear roadmap to direct the network for the next five-year period. We are all excited about the future of PEMPAL and would like to share our achievements over the past strategy period, as outlined in this report.

# SignaturesChairs, PEMPAL Steering Committee

# [proposed to be finalized and jointly signed by all the persons who served as SC chairs during the period]

# BACKGROUND AND SCOPE

**Public Expenditure Management Peer Assisted Learning network (PEMPAL) facilitates exchange of professional experience and knowledge transfer among public finance management (PFM) practitioners across the Europe and Central Asia (ECA) countries.** The network, launched in 2006 with support of several donor partners, aims to contribute to strengthening PFM practices in the member countries through disseminating information on good PFM practices and their application.

**PEMPAL has membership of Government officials from Ministries of Finance, national Treasuries, or other related central agencies** that are responsible for government budget planning, preparation, execution, monitoring and coordination/harmonization of the internal audit and internal control function.

**PEMPAL members represent 23 ECA countries**: Albania, Azerbaijan, Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, Czech Republic[[1]](#footnote-2), Croatia, Georgia, Hungary [[2]](#footnote-3), Kazakhstan, Kosovo, Kyrgyz Republic, Macedonia, Moldova, Montenegro, Romania, Russian Federation, Serbia, Tajikistan, Turkey, Ukraine and Uzbekistan.

**Peer-to-peer learning** **is the main instrument used by PEMPAL**, which is a proven powerful approach to increase individual and organizational capacities. Participants work together face-to-face and on-line to share knowledge and develop approaches to solving common PFM problems. This sharing of information and discussion of common problems and solutions is facilitated through relationships between individual members and countries that are built over time through regular interactions facilitated and supported by PEMPAL In contrast with traditional training approaches, participants formulate themselves their activity plans and play the role of experts within the peer groups so they are not only receivers but also providers of technical assistance.

**PEMPAL is organized around three thematic communities of practice (COPs) focusing on budget, treasury and internal audit issues** (Budget COP, Treasury COP, Internal Audit COP). Each has its own membership and activities are driven by member-led action plans that address key PFM priorities of member countries. COP activity plans include sharing and creation of knowledge through face-to-face and virtual meetings, study visits, development of knowledge products. Information is shared via the public website [www.pempal.org](http://www.pempal.org) in three official languages of the network: English, Russian and Bosnian-Croatian-Serbian.

**The first PEMPAL Strategy 2012-17** ([www.pempal.org/strategy](http://www.pempal.org/strategy)) **guided the network activities since its adoption in July 2012 and till its completion in June 2017.** COPs linked their operational plans to the PEMPAL’s strategic values and objectives.

**The strategy’s high level goal was for PEMPAL member Governments from the Europe and Central Asia region to more efficiently and effectively use public monies** resulting from applying new PFM practices. It aimed to do this by building and maintaining a sustainable, professional public financial management platform through which individual members were networked to strengthen their capacities and to enable them to share learnings and benchmarking between countries. The Strategy's four output objectives and supporting actions set the direction for PEMPAL against a set of key performance indicators and several means of verification. **Figure 1** summarizes PEMPAL strategic framework 2012-2017.

**Figure 1. PEMPAL Strategic Framework 2012-17.**

 

**PEMPAL’s governance structure** **is presented in figure 2 below** and comprises:

* + Three thematic COPs, each led by an Executive Committee of volunteer members from PEMPAL countries who drive and steer the network on behalf of members;
	+ A Steering Committee including COP Chairs/Deputy Chairs and donor representatives, which provides strategic oversight and direction;
	+ Technical resource teams provided by the World Bank and other donors who assist the COP Executive Committees with development and implementation of member-led action plans which are approved by the Steering Committee; and
* A Secretariat which provides administrative and logistical support for PEMPAL.

**Throughout the Strategy period, PEMPAL benefited from significant support from its donor partners**, including the World Bank, the Swiss State Secretariat for Economic Affairs, the Ministry of Finance of the Russian Federation, OECD, and the National Academy for Finance and Economics under the Ministry of Finance of the Netherlands. The program is funded through a Multi-Donor Trust Fund administered by the World Bank and financed by contributions from the two main donors, the Swiss Economic Development Cooperation Agency (SECO) and the Ministry of Finance of the Russian Federation.

**FIGURE 2: PEMPAL GOVERNANCE STRUCTURE**

**STEERING COMMITTEE** **– STRATEGIC OVERSIGHT AND DIRECTION**

Donors: SECO (Chair), MOF Russian Federation, World Bank

Members: COP Executive Committee (EC) Chairs (representatives from member countries that lead the committees)

Content Support Representatives: Resource Teams

**CONTENT SUPPORT
BCOP Resource Team (WB)**Other PFM Experts as needed

**CONTENT SUPPORT
TCOP Resource Team (WB)**Other PFM Experts as needed

**CONTENT SUPPORT**

**IACOP Resource Team (WB)**

Other PFM Experts as needed

**LOGISTICAL AND ADMINISTRATIVE SUPPORT**

Secretariat support from World Bank Moscow Office

Administration of event surveys supported by WB

**This report summarizes results achieved by PEMPAL over the period of implementation of its first Strategy 2012-17**. The structure of the report follows the logic of the strategic framework used during the period. The sources of data included PEMPAL annual reports, mid-term review report, event evaluation surveys and other relevant surveys and data sets available for the period in PEMPAL Secretariat archives. Data used covers in most instances calendar years (CY) 2012 – 2017 in line with the practice used for PEMPAL annual reports during the period. It should be noted, however, that the exact period covered by the Strategy was defined as fiscal years (FY) 2013-2017 (July 2012 - June 2017), based on the donor funding cycle. Part of financial data is therefore presented on a fiscal year basis.

# PEMPAL IMPACT ON PFM PRACTICES IN THE MEMBER COUNTRIES

**PEMPAL has developed over the years into an important tool to support improvements in public financial management (PFM) in the member countries across the ECA region.** Participation in PEMPAL has assisted central finance agencies undertake improvements in the key functional areas of budget, treasury and internal audit. Member countries report that knowledge obtained through PEMPAL is used to design PFM reform strategies and implementation plans, improve legal frameworks, modernize business processes, methodologies and information systems, and develop training capacity and skills.

**Given methodological challenges of measuring the impact of the knowledge exchange activities that present the core of PEMPAL operations, the main tools used to capture the impact of PEMPAL on PFM practices included various surveys and collection of success stories.**

**In September 2017, PEMPAL undertook a special survey to collect opinions on the program impact from the management of the beneficiary institutions.** More than 60% of the survey respondents assessed the impact of PEMPAL on their countries’ PFM systems as high, with no respondents assessing it as low, as shown on chart 1.

**Figure 3.**

**In one important thematic area information on PEMPAL impact is available from an international assessment, namely the Open Budget Survey conducted by the International Budget Partnership (IBP).** Collaboration between PEMPAL Budget COP and IBP developed following the 2014 whole network plenary meeting that focused on issues of fiscal transparency. Thematic group on budget literacy and transparency established by BCOP used the IBP Open Budget Survey assessments to benchmark and guide reform activities. As a result of the Working Group’s collaborations,some improvements in budget transparency, in particular in the area of Citizens’ Budgets, can be directly attributable to PEMPAL.BCOP established the Budget Literacy and Transparency Working Group in 2015 which has membership of up to 15 Ministries of Finance (MOFs) from the total membership of 21 countries. Participants identified 10 challenges to producing Citizens Budgets, and then the BCOP Resource Team collated peer and international advice to address them. This was presented in a knowledge product, which formed the basis to facilitate member country reforms. From the preliminary results from the International Budget Partnership (IBP), this work has had a significant impact on the availability of accessible budget information in the region as outlined in the **Figure 3** above.

**In the absence of other regular international assessments in thematic areas of PEMPAL COPs, internal program surveys were used to capture information on the impact of the COP activities on PFM practices of the member countries.** IA COP has most experience with its own impact survey which was conducted four times during the 10 years of the COP existence. Budget COP and Treasury COP undertook their first internal impact surveys only at the end of the strategy period.

**IA COP survey results show that over the years member countries have demonstrated impressive achievements both in terms of developed IA methodology and in terms of the number of Internal Audit units and certified auditors (chart 2).** These achievements are attributable to IA COP activities because establishment of the COP coincided with the time when most of the member countries were only exploring the concept of the government internal audit which was not in existence under the administrative arrangements of the past. IA COP thus played a unique role in familiarizing the members with the role and functions of internal audit and supported the initial stage of its development across the region. A special note was made in the survey report with respect to countries that in 2007 demonstrated modest performance but in the past few years almost caught up with EU member-countries such as Croatia, Romania, Bulgaria and Hungary that had started their reforms much earlier. Respective “leaders of the decade” are Armenia, Serbia, Tajikistan, Bosnia and Herzegovina, Georgia, Kazakhstan, Kosovo, Kyrgyz Republic, Macedonia, Moldova, Montenegro, Russia, Turkey and Ukraine.

It was also noted that this list includes countries represented in the IACOP Executive Committee as well as countries that were the most active in hosting IACOP events - Armenia, Russia, Moldova, Ukraine, Georgia, Kyrgyz Republic, Albania, Macedonia and Montenegro.

**BCOP conducted its first self-assessment of impact in early 2017.** 10 of the 18 countries who completed the impact survey indicated that BCOP has had a ‘high impact’ (i.e. the second highest category of impact) with 4 countries indicating significant ‘impact’ (the highest category of impact) with 4 countries advising moderate impact and no countries advising low impact. Chart 3 shows thematic areas of BCOP impact.

**Treasury COP approach to its first impact survey undertaken in May 2017 was closer to a qualitative assessment.** 13 countries responded to the survey during the COP plenary meeting in Vienna and all of them indicated that TCOP activities had impact on their PFM systems, including 11 countries providing concrete examples of such impact. Box 1 provides one country specific example of TCOP impact. TCOP survey approach was similar to the one used during the mid-term review assessment of 2015, when six countries from BCOP and 10 countries from TCOP provided concrete examples of impact of COP activities, while 12 countries from IACOP indicating significant impact from IACOP activities[[3]](#footnote-4).

**More detailed examples of PEMPAL impact are documented in the set of success stories published in 2017.** Two types of success stories were developed. Thematic stories covered examples of impact of selected thematic groups that operated within the COPs. The themes covered by these success stories included fiscal and budget transparency (BCOP and cross-COP), program and performance budgeting (BCOP), use of information technologies in treasury operations (TCOP), and internal audit knowledge products (IACOP). Thematic stories were supplemented by a set of country specific stories which captured examples of impact of PEMPAL on PFM reforms of Albania, Belarus, Georgia, Kyrgyz Republic, Moldova and the Russian Federation. across the themes of focus of PEMPAL COPs. A summary of key points from all the stories is provided in Attachment 2. The full set of success stories is available at the program web site at the following link: <https://www.pempal.org/success_stories>. Box 2 presents the latest examples of impact shared by IA COP members.

**Box 1. TCOP impact on formulation of the concept for Belarus FMIS.**

**TCOP events played an important role in informing the development of the FMIS modernization concept by the Belarus MoF.** The Ministry is currently working on the detailed design of the new system.

**Mr. Andrey Narchuk,** the Head of Prospective Development Department, commented that *“lessons learned from our peers during TCOP plenaries and study visits helped us to improve requirements for the high-level design of the future FMIS.*

The first event to be mentioned is the 2012 TCOP plenary workshop held in the Russian Federation. It provided Belarus MoF an opportunity to discuss with the Federal Treasury of Russia their experience of successful modernization of the treasury system - one of the largest in the world.

**Mr.** **Narchuk** further recalls *“It was a very open and productive discussion. We learned a lot about technical aspects of the system, but equally important was Federal Treasury’s advice on project management and methodological and functional changes in the treasury operations that needed to be taken into account”.* The visit also resulted in deeper cooperation between the treasuries of both countries – shortly after an agreement on cooperation was signed, paving the way for more regular exchange of delegations.

In early 2014, Belarus Ministry of Finance finalized the work on the Concept for Modernization of FMIS and invited colleagues from the TCOP to come to Minsk to solicit their views and professional advice on the document. This workshop was held in October 2014 and brought together thirty-seven specialists from Ministries of Finance of 10 countries that are members of the TCOP thematic group on use of information technologies in treasury operations.

**Mrs. Tamara Gruzinskaya**, Deputy Head of the Treasury, recalls: *“We presented our case to colleagues. Belarus treasury system is acknowledged to be a strong one that assures efficient budget execution process, but we are planning to move to a comprehensive modern FMIS along the PFM reform process. We described our vision of the future system and explained that multiple systems currently in operation were developed in-house, some of them 10-15 years ago, on an outdated technological platform and using multiple software packages and databases. We understand that possibilities for its further development on the existing platform are limited and there is a need for modernization. The members of the working group reviewed the concept and found our plans very ambitious. They provided us with a number of valuable advices focusing on prerequisites that have to be in place and coordinated with stakeholders (budget classifications, unified chart of accounts, technical infrastructure, etc). before launching the design of the system.”*

The event was also attended by Mr. Cem Dener, a lead World Bank expert in the use of information technologies for PFM, which allowed officials of the Ministry of Finance and its IT Center to get additional insights for development of the system’s design and assessing customization needs of commercial off-the-shelf solutions.

##

**Box 2. The impact of IA COP knowledge products**

Representatives from the Kyrgyz Republic, Kazakhstan, Albania, and Armenia shared their experience in using IA COP knowledge products in their respective institutions.

Thus, **Nevila Piciri**, representative of Albania, explained that the country had approved a guide on internal audit quality assessment modelled after the IACOP guide; external quality assessments are already performed, and their outcomes are used to generate useful recommendations to IA units.  Albania has made some progress in improving interaction between the SAI, IA units and financial inspection: the country used recommendations produced by the RIFIX Working Group and signed a Cooperation Agreement between internal auditors, financial inspection and external auditors. Besides, a document on internal audit committees’ operation was signed which enhanced IA efficiency. This allowed Albania to achieve not only quantitative progress registered by the IACOP survey, - it ensured a quantum leap in terms of IA service operation in line with international standards.​

**Edgar Mkrtchyan**, representative of Armenia, emphasized knowledge products features: the products are useful, applicable, based on best practices and relevant in the current reform context. Here are some examples of how IACOP knowledge products have been currently employed in Armenia: Quality Assessment Guide and Risk Assessment in Audit Planning Template for Public Sector Internal Audit were used for internal audit reform; Concept Paper on cooperation between public sector audit and financial inspection entities (RIFIX Concept Note) was used for Financial Inspection reform.

**Zamira Omorova**, representative of the Kyrgyz Republic, stressed that Kyrgyzstan used all 6 booklets developed by the IACOP, and these helped to design and implement guidelines for training internal auditors; professional development programs, training materials and tests for qualification examinations administered to IA units staff; the agreement “On Cooperation between the Ministry of Finance and Chamber of Audits in the IA Area”; IA Quality Assurance Program Guide; IA Guide (under revision); Risk Assessment in Audit Planning Template (to be designed).

**Arman Bekturova**, representative of Kazakhstan, also acknowledged high value of available knowledge products; she mentioned that cases developed by the IACOP were used to design IA performance evaluation techniques; IA rules and procedures related to verification, reassessment, questionnaires, checklists; public sector auditors’ certification rules; training programs; standard risk management system.

## 3. PEMPAL – professional platform for PFM knowledge exchange valued by the members

**PEMPAL has established itself as a professional platform for PFM knowledge exchange. There is strong evidence of new and improved knowledge in PFM practices attributable to PEMPAL and high levels of satisfaction of individual members with the opportunities for knowledge sharing and learning provided by the network.**

The already mentioned survey conducted in September 2017 collected opinions from the management of the beneficiary institutions also about the impact PEMPAL had on individual participants’ capacity to lead or implement PFM reforms in their countries. More than 60% of the survey respondents assessed such impact as high with slight variation in the average ratings between the COPs, as shown on chart 4.

The survey results are echoed by multiple quotes and letters of support from senior managers of PFM institutions acknowledging PEMPAL contribution to improved skills, knowledge and professionalism in PFM practices in the member countries. Some examples are provided below*.*

Opinions of the managers are consistent with the opinions of the direct participants of PEMPAL activities. Individual members attach high value to the opportunities provided by the network. Data available from the event evaluation surveys shows high and growing towards the end of the period rating of appreciation of the opportunity to learn from peers, as illustrated on chart 5.

**Box 4: Opinions of senior managers of beneficiary institutions**

*We believe that experience gained by our staff during events organized under PEMPAL has a very positive impact both in terms of staff’s wider vision and better understanding of processes, better management of these processes and the staff’s capacity to manage the reforms.* **( Ministry of Finance of Azerbaijan)**

*Participation in PEMPAL events raises the level of knowledge of MoF staff. Demonstration of case studies of practical implementation of PFM reform concepts helps our staff develop hands-on and creative attitudes toward activities aimed to promote such reforms in the country. As a result of thematic group meetings, many problem issues that our specialists faced have been clarified, with explanations and recommendations received from countries that have experience in similar reforms and from experts in program and performance budgeting, public sector accounting and reporting, IT use in treasury operations and budgeting, liquidity management, use of fiscal rules, public accessibility of budget documents, fiscal consolidation, legislative, regulatory, and procedural frameworks for internal audit and internal control, and in other areas. These recommendations helped our specialists move forward. Our special gratitude to the PEMPAL resource team.* **(Ministry of Finance of Belarus)**

*PEMPAL events, where we always acquire new knowledge and get to know good practices for various PFM areas, as well as share useful experiences with other member country representatives, are extremely useful because they improve the personnel's competence at the Ministry of Finance and Treasury in B&H for management and/or implementation of reforms in this area. The work of the Program and Performance Budgeting Working Group has been particularly helpful since our country is also implementing reforms in the area of program and performance budgeting. For example, the gained knowledge and official materials from this Working Group’s meeting in Paris served as a basis for new activities. We held work meetings in early 2017 with all B&H institutions (budget users) where we then redefined the program structure and established a clear connection between the strategic/mid-term documents. We are currently working on the amendments to the Financing Act and preparing a set of by-laws which will enable the official adoption of the program budget (which has so far been the main component of the presentation of budget information)*.**(Ministry of Finance of Bosnia and Herzehovina)**

*Long-term fruitful cooperation within framework of the Program allowed not only to gain new knowledge of the Ministry's employees, but also to develop skills of joint solutions in activities of working groups, which include employees of the ministries of finance of about 15-20 countries*. **(Ministry of Finance of Russia)**

*Treasury staff capacity is enhanced through PEMPAL workshops, face to- face learning events, web-conferences and etc. The knowledge and experience gained at the PEMPAL events had been an unique opportunity and extremely valuable experience to the Treasury staff.* **(Ministry of Finance of Georgia)**

*PEMPAL activities have a positive impact on staff capacities in the Kyrgyz Ministry of Finance. Participating in such activities, MoF staff are able to enhance their knowledge which they then successfully apply in their work. Furthermore, these events have become an excellent site for thorough discussion of problem areas. In such discussions, our Ministry’s staff acquire good theoretical knowledge which they can further use in practice in the Kyrgyz Republic. Participation of our Ministry’s representatives in working groups for program and performance budgeting and fiscal transparency helps identify strengths of PFM systems in other countries for further implementation in our own country.* **(Ministry of Finance of Kyrgyz Republic)**

**Source: PEMPAL impact survey, September 2017**

**4. PEMPAL RESULTS: PFM Priorities of Member Governments Addressed**

**Mechanisms developed by PEMPAL to target PFM priorities of member governments worked well over the strategy period.** COP activities were implemented based on member driven action plans that focused on thematic PFM priorities chosen by their members. COPs used both face-to-face consultations and member surveys to identify member thematic priorities. The initial set of priorities was discussed at the 2013 annual meeting of the COP executive committees. It was noted that the priorities identified by the COPs through internal processes matched the ECA regional priorities identified by the World Bank through an internal study undertaken around the same time.

**Processes to prioritize activities were common across COPs and consisted of a range of approaches**, including selecting the most common requested topics for larger format meetings; working group and study visits for less common topics, with final selection done through a combination of voting by members and selection/approval by the COP Executive Committees.

**In the period from CY2012 to CY2017, PEMPAL organized 132 thematic events of different formats which brought together 3688 participants from the member countries.** The emphasis was on face-to-face communication which was especially important at an initial phase of formation of the COPs. Three quarters of all the events (99) were held face-to-face, although with time virtual formats began to be used more actively. Small group thematic meetings were the most popular event format (39% of all events). Each of the COPs had several thematic groups during the period involving the countries sharing common interest in selected topics. Face-to-face meetings of thematic groups were supplemented by thematic videoconferences (25% of all events) which were very actively used in the middle of the period and became less frequent in the last years when several of the thematic groups concluded their activities. Study visits were also popular in the middle of the period (17% of all the events). All three COPs maintained the practice of organizing annual plenary meetings throughout the period which allowed to bring all members together and ensure members are updated on the progress of the working groups established to focus more intensely on specific reform issues. COP activities were supplemented by the annual joint meetings of the executive committees of all three COPs and the plenary meeting of the whole network held in 2014. The distribution of events and participants across the years shown on charts 6 and 7 reflects the peak of activity of thematic groups in 2013-2015. It was also impacted by an uncertainty about the availability of funding for the next strategy period which marked the last years of the period, 2016 and 2017, and determined the COPs to adopt cost savings approaches during the respective years.

**Big number of face-to-face events (45 out of 99) was hosted by PEMPAL member countries which provided an opportunity for them to play key role in formulation of the events’ agendas.** 19 out of 23 member countries hosted at least one PEMPAL event, with 13 countries having hosted 2 or more events, and 8 countries having hosted 3 or more events. These PEMPAL champions are Albania (3 meetings), Armenia (3), Belarus (3), Georgia (5), Hungary (3), Moldova (3), Russia (6), and Turkey (3).

**Agendas of events organized in the member countries typically reflect issues of interest for the hosting country and allocate time for familiarization of participants with experience of the hosting country in relevant areas.** Quite often, parts of agendas of such events are tailored specifically to the needs of the hosting country (e.g., include selected sessions to provide advice to the hosts on a particular issue). For example, TCOP thematic group meetings held in Minsk in 2014 and 2016 included sessions to review Belarus concepts of the new FMIS and transition to IPSAS. Hosting institutions also have an opportunity to bring to the events bigger number of participants from their side and often involve senior management in selected event sessions. Events are also covered by the local press which allows to promote PFM reforms and achievements within the hosting country. For example, the first PEMPAL event hosted by Uzbekistan in 2017 was accompanied by a series of side events transmitted by the local media which promoted the development of the internal audit function in the public sector.

**The efforts to tailor the activities to the needs of the member countries have been appreciated by the event participants.** The data from the event evaluation surveys provides consistently high and growing throughout the period ratings measuring applicability of knowledge obtained at the events to daily work and relevance of issues addressed by the events, as shown on charts 8 and 9 below .

Information on approaches used by each of the COPs to address PFM priorities of the member countries is provided in the sections below, followed by information on cross-COP activities.

## 4.1 Budget Community of Practice (BCOP)

**During the Strategy period, the BCOP has aimed to strengthen budget methodology, planning and transparency in PEMPAL member countries.** It has facilitated discussions on common challenges member countries are facing at annual plenary meetings, while for more focused discussions on specific issues and more targeted assistance to member countries in addressing challenges, it has established three working groups which comprise a sub-set of members who met more regularly:

* Wage Bill Management Working Group (activities completed in FY 2016).
* Budget Literacy and Transparency Working Group (active, launched in FY 2015)
* Program and Performance Budgeting Working Group (active, launched in FY 2016)

In addition, BCOP has established a close cooperation with the Organization for Economic Cooperation and Development (OECD), primarily through OECD Senior Budget Officials regional network for Central, Eastern and South-Eastern European Countries (CESEE SBO). Annual OECD CESEE SBO meetings examine priority reform topics of interest to the Ministries of Finance in the region and provide an important platform at which PEMPAL countries can share their achievements and progress with reforms with countries from another network on a regular basis. BCOP has participated in six annual OECD CESEE SBO meetings up to end 2017, with its active contribution increasing over time. BCOP also facilitated participation of the PEMPAL countries in the OECD Budget Practices and Procedures Survey.

**BCOP thematic priorities**

During the period 2012-2017 the BCoP organized its activities around the following main themes:

* **Sharpening tools for effective fiscal management** with initial focus on performance and program budgeting, while identifying member countries’ challenges and priorities in other PFM thematic areas as they arise (including wage bill management).
* **Strengthening fiscal transparency and accountability** with a focus on budget literacy, transparency and public participation initiatives.
* **Expanding internationally available data** on PEMPAL countries through identification and sharing of budget-related good practices and benchmarking within and outside of the PEMPAL region (including in budget transparency through monitoring results of Open Budget Surveys and consultations with International Budget Partnership (IBP) and Global Initiative for Fiscal Transparency (GIFT); in budgeting practices and performance budgeting through implementing PEMPAL and OECD surveys, and through BCOP-developed knowledge products to document regional practices and benchmark against international practices).

**BCOP WORKING GROUPS**

**The Wage Bill Management Working Group carried out its work program in 2014-2016.** The objectives of this group, launched in FY14, were to learn from international experience and exchange lessons PEMPAL countries learned on how to address key challenges and vulnerabilities in countries’ public sector pay systems and wage bill management practices. The group examined: application of a wage bill forecasting model; pay flexibility approaches in the civil service; use of IT systems in wage bill management based on case study on Turkey; and Latin American countries’ experience in improving human resource management efficiency. Moreover, detailed country case studies in public pay reforms were examined, including lessons from Kyrgyz Republic, Croatia, and Slovenia. The results of this working group included a deepening knowledge of members on several critical issues in pay policy and wage bill management. This should lead to improved wage bill management and overall strengthened budget sustainability given that wage bill accounts for a significant proportion of public expenditures across the ECA region. The Working Group was technically supported by Maya Gusarova and Zac Mills from the World Bank.

**The Budget Literacy and Transparency Working Group**, **established in 2015, aims to learn from international experience related to improving budget literacy, openness, and access to citizens, as well as public participation in the budget process**. To do so, the group reviews best international practices in the area of budget literacy, transparency, and public participation; exchanges experience among budget experts from the member countries in order to develop standardized approaches in these areas; and creates BCOP knowledge products based on accumulated outcomes of the group’s work, such as guidelines for the implementation of reforms in these areas in PEMPAL countries. Sixteen BCOP countries are members of this group and the group has partnered and worked closely with several international organizations, including the World Bank, the International Budget Partnership (IBP), OECD, and Global Initiative for Fiscal Transparency (GIFT)*.* Main activities of this group up to end 2017 included: documentation of member countries practices and status of reforms through a survey; review of international country case studies through presentation of a World Bank study on budget literacy practices; examination of approaches of engaging citizens by Canada, UK, Russian Federation, and Croatia; detailed on site examination of citizens’ budgets and public participation in Croatia at the state and local levels; consultations with the IBP to discuss success factors for the IBP’s Open Budget Index including examining good PEMPAL performers; developing a knowledge product identifying challenges in producing citizens’ budgets and how they could be addressed; contributing to OECD/GIFTt Toolkit for Budget Literacy; examining country cases presented by member countries; and initiating the work on a knowledge product on public participation in the fiscal policy and budget process. The Working Group has been technically supported by Maya Gusarova, Deanna Aubrey (until mid 2017), and Harika Masud (starting in late 2017) from the World Bank and is led by Anna Belenchuk from the Ministry of Finance of the Russian Federation.

**The Program and Performance Budgeting Working Group, established in 2016, aims to identify main trends and lessons learned in program and performance budgeting design and implementation and spending reviews in developed and PEMPAL countries to improve spending effectiveness.** BCOP members have consistently identified program and performance budgeting as a priority area in their countries’ budgeting reforms, thus BCOP decided to form a group dedicated to these areas. Fifteen BCOP countries are members of this group and the group has an extensive partnership and cooperation with the OECD, including through participation in the OECD Performance Budgeting Surveys and participation and contribution to the OECD Network on Performance and Results. Main activities of this group up to end 2017 included: participating in the 2016 OECD Performance Budgeting Survey and analyzing the survey results among PEMPAL countries and with the OECD countries; examining performance budgeting in France; examining spending review practices in the Netherlands and Ireland; participating and contributing to the annual meetings of the OECD Network on Performance and Results including contributions to working sessions to provide inputs on OECD’s Best Practices in Performance Budgeting; review of international country case studies through presentation of a World Bank study on seven reforming countries; examining country cases presented by member countries; collecting and analyzing comprehensive full sets/examples of performance indicators from ten member countries; examining performance budgeting in Austria; and developing a knowledge product on performance Indicators in PEMPAL countries. The Working Group has been technically supported by Naida Carsimamovic Vukotic and Maya Gusarova from the World Bank and is led by Nikolay Bechin from the Ministry of Finance of the Russian Federation.

**BCOP KNOWLEDGE PRODUCTS**

Over the Strategy period, BCOP has produced numerous knowledge resources for its membership, which include sourcing, collecting, and translating relevant material from member countries, other countries, and international organizations; sourcing and facilitating specific technical presentations and discussions in topics requested by BCOP members in BCOP events; conducting and analyzing informal surveys conducted prior to BCOP events which document status of reforms in BCOP countries; conducting and analyzing formal surveys which document status of reforms in BCOP countries such as OECD surveys; collecting and translating technical methodological documents and examples of budget documentation of member countries and sharing it for internal use; and developing BCOP’s own formal knowledge products to take stock of trends, challenges, and lessons learned in BCOP countries and/or provide guidelines and recommendations for implementation in BCOP countries related to specific technical topics.

Comprehensive list of knowledge resources is circulated to all BCOP members during annual plenary meetings (current version is available within background materials at <https://www.pempal.org/events/bcop-plenary-meeting-improving-effectiveness-and-accountability-public-expenditures-and>). Brief overview of selected key BCOP knowledge resources productid in 2012-2017 are given below.

* **OECD-PEMPAL 2013-2014 Budgeting Practices and Procedures Survey**

Thirteen BCOP countries undertook a comprehensive 2013-2014 OECD Budget Practices and Procedures Survey that collected information that allowed benchmarking of participating countries against 33 OECD countries. This represented a joint collaboration between PEMPAL and OECD, which expanded OECD’s database of over 100 countries and produced a report that identified good practices in both country groups.

* **Examples of Key Performance Indicators in Selected Sectors**

In 2014 BCOP collated several examples of key performance indicators by sector in its document Illustrative key performance indicators by sector. This was to support discussions on fiscal transparency and accountability and was done at the request of all COPs given most member countries are currently implementing program budgeting and facing challenges with indicator development by line ministries.

* **OECD-PEMPAL 2016 Performance Budgeting Survey**

BCOP’s Program and Performance Budgeting Working Group facilitated participation of 14 BCOP countries in the OECD Performance Budgeting (PB) Survey. Participation in the Survey contributed to the WG’s objectives by: providing baseline data on status of program and performance budgeting reforms in PEMPAL countries, providing opportunity for PEMPAL countries to benchmark their progress against the OECD countries, and providing information on newest trends and best practices in the developed countries

* **Breaking Challenges in Constructing Citizens’ Budgets for PEMPAL Countries**

BCOP’s Budget Literacy and Transparency Working Group developed a knowledge product on citizens’ budgets to provide specific options drawn from peer and international advice to address 10 challenges being experienced by working group member countries. Positive feedback to the document was received from experts of a number of international organizations.

* **Performance Indicators in PEMPAL Countries: Trends and Challenges**

This knowledge product developed by BCOP’s Program and Performance Budgeting Working Group takes stock of main characteristics of the indicators collected in budget planning processes in member countries and identifies countries’ main challenges of PEMPAL countries related to performance indicators. It comprises of two parts: general performance indicator review based on 10 specific criteria and detailed review of indicators in health and education. Both parts provide the summary joint analysis and information per each country.

More detailed information on BCOP activities for 2017 is provided in Attachment 3. Information on activities for the earlier years is available in the annual reports for the respective years.

**Strategic and action plans over the last five years for BCOP can be found at this link:** [**https://www.pempal.org/about/action-plans/bcop**](https://www.pempal.org/about/action-plans/bcop)

## 4.2 Treasury Community of Practice (TCOP)

**TCOP activities aim at strengthening the treasury function of government** through:

* Supporting and enabling promotion of PFM reforms in PEMPAL member countries, focusing on reforms of national treasuries' activities.
* Offering high quality resources and knowledge services on topics of priority professional interest to TCOP members.
* Building and enhancing a highly professional community of treasury experts interested in promoting treasury reforms in the context of wider PFM reforms in their countires.
* Involving top managers of Treasuries and MoFs from member countries to support the TCOP activities and PEMPAL network in general.

**TCOP thematic priorities for 2012 – 2017**

In 2012-17 TCOP organized its activities around the following main themes:

* **Cash management and forecasting,** discussing variousapproaches to improving cash management in TCOP members countries (consolidation of cash balances and design of a Treasury Single Account (TSA), improving timeliness of recording and reporting of cash flows, cash forecasting tools, designing the cash buffer, etc.)
* **Treasury controls and evolution of the treasury function,** addressing various dimensions of treasury controls (commitment controls, prevention of expenditure arrears, risk management etc.), and discussing international trends in evolution of the national treasury function
* **Use of information technologies in treasury operations,** with a focus on Financial Management Information Systems implementation experiences in PEMPAL countries and around the world
* **Public sector accounting and financial reporting**, with a particular focus on the assessment of national public sector accounting standards and practices in comparison to international public sector accounting standards (IPSAS) requirements

**TCOP WORKING GROUPS**

**Several TCOP working groups have been established to allow sub-sets of members to meet more regularly** to discuss and solve common problems. The working groups operating during the period were:

**Thematic group on use of information technologies in Treasury operations (active, established in 2013).** This thematic group serves as a platform for the specialists from 11member countries for exchanging experience and knowledge. Most TCOP countries are in the process of development of their treasury information systems and many of them are either considering or already moving towards expanding their functionality and creating integrated financial management information systems. Since its launching and through the end of 2017, the group conducted seven thematic videoconferences, three study visits (to Ankara, Turkey - 2013, to Seoul, South Korea – 2015, and to Vienna, Austria - 2017), and three thematic workshops (in Minsk, Belarus – 2014, Tbilisi, Georgia – 2015, and in Chisinau, Moldova -2016). Main results of the group activities include familiarization of participants with the selected country experiences of FMIS implementation and discussion of their potential application in TCOP countries; deeper understanding of issues related to establishment of IT support services in the ministries of finance/treasury offices; Review of the resources of the World Bank’s FMIS COP; Provision of PEMPAL library with materials from the completed activities to make them available for further use. Several countries reported making direct use of the group activities. Belarus colleagues made use of the TCOP peer experts’ opinion in the process of conceptualizing their new FMIS. Colleagues from Georgia got new ideas in Seoul on integration of a treasury information system with a public procurement system. Colleagues from Tajikistan developed a better insight into the Turkish information system’s functionality and it helped them in adaptation of it to their country’s needs.

**Cash Management thematic group (active, established in 2015),** comprising currently 13 TCOP member countries, was established on the initiative of several member countries interested to address a number of challenges faced in liquidity management, and wishing to move from passive to more active cash management practices. In the period till end-2017, the group had six thematic videoconferences and three thematic workshops (Ankara - 2016, Moscow -2017, Chisinau - 2017). The group explored the experiences of Albania, Azerbaijan, Georgia, Moldova, Turkey and Russia in cash management. Members of the group enhanced their understanding of such aspects as TSA operation, active cash management tools, cash balance targeting and design of cash buffer, interaction with central banks, interaction with the debt management function. Knowledge products developed by the group include the Report on the thematic survey on TSA operation in TCOP countries, and the Note on service level agreements with central banks.

**Public Sector Accounting thematic groups** havebeen in operation within the TCOP since 2013**.**

* **The group on public sector accounting and reporting (active) has grown to** include fourteen TCOP countries interested to discuss the challenges of public sector accounting reforms, involving transition to broader use of the elements of accrual accounting and introduction of national public sector accounting standards aligned to various degrees with international public sector accounting standards (IPSAS). By the end of 2017, the group conducted four thematic workshops (hosted by Macedonia, Georgia, Montenegro and Belarus) and one thematic videoconference. The group explored experience of several countries regarding implementation of accounting standards aligned with international standards and provided peer advice to several member countries, including Belarus, Georgia and Montenegro, regarding the implementation of international standards in their specific environments. The group also reviewed Guidelines to identify mismatch between national methodology and international standards and examples of their application
* Thematic groups on **Public Assets Accounting** and **Financial Reporting Consolidation operated during 2013-15 (16)**. The summary report of the group on Public Assets was completed in 2015 and published on the PEMPAL website. The other group finished its work by developing the Guidance on Financial Reporting Consolidation, which was published on the website in 2016. These groups closed their activities in 2015 and 2016 respectively as all the topics envisaged in their action plans have been discussed.

**Thematic group on evolution of the role and functions of the Treasury (active)**. During the plenary meeting of the TCOP in Tirana, Albania in May 2015, a decision was taken to form a new thematic group to support member countries to discuss and plan for the changing role of Treasuries. The group, comprising 12 member countries, formulated agendas for the 2016 and 2017 annual plenary meetings of TCOP. The 2016 plenary meeting in Moldova discussed the evolving role of the treasury function given the transition from a traditional manual processing environment to automation using modern financial management information systems. The 2017 annual plenary meeting in Vienna examined application of the risk based approaches in treasury operations.

**TCOP knowledge products developed during the period capture the results of work of TCOP thematic groups and focus on issues of particular interest for TCOP members.** These include:

* Integration of budget classification and chart of accounts, examples from TCOP countries, 2014
* Final report on activities of the TCOP Asset Management thematic group, 2015.
* Practical guidelines on consolidation of financial reports, 2016
* Report on the results of the survey on Treasury Single Account Operation Practices in PEMPAL member countries, 2016
* Note on Service Level Agreements with Central Banks, 2017

More detailed information on TCOP activities for 2017 is provided in Attachment 3. Information on activities for the earlier years is available in the annual reports for the respective years.

**Strategic and action plans over the last five years for TCOP can be found at this link**: <https://www.pempal.org/about/action-plans/tcop>

## 4.3 Internal Audit Community of Practice (IACOP)

**In accordance with IACOP’s latest strategic plan,[[4]](#footnote-5) the IACOP offers support to its member countries in establishing a modern and effective Internal Audit system** that meets international standards and best practices and is a key for good governance and accountability in the public sector. Following an IACOP plenary decision, five working/thematic groups have been established during the period since 2012, which offer additional opportunities for member countries to address the issues of their priority interest and to fill the gap where there is no clear international best practice established for public sector internal audit.

**IACOP Priority themes for 2012 to 2017**

* **Relationship of Internal Audit with Financial Inspection and External Audit**
* **Quality Assurance** including periodic internal and external assessments and Central Harmonization Units’ challenges at different stages of the reform (continuing working group)
* **FMC implementation with the emphasis on accountability and transparency** (a new working group - Internal Control)
* **Practical implementation of audit cycle**, different types and models of audits, including IT solutions (new working group- Audit in Practice)
* **Challenges faced by Central Harmonization Units at different stages of the reform**
* Promotion of IACOP, including existing knowledge products and experience gained in on-going and previous working groups: Training & Certification, Continuing Professional Development, Risk Analysis, Quality Assurance, Body of knowledge

**The Working Group on RIFIX finished its work in 2016.** The group aimed to identify the main differences between internal audit and external audit and between the supreme audit institution and financial inspection not only at the conceptual level but through providing IACOP positions on key issues based on reform implementation experience.  In 2015 the group, represented by all 23 member countries, met in Armenia to learn from best country practices; to progress the Good Practice Concept Paper on RIFIX; to advance development of a Good Practice Template of a Cooperation Agreement between internal audit and financial inspection/external audit; and to learn from the Armenian experience of internal audit reforms. In 2016, the Working Group met in Russia to discuss survey results on progress made in applying good RIFIX practices and to also finalize and endorse the good practice Concept Paper including elaborating on its future roll out. This Working Group concluded its activities with production of the Concept Paper summarizing the results of the group.

**The Working Group on Quality Assurance also finished its work in 2016.** The group aimed to develop an IACOP approach to periodic internal and external assessment by Central Harmonization Units.  In 2015 the group, represented by 13 countries, met in Armenia to finalize the scoring system for the PEMPAL approach to external assessment; to endorse the Good Practice Quality Assessment Guide for Public Sector Internal Audit; and to discuss possible application of the Guide by IACOP countries. Although the group did not meet in 2016, work continued on completing the Guide. This Guide, now published, represents another major knowledge product for IACOP and provides a unique guide to apply the International Professional Practices Framework and International Standards for the Professional Practice of Internal Auditing on Quality Assurance of Public Sector Internal Audit.

**A new Working Group on Internal Control was established in 2016 and met in 2017.** Aplenary meeting was held of all members in Czech Republic in March 2016 to discuss internal control implementation challenges, which included learning from the experiences of Czech Republic in implementing public internal control; to share recent developments across the region; and to initiate the work of the new Working Group on Internal Control. Presentations were delivered by representatives from the European Union, South Africa, Brazil, Belgium and the Czech Republic. The new group met after the plenary meeting to give participants the opportunity to express their priorities with regard to the scope of the new group, and they decided that its objectives were to learn and share experiences on the role of internal audit and the CHU in the assessment and development of Public Internal Control. Members intend to identify guidance and good practices, which could then be used by countries as a reference. The Working Group’s second meeting was held in Russia in October 2016, to discuss the COSO Framework’s principles of effective internal control and to establish those most relevant to the public sector, and to discuss challenges in internal control implementation.

In March 2017 the group met in Budapest and focussed on accountability in relation with internal control. Participants approached internal control through the “three lines of defence” control model in establishing accountability in centralized vs. decentralized administration; they also stressed internal and external factors to be taken into consideration. Representative of DG Budget, European Commission, presented accountability as an icon of good governance from EU perspective. Representatives of the Netherlands, Russian Federation, Albania, Romania, Republic of Moldova, Hungary, Belgium, UK Government, RSA and Brazil also shared their experience. In addition, participants discussed the role of CHU in enhancing accountability, and reviewed the first draft of the PIC glossary with the emphasis on accountability. The ICWG has many objectives and topics in its plans; however, the topic of accountability and responsibility identified as relevant for all the COPs by cross-COP plenary meeting in Moscow has continued to be on the ICWG agenda. This demonstrates commitment to cross-cutting topics identified as priority topics for all the three PEMPAL COPs.

**The new Audit in Practice Working Group (AiP WG) met in 2017.**  The decision to establish the group was taken in 2015, to address the practical implementation of the audit cycle, and different type and models of audits, including IT solutions. Member countries met in Kyrgyz Republic in 2015 to exchange experiences and learning from advanced internal audit, financial management control practices and activities of Central Harmonization Units.  Although the group did not meet formally in 2016, they made plans during the year to meet in 2017 to focus on practical auditing tools reflecting the progress of the internal audit function reforms in the region. and in March 2017 the group met in Budapest. Participants discussed the audit cycles, their respective ISPPIAs and the scope of different types of audits. Special attention was paid to the audit planning phase and its ISSPIA 2210. The participant worked on the practical case study; and an interactive format (World Café) was used to foster discussion and identify the practical solutions for this case. The AiP WG set its further overall objective to complete the audit cycle phase by phase on the concrete examples; it also intends to develop practical case studies that can be used by member countries for training purposes.

**The Good Practice knowledge products developed by IACOP are the result of extensive exchange of ideas, experience and knowledge on respective country practices among members**. On average, a single Good Practice product takes around two years to develop. These Good Practices are used by member countries to inform their internal audit reforms and guide development of respective documents. They are treated as high value and unique knowledge products, which are the result of the collective work of policy makers and practitioners from 23 IACOP member countries.

**IACOP's unique Good Practice knowledge products developed by the community itself represent a reference of good practice globally**. Those completed and under development are, as follows:

* Good Practice IA Manual Template
* Good Practice Continuing Professional Development Manual Template
* Internal Audit Body of Knowledge
* Risk Assessment in Audit Planning
* Concept Note on RIFIX (Cooperation between public sector audit and financial inspection entities ) (published in 2017)
* Quality Assessment Guide (published in 2016) and Quality Assessment App (posted on App Store)

**IACOP prepares ‘Communiqués’ at the end of each plenary or thematic meeting to summarize key conclusions** reached during the particular event. Those also represent a key reform guide for member countries.

**In 2016, IACOP started to produce and publish ‘newspapers’ to better learn the key recent developments on Public Internal Control (PIC) reforms in the ECA region and beyond**. First two editions of the newspaper were issued in October 2016 at the Moscow IACOP meeting. The first edition had the focus on the news about the Relationship of Internal Audit with Financial Inspection and External Audit (RIFIX). Peers from six countries (Kyrgyz Republic, Albania, Georgia, Macedonia, Romania, Bosnia and Herzegovina) shared the experience in RIFIX issues. The second edition was dedicated to internal control and reflected the news from five PEMPAL countries, including articles about Moldova’s latest developments in harmonizing the activity of Financial Departments in central Government with FMC principles, the latest developments in PIC in Hungary, and other news from Bosnia and Herzegovina, Albania, and Georgia. The third edition was issued in March 2017; it reflected the latest developments in Internal control in Hungary, Bosnia and Herzegovina, and Croatia. It also covered the Romanian experience in sharing Internal Audit, as well as the most recent developments regarding Internal auditors’ training and risk management in Macedonia. The fourth edition was issued in October 2017, and presented the Kyrgyz experience with internal auditors’ on-line training system, internal audit organisation in the Chisinau City Hall, internal audit developments in Tajikistan, issues related to internal control and transparency in Brazil in the course of reforming public sector audit. During face-to-face events the favourite format of IACOP - “talk show” – has been used to further elaborate on the topics reflected in the newspapers and to provide opportunity for discussions with, and directly asking questions to, the newspaper contributors.

More detailed information on IACOP activities for 2017 is provided in Attachment 3. Information on activities for the earlier years is available in the annual reports for the respective years.

**Strategic and action plans over the last five years for IACOP can be found at this link**: <https://www.pempal.org/about/action-plans/iacop>

## 4.4. Cross – COP activities.

## Whole network plenary meeting on fiscal transparency and accountability - Moscow, Russian, Federation, May 2014

## The whole PEMPAL network met in Moscow in May 2014 to discuss issues related to fiscal transparency and accountability. The meeting was hosted by the key donor to the program, the Ministry of Finance of the Russian Federation. The objective of the meeting was to share information about the concepts and tools of fiscal transparency and accountability and how these can be applied from a central government finance agency perspective; and to form a long-term view of how the topic could be addressed by each of the three COPs.

## The meeting was attended by 179 people including representatives from 18 member countries across Europe and Central Asia. Observers from MENA countries also participated as well as representatives from invited international organizations and governments.

## The results of the meeting included sharing of information by the representatives of international organizations, including the World Bank, IMF, OECD, International Budget Partnership, Global Initiative for Fiscal Transparency (GIFT), and the governments of South Africa, Mexico, Russia and Turkey. IT solutions used to provide access to PFM data for the public were demonstrated. COPs played a key role in the development of the agenda and groups discussions with active involvement of all the country delegations were held on a) using budget and treasury portals and applying transparency frameworks and b) country based plans and progress in strengthening transparency and accountability.

## In the closing summations, it was acknowledged that central government agencies could play an important role as one of the key stakeholders to promote and facilitate improvements in fiscal transparency and accountability, which had the potential to lead to positive development results for both government and citizens. Learning from international good practices and sharing information between countries was a key tool and PEMPAL could support this work through initiatives that COPs had identified as part of the meeting. The initiative seuccessfully implemented as a follow up to the meeting was the establishment of the Budget COP working group on budget literacy and transparency the results of which were already discussed in section XX above.

**Annual cross-COP leadership meetings**

Executive Committees of all three COPs met together annually to discuss issues of strategic importance for the network. Four such meetings took place during the period, including three meetings hosted by the donor partners and one meeting hosted by PEMPAL Secretariat. The tradition was established to combine the discussions on strategic issues with familiarization with PFM practices of the countries in which Executive meetings took place. Thus, parts of the Executive meetings’ agendas were devoted to the review of selected aspects of PFM systems and reforms of France (2012), Slovenia (2013), Austria (2015), and Switzerland (2016). Among other things, these meetings facilitated cross-COP communication and sharing of information on good practices developed within the COPs. The topics of the Executive meetings are provided below together with the links to the event materials

**2012 Executive meeting** was focused on finalizing the results framework for the PEMPAL Strategy 2012-17. It was co-hosted by OECD and World Bank and was held in Paris, France.
<https://www.pempal.org/events/cross-cop-leadership-group-meeting>

**2013 Executive meeting** was devoted to the review of the first year of the strategy implementation and preparation of the 2014 whole network plenary meeting. It was hosted by the Slovenian Center of Excellence in Finance in its capacity of PEMPAL Secretariat at the time, and was held in Bohinj, Slovenia. <https://www.pempal.org/events/cross-cop-executive-and-steering-committee-meetings>

**2015 Executive meeting** was devoted to the mid-term review of the PEMPAL Strategy. It was hosted by the World Bank and was held inVienna, Austria: <https://www.pempal.org/events/pempal-executive-meeting-mid-term-review-pempal-strategy-2012-17-consideration-results-and>

**2016 Executive meeting** was devoted to the development of PEMPAL Strategy 2017-22. It was hosted by SECO, and was held in Bern, Switzerland. <https://www.pempal.org/events/pempal-cross-cop-executive-meeting>.

# 5. PEMPAL RESULT 2: Quality Resources and Services Provided to the Members

**PEMPAL has established high quality standards for the products and services provided to the members.** This was confirmed by the MTR of the strategy conducted during 2015.The review found solid evidence of high and growing levels of member satisfaction with the quality of resources and services provided by the network. The challenge identified for the future was to sustain the high overall quality and further improve the quality of materials while continuing to encourage stronger participation of the members in producing knowledge resources and gradually reducing the inputs from the resource teams.

##

## 5.1 Quality Resources

**A key service provided by PEMPAL was organization of thematic events focusing on the issues of priority interest for the members.** Opinions of participants on the quality of PEMPAL events remained consistently high during the period, as evidenced by the average ratings of satisfaction with events presented on chart 10. Events also continuously met expectations of the majority of participants and exceeded expectations of a significant number of them (chart 11)**.**

**Event evaluation surveys served an important instrument for monitoring opinions of participants on the quality of events.** Standardized on-line questionnaire was developed and administered after each face-to-face event by the PEMPAL survey specialist. These surveys were anonymous and provided a possibility for participants to provide written comments in addition to responses to the standard questions. Examples of opinions provided by participants as written comments to the event evaluation surveys are provided below. All the event evaluation survey reports were shared with the COP resource teams and Executive Committees for follow up and are publicly available on PEMPAL web site. Attachment 4 provides summary information on the average annual ratings for the standard questions from the event evaluation surveys.

**Another key service to members was the provision of knowledge products related to PFM reforms to assist in member’s work**, which in many instances were developed by the members themselves. This included benchmarking against progress in reforms in countries within and outside the PEMPAL region, to identify good practices and to share reform challenges and solutions. This was done through presentations and discussions with country representatives and also through formal and informal surveys which document reform status. Other knowledge products ranged from guidelines prepared by countries using the latest international approaches adapted to suit their local contexts; to technical PFM material translated into the PEMPAL languages to support reform processes (for example IMF, World Bank and OECD guidelines). Materials provided by PEMPAL were rated good quality or high quality by most respondentsto COP MTR surveys, showing an increase across most material types since the 2012 external evaluation results.

**In addition, PEMPAL shared multiple relevant PFM related documents to support discussions over the strategy period.** This included PowerPoint presentations which illustrated country cases, latest approaches and results of discussions; and PFM related documents translated and delivered to ensure all members got access to, and were able to share information, in the official languages of PEMPAL – English, Russian and Bosnian-Croatian-Serbian.

**Some comments from event participants**

***“Unique mechanism of communication and practical knowledge of international experience was created. ”***

***“Year after year you can notice the improvement of the meetings in terms of substance of problems discussed.”***

***“I have had the opportunity to participate in other events and compare the organization quality with the organization of all PEMPAL events. When it comes to the quality of organization and administration, PEMPAL gets the highest marks. At this event, too, the travel logistics and especially the level of service provided by the Secretary staff were extraordinary"***

***“The possibility of live communication with representatives of other countries. This makes possible to discuss informally emerging issues and to hear about ways to solve them.”***

***“There is a professional approach by PEMPAL officers to the processes included in the agenda. This brings the quality and efficiency. Again, PEMPAL officers encourage participants to participate in the discussions. This also increases information sharing and efficiency.”***

***“Overall impression is very positive and informative. Organizers of the event did their best. The invited expert's knowledge was very high. Hosting party showed us their hospitality and openness”***

***“As we are now choosing what kind of modernization we need, all we saw and heard during the workshop and conversations with representatives of other country treasuries will be applied in practice.”***

 ***‘The PEMPAL countries are undergoing through a similar process in terms of establishing an effective internal control system. For this reason, the countries are facing similar challenges. The PEMPAL meeting is significant in order to illustrate the participants that they are facing similar challenges and that they can take similar measures or initiatives to deal with them.’***

***“My country is in the process of introducing principles of program budgeting in our budget system. Lessons learned, especially from more advanced countries in this area are precious to us. It is important that we will spend less time in the future trying to find the right track in the process, because the knowledge gained in this and previous meetings makes it is possible to accelerate progress in this area.”***

***“Our PEMPAL family starts to connect professionally but also socially very well. People of the three communities of practice are much more networking professionally also among each other which is key for a peer-learning network. Furthermore, our family is growing constantly and has secured its strategy and financing over the next five years. Now family members must prove that the money is going to be well invested.”***

*Objective 2 "Quality resources and network services, supporting relevant PFM practices, are provided to members” is currently on a good level. PEMPAL website operates well and a virtual library is created. Now the main objective in this field is to continue updating content with the latest news about events and information about main achievements of community, etc."* ***MoF Russian Federation (donor)***

*"We think that the management of knowledge products as well as the use of IT solutions to facilitate exchange will require more attention in the future. With the volume of knowledge products growing the COPs and the Secretariat have to ensure that these products are regularly updated and only relevant knowledge products remain in circulation otherwise these sources of information become unmanageable. Also, COPs have to regularly examine whether the IT tools in use (e.g. wiki, virtual library) are actually used by members. "*  ***SECO (donor)***

*Source: donor submissions to mid-term review of current strategy*

**Some suggestions from the participants as to event organization**

*“We needed more time to explore the presentations and discussion in more detail, but the general feedback is highly positive “*

*“This plenary meeting should be at least four days long, because topics are very important and the subjects are very complex. “*

*“I applaud the use of videoconferences in the future, since they are cheaper and more people can participate. The venue and equipment of the World Bank should be used during such events since our Ministry of Finance does not have the adequate technical equipment nor is it possible to organize interpretation there.”*

*“It can include some more practice sessions on different concrete topics, like exercises, where different countries will give the solution/explanations according to their country rules.”*

*“Perhaps it would be useful to limit the time for the speakers in a panel discussion so that there is enough time left for questions, but also to limit the Q&A to specific questions, instead of making general comments.”*

*“It may be worthwhile to give countries a particular topic and for participants to present on how that is being done in their respective countries. In that manner, best practices can be identified and it would also be easier to determine what works and what does not work.”*

*“Probably it is necessary to have joint meeting of three executive committees more often.”*

*“Since all the countries are in reform process and all of them reached a certain level with the introduction of program budgeting, results-oriented budgeting, financial management and control, internal audit, external audit, treasury reform, I believe that should be considered organizing a larger event with representatives from all of these areas to all reforms linked together to create a big picture of how the system should work, what are the competencies which and in which areas we can and need to rely on each other, where the touch points and how we can be supportive to each other. It would also be useful to see how far each country went in the entire process of reform of public finances, what the benefits and challenges are. Specifically, in the case of my country simultaneously takes place over the reform process and no one has a clear picture of general goal and how does it all should work.”*

## 5.2 Network Services

**PEMPAL benefited over the period from strong technical and administrative support services**. The Resource Teams were key to providing support to the technical content, and Secretariat provided administrative, logistical and performance reporting services.

## 5.2.1 COP Resource Teams

**Resource teams were key to providing support to the technical content required to address the PFM priorities identified by the member countries, and to ensure the network was meeting the expectations of its members and donors.** These teams provided the day-to-day support to the Executive Committees in designing agendas and surveys, sourcing technical materials and experts, facilitating working and discussion groups, developing and managing COP budgets, and implementing network improvement initiatives. The resource teams also included thematic experts, which were engaged depending on the technical needs of the topic under discussion. Other international experts were engaged as speakers or for technical short-term support, depending on the content requirements of the COP action plans. In the COP submissions to the 2015 MTR, all three Executive Committees rated the support from technical Resource Teams as highly satisfactory..

**The core resource teams provided by the World Bank remained relatively constant over the period.** The core team included Elena Nikulina (PEMPAL Task Team Leader/TCOP Lead Coordinator), Deanna Aubrey (BCOP Resource Person/Network Strategic Adviser), Ion Chicu (TCOP Resource Person/Program Operations Adviser), Maya Gusarova (BCOP Lead Coordinator), Naida Čaršimamović Vukotić (BCOP Resource Person), Arman Vatyan (IACOP Lead Coordinator), Diana Grosu-Axenti (IACOP Resource Person). Nina Duduchava provided support for implementation of the program surveys.

**The network benefited from the inputs of highly qualified thematic experts.** The experts mobilized by the World Bank have been supporting the work of the thematic groups and have been changing with the closure of the groups. The experts that were involved in the COP activities for extended periods included Mark Silins (TCOP lead thematic advisor), Mikle Parry (TCOP thematic groups on public sector accounting and reporting), Mike Williams (TCOP themtic group on cash management), Cem Dener (TCOP thematic group on use of IT in Treasury Operations), Zac Mills (provided support to BCOP Wage Bill management group), Jean Pier Garitte (IA COP thematic advisor), Richard Maggs (IA COP RIFIX group). The Ministry of Finance of the Netherlands through its National Academy for Finance and Economics, also provided thematic experts to IACOP throughout the period.

**In line with the trends enviaged under the strategy, reliance of the network on external expertise has declined during the period while member involvement in the development and delivery of activities has increased**. This included the member country representatives more actively engaging in developing and delivering the event agendas, leading the thematic groups and providing thematic experts. Table 1 shows the decline in the number of external experts involved in PEMPAL events[[5]](#footnote-6) .

**Table 1.**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Events  | 15 | 27 |  29 |  28 |  18 | 15 |
| PEMPAL Participants  | 505 |  600 |  831 |  612 |  613 | 527 |
| Resource Teams and International Experts | 125 |   241 |   160 |  124 | 118 | 83 |

## 5.2.2 Secretariat

**The PEMPAL Secretariat was also key to achieving the strategy results given its role of providing administrative and performance reporting services to support the program**. The Secretariat function includes: organizing face-to-face events e.g. coordinating event invitations, arranging flights, accommodation, visas, translations, venue and supplies contracting, document distribution; providing background materials for the Steering Committee discussions, e.g. amendments to internal regulation, updates on the COPs budgets; monitoring performance based on a comprehensive set of indicators; preparing progress and annual reports; maintaining and editing the PEMPAL website and newsletter; maintaining records of the PEMPAL events and the virtual library; and, organizing on-line meetings. As part of the Secretariat’s role, it administers and coordinates online-resource materials and communication such as the PEMPAL website, and meetings through videoconferencing and other technologies.

**The secretariat arrangements have changed in the middle of the period.** With the unexpected departure of the Slovenian Center of Excellence of Finance, that was contracted by the World Bank for provision of secretariat services in the early years of the period, a new secretariat mechanism was put in place from the last half of 2015. The services continued to be conducted for the remaining time of the strategy by a new Secretariat team established at the World Bank Moscow Office, including Ekaterina Zaleeva (TCOP Coordinator), Ksenia Galantsova (BCOP Coordinator) and Kristina Zaituna (IACOP Coordinator). Based on the decision of the Steering Committee, the new secretariat arrangement was extended for the new strategy period, with options for provision of the secretariat to be reviewed during the mid-term review of the new strategy.

**Despite having a steep learning curve, the new Secretariat performed very well over 2016 and 2017, with consistently high scores in post-event survey feedback from members (charts 12, 13).** Although not directly comparable between 2012-13 and 2016-17 given two different providers, there was an increase in satisfaction from members regarding these services. Overall, the transition between the two providers went very smoothly and much better than anticipated due to a committed and competent team.

##

## 5.3 On-line Resource Materials and Communication

**The PEMPAL website has become the main storage facility for information on all the program activities**. All the event materials were made publicly available on the site in three official languages of PEMPAL. Following the approval of the greening initiative after the mid-term review, in 2017 Secretariat stopped distribution of hard copies of the event materials, but introduced the practice of posting all the materials on the web site in advance of the events. The PEMPAL Virtual Library (<http://www.pempal.org/library/>) has also been attached to the web site as an efficient and cost effective storage facility for the country documents shared by the participants, including, laws, regulations, analytical products, etc.

**Admininstration of PEMPAL website was transferred from the former Secretariat to the new Secretariat during 2016.** In the process of transfer, the web site was redesigned using a more modern platform. Monitoring of the new web site traffic was introduced in 2017. Chart 14 provides information on the web site traffic for the 9 months of 2017.

**Some COPs used a wiki, an informal web based collaboration tool, to discuss action plans, store event agendas, resource materials**, and to form a shared understanding of their activities. Access to wikis is restricted to COP members only to ensure a confidential sharing of draft policies, laws and procedures. IACOP used its wiki for event preparation and BCOP used it for storing additional PFM resources.

**Real-time conferencing through the World Bank supported videoconference facilities and on-line communication rooms were also widely used** (e.g., Skype, WebEx) not only for Executive and Steering Committee meetings, but also by BCOP and TCOP for their thematic workshops and seminars. It has proved to be an effective and efficient tool enabling quick and easy-to-organize knowledge exchange with minimum costs.

**The program also employed several other on-line tools for various activities.** Most of PEMPAL surveys were administered electronically with the use of the Survey monkey instrument. The same instrument was adapted for electronic registration of participants for the events. PEMPAL quarterly Newsletters are also designed and distributed in an electronic format and are accessible through the web site.

# 6. PEMPAL RESULTS: A Financially-Viable Network of Committed PFM Professionals

**Committed membership and leadership are key assets of PEMPAL network. There is evidence of strong member commitment to the network, including through increasing provision of in-kind and financial contributions to the program by the member countries. Strong partnerships with the donors have assured stable financial situation of the program throughout the period.**

##  6.1 Committed Leadership

**Over the strategy there was evidence of high quality leadership and management services being provided to the network**. Feedback from respondents to the MTR member survey indicated high to very high satisfaction with the governance structures of PEMPAL.

**The COP Executive Committees were very active and served the driving force of the network throughout the period.** The Executive Committees were responsible for formulation and implementation of all the COP activity plans and also played the key role in cross-COP activities.The Executive Committees were meeting generally at least once each quarter. BCOP Executive Committee held 21 documented meetings for which formal minutes were taken[[6]](#footnote-7) and TCOP Executive Committee had 38 such meetings[[7]](#footnote-8) during the period. IACOP Executive Committee had a less formal approach to its frequent meetings organized in various formats, with minutes stored in the COP internal wiki page, available on request.

**Executive Committees included volunteers from the member countries most of whom served on the respective committees for several years and dedicated significant time to the network activities.** Taking into account that most of the Executive Committee members held senior positions in their home institutions, such dedication indicates strong commitment to PEMPAL activities. Composition of the Committees was limited by the program operational guidelines to 9 country representatives. Each of the COPs had its own internal process for identification of the candidates for membership in the Executive Committee and electing the leadership but was required under the operational guidelines to hold annual elections of the Chair. The composition of the Executive Committees as of end-2017 is provided below with 16 of the 23 member countries represented in the three leadership groups.

**At the end of 2017, the COPs’ Executive Committees / leadership groups included the following members:**

**BCOP**

**Anna Belenchuk (Russia, Chair)**, Head of Budget Analysis and Development Unit, Department of Budget Methodology and Public Sector Financial Reporting, Ministry of Finance

**Gelardina Prodani (Albania, Deputy Chair)**, General Secretary, Ministry of Finance

**Lala Ananikyan (Armenia)**, Head of Budget Process Management Department, Ministry of Finance

**Alija Alijović (Bosnia and Herzegovina)**, Assistant to the Minister of Finance

**Marina Tikhonovich (Belarus)**, Deputy Head, Budget Process Methodology Department, Ministry of Finance

**Emil Nurgaliev (Bulgaria)**, Senior Expert, Budget Methodology Division of Budget Directorate, Ministry of Finance

**Mladenka Karačić (Croatia)**, Head of State Accounting and Non-Profit Organizations Accounting Service, Ministry of Finance

**Kanat Asangulov (Kyrgyz Republic)**, Head of Budget Policy Department, Ministry of Finance

**Nikolay Begchin (Russia)**, Deputy Head of Budget Policy and Strategic Planning Department, Ministry of Finance

**TCOP**

**Angela Voronin (Moldova. Chair)**- Head of State Treasury, Ministry of Finance

**Liudmila Gurianova (Belarus, Deputy Chair)** Deputy Head of State Treasury, Ministry of Finance

**Ilyas Tufan (Turkey, Deputy Chair)** Head of Cash Management Department, Undersecretariat of Treasury

**Zaifun Ernazarova (Kazakhstan)** Director of Budget Legislation Department, Ministry of Finance

**Mimoza Pilkati (Albania)** Director of Treasury Operations Department, General Directorate of Treasury, Ministry of Finance

**Marija Uljarević (Montenegro)** Head of Division for Budget Accounting, National Treasury, Ministry of Finance

**Alexander Demidov (Russia)**, Deputy Head of the Federal Treasury

**Ismatullo Hakimov (Tajikistan)**- First Deputy Head, Central Treasury (Former)

**Nazim Gazimzade (Azerbaijan)** Chief of Information Technology Department, State Treasury Agency, Ministry of Finance

**IACOP**

**Edgar Mkrtchyan (Armenia, Chair)**, Deputy Head of Public Finance Management Methodology Department, Head of Financial Management and Control Methodology Division, Ministry of Finance,

**Edit Nemeth (Hungary, Deputy Chair)**, Head of Central Harmonization Unit, , Ministry for National Economy,

**Zamira Omorova (Kyrgyz Republic)**, Head of Internal audit methodology department, Ministry of Finance,.

**Ljerka Crnković (Croatia, Deputy Chair)**, Coordinator for Methodology and Development of Internal Audit Sector for Harmonization of Internal Control System, Ministry of Finance,

**Petru Babuci (Moldova, Deputy Chair)**, Senior Consultant, PIFC Policy Division, Ministry of Finance,

**Amela Muftić (BiH, Deputy Chair)**, Assistant Minister, Head of Central Unit for Internal Audit of BiH Institutions, Ministry of Finance r

**Stanislav Bychkov (Russia)**, Deputy director, Department of Budget methodology, Ministry of Finance,

**Olimjon Myrzoev (Tajikistan)**, Head of the Department of Management of accounting, financial reporting and auditing policy, Ministry of Finance,

**Mioara Diaconescu (Romania)**. Director, CHU for Public Internal Audit, Ministry of Public Finance,

**PEMPAL Steering Committee was also very active and held 21 meeting during the period to exercise its role of an oversight body for the program**. The regular content of the SC meetings included monitoring of implementation of the strategy.Chairs and Deputy Chairs of Executive Committees represented in the SC provided updates on the COP activities at the SC meetings. COPs’ action plans, budgets and funding envelopes were reviewed and approved each year by the Steering Committee. The SC discussed and approved the COPs’ budget envelopes early in each year, and reviewed execution at each quarterly meeting. The SC also endorsed the PEMPAL Annual Reports each year before distribution. Annual Thank You letters to the management of the beneficiary institutions were distributed under the signature of the Steering Committee Chair. Minutes of PEMPAL Steering Committee meetings are publicly available at<http://www.pempal.org/event/sc_meetings/>.

**The Steering Committee supervised preparation of all the Cross-COP meetings**, including the whole network plenary meeting held in Moscow in 2014 and all the annual executive meetings. Budgets for these events were approved by the Steering Committee as separate lines under the program budget. Dedicated organization committees led by the World Bank Team Leader were formed by the Steering Committee decisions for preparation of each of the cross-COP meetings.

**The Steering Committee guided the mid-term review of implementation progress of the Strategy 2012-17 undertaken in 2015 and preparation of the new Strategy 2017-22 during 2015-17.** Special working groups, chaired by the World Bank TTL, were established to work on the MTR and development of the new Strategy. These groups reported to the Steering Committee and were composed of the Steering Committee members. The Strategy Development Working Group was established during 2015, to progress development of the PEMPAL Strategy 2017-22. It held its first meeting in December 2015 with three meetings held during 2016 in May, June and August with additional informal meetings held of sub-groups who worked on key outputs required for strategy development. These two sub-groups, the Strategic Objectives and Results Framework sub-group and the Costings Options and Funding Scenarios sub-group developed key parts of the strategy which were then submitted to the full Working Group and Steering Committee for review. The Strategy Development Working Group also planned the preparations of the 2016 Executive meeting that was devoted to the development of the new PEMPAL Strategy. A cross-COP working group was also formed in 2017, to develop the survey of high-level officials to determine perception of impact of PEMPAL on PFM systems, and staff capacities. This survey was incorporated with the annual thank you letters released in 2017, along with copies of the 2016 Annual Report and Success Story Booklet.

**The Steering Committee included key network stakeholders** including representatives of donors (the World Bank, SECO, and Ministry of Finance of the Russian Federation) and COPs (Chairs and/or Deputy Chairs of Executive Committees). Representatives from the COP Resource Teams and PEMPAL Secretariat participated in the Steering Committee meetings as observers. Composition of the Steering Committee at the end of 2017 is provided in below. Chairmanship of the Committee was rotated several times during the period. At the beginning of the period, the chairmanship of the Steering Committee was undertaken by Ms. Salome Steib (SECO). In 2013, the chair position was held for an interim period by Marius Koen (World Bank), after which it was rotated to the Ministry of Finance of the Russian Federation and was held by Ms. Anna Valkova for two consecutive years (2014-15). The chair position was rotated again in 2016 and was held during the last two calendar years of the period by Ms. Irene Frei (SECO).

**PEMPAL Steering Committee members, end-2017**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Irene Frei | SECO | Switzerland | Donor | Chair of the Steering Committee |
| Anna Valkova | MoF | Russian Federation | Donor  | Member |
| Elena Nikulina | WB |  | PEMPAL Team Leader/TCOP Resource Team (Lead) | Member |
| Marius Koen | WB |  | Donor | Member |
| Anna BelenchukGelardina Prodani | MoF | Russian FederationAlbania | Chair of PEMPAL BCOPBCOP Deputy Chair | Members |
| Edgar MkrtchyanEdit Nemeth | Ministry of National Economy  | ArmeniaHungary | Chair of PEMPAL IACOPIACOP Deputy Chair | Members |
| Angela VoroninLiudmila Gurianova | MoF | MoldovaBelarus  | Chair of PEMPAL TCOPTCOP Deputy Chair | Members |
| Ion Chicu | WB |  | PEMPAL Operations Advisor / TCOP Resource Team | Permanent observer |
| Maya Gusarova | WB |  | BCOP Resource Team (Lead) | Permanent observer |
| Arman Vatyan | WB |  | IACOP Resource Team (Lead) | Permanent observer |
| Ekaterina Zaleeva (TCOP)Ksenia Galantsova (BCOP)Kristina Zaituna (IACOP) | WB | Russian Federation | PEMPAL Secretariat  | Permanent observers |

## 6.2 Accountability and Performance

**Over the strategy period and beyond, there was a robust and comprehensive accountability and performance framework.** PEMPAL is accountable for the use of donor funds so it must ensure it meets the needs of all its key stakeholders and executes its budget, at minimum cost with maximum impact while complying with its approved fiduciary framework. To ensure accountability, PEMPAL continues to use a plethora of tools and processes for monitoring, measuring and evaluating its performance and relevance:

* Internal guidelines: Operational Guidelines (including guidelines for budget management), Guidelines for events, and Guidelines for study visits; <http://www.pempal.org/rules/>
* Steering Committee review and approval of COP budgets, linked to the PEMPAL Strategy;
* COP management of budgets including quarterly progress reports to the Steering Committee;
* Qualitative and quantitative performance indicators – measured after every event through post-event surveys;
* Internal and External evaluations (e.g. periodic external evaluations and in-house reviews);
	+ External evaluation was undertaken in 2012 and
	+ An internal mid-term review of the current PEMPAL Strategy was undertaken in 2015.
* Quarterly newsletters
* Annual reports;
* Internal self-monitoring of the membership performed by the COPs (ongoing);
* Fiduciary framework of the World Bank’s MDTF; and
* A set of externally audited financial statements issued for the entire Trust Fund portfolio managed by the World Bank.

## 6.3 Ensuring a Financially Viable Network – Key Indicators

**Given the public good benefits of the network, donors’ continuous engagement was necessary for a sustainable approach to PEMPAL’s activities. The Ministry of Finance of the Russian Federation and SECO agreed to support PEMPAL through providing contributions to the multi-donor trust fund (PEMPAL MDTF) administered by the World Bank. These contributions were the main source of funding for PEMPAL activities throughout the Strategy period.**

**Actual spending from PEMAL MDTF for the whole period was USD 9.6 million, almost USD 1 million below the cost estimate included in the Strategy 2012-17 (USD 10.54 million)**, as shown in table 2. On an annual basis, actual costs were below the Strategy estimates in all the years except FY2014, when the whole network plenary meeting took place. The budget for this meeting exceeded the initial estimates and additional contribution was received from the Ministry of Finance of the Russian Federation to fully cover the costs of the meeting,

## Table 2. PEMPAL Expenses, USD thous.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | FY13 | FY14 | FY15 | FY16 | FY17 | **TOTAL** |
| Expenses envisaged in PEMPAL Strategy | 2150.0 | 2340.0 | 2080.0 | 2010.0 | 1960.0 | **10540.0** |
| Actual expenses financed from PEMPAL MDTF | 1951.1 | 2713.4 | 1872.0 | 1672.4 | 1392.6 |  **9601.5** |

**Program costs were monitored closely by the Secretariat and the Steering Committee throughout the period.** Chart 15 shows the composition of the program spending. In line with the trend envisaged under the Strategy, total PEMPAL program expenses began to decrease in FY 2015, after reaching their peak in FY2014 which was the year of the mentioned plenary meeting of the whole PEMPAL network. Decrease in expenses in the last three fiscal years of the period was more significant than projected under the Strategy and reflected the concerns documented in the mid-term review about the availability of funding for the future strategy period. This decrease was achieved through the additional saving measures that resulted in lower logistical and administrative costs of event organization, resource teams and secretariat.

**It should be noted that the data provided above includes only expenses financed from the main source of the program funding, PEMPAL multi-donor trust fund (MDTF) administered by the World Bank, and does not include smaller in-kind and financial contributions provided to the program by the member countries and external partners in various forms.** No systematic information on the contributions provided outside PEMPAL MDTF and not channeled through the Secretariat was available until 2017. Following the decision taken by the Steering Committee after the mid-term review, the Secretariat developed a monitoring mechanism to capture additional contributions to the program. Data collected for the last year of the Strategy period, CY2017, shows that during that year alone member countries provided additional financial contributions to the program in the amount of USD 93 thous. (around 6% of total program spending financed from PEMPAL MDTF during that year) through direct financing of event venues and meals, and sending participants to the events at their expense. In addition, an estimated amount of USD 110 thous. (around 7% of total program spending financed from PEMPAL MDTF) was provided in kind by external partners and member countries through delegating speakers to the events and provision of inputs to the event agendas.

**Event expenses presented the biggest spending category for PEMPAL and were monitored and analyzed particularly closely by PEMPAL Secretariat.** Analysis of the spending trends together with the data on the administrative and logistical expenses for individual face-to-face events were presented in all PEMPAL annual reports produced during the period. More in-depth analysis was undertaken as part of the mid-term review undertaken in 2015. Chart 16 illustrates two of the indicators used to monitor event expenses, average administrative and logistical expenses per participant[[8]](#footnote-9) in net and gross[[9]](#footnote-10) terms.The minimum levels of both indicators were observed in CY2015 when the biggest number of video conference meetings were held. With the closure of several thematic groups and related decline in the number of videoconference meetings, **e**xpenses per participant picked up during the last two years of the period but remained below the levels of CY 2013-14.

**One of the measures used to contain event costs in the last years of the period was use of the format of back-to-back meetings** (i.e. two or more face-to-face meetings held sequentially in the one location, with different objectives and results sought for each meeting). Organizing back-to-back meetings increases the cost-effectiveness of expenditures, as travel and accommodation costs are minimized with the participant attending more than one meeting at the location. For example, in CY 2015 there were 28 events held compared to 18 in CY 2016 with only three back-to-back meetings in CY 2015 compared to six in CY 2016 (three for BCOP, two for IACOP, and one for TCOP).

Structure of event expenses is presented in chart 17. The shares of the biggest spending categories, accommodation and travel, decreased by the middle of the period and remained relatively stable since then. Expenses for translation and interpretation increased in parallel, reflecting the increasing demand for written translation as part of the work on the knowledge products.

# 7. PEMPAL RESULTS: Increased Awareness of High Government and Political Levels of Benefits and Value of PEMPAL

**The network has been successful in raising awareness of high government and political levels of the benefits and value of engaging through PEMPAL.** 85% of the senior managers who responded to the September 2017 impact survey indicated that they had direct exposure to PEMPAL activities. In 2017 alone, 38 senior managers from the member countries participated in the events.

**One of the factors that contributed to raising awareness of senior management of the value of PEMPAL was organization of events in the member countries.** As already mentioned in section 4, 19 out of 23 member countries hosted at least one PEMPAL event during the period, with 45 events in total held in the member countries. Many of the hosting institutions used the opportunity of PEMPAL events to share with colleagues their experience in the reforms areas being discussed. Meetings hosted by the member countries were usually opened by the senior management of the hosting institutions or higher level leadership (Ministers, State Secretaries, Undersecretaries, Deputy Ministers, Heads or Deputy Heads of Treasuries, and others) and many senior managers took active part in the sessions delivered by the hosting institutions. In this way, high levels have had increased exposure to the program and have shown an increasing interest in the work of PEMPAL in discussing PFM reform challenges, opportunities and best practices and often open meetings and/or attend part of the agenda. As a result, reforms in several countries got more political support and stakeholder recognition of the benefits and value of engaging through PEMPAL. Some examples of quotes from the opening speeches of senior managers that opened PEMPAL events are provided below.

**Some of the network’s COP representatives also held high level positions in Government and were able to see first-hand the benefit of participation in PEMPAL, while also ensuring that the program design met PFM reform needs of members.** In particular, 6 out of 9 members of the Treasury COP Executive Committee in 2015-17 were senior managers of the national treasuries from the member countries (Deputy Head and later Head of Treasury of Moldova, and Deputy Heads of Treasuries of Azerbaijan, Belarus, Georgia, Russia, Tajikistan), while the Secretary General of the Ministry of Finance of Albania has served as the Deputy Chair of the Budget COP Executive Committee for a number of years.

**As part of the program’s marketing approach, thank you letters were sent to the senior management of the beneficiary institutions in the member countries annually over the strategy period,** and newsletters summarizing the achievements and results of PEMPAL activities were circulated quarterly (which were progressively improved in format and approach during the time).

**Quotes from the opening statements made at PEMPAL events**

The 2014 plenary meeting of the whole PEMPAL network in Moscow was opened by the **Minister of Finance of Russia, Mr. Anton Siluanov,** who stated: *“Openness of government is very important. It is a continuous process where governments can benefit from the new developments in other countries“****.*** The opening session was also attended by the Minister of Open Government of Russia and the first Deputy Minister of Finance.

**Mr. Nodar Khaduri**, **the Minister of Finance of Georgia,** opened the TCOP plenary meeting in Tbilisi, stating: *“Georgia values the PEMPAL network extremely highly and had benefited directly from participation to TCOP events”.* The opening session for this event was attended by the whole leadership team of the Georgia MoF, including: Mr. Giorgi Tabuashvili – first deputy minister of finance, Mr. David Lezhava – deputy minister of finance, Mr. Lasha Khutsishvili – Deputy Minister of Finance, Mr. Tsotne Kavlashvili – Head of the State Treasury Service. *.*

**Mr. Roman Artyukhin**, **the Head of Treasury of Russian Federation**, was highly involved in TCOP activities, attending during the PEMPAL Strategy implementation period 3 TCOP events (1 in Moscow and 2 in other countries). Opening the TCOP workshop in Moscow in May, 2014 he mentioned: *”As one of the participants to the first TCOP event held in 2006, and several others recently conducted, I am impressed by the PEMPAL impressive progress in creating and offering knowledge products and opportunities for sharing experience among the members. I am glad to remark the increasing role of the TCOP members themselves in preparing the content of the events. The PEMPAL member-countries act both as PFM knowledge donors and beneficiaries, which contributes to the efficiency of the network and peer to peer learning”.*

**Mr. Azer Bayramov, Deputy Minister of Finance of Azerbaijan**, has also appreciated the PEMPAL network as one of the best platforms for sharing knowledge and experience in PFM area. Opening the TCOP plenary meeting in Baku, he delivered a presentation introducing the workshop participants to the Azerbaijan PFM reform agenda and expressed his confidence that his country representatives’ participation to the PEMPAL events will be helpful for the progress of reforms. The opening session for this event was attended by senior political leadership, including representatives of the Cabinet of Ministers and Parliament: Mr. Ziyad Samerzade - Head of parliamentary commission on budget issues; Mr. Shahin Sadigov - Director of Economic Policy and Forecasting Department, Ministry of Economic Development; Mr. Abbas Salmanov – Head of Treasury Agency.

**Mr. Maxim Ermolovich**, **Deputy Minister of Finance of the Republic of Belarus,** opened the TCOP workshop in Minsk, emphasizing the importance of the discussed topic, as *“Belarus is on the verge of taking major steps related to modernization of the public finance management information system; and participation of representatives of the country in PEMPAL events devoted to this topic gives them a good opportunity to obtain additional information and to exchange experience in the field of FMIS modernization”.*

**Mr. Iurii Cicibaba, Deputy Minister of Finance, Moldova** opened TCOP plenary meeting in Chisinau by saying “What is PEMPAL? Is it only a community of people united by a common goal? In reality, it is an opportunity to meet peers from other countries and have a professional discussion about challenges, objectives, failures, and success stories that each member country has to share; it is a chance to exchange knowledge about solutions, make sure we are on the right track, and learn from other countries experience to avoid certain mistakes in the reform of the public sector. And, of course, it is a chance to quickly gain professional skills making the most of being surrounded by top professionals for 2 or 3 days.”

Opening the TCOP workshop in Skopje, Macedonia, **Mr. Ardian Xheladini, Deputy Minister of Finance of Macedonia,** explained how important is for his country’s PFM specialists to benefit from experience of other countries, as Macedonia is engaged in very ambitious reforms, especially in public sector accounting and reporting.

**Mrs. Nina Lupan, Director of the State Treasury of the Ministry of Finance,** **Moldova:** stated during the opening of TCOP plenary in Moldova “ PEMPAL is known to be a unique platform for sharing experiences between PFM professionals, and this opportunity for exchange with peers was assisting Moldova in improving its performance and implementing many of its reforms”

**Mr. Yury Seliverstov, Deputy Minister of Finance of the Republic of Belarus**: “Our country, Belarus, has recently launched the public sector accounting reforms, and we consider this PEMPAL event in Minsk as a good opportunity to discuss and receive peer assistance from our colleagues regarding the progress achieved and plans for the future”.

**8. CONCLUSIONS**

**The PEMPAL Strategy 2012-17, proved an effective tool to strengthen the network and it provided a clear vision to guide activities**, with the COP Executive Committees leading its development and implementation. As indicated from feedback from high-level officials and government members, and stakeholders, PEMPAL has become an effective and valuable tool, for member governments from the ECA region to more efficiently and effectively use public monies resulting from applying new PFM practices. This is clearly evidenced in the success stories, impact survey results, and member feedback provided throughout this report, and which is collected systematically as part of PEMPAL’s evaluation framework.

**The objectives of PEMPAL Strategy 2012-17 were achieved with measures put in place after the strategy’s MTR to address identified risks related to sustainability beyond its time period**. Several dimensions of sustainability (quality, secretariat support, financing) required attention during the final years of Strategy implementation. The agreed approach to addressing the sustainability risk required clarification of strategic vision on the longer-term future of PEMPAL. Thus the vision for the next strategy was formulated in 2016 and a clearer definition of network services and knowledge products included in the new strategy. The results framework for the next strategy was also simplified with less action and less performance indicators, and clearly identified baseline data – to facilitate monitoring and reporting. Investigations were also initiated on how to increase financial member contributions, including putting in place arrangements to encourage member countries to finance more delegates to participate in PEMPAL events, and piloting of initiatives to use per diems to partly fund events. Costing scenarios, funding options and risk management strategies were also established, in the event of insufficient funding being gained for the new strategy.

**Several decisions were also made related to specific actions within the Strategy during its MTR**.  These included the decision to keep the network informal, and to not investigate the feasibility of a formal network of PFM institutions.  Actions related to the former Secretariat's contract and benchmarking of its services were also assessed as not valid in light of the interim arrangements having to be established for this mechanism. It was also decided that further work was needed on a number of actions before the end of the Strategy (ie identifying synergies and working projects between COPs; mobilizing of co-financing and in-kind contributions from members). A more systematic approach to identifying cross-COP projects and to collect information on in-kind and financial member contributions was also applied. Those countries making significant in-kind contributions to the network were also made more visible, by reporting on these contributions in the PEMPAL Annual Reports.  An addendum to the strategy was prepared to reflect these key decisions made by the Executive in its 2015 MTR meeting. This addendum was placed on the website next to the strategy. The addendum also noted that the funding gap which existed for the first part of the strategy, had been filled.

**The implementation arrangements worked well over the strategy period** and the unexpected decision of the former Secretariat not to extend the contract with PEMPAL past June 2015 required an emergency change in Secretariat mechanism. The Steering Committee considered the options for future delivery of secretariat services and decided the most feasible option was to keep the interim secretariat mechanism established within the World Bank until the end of the next Strategy period (June 2022), while investigating the market as part of the next strategy’s implementation. Performance indicators of the interim mechanism indicate high level of satisfaction of the performance of the Secretariat and there was minimal disruption to the program’s activities due to the quality team put in place, supported by the World Bank resource team.

**Final implementation cost of the PEMPAL Strategy 2012-17 was USD 9.6 million compared to original estimates of USD 10.54 million**. The reason for the underspend were cost saving measures implemented by the COPs in the last year of the strategy, as a risk management approach to ensure funding was available to conduct activities in the early years of the new strategy, while funding drive efforts were being conducted. The COP Executive Committees, comprising volunteer officials from member governments, were also closely involved in monitoring the implementation of the strategy, its MTR and related addendum adjustments.

# Attachment 1: PEMPAL KEY STATISTICS

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **CY 2012** | **CY 2013** | **CY 2014** | **CY 2015** | **CY 2016** | **CY 2017** |
| Face-to-face events | 5 Plenary6 small group3 study visits1 cross-COP (Executive) | 3 Plenary10 small group8 study visits1 cross-COP (Executive) | 3 Plenary11 small group5 study visits1 cross-COP (all members) | 2 Plenary7 small group6 study visits1 cross-COP (Executive) |  3 Plenary9 small group1 study visit1 cross-COP (Executive) | 3 plenary8 small group1 study visit |
| Videoconferences [[10]](#footnote-11) (excluding Steering Committee and COP Executive meetings) | 0 | 5 | 9 | 12 | 4 | 3 |
| Total number of Events  | 15 | 27 | 29 | 28 | 18 | 15 |
| PEMPAL participants **by agenda** including VCs (from member countries) | 505 | 600 | 831 | 612 | 613 | 527 |
| PEMPAL participants **by location** including VCs (from member countries) **[[11]](#footnote-12)** | 434 | 433 | 759 | 561 | 517 | 396 |
| Number of Different Hosting countries[[12]](#footnote-13) | 11 | 11 | 13 | 12 | 8 | 7 |
|  o/w PEMPAL member countries | 7 | 7 | 8 | 6 | 5 | 5 |
| Total event expenses (gross) | USD 1.34 million | USD 1.48 million | USD 1.9 million | USD 1.1 million | USD 1.2 million | USD 0.98 million |
| Net expenses/ participant/event | USD 2340 | USD 2646 | USD 1,983 | USD 1,371 | USD 1,775 | USD 1,912 |
| Gross expenses/participant/event | USD 3098 | USD 3429 | USD 2,481 | USD 1,963 | USD 2,294 | USD 2,493 |

**Attachment 2. Examples of PEMPAL impact**

|  |  |
| --- | --- |
| Country  | **Table A1: Individual Country Examples of impact of PEMPAL, 2012- 2016**  |
| Albania | **Albania** used PEMPAL as an essential tool to assist with the development of a PFM strategy to progress reforms that resulted in normative acts to support payment of taxes through an automated treasury IT system and the establishment of e-taxation, VAT, e-payments, and customs automation. Lessons were taken from the Integrated FMIS’ of both Azerbaijan and Turkey; Ukraine’s treasury controls; Georgia’s accounting and reporting reforms; and Russia’s budget transparency reforms. Albania has also been able to help other countries, through hosting PEMPAL meetings on liquidity management and treasury controls (TCOP), internal audit risk assessment (IACOP), and program budgeting and performance management (BCOP).  |
| Belarus | **Belarus** has used PEMPAL to inform approaches to reforms such as public sector accounting and convergence with IPSAS; development of Belarus’ FMIS modernization concept; and FMIS design. Belarus has received peer and expert advice on such reforms through PEMPAL’s TCOP. This led to close collaborations with a number of countries more advanced in reforms who could assist through providing advice on reform development and implementation. Belarus has also been able to help other countries and it has hosted several meetings in Minsk in 2016: on fiscal rules and budget transparency for BCOP and on public sector accounting for TCOP. |
| Georgia | **Georgia** has used PEMPAL to advance its reforms while also sharing its approaches in the areas of internal audit quality assurance (shared with 13 other IACOP member countries); IT systems for budget and treasury planning (shared with 9 other TCOP member countries and 6 other BCOP member countries respectively); and accounting and reporting approaches (shared with 16 TCOP countries). It sees PEMPAL as a valuable resource to gain advice and ‘road test’ potential reforms and it has used the collection of experiences gathered by other countries, to ensure evidence-based policy making e.g. in the implementation of an IFMIS; establishment of the Central Harmonization Unit; and internal audit capacity building. |
| Kyrgyz Republic | **Kyrgyz Republic** has used PEMPAL to review budget legislation provisions of Russia, Kazakhstan, Georgia and others; the role of Austria’s Parliament in the budget process; and South Africa’s budget related reforms. This work has contributed to the development of the Budget Code of the Kyrgyz Republic, which was passed by the Parliament of the Kyrgyz Republic in April 2016. PEMPAL has also helped to inform developments in program budgeting and budget transparency reforms with Kyrgyz Republic being the most improved across the PEMPAL region in the 2015 Open Budget Index. Kyrgyz Republic also holds positions on the working groups actively progressing these reforms and holds membership in all three Executive Committees given the value it has experienced from using the network to share and create knowledge with peers and external experts. Such knowledge exchange has also facilitated internal audit law making and methodology design, in addition to internal audit training and certification for which the IACOP knowledge product has been very valuable. Kyrgyz Republic has also begun hosting meetings for PEMPAL including one in 2015 for IACOP and plans for one for BCOP in 2017.  |
| Moldova  | **Moldova** has been able to use PEMPAL as a way to meet peers from different countries and experts in the field of treasury, internal audit and internal control to advance reforms. For example, it joined PEMPAL in 2006 when internal audit and internal control reforms had only just started implementation and it has been able to use PEMPAL’s opportunities to access peers, experts and knowledge products to develop its own national practices. Moldova has also been able to share its experiences through PEMPAL, and has hosted a study visit in 2015 for Armenia, Kazakhstan, Russia and Ukraine on financial management control and internal audit implementation as well as the role and activities of the Central Harmonization Unit. In 2016, Moldova was also able to use IACOP’s practical guide on Quality Assessment, to create a system for external assessment of internal audit activity.  |
| Russian Federation | **Russian Federation** has benefited from PEMPAL by gaining access to international trends and practices and has established valuable collaborations with other member countries, and international bodies such as the World Bank, IMF, OECD and IBP. PEMPAL has assisted in fiscal legislation amendments (TCOP); innovative ways to engage citizens and students with budget information (BCOP); and to design regulations on internal financial control and audit of key spending units (IACOP). Russia provides leadership to several of the COP working groups, is active in the PEMPAL Steering Committee, and its MoF is one of the key PEMPAL donors. It has also shared its expertise and knowledge with other member countries across many reform issues such as program budgeting, fiscal transparency, treasury modernization, budget literacy reforms, and information portals.  |

|  |
| --- |
| Table A2: Examples of PEMPAL impact by thematic area, 2012- 2016 |
| Use of IT in treasury operations | **A dedicated TCOP Working Group from 10 countries** uses the collaborations supported by PEMPAL **to develop, strengthen and reform FMIS used for MoF and treasury functions**. This has included studying member country experiences, best international practices, and live demonstrations of systems’ functionalities.Peer advice has been used in particular by Belarus, Tajikistan, Georgia and Azerbaijan to strengthen their systems. Information has been shared through PEMPAL on the approaches of Azerbaijan, Belarus, Russia, Kazakhstan, Turkey, South Korea, Georgia, and Moldova. |
| Program and Performance Budgeting | BCOP has held several annual meetings on this topic which enabled sharing of approaches between up to 21 BCOP member countries, and countries outside the region such as Estonia, France, Poland, Austria, Ireland, and Sweden. Fifteen countries have since formed a working group in early 2016 to dedicate more time to strengthening reforms. **Thirteen** **countries have participated in the OECD Performance Budgeting survey including participating in explanatory survey workshops arranged through PEMPAL with OECD to facilitate documenting and benchmarking practices** with those across the OECD region. In-depth discussions have also been held with representatives from the French Ministry of Finance, the World Bank, and the OECD SBO Performance and Results network on the use of spending reviews and other tools to strengthen performance.  |
| IACOP Knowledge Products | **Unique knowledge products developed by IACOP serve as reference materials on best practice gathered from around the world.** Member countries have developed these products on: best practice on internal audit; a template on best practice on continuous professional development; a body of knowledge on internal audit; risk assessment when planning an audit; a manual on quality assurance and improvement; and a concept on collaboration between internal audit, financial inspection, and external audit. For example, the IACOP’s Quality Assurance Guide (QAG) has been used by Bosnia and Herzegovina, Moldova, Croatia, Serbia and Ukraine and many countries have said the guide is excellent, useful and of high quality. The QAG provides a common methodology to understand how to apply international standards and best practices to improve the quality of internal audit practice, including the processes used for internal and external assessment using quality assessment tools and techniques. The QAG also includes the possibility of IACOP assessment missions whereby the IA system at the national level can be assessed by a panel of IACOP peers and a few countries have expressed an interest to pilot the methodology to assess their systems in such a way. |
| Fiscal and Budget Transparency | **A Budget Literacy and Transparency Working Group has been established since 2015** to learn from international experience in raising budget literacy among citizens and to strengthen budget openness and accessibility. Up to 15 countries have been meeting regularly including benchmarking practices through PEMPAL and IBP surveys, and examining budget literacy practices internationally. Approaches of engaging citizens by Canada, UK, Russian Federation and Croatia have also been examined in-depth. The Working Group identified 10 challenges to developing Citizens’ Budgets in the region, and documented them in a knowledge product that identifies peer and international advice to address them. PEMPAL has enabled collaborations to be established with the World Bank, IBP, GIFT and OECD on various aspects of fiscal and budget transparency, and the Working Group has also presented its progress at OECD Senior Budget Officers meetings including providing input to OECD’s Budget Transparency Toolkit during 2016. |

**Attachment 3: COP events held in 2017.**

**Budget COP**

**PEMPAL Budget Community of Practice Annual Plenary Meeting on Tools for Fiscal Management**

**Dates:** April 11-14, 2017

**Location:** Bishkek, Kyrgyz Republic

48 members of BCOP representing 14 countries (Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kyrgyz Republic, Moldova, Montenegro, Romania, Russian Federation, Serbia, and Ukraine) met in Bishkek, Kyrgyz Republic for BCOP’s annual plenary meeting.

**The key objectives of the meeting** were to share PEMPAL and international good practice in the use of fiscal management tools with a focus on fiscal risks management; program and performance budgeting; and budget literacy and transparency.  The event also served as a forum to update members on the work of BCOP; and to report back on priorities gathered in the pre-meeting survey to inform the development of the BCOP Action Plan 2017-19.

**The results of the meeting** included an increased understanding of the need to strengthen fiscal risk management in the region through the sharing of good practices by IMF, World Bank and country case study Latvia. International trends on budget transparency and public participation were also shared by the International Budget Partnership (IBP), Global Initiative for Fiscal Transparency (GIFT) with Brazil and Kyrgyz Republic presenting good practices. This assisted the BCOP Working Group on Budget Literacy and Transparency to finalize its knowledge product on Citizens Budgets. Preliminary results were also shared on the outcomes of the 13 member countries participating in the OECD Performance Budgeting survey and members shared experiences and challenges on how performance indicators are selected, and how to ensure they are used as a cost-effective tool.

The summary of discussions, as well as the main results of the meeting can be found in the event report, posted on the PEMPAL website.

### PEMPAL Budget Community of Practice meetings of Thematic Group on Budget Literacy and Transparency

**Dates:** June 22-23, 2017
**Location:** Moscow, Russia

12 participants of BCOP representing 10 countries (Armenia, Belarus, Bosnia and Herzegovina, Croatia, Kazakhstan, Kyrgyz Republic, Romania, Russian Federation, Tajikistan, Uzbekistan) met in Moscow, Russia for the World Bank/MoF Russian Federation Budget Literacy Conference followed by a meeting of the BCOP Working Group on Budget Literacy and Transparency.

**The key objectives of the Budget Literacy conference** were for the World Bank and the Russian Federation Ministry of Finance in cooperation with the Russian Federation Ministry of Education and Science to present the final project outcomes and deliverables from its budget literacy training curriculum that was introduced in pilot regions in Russia.  After the conference, the BCOP Budget Literacy and Transparency working group met to provide an opportunity for OECD to provide an overview of the new Budget Transparency Toolkit, and to initiate discussions of working group members on how to strengthen public participation in the budget process, which is weak in the region and globally.

**The results of the conference** are important not only for the social and economic development of Russia, but also globally, contributing to the evolving budget literacy agenda. The BCOP working group also learnt from the Russian experience in implementing budget literacy curriculum in schools which aims to assist students to become active citizens who understand and want to engage in government budget decision making. The working group is in the process of finalizing its knowledge product on Citizens Budgets, which has led to an increase of the availability of accessible budget information in the region, and it hopes to use this work to facilitate more demand and engagement in the budget process in the future. This was the subject of preliminary discussions which were initiated after the conference which included participants from the World Bank, OECD and the Croatian Institute of Public Finance.

The summary of discussions, as well as the main results of the conference and working group meeting can be found in the event report, posted on the [PEMPAL website.](https://www.pempal.org/events/budget-literacy-and-transparency-working-group)

### ****BCOP participation in OECD Senior Budget Officials regional network for Central, Eastern and South-Eastern European Countries meeting (July 6-7, 2017, Paris, France)****

This was the sixth annual OECD CESEE SBO meeting in which BCOP participated. These annual meetings give the opportunity for PEMPAL BCOP members to network with the Ministries of Finance of the OECD CESSEE countries and learn about their current developments and plans in budgeting.

**The objectives of the meeting** were to review the results of the OECD-PEMPAL Survey on Performance Budgeting and discuss the development of the OECD Best Practices for Performance Budgeting, and to discuss several other topics of priority interest for the participants.

**The results of the meeting** included in depth analysis of the results of OECD-PEMPAL Survey on Performance Budgeting, as an input into the OECD Best Practices for Performance Budgeting. Participants reviewed also the recent budgeting and public expenditure developments in several OECD countries. The process of introducing spending reviews was discussed, including what the output of the review process should be, and how the review could potentially be linked to other developments in modern budgeting. OECD team consulted with the participants on the OECD’s forthcoming Gender Budgeting Toolkit, seeking to identify essential tools for gender budgeting, good practice examples and lessons learned from countries experience, was presented. The event also served the forum for dissemination of the findings of the BCOP knowledge product Breaking Challenges in Constructing Citizen Budgets for PEMPAL Countries (being finalized).

### ****Program and Performance Budgeting – KPIs to track performance under government programs (videoconference)****

The videoconference meeting brought together members of the BCOP Working Group (WG) on Program and Performance Budgeting.  This WG is comprised of up to 15 BCOP member countries, and aims: i) to identify key trends in program budgeting implementation and spending reviews and ii) to learn from specific PEMPAL and international country examples in these areas.

**The objective of the meeting** was to discuss performance indicators countries use to track performance under government programs, and to decide further agenda of the WG on performance indicators.

**The results of the meeting** included the WG's review of the collected performance indicators to track performance under government programs. The findings of the Performance Budgeting Survey conducted in 2016 indicate that PEMPAL countries have a common challenge in defining and tracking performance indicators. Performance indicators collected from nine WG member countries were discussed. Participants identified general trends in setting performane indicators and agreed on what aspects of performance indicators the WG could continue working on in the future.  Based on the discussions held during the meeting, a presentation on performance indicators in PEMPAL countries will be developed and delivered by the WG leadership at the November 2017 meeting of the OECD Performance Network.

Brief information on the WG’s activities and achievements since its launching in 2016 is presented in the working group’s Success Story available at [PEMPAL web site.](https://www.pempal.org/sites/pempal/files/ppbpages22.pdf)

### ****BCOP Budget Literacy and Transparency Working Group Meeting via Videoconference (October 27, 2017)****

The videoconference was attended by representatives from 7 member countries of BCOP's Working Group on Budget Literacy and Transparency: Belarus, Croatia, Kazakhstan, Kyrgyz Republic, Russia, Tajikistan, and Uzbekistan. Representatives of the World Bank, IBP and GIFT participated in the discussion.

**The objective of the meeting**was to discuss next steps in the group's activities, including identifying PEMPAL country cases to be collected for inclusion in the planned knowledge product on public participation, and what reforms would be feasible for member countries to consider.

**The results of the meeting**included participants' familiarization with the background paper developed to support discussions of the working group to conceptualize a knowledge product to assist in future reforms in public participation.  Such a knowledge product will build on the working group’s previous knowledge product on breaking challenges to constructing citizens’ budgets, which was developed in 2016-17 and led to a significant improvement in the availability of such documents in the region, as evidenced by the preliminary results of the IBP’s 2017 Open Budget Survey. In addition, experts from GIFT and IBP shared information on interesting international country cases, including those based on preliminary results of the latest Open Budget Survey currently underway. The working group plans to review these cases to determine a destination for a study visit planned in the BCOP Action Plan for late Spring 2018.

### ****BCOP participation in OECD Senior Budget Officials Performance and Results Network Meeting (November 16-17, 2017, Paris, France)****

Small BCOP delegation led by BCOP Chair and including selected members participating in the BCOP Program Budgeting Working Group (representatives of Russia and Turkey) were invited by the OECD to participate in the annual meeting of OECD Senior Budget Officials’ Network on Performance and Results.

**The main objectives of this meeting** were to learn about the current state of affairs and plans of OECD countries in performance budgeting reforms and to share in a dedicated session of the meeting the status of performance budgeting in PEMPAL member countries with a focus on use of performance indicators in program and performance budgeting.

**The results of the meeting included**participants' familiarization with newest trends in performance budgeting in OECD countries; BCOP's active contribution in discussing and providing suggestions for improvement of OECD’s Draft Best Practices in Performance Budgeting; as well as dissemination of BCOP's work on knowledge product on performance indicators in PEMPAL countries, which were commented on by the OECD Senior Budget Officials during the meeting. Moreover, based on OECD's request, a detailed presentation of the Russia's country case in performance budgeting was delivered by the Lead of the Program and Performance Budgeting Working Group, which generated lively discussion.

**Treasury COP**

**PEMPAL Treasury Community of Practice study visit of the Thematic Group on Use of Information Technologies in Treasury Operations**

**Dates:** March 20-22, 2017
**Location:** Vienna, Austria

19 members of the TCOP thematic group on Use of informatiom technologies in treasury operations, representing 8 countries (Albania, Azerbaijan, Belarus, Georgia, Kazakhstan, Moldova, Russian Federation, and Ukraine) joined the study visit to the Federal Ministry of finance of Austria, in Vienna.

**The objective of the study visit was** to familiarize the participants with the main features,  functionalities and the mode of operation of the Austrian Financial Management Information System (FMIS) SAP R/3.

**The main results of the visit included**TCOP members' familiarization with the main functions of the Austrian Federal Ministry of Finance and its units involved in operation of the financial management information system. Participants received comprehensive information related to hosting country's experience in implementing and operating the SAP R/3 system. In depth information was obtained on several key business processes supported by the SAP R/3 information system, including budget planning, execution and reporting; cash management and debt management processes; placement of government bonds and processes related to management of federal assets. TCOP members were familiarized also with the core competencies and activities of the Federal Computing Center of Austria (BRZ), its business strategy and strategic challenges.

The summary of discussions, as well as the main results of the meeting can be found in the event report, posted on the PEMPAL website.

### PEMPAL Treasury Community of Practice meeting of Thematic Group on Cash Management and Forecasting

**Dates:** April 4-6, 2017

**Location:** Moscow, Russia

43 members of the TCOP thematic group on Cash Management and Forecasting representing 11 PEMPAL countries (Albania, Armenia, Azerbaijan, Belarus, Croatia, Kazakhstan, Kyrgyz Republic, Macedonia, Montenegro, Russian Federation, and Turkey) met in Moscow, Russia.

**The objective of the meeting** was to provide an opportunity to the group members to discuss selected issues of priority professional interest based on experience of the hosting country, the Russian Federation. The event also served as the forum for updating the thematic group activity plan.

**The main results of the meeting** included familiarization of TCOP members with the approaches used by the Federal Treasury of Russia to manage and forecast cash balances, along with the strengths and the latest challenges confronting Russia in optimizing its cash position. Further improvements planned by the hosting country include targeting the cash balance of the Treasury Single Account (TSA), expanding the TSA operation and coverage, and targeting greater cooperation with the Central Bank as the Russian Federation moves towards even more active cash management. All countries provided reports on the status of this relationship in their countries, and challenges and proposed improvements to strengthen the relationship with Central Banks in the region. The event highlighted the need for integration between cash management and forecasting and debt management policies, to ensure congruence regarding actions which impact the government’s balance sheet. Participants also updated the working plan of the TCOP Cash Management thematic group.

The summary of discussions, as well as the main results of the meeting can be found in the event report, posted on the [PEMPAL website.](https://www.pempal.org/events/pempal-tcop-thematic-group-meeting-cash-management-0)

### PEMPAL Treasury Community of Practice Annual Plenary Meeting on Risk Management in Treasury Operations

**Dates:** May 30 – June 1, 2017
**Location:** Vienna, Austria

45 members of TCOP representing 16 countries (Albania, Armenia, Azerbaijan, Belarus, Bulgaria, Croatia, Georgia, Hungary, Kazakhstan, Kyrgyz Republic, Moldova, Russian Federation, Serbia, Tajikistan, Turkey and Ukraine) met in Vienna, Austria for TCOP’s annual plenary meeting.

**The main objectives of the** **meeting** were to deepen the understanding of the concepts and definitions related to risk management by the COP members and share the ideas and experiences on how these could be applied to the core national treasury functions in the participating countries. The event also served as a forum to review the results of TCOP activities over the last year and to discuss the COP’s medium-term strategic plan for the future period.

**The results of the meeting** included an increased understanding of the conceptual basis related to risk management, and its particular application to public financial management and the treasury function specifically. Participants discussed selected types of risks relevant for the treasury activities, including operational risks related to payments and other elements of budget execution, risks related to the use of IT systems and risks relevant for the cash management function. Risk Management experience of several participating countries in specific PFM areas were presented during the event, including cases of Azerbaijan, Belarus, Georgia, Russian Federation and Turkey.  Cross-COP collaborations were also strengthened with the Internal Audit Community of Practice (IACOP) sharing results of the work of its thematic group that produced the Risk Assessment in Audit Planning Guide released by IACOP in 2014.

The summary of discussions, as well as the main results of the meeting can be found in the event report, posted on the [PEMPAL website.](https://www.pempal.org/events/tcop-plenary-meeting-risk-management)

**TCOP videoconference of thematic group on Use of Information Technologies in Treasury Operations (December 12, 2017)**

The videoconference was attended by 15 members of the thematic group from 6 countries (Albania, Azerbaijan, Belarus, Kazakhstan, Moldova and Turkey).

**The main objective**of the meeting was to share the experience of Kazakhstan on introducing the 4th budget tier at the local government level.Another objective of the meeting was discussing the preparation of the thematic group meeting to be held on April 10-12, 2018 in Baku, Azerbaijan.

**The results of the meeting** included the group members' familiarization with Kazakhstan's experience with introducing the 4th budget tier at the local government level. Comprehensive information was provided in several specific areas, notably: on the national budget system, revenues and expenditures of local governments, and the current local governments financings arrangements. The speakers described the existing Treasury information system, Treasury-Client solution as well as the efforts to integrate information systems. The VC participants discussed also the issues related to preparation of the next face-to-face meeting of the group, planned to taek place in Baku in April. Discussion focused on the actions required to prepare the meeting, including the development of the event concept and preliminary agenda.

Materials of the meeting can be found on the web site[.](https://www.pempal.org/events/tcop-thematic-videoconference-use-information-technologies-treasury-operations-1)

**Internal Audit COP**

### ****PEMPAL Internal Audit Community of Practice meeting of the Audit in Practice Working Group****

**Dates:** March 29, 2017
**Location:** Budapest, Hungary

On March 29, IACOP members participated in the meetings of the Audit in Practice working group, which took place in Budapest, Hungary. The IACOP event brought together around 80 officials from 29 countries including Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Brazil, Bulgaria, Croatia, Czech Republic, France, Georgia, Hungary, Kazakhstan, Kosovo, the Kyrgyz Republic, Macedonia, Moldova, Montenegro, the Netherlands, Romania, Russian Federation, Romania, the Republic of South Africa, Serbia, Tajikistan (on VC), Turkmenistan, Ukraine, United Kingdom, and Uzbekistan.

**The objectives of the meeting** were to:

* Review the complete audit cycle
* Discuss the experience in application of International Standard for the Professional Practice of Internal Auditing (ISPPIA) 2210 – Engagement Objectives
* Understand the theory and practice in establishing audit objectives
* Agree on the next steps in the AiP WG

**The results of the meeting**were:

* Participants got a solid understanding of the application of ISPPIA 2210 –Engagement Objectives. Participants discussed the audit cycles, the respective ISPPIAs and the scope of different types of audits.  Special attention was paid to the audit planning phase.
* Members of the working group recognized the key challenges in establishing audit objectives through the work on a practical exercise, designed by the Dutch Academy representatives based on an actual internal audit assignment conducted within the Ministry of Justice.
* The mobile application designed to facilitate the access to the IACOP knowledge products was presented. This is a breakthrough in automation of the IACOP knowledge products, providing much broader access and enhancing the use of the unique IACOP good practices
* The next steps in AiP WG were established

Materials of the meeting can be found on the web site[.](https://www.pempal.org/events/iacop-internal-control-and-audit-practice-working-groups-meeting)

**PEMPAL Internal Audit Community of Practice meeting of the Internal Control Working Group**

**Dates:** March 30-31, 2017
**Location:** Budapest, Hungary

The IACOP Internal Control Working Group meeting was held on March 30-31 in Budapest, Hungary. The IACOP event brought together around 80 officials from 29 countries including Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Brazil, Bulgaria, Croatia, Czech Republic, France, Georgia, Hungary, Kazakhstan, Kosovo, the Kyrgyz Republic, Macedonia, Moldova, Montenegro, the Netherlands, Romania, Russian Federation, Romania, the Republic of South Africa, Serbia, Tajikistan (on VC), Turkmenistan, Ukraine, United Kingdom, and Uzbekistan.

 **The objectives of the meeting** were to:

* Learn the key recent developments on Public Internal Control (PIC) reforms in the ECA region and beyond
* Understand the internal and external factors for establishment of sound accountability through the three lines of defense
* Contrast the accountability concept applied in centralized vs decentralized public administration systems, sharing member countries’ good practices in addressing implementation challenges
* Elaborate the role of the CHU and internal auditor in enhancing accountability
* Produce a first draft of the PIC glossary with emphasis on accountability

The third edition of the newspaper on latest developments in public internal control reform from 5 PEMPAL member countries (Hungary, Macedonia, Romania, Croatia, Bosnia and Herzegovina) was published and discussed during the meeting.

Representative from DG Budget, European Commission, made a presentation on the topic of *Accountability as an icon of good governance from EU perspective*. The presentation was followed by a panel discussions and breakout group discussions around the tables about the role of the senior management in establishing accountability in the centralized and decentralized administration: internal and external factors.

The panel discussions were followed by the group discussions on t*he role of the First, Second and Third Lines of defence in establishing accountability in the centralized and decentralized administration: internal and external factors*. The challenges of implementation were shared by representatives of the Netherlands, Russian Federation, Albania, Romania, Republic of Moldova, Hungary, Belgium, UK Government, RSA and Brazil.  Participants also discussed the role of CHU in enhancing accountability.

The first draft of the PIC glossary with emphasis on accountability was presented. Participants provided their inputs to the first 10 definitions related to the topic of workshop. Participants concluded to continue works on the draft Glossary adding information identifying the primary sources of definitions.

**The results of the meeting included:**

* Enhanced understanding of accountability concept and its implementation in practice
* Solid understanding of the role of CHU and internal auditor in establishment of sound accountability
* Structure of the glossary agreed

Materials of the meeting can be found on the web site[.](https://www.pempal.org/events/iacop-internal-control-and-audit-practice-working-groups-meeting)

### ****IACOP Plenary meeting and Audit in Practice Working Group (AiP WG) meeting (Tashkent, Uzbekistan, October 24-27, 2017)****

The IACOP event brought together around 70 participants from 26 countries.  The IACOP coordination and support team secured the Dutch Academy of MOF contribution to the event.  High level country participants from Brazil (President of CONACI), RSA (Internal Audit reform lead, via VC), Federal Treasury of the Russian Federation (two deputy directors) joined the IACOP event to learn from the IACOP and share their experience. High level MOF officials also attended the IACOP events including Deputy Ministers and Department Directors. The activity enjoyed support from the Government of Uzbekistan and was extensively covered not only by the media in Uzbekistan, but also by the Ukrainian, Russian and Brazilian media.

**The objectives** **of the Plenary meeting** were to share the latest achievements in reforming internal audit in IACOP member countries and to explore the role of the CHU based on the evolution of public internal audit. IACOP also had to review it' s strategy implementation status and the progress of its working groups and to receive insights on the internal audit reform plans in Uzbekistan. **The Audit in Practice working group objectives**were to review audit engagement planning process and to receive solid theoretical and practical knowledge on drafting an audit engagement plan.

**The results of the Plenary** meeting include the evidence of the knowledge generated by the IACOP and country effective applications and IACOP’s practitioners’ feedback provided to Uzbekistan’s plans with internal audit reforms.  **The results of the working group** were the knowledge participants got in drafting the audit objectives. Practical case studies for internal audit mission planning phase were developed to be used as a training tool.

On the request from the Government of Uzbekistan several additional events (10 in Tashkent and one in the region) were delivered in parallel with the IACOP meeting, including five parallel conferences, and two press conferences/talk shows linked to the IACOP events, reaching out to more than one thousand (1,000) public sector officials. One of the conferences was organized for 42 deputy ministers and governmental Anti-Corruption Committee members.

Materials of the meeting can be found on the web site[.](https://www.pempal.org/events/iacop-pempal-event-plenary-meeting-and-audit-practice-working-group-aip-wg-meeting)

##### **Attachment 4. Summary of responses to the standard questions from the PEMPAL event evaluation surveys.[[13]](#footnote-14)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Question[[14]](#footnote-15)** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** |
| Was this your first participation in a PEMPAL event? (%) | 39.5 | 20.1 | 25.9 | 20.9 | 22.9 | 23.6 |
| How do you rate your participation in this event? (Active, %) | 51.6 | 65.7 | 60.35 | 56.6 | 68.3 | 60.1 |
| How do you rate the event duration overall? (Too short, %) | 13.7 | 25.9 | 15.7 | 14 | 19.4 | 17 |
| The level of the event was appropriate for a person with my experience and knowledge | 4.7 | 4.5 | 4.6 | 4.5 | 4.7 | 4.7 |
| I learned from the experience of other participants in the event | 4.3 | 4.3 | 4.5 | 4.4 | 4.4 | 4.6 |
| Participants had about equal level of prior expertise relevant to the event topics | 3.8 | 3.7 | 4.0 | 4.0 | 4.0 | 4.0 |
| Content of presentations, hand-outs and other materials ware appropriate for a person with my level of knowledge |  | 4.5 | 4.6 | 4.55 | 4.7 | 4.7 |
| The event agenda was properly planned |  | 4.6 | 4.7 | 4.6 | 4.75 | 4.7 |
| The content of the event was properly prepared  |  | 4.6 | 4.75 | 4.6 | 4.8 | 4.75 |
| The event addressed issues important to my work | 4.4 | 4.5 | 4.65 | 4.6 | 4.75 | 4.7 |
| The event covered a right number of topics for the amount of time available | 4.35 | 4.2 | 4.6 | 4.5 | 4.5 | 4.4 |
| The topics for the group discussions were relevant | 4.6 | 4.5 | 4.6 | 4.6 | 4.7 | 4.7 |
| Enough time was reserved for group discussions |  | 4.1 | 4.5 | 4.4 | 4.9 | 4.2 |
| Presentations made during the event were relevant and useful | 4.3 | 4.5 | 4.7 | 4.6 | 4.7 | 4.7 |
| Enough time was reserved for questions to speakers | 4.3 | 4.2 | 4.6 | 4.4 | 4.5 | 4.4 |
| Quality of organization | 4.85 | 4.6 | 4.8 | 4.7 | 4.8 | 4.9 |
| Quality of administration | 4.7 | 4.6 | 4.9 | 4.7 | 4.9 | 5.0 |
| Did you receive the agenda and event information in sufficient time before the event for them to be useful? (Yes, %) | 100 | 95.8 | 98.6 | 94.9 | 98.2 | 100 |
| Did you receive practical information (about the accommodation and other facilities, etc.) prior to the event? (Yes, %) | 100 | 98.5 | 99 | 97.7 | 98.3 | 100 |
| Are you satisfied with the quality of simultaneous[[15]](#footnote-16) interpretation provided during the event? |  | 4.3 | 4.6 | 4.6 | 4.75 | 4.8 |
| Are you satisfied with the quality of written translation of event materials? |  | 4.4 | 4.7 | 4.5 | 4.7 | 4.7 |
| Did the event disappoint, meet, or exceed your expectations? (Exceed, %) | 33.2 | 24.9 | 26 | 26.9 | 18.1 | 29.9 |
| I will be able to apply the knowledge acquired at this event to my work | 3.9 | 4.2 | 4.5 | 4.4 | 4.4 | 4.5 |
| Do you plan to brief your colleagues on this event? (Yes, %) | 100 | 98.9 | 97.3 | 97.65 | 98.4 | 99.7 |
| Overall, my satisfaction with the event was... | 4.75 | 4.6 | 4.75 | 4.7 | 4.75 | 4.8 |

**Attachment 5: PEMPAL Event Expenses**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** |
|  | USD | % | USD | % | USD | % | USD | % | USD | % | USD | % |
| Transport | 336,676 | 33 | 388,713 | 34 | 374,004 | 25 | 241,558 | 31 | 267,800 | 29 | 231,984 | 31 |
| Accommodation | 475,106 | 47 | 507,674 | 44 | 409,457 | 27 | 196,140 | 25 | 208,100 | 23 | 209,476 | 28 |
| Meals | Included above |  | Included above |  | 221,233 | 15 | 120,168 | 16 | 128,700 | 14 | 103,017 | 14 |
| Translation/interpretation / moderation | 170,170 | 17 | 195,368 | 17 | 192,541 | 13 | 134,883 | 18 | 185,400 | 20 | 154,372 | 20 |
| Conference facilities |  |  |  |  | 224,185 | 15 | 33,525 | 4 | 86,500 | 9 | 42,044 | 5 |
| Other | 26,305 | 3 | 53,902 | 5 | 83,409 | 5 | 42,829 | 6 | 41,300 | 5 | 16,309 | 2 |
| **Total administrative and logistical expenses related to event organization (net)** | **1,015,712** | **100** | **1,145,657** | **100** | **1,504,829** | **100** | **769,104** | **100** | **917,797** | **100** | **757,201** | **100** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Total administrative and logistical expenses** (**gross**, incl. costs of secretariat and other administrative expenses not attributable to individual events) | **1,344,450** |  | **1,484,955** |  | **1,883,210** |  | **1,101,079** |  | **1,185,797** |  | **987,200** |  |
| Gross administrative and logistical expenses per participant | 3098 |  | 3429 |  | 2481 |  | 1963 |  | 2294 |  | 2493 |  |
| Net administrative and logistical expenses per participant | 2340 |  | 2646 |  | 1983 |  | 1371 |  | 1775 |  | 1912 |  |
| # of COP participants by event location (agenda) | 434 (505) |  | 433 (600) |  | 759 (831) |  | 561 (612) |  | 517 (613) |  | 396 (527) |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |

1. Partial membership in one community of practice only (IA COP) [↑](#footnote-ref-2)
2. Partial membership in one community of practice only (IA COP) [↑](#footnote-ref-3)
3. Refer <https://www.pempal.org/events/pempal-executive-meeting-mid-term-review-pempal-strategy-2012-17-consideration-results-and>. [↑](#footnote-ref-4)
4. Refer to PEMPAL website: <http://www.pempal.org/about/action-plans/iacop> [↑](#footnote-ref-5)
5. The Secretariat undertakes reporting on a calendar year (CY) basis. [↑](#footnote-ref-6)
6. All minutes available at <http://www.pempal.org/about/governance/ex-com-bcop/> [↑](#footnote-ref-7)
7. All minutes available at <http://www.pempal.org/about/governance/ex-com-tcop/> [↑](#footnote-ref-8)
8. Calculations made on member country participants by location including videoconferences. [↑](#footnote-ref-9)
9. Administrative expenses in gross terms include Secretariat costs and other administrative expenses not attributable to individual events [↑](#footnote-ref-10)
10. Excluding all individual SC and Executive Committee meetings. [↑](#footnote-ref-11)
11. Participants by agenda count the participant for each event if that event has a different objective and expected results. For example, if a member attended three meetings held in the one location (back-to-back), they would be counted three times by agenda (to report to donors and stakeholders on achieving results). Whereas, by location, the member would only be counted once. This latter classification is used for average cost calculations. [↑](#footnote-ref-12)
12. Where countries hosted more than one event, it was only counted once. [↑](#footnote-ref-13)
13. Simple averages for all face-to-face events held in the respective year. [↑](#footnote-ref-14)
14. Questions from the standard survey template. If not indicated otherwise, response scale used is 1 to 5, where 5 is the maximum possible (best) rating. [↑](#footnote-ref-15)
15. Or consecutive interpretation for some events. [↑](#footnote-ref-16)